

SUSTAINABILITY REPORT 2020



INDEX

PRESENTATION	04
LEADERSHIP MESSAGE	06
MISSION, VISION AND VALUES	10
COVID-19: CHALLENGES AND ACTION	12
INNOVA	14
Our Origins, Where We Are Today.	16
Our Products in People's Lives	20
Highlights of 2020	30

CORPORATE GOVERNANCE	32
Governance Structure	32
Compliance and Ethical Conduct	36
Risk Management	38
OUR PATHS TO THE FUTURE	40
Business Model	40
Innovation	46
Sustainability	50
Next Steps	52

BUSINESS PERFORMANCE	60
Macroeconomic and Sectorial Scenario	60
Economic-Financial Performance	65
Operational Performance	69
OUR VALUE CHAIN	76
Employees	76
Health and Safety	80
Customers	98
Supply Chain Responsibility	102
Shared Value	104
Supporting Culture	108

EFFICIENT RESOURCE MANAGEMENT	116
Materials Use	116
Energy Efficiency	116
Effluent and Waste Management	120
Emissions Management	124
ABOUT THE REPORT	126
Materiality Matrix	126
GRI (GLOBAL REPORTING INITIATIVE) ANNEXES	128
GRI CONTENT SUMMARY (GLOBAL REPORTING INITIATIVE)	131
CREDITS AND ACKNOWLEDGEMENTS	142





A large, clear panorama in the communication of the Company's results is how we have prepared our Sustainability Report, which covers the period from January 1 to December 31, 2020.

The following pages express, in depth, our forms of management, and more: the practical performance of Innova in environmental, social and governance aspects, evaluated as the most relevant by our stakeholders. [GRI 102-50](#)

For the second consecutive year, the content was prepared, based on the guidelines of the Global Reporting Initiative (GRI), Standards version, Essential agreement option, as well as on the premises of the International Integrated Reporting Council (IIRC). Learn more about the report construction process in the "About the Report" section. [GRI 102-54](#)

Enjoy the text!

Leadership Message

GRI 102-14



Photo: Liz Vanin Parisotto

WORDS, IMAGINATION, ACTION

There are words that, used in such an easy and to some extent gratuitous way, lose their meaning, eventually becoming mere sounds. That is what must be avoided in the case of the great word: sustainability.

I always emphasize that I think of sustainability as being synonymous with the ability to adapt. In this retrospect of 2020, the year when we were tested to the limit, it falls to me here to evaluate how we reacted to the context imposed by COVID-19.

In the first months of the pandemic, our activity plummeted. Although the world stopped, there was no way to stop investments, which were in full swing. What is more, the entire flow of our supply chain had to be adjusted, in real time and on a global scale. Our prime necessity was to guarantee security and stability for our employees.

We found a source of encouragement in the Disposables for Health campaign, conducted together with our clients that manufacture disposables with Innova polystyrene: together, we distributed more than 27 million plates, cups and cutlery sets to hospitals and institutions throughout Brazil. All delivered in a matter of a few days. The speed of this mobilization will be etched in the memory of the Company, and I hope it will be remembered by those who have always opted for the easy and blanket demonization of plastic and disposables, rather than for reflection on recycling and the circular economy. Thinking requires hard work. There is no other way: recycling must pass from rhetoric to law. Further, could industries form a fund to promote the reverse logistics chain.

The fact is that that, after the beginning of the pandemic, things have changed: a demand of unprecedented volume challenged us in every possible way, calling for adaptability, dialogue with suppliers, guaranteed supply to customers and, above all, the safety of employees while we performed industrial activity, classified as essential. And thus it has been, moving forward.

Throughout 2020 we were involved in the construction of the Steam and Power Generation Plant, with 30,000 kW of installed power, in our petrochemical plant in Triunfo (RS). In 2021, we will become self-producers and self-sufficient in steam and electricity. We will move our production of styrene

monomer (SM), polystyrene (PS) and expandable polystyrene (EPS) using a 100% renewable source, biomass from solid vegetable waste.

Our actions are given names as a source of inspiration: we baptized this initiative the Acacia Project. The biomass comes from forest residues, rice husks, and leftovers in the form of chips from sawmills. All to substitute fossil energy sources, the mineral coal and fuel oil used by the current steam supplier.

The Acacia Project generates a virtuous socio-environmental impact for Rio Grande do Sul forest chain producers within a radius of 200 kilometers.

In 2020 we will commission our Greenhouse Gas (GHG) and Regulated Pollutants Inventory. We want to know where we are and what we can do to continue fulfilling our role, concurrently mitigating the effects of global warming. The change in the energy matrix at the Triunfo petrochemical plant (RS) will be greatly reflected in the 2021 inventory. We are working towards becoming the first carbon neutral petrochemical company.

Sustainability equals adaptation and reinvention. We are a petrochemical company with roots in the entertainment industry. Surely, there is nothing more unusual, leading to a great amount of relevant experience.

Those who visit the Memorial we have erected in Alphaville (and the invitation is extended to you readers) are welcomed by a bronze statue of Forrest Gump, a character who, not by chance, entered directly into the popular imagination, as a simple and determined man who figured in the most remarkable moments of the twentieth century in the U.S. by chasing after successive chances that passed before him.

Forrest Gump symbolizes the ability to go on – but with imagination.

Imagination, put into practice, is sustainability.

Lirio Albino Parisotto
President

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.

COVID-19: CHALLENGES AND ACTION

Classified as an essential activity and faced with the challenge of operating at full capacity, with full safety: this is the size of the challenge posed by the COVID-19 pandemic, something that bears no comparison with any other historical moment in the Company's more than thirty years. Amidst the scenario full of doubts, a great certainty: the essential importance of plastic for the well-being of society.

At the same time that the plant teams in Manaus (AM) and Triunfo (RS) were dimensioned to operate in rotation and to strictly comply with the health and safety protocols, including with regard to their transportation to the industrial plants, the administrative team was assigned to work remotely with prompt activation of systemic access and virtual intercommunication.

Thus, the company went through the first cycle of the initial phase of the pandemic, first with a sharp drop in demand until the jump to full capacity production.

From the 3rd quarter on, there was a growing increase in sales demand of up to 70%, and the supply area had to keep up with this demand. We surpassed the levels of purchases made in the first semester – 69% of the purchases of raw materials in the year are centralized in the second semester. We also developed new suppliers and service providers, focusing on better commercial opportunities and on maintaining full supply.

Amidst this scenario, Innova exercised its role in social responsibility: in April 2020, it launched and led the Disposables for Health campaign, in partnership with ten clients of polystyrene (PS) resin, manufacturers of disposable cups, plates and cutlery: more than 27 million units of such items were sent to hospitals and welfare institutions from the North to the South of Brazil.

Disposable items for health



In the area of third generation plastics, 1.5 million plastic caps for PET bottles (850.000 for mineral water and 650.000 for alcohol gel) were donated in joint actions with the main companies of the beverage industry, also Innova's clients. The items were distributed to communities affected by the pandemic and suffering a shortage of these resources.

Still within the context of the pandemic, Innova provided its collaborators with vaccination coverage against the H1N1 virus (Influenza A).





Who we are

Innova keeps alive in its DNA all the experience gained by Videolar, an industry that manufactured and recorded the so-called physical media: VHS video tapes, audio cassettes, floppy disks, CDs, DVDs, and Blu-ray discs.

Videolar notoriously wrote the history of physical media in Brazil and, during this trajectory, the chance to rise from the position of largest national consumer of polystyrene to largest manufacturer of this resin was spotted in 2002. Videolar constructed then, in Manaus, the first petrochemical plant in the North Region.

Polystyrene was the raw material for CD cases and VHS tapes, but it also supplied several other industries installed in the Manaus Industrial Pole, such as the electro-electronics and household appliances industries, with their refrigerator and TV cabinets, as well as the office and school

supplies industries. Thus, the reinvention of an industry dedicated to entertainment happened in the petrochemicals sector.



In 2011, the plastic transformed products would come under focus: more than R\$ 100 million was invested in the manufacture of plastic caps for mineral waters, juices, and soft drinks.



A year later, another R\$ 600 million invested in a state-of-the-art plant for the manufacture of bioriented polypropylene (BOPP) plastic films, as well as polystyrene (PS) and polypropylene (PP) reels, essential to the food packaging industry. All achieved by training specialized labor in the Amazonas.



In 2014, Videolar purchased the Innova petrochemical company from Petrobras for US\$ 500 million. It is located in the Petrochemical Complex of Triunfo (RS), and is an integrated manufacturer of general purpose polystyrene (GPPS), high impact polystyrene (HIPS) and styrene monomer (SM), a substance with a central role in the economy, present in the daily lives of families.

Besides its applications in tires, paints and asphalt, styrene monomer (SM) is also the essential raw material for the polystyrene (PS) manufactured by the Company.

Highly strategic positions were developed in the North and South of the country. Today, Innova is the brand that governs all businesses and products.

The polystyrene (PS) manufactured by Innova is a 100% recyclable thermoplastic resin with multiple applications, from food packaging to electro-electronic, furniture and footwear, among many others.



In 2016, the new management implemented the manufacture of expandable polystyrene (EPS), present in applications from the pharmaceutical industry to civil construction and infrastructure such as roads and bridges.

Common to all products, from Videolar to Innova, from video tapes to resins, and throughout the successive reinventions, have always been the plastics. [GRI 102-1, 102-6](#)

Today, Innova has more than a thousand collaborators from the north to the south of the country: national operations and regional coverage. [GRI 102-4, 102-8](#)

National Operations, Regional And Strategic Coverage 102-3, 102-4

MANAUS (AMAZONAS)

PLANT I:

- Bioriented polypropylene plastic films (BOPP)
- Polystyrene (PS) and Polypropylene (PP) Reels
- Closure caps for mineral waters, juices and soft drinks
- ECO-PS®

PLANT IV:

- General Purpose Polystyrene (GPPS)
- High Impact Polystyrene (HIPS)

ALPHAVILLE, BARUERI (SÃO PAULO)

HEADQUARTERS:

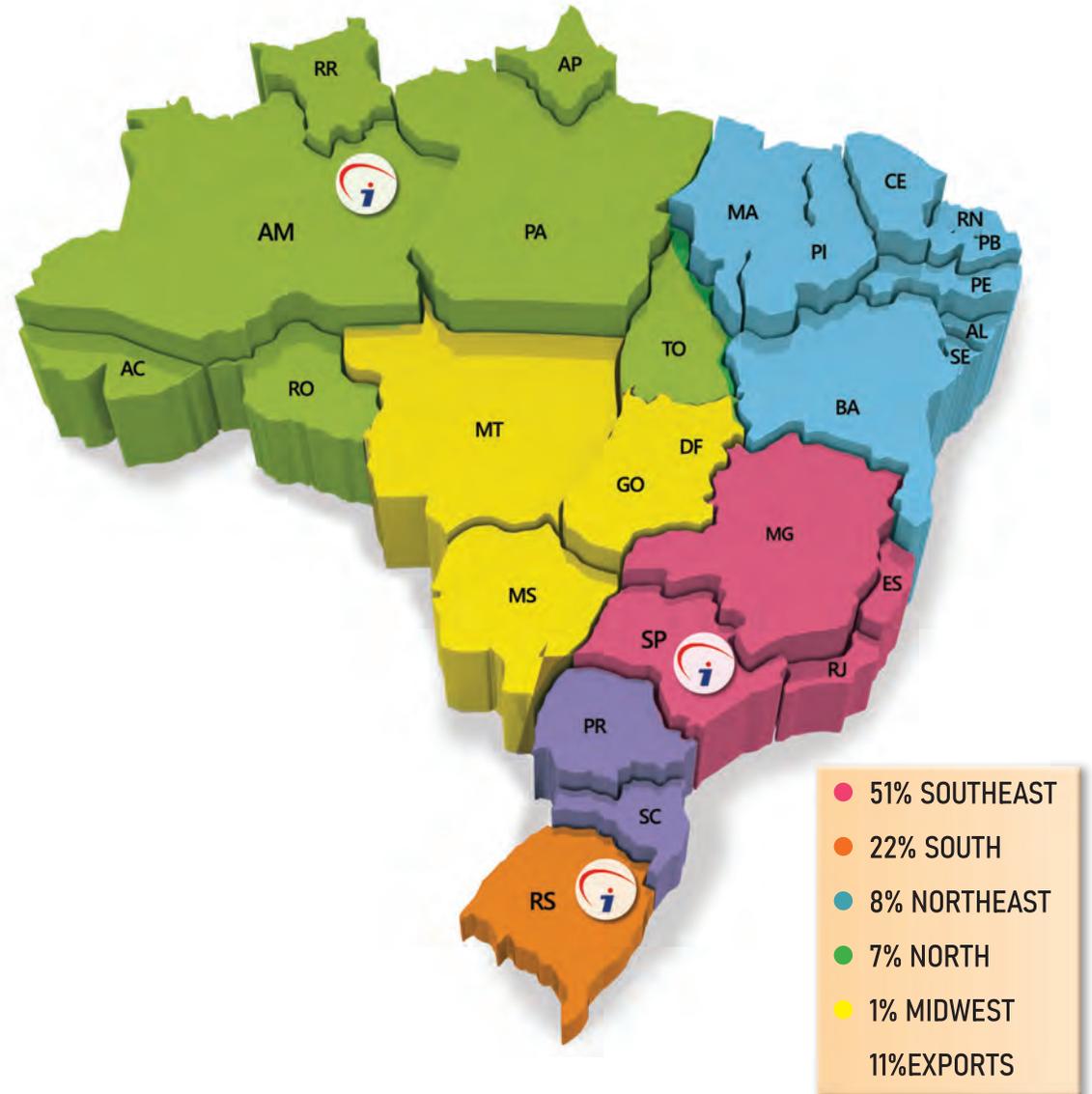
- Sales and Administration

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

PERCENTAGE SALES VOLUME PER REGION



PRODUCTS AND APPLICATIONS

GRI 102-2, 102,6, 102-15

Innova operates in the manufacturing of styrene products and third generation plastics, all of them key items in the economy and an essential part of the daily, safety and well-being of millions of people. Our thermoplastic resins and plastics mobilize a vast production chain. In this way, the Company contributes to sustainability in a broad sense.

What we produce

GRI 102-2

In the petrochemical segment, we manufacture ethylbenzene (EB), styrene monomer (SM) and thermoplastic resins: general purpose polystyrene (GPPS), high impact (HIPS), expandable (EPS) and ECO-PS®.

In the thermoplastic resins transformation area, we manufacture bioriented polypropylene (BOPP) films, polystyrene (PS) and polypropylene (PP) reels and plastic caps for PET bottles of mineral water, juices, and soft drinks.

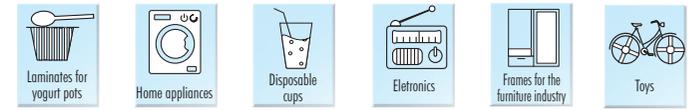
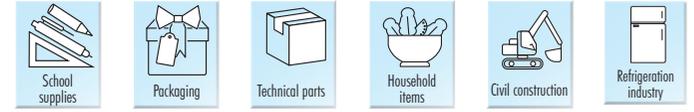
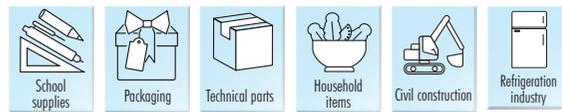
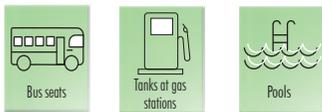
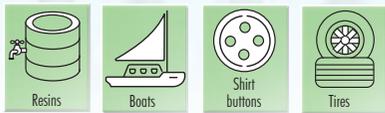
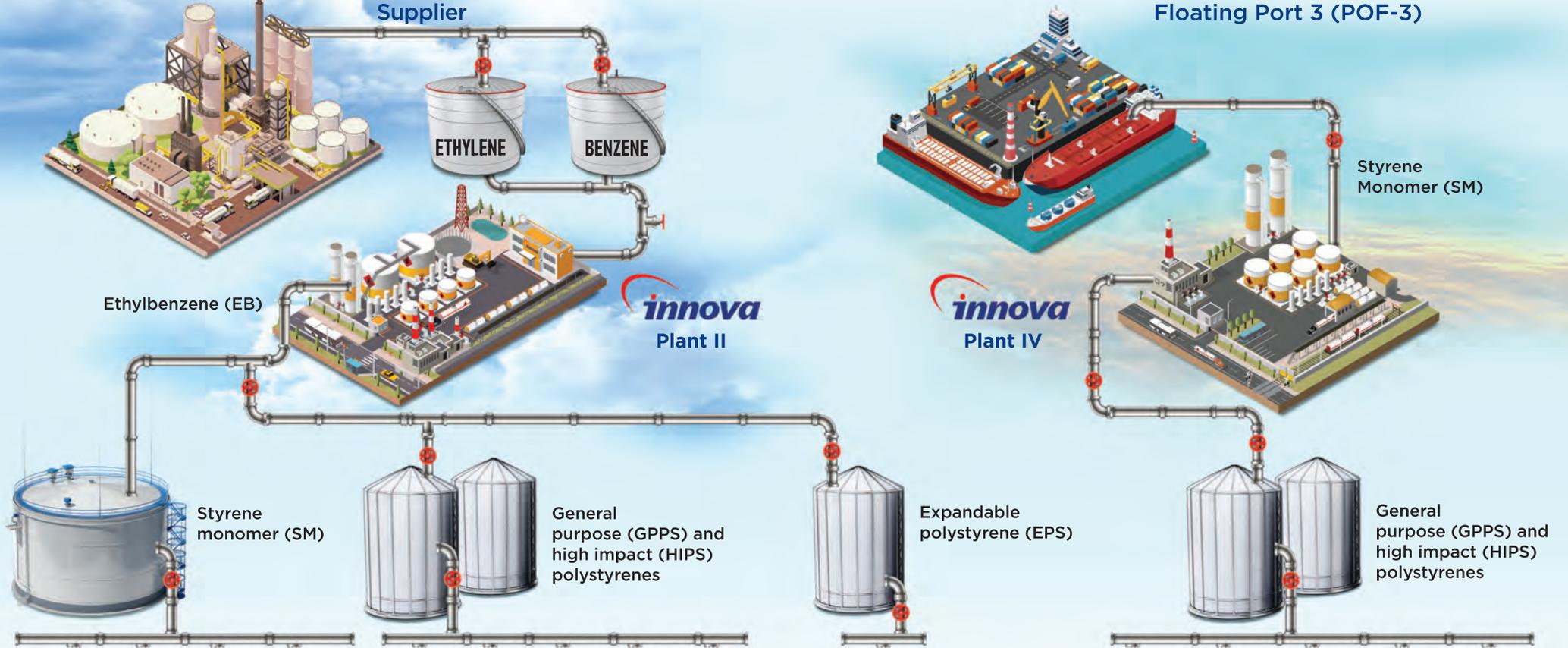


Gabriela Pappas:
Plant II (Triunfo, Rio Grande do Sul)

PRODUCTIVE AND INTEGRATED STYRENICS CHAIN

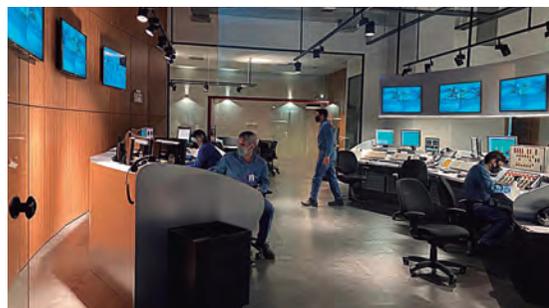
TRIUNFO (Rio Grande do Sul State)
Supplier

MANAUS (Amazonas State)
Floating Port 3 (POF-3)





Production Control Room:
Plant II (Triunfo, Rio Grande do Sul)







Moises Wallas:
Plant I (Manaus, Amazonas)

2020 HIGHLIGHTS

GRI 102-7

ECONOMIC AND FINANCIAL RESULTS

R\$ 2,816.7 million in net operating revenue
R\$ 640.8 million gross profit
R\$ 671.3 million EBITDA (operational result)
R\$ 154.0 million in investments

HUMAN CAPITAL

1.023 employees
23,789 total hours of training

SHARED VALUE

R\$ 1.5 million in private social investment
4 major projects for social transformation
Over 10,000 people benefited

EFFICIENT USE OF RESOURCES

13% reduction in energy intensity in Plant II, 5.2% reduction in Plant I
67% of non-hazardous waste reprocessed and 28% sent for recycling



CORPORATE GOVERNANCE

Governance Structure GRI 102-18

The culture of transparency, standardization of processes and above all clarity of information are at the base of everything Innova does. A direct legacy of this pragmatic mentality is the well-known history of reinventions that have brought the company to this point with its vigor, through different industry sectors.

Since 2005, despite being a private company, Innova has promoted the analysis of its results by external auditors, always carried out by a member of the group known as the Big Four.

Our governance structure is formed by the Board of Directors, the Company's highest governing body, which is assisted by committees, statutory and non-statutory, such as the Sustainability Committee, Audit Committee, and Credit Committee, among others.

The Council's attribution is to define the main guidelines for conducting business. It is also responsible for defining and reviewing Innova's purpose, Mission, Vision and Values, as well as the strategies, policies and targets related to economic, environmental and social aspects. The board members evaluate the impacts, risks and opportunities of these aspects through the monthly presentation of results and the Annual Management Report. The body is also responsible for approving the Sustainability Report.

GRI 102-26, 102-29, 102-31, 102-32

Critical concerns are shared in the monthly meetings of the Board of Directors or in extraordinary meetings called by the Senior Management, as well as in the weekly sessions of the Executive Meeting. Under the Board's control are the definition and review of the strategic plan and budget, expansion and investment projects, risk and contingency management, and the definition of the employee profit sharing program.

GRI 102-33

The Presidency of Innova establishes the strategies and directives with the Top Management, the collegiate body responsible for the management of the business, and delegates to each of the executives the attributions and authorities on economic, environmental and social topics, according to the guidelines defined by the Board of Directors. The executive level positions and functions are deliberated in meetings of the Board of Directors and appointed by the Presidency. GRI 102-19; 102-20

All managements report to the Top Management. The Board of Directors' advisory committees will have specific regulations in 2021.

The governance structure also includes an Internal Audit area, which is responsible for monitoring practices, processes and evaluating the internal control systems, as well as compliance with the policies established by Innova.

All executives and Senior Management have a Business Intelligence (BI) tool, fully integrated to the SAP system (Systems, Applications and Products for Data Processing), to monitor performance information in real time.

Composition of the Board of Directors GRI 102-22

LIRIO ALBINO PARISOTTO	PRESIDENT <small>GRI 102-23</small>
LIZ VANIN PARISOTTO	COUNSELOR
ELIE LINETZKY WAITZBERG	COUNSELOR
RAPHAEL DAVID WOJDYSLAWSKI	COUNSELOR

Composition of Top Administration GRI 102-22

LIRIO ALBINO PARISOTTO	PRESIDENT <small>GRI 102-23</small>
REINALDO JOSÉ KRÖGER	VICE-PRESIDENT
CLAUDIO DA ROCHA FILHO	COMMERCIAL & OPERATIONS DIRECTOR
MARIO DAUD FILHO	COMPLIANCE & LEGAL DIRECTOR
CHRISTIAN BARG	INDUSTRIAL DIRECTOR



David Junior do Canto Marques:
Plant IV (Manaus, Amazonas)

Compliance and Ethical Conduct

GRI 102-16, 103-2, 103-3: Anticorruption

Innova considers the premise of ethics in conducting business as a pillar for its leadership and longevity. We make available on the Company's website the Employee Handbook and the Code of Conduct, updated periodically (with the last edition in December/2020).



The Code of Conduct presents clear guidelines related to topics such as conflicts of interest, conduct expected in relationships between people, guidelines on gifts, presents and other offers, respect for the environment and ensuring health and safety. It also includes specific topics related to intellectual property, use of confidential information and data protection (see more information on security in Risk Management, page 38).

It also addresses in depth and with practical details the issue of corruption prevention, adding guidelines for conducting transparent and ethical negotiations, fraud prevention, bribery, kickbacks, gifts and facilitation payments, among others, all in line with the Anti-Corruption Law (No. 12,846/2013). It also covers

guidelines related to antitrust legislation and fair competition.

In addition to the publication, made available to 100% of the employees, as well as suppliers and customers, the ethical principles are also constantly disseminated through the publication of short excerpts on the screen savers of the company's computers, as well as in interactive training sessions to establish the guidelines. [GRI 205-2](#)

The Compliance area acts intensively to ensure compliance with the Code of Conduct, to keep it updated, to signalize and make feasible activities to reinforce the culture based on ethical principles and on the Compliance Program, discussing and directing the forwarding of cases of violation of Innova's principles.

The creation of the Compliance Committee, the appointment of Compliance Ambassadors, responsible for disseminating and observing compliance with our guidelines and values throughout the Company are planned for 2021. The annual training calendar always includes themes such as harassment practices, anti-corruption and data protection.

It is worth pointing out that all the Plants and Headquarters are submitted to risk assessment related to the fight against corruption. Risk mapping is carried out in the purchasing and sales processes, among others. The controls associated with these risks are tested to determine their effectiveness and, if gaps are found, action plans and mitigating controls are defined and tested by Internal Audit. In 2020, no cases of corruption were identified at Innova. [GRI 205-1, 205-3](#)



Reporting Channel GRI 102-17

The Reporting Channel is an important pillar of the Compliance Program, a legal obligation and, above all, an essential tool for the transparency and integrity of the Company's business. It is independent, external and operated by a world-renowned company.

The Reporting Channel is available to all employees and partners always offering absolute anonymity, confidentiality and not allowing any kind of retaliation against those who, in good faith, report or contribute to investigations on misconduct, illicit procedures or against the Company's policies, corruption. In short, everything that generates the possibility of action and course correction.

The violations are analyzed by the Compliance area, discussed and deliberated with the shareholders and the Executive Board for the adoption of disciplinary measures that may involve verbal and written warnings, suspension, dismissal for just cause, contract termination, and blocking the conduct of business.

Complaints can be made through the channels:



TELEPHONE OPERATOR
0800-891-4636 (toll free)
Option 1 operator
Option 2 recorded message
Option 3 fax



WEB FORM
www.resguarda.com
www.resguarda.com/innova



E-MAIL
canaldedenuncias@resguarda.com

Access the Reporting Channel through QR Code



Risk Management GRI 102-11

The Internal Controls area adopts a set of practices to quantify, qualify and mitigate risks, with the objective of achieving Innova's business targets. Risk management is not only about detecting and controlling risks, but also about providing an environment for continuous improvement.

Risk management provides support to the decision-making processes, by means of the identification of opportunities, the elimination and/or reduction of losses, legal and regulatory compliance, thereby transmitting to investors, banks, insurers, clients and suppliers a fair perception of security as well as a continuous improvement of processes.

Additionally, risk management is a guarantee that the strategic and operational planning will be followed by the entire company, from top management to front line employees, where the adoption of governance policies and procedures creates conditions for people to engage, making a collaborative culture happen, in which all employees feel that the organization's goals are also theirs.

Risk management and evaluation of internal controls is carried out based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) methodology and comprises the following components, integrated into our management processes:



Data Protection

We value and respect the privacy and protection of our employees, partners and other stakeholders' data. We are committed to handling all information responsibly and ethically, in line with legislation and regulations, including the General Data Protection Act (LGPD), which came into force in 2020.

We handle personal data provided directly by data subjects, third parties or collected automatically in a way that respects their rights and the principles of purpose, necessity, transparency, security, prevention, adequacy, open access, data quality, accountability and non-discrimination.

Our Code of Conduct also includes specific guidelines on information security and the use of confidential information. The Information Technology area is responsible for defining guidelines for the protection of Innova's assets, information and prevention to users of Innova's equipment and electronic means, widely disseminated to all.

In 2020, we disseminated information about our commitment and guidelines for the protection of data at the levels of Directors and managers of the Company, so that in sequence they would unfold in guidelines to the teams.

The Compliance area is responsible for assessing the activities and the way in which information is managed in the various areas of the Company, providing support and promoting improvements.



For any doubts, observations, requests about collection and use of personal data, as well as internal procedures on the subject, please access the channel: proteção.dados@innova.com.br. More information can be found at <https://innova.com.br/quem-somos/#codigo-de-conduta>.



OUR PATHS TO THE FUTURE

Business model

The essential premise that guides our business is the generation of value for clients. This is achieved through integrated process management, with the definition and review of short, medium and long-term strategies, always based on systematic analyses of the external and internal scenarios.

Our value chain ranges from the supply of raw materials, inputs and packaging, through production operations and quality control, to the output of products, marketing and sales. These processes are leveraged by support areas and assets, which include Infrastructure, Human Resources, Information Technology and Procurement of Goods and Services.

We conduct a Customer Satisfaction Survey every year in search of answers to their expectations and demands; it gives us several perceptions about the competition and the customers' vision relative to the various companies that make up our segment. Thus, we identify our perceived value and map out opportunities for improvements in all stages of the process, from purchase to delivery and use of products. (See more in Our Value Chain - Customers, page 100).



Steam and Power Generation Plant II (Triunfo, Rio Grande do Sul)

Our Value Chain

STYRENICS

SUPPLIES RAW MATERIALS AND PACKAGING	OPERATIONS PRODUCTIVE UNITS	CUSTOMERS	PRODUCT APPLICATIONS
Ethylene	Ethylbenzene	TRANSFORMERS (Different Segments)	Resins, Boats, Shirt buttons, Tires, Paints, Refrigeration Industry, Disposable cups
Benzene	Styrene Monomer (SM)	Refrigeration	Bus seats, Tanks at gas stations, Pools, Bathtubs, Asphalt, Laminates for yogurt pots, Electronics
Styrene Monomer (SM)	General Purpose Polystyrene (GPPS)	Dairy products	Foamed trays, Disposable cutlery, Food industry, Disposable packaging, Office supplies, Home appliances, Frames for the furniture industry
Polybutadiene	And High Impact Polystyrene (HIPS)	Packing Automotive Industry	School supplies, Packaging, Technical parts, Household items, Civil construction, Toys, Thermal packaging
Mineral oil	Expandable Polystyrene (EPS)	Building industry	
Pentane		Electronics	

**SOCIETY,
CONSUMERS**

PLASTICS TRANSFORMED ITEMS

SUPPLIES RAW MATERIALS AND PACKAGING	OPERATIONS PRODUCTIVE UNITS	CUSTOMERS	PRODUCT APPLICATIONS
Polypropylene	Bioriented polypropylene films (BOPP)	Customers Packages and adhesive tapes	Laminates for yogurt pots, Foamed trays, Visual signalling, Disposable Pots, Adhesive Tapes, Chocolates packaging, Decorative labels, Flexible packaging, Presents packaging
Polystyrene	Polystyrene (PS) and Polypropylene (PP) reels	Disposables items	Disposable packaging, Disposable pots, Disposable cups, Plastic caps for mineral water, juices and soft drinks PET bottles, Labels for bottles, Packaging for candies, Flower wrapping, Labels in general
Polyethylene	Plastic closures caps	Beverage industry	

**SOCIETY,
CONSUMERS**

INTELLECTUAL CAPITAL

- Styrenics Technology Center.
- R\$ 6.1 million invested in innovation.

HUMAN CAPITAL

- 1,023 employees.
- 23,789 hours of training.
- 9% covered by performance analysis.

FINANCIAL CAPITAL

- R\$ 2,816.7 million in net operating revenues.
- R\$ 671.3 million EBITDA.
- 1.02x debt/EBITDA.
- R\$ 154.0 million invested.

Betina Pinheiro
Plant II (Triunfo, Rio Grande do Sul)



SOCIAL AND RELATIONSHIP

COMBATING COVID-19

- Partnership with customers for the donation of over 27 million units of disposable plates, cutlery and cups for the health sector.
- Donation of 1.5 million plastic caps for PET bottles of mineral water and alcohol gel in joint actions with the main companies of the beverage industry.
- Acquisition of 140 universal breathing circuits for donation to the Amazonas State Health Secretariat.

SOCIAL INVESTMENT

- R\$ 1.5 million invested in social transformation projects such as Ayrton Senna Institute, Prato Cidadão Manaus and Friends of Amazonas Sustainable Foundation (FAS).
- Over 10 thousand people benefited directly and indirectly by the projects.

NATURAL CAPITAL

- 13% reduction in energy intensity at Plant II, 5.2% reduction at Plant I.
- 97% of non-hazardous waste reused.

Innovation

Our products are bespoke solutions built to fulfill a huge range of different applications in segments very different from each other. Innovation is our path to the future. Therefore, the Technology and Development (T&D) Team works on state-of-the-art resources for the new applications.



Our Styrenics Technology Center (CTE) is an international reference in research and patent publication. In its four laboratories spread over 1000 m2 in the petrochemical plant of Triunfo (RS), we develop customizations in productive conditions similar to those where our customers manufacture their products.

Innovation Room

In 2020, we approved the project for the creation of an innovation room at the Styrenics Technology Center (CTE). The environment is designed to inspire creativity, experimentation, productivity, bold and innovative thinking. The coworking space will have tools for developing new product grades. It will be modular, in order to adapt to different needs. The unfolding of the project should occur throughout 2021.

In 2020, the Research and Development (R&D) team worked on the development of new formulations to gain competitiveness and adapt to changes in the raw materials market. We evaluated our broad product portfolio to meet market needs, especially in the demand for solutions for the destination of discarded post-consumption materials.

Sustainability is central to our innovation projects. We evaluate the environmental impact of all stages in the development of new products based on polystyrene (PS), through Life Cycle Analysis (LCA) studies, and we focus on research to improve the mechanical recycling process of these materials.

We were granted two invention patents, one directly related to the use of recycled styrenic materials. We conducted research focused on the development of colored foams and the addition of post-consumer recycled expandable polystyrene (EPS).

In the production of BOPP, also in 2020, films with specific thicknesses were tested and approved, resulting in new applications, especially for the food industry.

We consolidated into a single group the Research and Development (R&D) and Technical Customer Service teams, active in all our business segments. This generated a network for dialogue, with exchanges of experiences and the generation of opportunities in the creation of new products and solutions.

The teams also produced technical digital content made available in webinars, with the goal of keeping customers up to date, ensuring contact even at a social distance.

In addition to investing in new applications, we seek to stimulate an environment conducive to the generation of original ideas: the 'Innovamos' Program is one of the practical examples, created to provide space for innovative ideas from employees who can contribute to the company in various aspects.

Innovation for Circular Economy

Innova's main focus now turns to the future potential of the circular economy in industry and the need to make post-consumer plastic real.

Studies were conducted with mixtures of virgin and post-consumer polystyrene in different proportions. The compositions containing up to 30% recycled polystyrene showed mechanical properties similar to those of virgin resin. Impact strength, elongation and stiffness were evaluated, as well as properties considered essential to the main polystyrene applications.

The positive results led to the launch of ECO-PS®, the first polystyrene with up to 30% post-consumer material in its composition launched in Brazil. Manaus was the city chosen to implement the reverse logistics project, through a joint effort with the Amazonas Sustainable Foundation (FAS), generating opportunities for the vulnerable population in its urban area. All collected polystyrene is washed, ground, granulated and sent to Innova's Unit I for re-extrusion with virgin resin.

Learn more in Shared Value, page 106.



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



Sustainability

Sustainability, at Innova, is equivalent to a world vision and encompasses everything from industrial practices, involving efficient use of natural resources and treatment of effluents and waste, to the creation of new products and solutions that have less impact on the environment, generation of employment and economic development in the locations where the company operates, as well as social transformation initiatives.

The strategies and actions are coordinated by the Sustainability Committee, composed of members from various areas of the company, with the participation of senior management. Periodic meetings are held for reflection and action on environmental, social and governance aspects.

In 2020, Innova joined the Operation Clean Sweep® program, an international initiative of industrial practices to prevent products originated in the manufacture of resins from being released into the environment during the production process, transportation and commercialization. In Brazil, the program is licensed by Plastivida Socio-Environmental Plastics Institute and by the Brazilian Plastics Industry Association (ABIPLAST).

The adhesion to Operation Clean Sweep® results of a winning idea of the the Innovamos Program, presented by the company's employees together with the Technology & Development area.



- Strategies and implementation of projects towards zero carbon.
- The preparation of Greenhouse Gases (GHG) inventory according to the GHG Protocol methodology.
- Signing of the Term of Adhesion and Declaration of Commitment to the actions of the Responsible Care Program®, from Associação Brasileira da Indústria Química (ABIQUIM).
- Adhesion to the reverse logistics project for disposable cups.
- Evolution of ECO-PS® in its production and different applications.
- Implementation of the Operation Clean Sweep® (Pellet Zero) Program.

Next steps

The Company's next big step in sustainability will take place in 2021, when the petrochemical plant in Triunfo (RS) becomes self-producing and self-sufficient in power and steam generation from a 100% renewable source: the biomass of solid vegetable residues of pine and eucalyptus wood, rice husks and sawmill scraps in the form of chips.

Our Steam and Power Generation Plant comprises three boilers and two generators, with 30,000 kW of installed power. Called the Acácia Project, it inaugurates a virtuous circle for Rio Grande do Sul forest chain producers within a radius of 200 kilometers, supplying the biomass that replaces the fossil sources (mineral coal and fuel oil) used by the current steam supplier.

Other fronts included proposals and discussions about project alternatives for 2021, taking into account the sustainability issue in our plastic closures and expandable polystyrene (EPS) business.

The publication of the Sustainability Committee Rules of Procedure, to advise the Board of Directors, is planned for 2021. The document will contain the guidelines for the composition of the Committee and the mandates, attributions and responsibilities of the body.

The company actively participates in discussions with industry associations to promote initiatives that involve our value chain.

Participation in associations and commitments

GRI 102-12, 102-13

2020 affirmed the role of plastic as an important ally in the fight against COVID-19. Plastic is characterized by its disposability, recycling, and efficient protection barriers, thus proving to be essential in safety and health aspects.

Facing the challenges imposed by the pandemic, Innova continued to support the sector's entities and their commissions, in the search for ways to meet the demands of society. It is worth mentioning the work of Plastivida, an association of which Innova is a founding partner and member of the Council. Throughout 2020, Plastivida sought ways to continue bringing education to society regarding the responsible consumption and disposal of plastic. A four-month environmental education course, in distance learning format, was held in partnership with the University of São Paulo (USP) for 95 teachers enrolled in the Rio de Janeiro municipal network.

In addition to these initiatives, Plastivida's EPS Committee launched in 2020 the Recycle+EPS, a project created from the concepts of circular economy aiming to engage the population in selective collection and recycling of expandable polystyrene (EPS).





Veronica Ingrid Zuim Rego:
Plant IV (Manaus, Amazonas)

Innova is committed with the implementation of the Program Pellet Zero- Operation Clean Sweep®, an international program promoted by associations of the plastic sector, which aims to avoid losses of pellets (granules) to the environment. The program aims to meet the targets set by the Sustainable Development Goal 14, of the United Nations (UN), for the conservation and sustainable use of the oceans, with continuous and effective actions to contain the pellets (granules) and other forms of resin, avoiding the contamination of water bodies and, consequently, the ocean.



Our commitment, signed voluntarily with Plastivida, targets the improvement of processes to prevent pellets being lost along the production chain.

Innova’s objective as a member of the program is to mitigate the loss of pellets (granules), flakes and powder into the environment. The subsequent stage comprises the execution of the work plan, according to the program’s regulations.

In 2020, Innova was crowned with the first star by Plastivida, licensor of the Program, which follows the principles of the Plastics Sector Forum- “For a Clean Sea”. The schedule counts with the second star in March 2021.

In 2020, the relationship with other associations was also intensified virtually. The Brazilian Plastics Industry Association (ABIPLAST), through its sectorial chambers of film manufacturers (COFILMES), plastic closures (COFATAMPLAS), and disposables, started to hold weekly meetings during the period of most acute uncertainties during the pandemic.

Innova also participates in the Plastics Cooperation Network- an entity focused on working in an integrated manner to value plastic, reducing its potential impact on the environment. The virtual environment allowed the Network to hold over 190 meetings and keep its work groups engaged in the challenge of making the circular economy viable.

Innova is also part of a select group of certified companies that undergo periodic audits of the Responsible Care® Program, a pillar of the chemical industry worldwide, launched in Brazil in 1992 by the Brazilian Chemical Industry Association (ABIQUIM) with the purpose of demonstrating in concrete actions the voluntary commitment to the continuous improvement of the industry’s performance in health, safety and environment.

Innova also participates in the EPS and Plastic Commissions of the Brazilian Chemical Industry Chemical Industry Association (ABIQUIM) and is a member of the Brazilian Packaging Association (ABRE). We participate in the Image and Reputation Diagnosis of the Chemical Sector, promoted by the Association, whose focus is to support communication and transparency of the sector before society.

With the objective of stimulating industrial development in the region and in the production chain, as well as improving the conditions of local and regional infrastructure, Innova integrates the Committee for Industrial Promotion of the South-Triunfo Pole (COFIP). The Committee began its actions in 2012, with the mission of contributing to the sustainable development of the companies installed in the Industrial District and in the region.



Future View

The COVID-19 pandemic transformed people's way of life of all over the planet, with profound changes in habits and behavior patterns. It was and is necessary to quickly interpret the new scenario to define strategies at a time of great uncertainty.

All the challenges imposed only reinforce Innova's mission to become a more and more sustainable Company, regarding its strategic thinking, operation and product portfolio.

In 2021, the operation of the Steam and Electric Energy Generation Plant will change the energy matrix of the petrochemical company in Triunfo (RS) and make it self-producing and self-sufficient in steam and electric energy from a renewable source, the biomass of vegetable waste.

ECO-PS® will follow suit, destined for new applications starting in Manaus (AM).

It is clear that 2021 will be a highly challenging year for all our business lines, but, equally clear is our future direction: towards zero carbon.



Alisson Vidal Correia:
Plant II (Triunfo, Rio Grande do Sul)

BUSINESS PERFORMANCE

Macroeconomic and Sector Scenarios

The COVID-19 pandemic impacted the lives of millions of people and the macroeconomic scenario of the entire planet.



Caio Henrique Brito de Araujo:
Plant IV (Manaus, Amazonas)

Brazilians have been strongly impacted and, according to the Continuous National Household Sample Survey (Pnad), the average annual unemployment rate reached 13.5%, the highest in the series since 2012, with 13.9 million unemployed.

Gross Domestic Product (GDP) reached its lowest rate historically, with a drop of 4.1%, and the basic interest rate contradicted expectations at the beginning of 2020, of 4.5%, closing the year at 2%. The Nationwide Consumer Price Index (IPCA), meanwhile, registered a 4.52% increase over that of 2019.

Besides the difficult economic moment faced in the midst of the COVID-19 pandemic, there was a sharp rise in the US currency, which surpassed the R\$ 5.00 barrier, practically reaching R\$ 6.00. With the international prices of raw materials that guide our costs and all the other commodities also oscillating well above normal, more uncertainty about the market was created.

According to the Brazilian Institute of Geography and Statistics (IBGE), the volume of retail sales rose 1.2% in 2020, in relation to the previous year, unevenly among the sectors in the year, with highlights being hyper, supermarkets, food products, beverages and tobacco (+4.8%), furniture and appliances (+10.6%) and construction material (+10.8%).

According to the National Confederation of Industry (CNI), the real turnover of the transformation industry closed 2020 with a slight increase of 0.8%, compared to the previous year. It is worth remembering that the variable had retreated 0.9% in 2019, over 2018.

Sector Scenario

In 2020, despite a very troubled second quarter full of uncertainties, the essential nature of chemicals in the daily life of the population and in the fight against COVID-19 enabled a rapid resumption of activities.

The national demand for chemicals for industrial use, as measured by national apparent consumption (CAN), grew by 10.9% throughout 2020 compared to the previous year, after having registered two consecutive years of decline (-1.4% in 2018, -7.4% in 2019).

The continuity of this improvement in the short term will still depend on the impact of the second wave of COVID-19, already affecting the entire world, and the speed of vaccine dissemination.

According to data from the Brazilian Chemical Industry Association (ABIQUM), the average occupancy rate of the chemical sector's production Units in 2020 was 72%, two percentage points above the rate seen in 2019. In the average of the 2nd half of 2020, over the same months of the previous year, the indexes also registered better results: production (+8.22%), domestic sales (+15.14%), national apparent consumption (CAN) (+14.5%). The use of installed capacity stood at 75% on average between July and December 2020, six points above the average of equal months of 2019.

According to the Brazilian Plastics Industry Association (ABIPLAST), in 2020, the production of the plastic transformed products sector recorded a 2.3% growth compared to 2019, mainly due to the good performance of the packaging segment, which recorded a 7.2% growth compared to the previous year.

The 10% increase in the production of bioriented polypropylene (BOPP) films in Brazil, compared to 2019 was not enough to meet the entire apparent national consumption, which recorded a 16% increase, in the same period with concentrated demand of the last two quarters. Thus, the market was supplied with a higher volume of imported products. The strong demand for BOPP in the domestic market can be justified by the high production in the packaging sector.

The greater concern with health and hygiene issues increased the demand for expandable polystyrene (EPS) for packaging intended for the transportation of food products and agribusiness, as well as for applications in the transportation of medicines, such as vaccines. In addition, the expansion of the electrical appliance and electronics trade has increased the need for EPS to protect goods with higher added value during handling and transport. The result of this scenario can be seen in the 2020 production volume, up 43% compared to 2019.

In the polystyrene (PS) segment, the market dynamics were different: although the production volume of the resin saw a 5% growth in 2020 compared to 2019, the domestic apparent consumption decreased by 2% in the same comparison. This shows that the increase in polystyrene production was due to higher export demand, 46% higher than the 2019 volume, with shrinking domestic market.

Under the restrictions of the pandemic, countries went through different moments regarding production and consumption, and Brazil was able to supply with domestic polystyrene and thus avoid greater idleness of the production plants. From 2015 to 2019, the average polystyrene export volume over the apparent national consumption was 15%. And in 2020 this number increased to 20%.

MARKET DATA*

LEADING INDICATORS				
STYRENE MONOMER (kta)	2017	2018	2019	2020
Production	479	483	445	461
Imports	147	159	194	238
Export	4	1	0	1
National Apparent Consumption	622	642	639	699
POLYSTYRENE (kta)	2017	2018	2019	2020
Production	404	414	439	459
Imports	27	26	39	40
Export	58	56	64	91
National Apparent Consumption	373	384	415	408
EPS (kta)	2017	2018	2019	2020
Production	60	66	69	98
Imports	35	34	40	39
Export	2	2	1	3
National Apparent Consumption	92	98	107	134

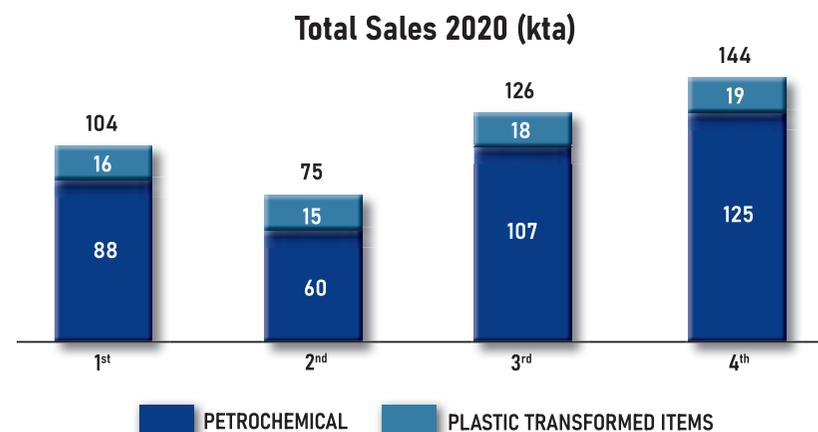
* Source: Brazilian Chemical Industry Association (ABIQUIM)

Economic-Financial Performance

GRI 103-2, 103-3: Economic performance

MAIN INDICATORS (IN THOUSANDS OF R\$)				
	2018	2019	2020	Var.(%) 20/19
Total Assets	3.238.156	3.044.177	3.507.268	15,2%
Shareholders' Equity	1.819.583	1.872.184	2.196.589	17,3%
Indebtedness (Net Debt Debt/EBITDA)	1,37x	1,85x	1,02x	
Gross Operating Revenue	3.041.503	2.864.053	3.195.128	11,6%
Net Operating Revenue	2.597.630	2.506.253	2.816.744	12,4%
Gross Profit	412.538	365.916	640.835	75,1%
EBITDA	409.668	315.811	671.337	112,6%
EBITDA Margin (%)	15,77%	12,60%	23,83%	+11,2 p.p.
Financial Result	-130.218	-46.388	-249.080	
Net Profit	132.817	118.967	244.588	105,6%
CAPEX	330.999	302.864	154.015	-49,1%

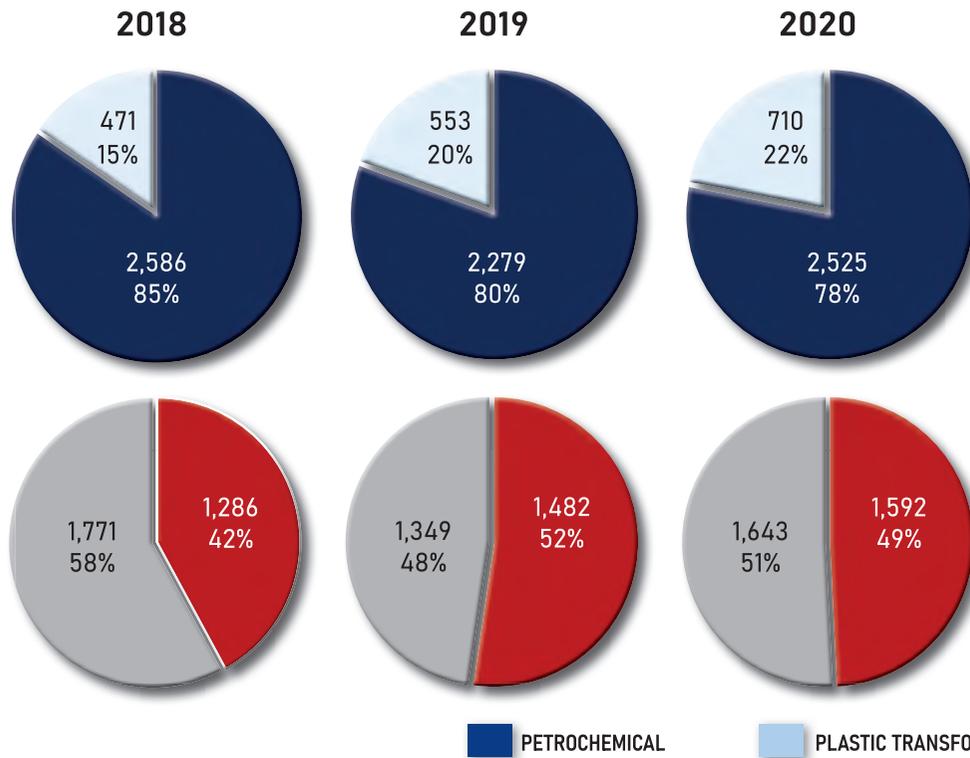
p.p.= percentage points



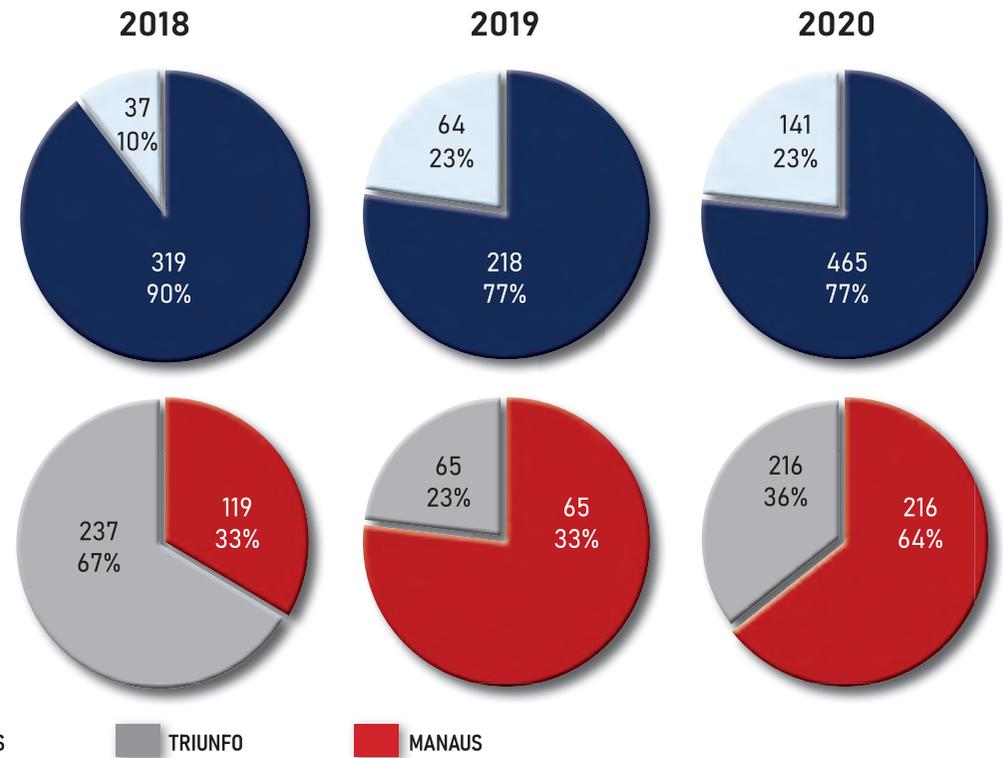
In the year we recorded R\$ 2,816.7 million in net operating revenue, an increase of 12.4% compared to 2019, and a growth of 112.6% in EBITDA, which totaled R\$ 671.3 million. Regarding debt, our leverage reached 1.02x, in order to open doors for future opportunities for the Company.

Commercial Performance

REVENUE (IN R\$ MM)



EBITDA (IN R\$ MM)



Value Added Distribution (VAD) GRI 201-1

Consolidated VAD (R\$ thousand)	2018	2019	2020
Revenue	3.082.893	2.871.928	3.274.587
Sales of goods, products and services	3.031.022	2.842.136	3.181.920
Other revenues	51.972	30.287	88.350
Provision/Reversal of Doubtful Receivables	(101)	(495)	4.317
Inputs acquired from third parties	(2.020.558)	(1.957.488)	(1.956.289)
Costs of products, goods and services sold	(2.185.092)	(2.140.337)	(2.175.909)
Materials, Energy, Third-Party Services and Others	(109.243)	(124.473)	(118.171)
Others	273.777	307.322	337.791
(=) Gross Value Added	1.062.335	914.439	1.318.298
Retentions	(77.261)	(96.287)	(109.162)
(=) Net Added Value Produced	985.074	818.152	1.209.136
Added Value Received in Transfer	307.751	295.654	1.050.817
Equity Accounting Result			3.550
Financial Revenues	307.751	295.654	1.047.267
Total Added Value to Distribute	1.292.825	1.113.807	2.259.953
Value Added Distribution	1.292.825	1.113.807	2.259.953
Personnel	111.309	109.798	128.355
Direct Remuneration	89.331	85.853	104.684
Benefits	15.972	17.604	17.667
Guarantee Fund for Time of Employment	6.006	6.341	6.004
Taxes, fees and contributions	462.061	402.586	440.160
Federal	277.201	249.844	269.053
State	184.112	149.748	170.118
Municipal	748	2.995	988
Third party capital remuneration	586.638	482.454	1.446.850
Interests	429.699	333.805	79.427
Rents	1.087	1.698	1.774
Other	155.851	146.952	1.365.650
Remuneration of own capital	132.817	118.968	244.588

Access the complete Financial Statements at <https://innova.com.br/quem-somos/#demonstracoes-financeiras>

Operational Performance

The steam and electric energy cogeneration plant will have 30,000 kw of installed power, making the Triunfo (RS) petrochemical self-producing and self-sufficient in electric and steam energy cogeneration from a 100% renewable source by 2021.

Called the Acacia Project, it opens opportunities for Rio Grande do Sul forest chain producers within a radius of 200 kilometers.

They will supply Innova with biomass from forest residues, replacing mineral coal and fuel oil, fossil sources used by the current steam supplier.

Steam and Power Generation Plant



 **2 GENERATORS**

 **30,000 KW INSTALLED POWER**



Katia Cristina do Carmo Vasconcelos:
Plant I (Manaus, Amazonas)



COOLING
TOWERS

POWER HOUSE

BIOMASS
TRANSPORTERS

SUBSTATION

BIOMASS SILO

BIOMASS
RECEIVING
HOPPERS

BOILERS

Steam and Power Generation Plant
Plant II (Triunfo, Rio Grande do Sul)

Contribution to the UN Development Goals (SDGs):

The Steam and Power Generation Plant project contributes directly to the Sustainable Development Goals (SDGs). This is because it involves the change of the energy matrix to a renewable origin replacing mineral coal and fuel oil and promotes the efficient use of electrical energy.

The use of biomass translates into a significant increase in efficiency in the use of resources and a reduction in Greenhouse Gas (GHG) emissions, which is part of the Company's strategic plans towards Zero Carbon.



Unit II stands out as the first petrochemical company to implement a Direct Heat Unit (DHU) to replace the conventional furnace. The DHU reuses the gas generated by the process itself to heat the charge of the new reactor, replacing about 20% of the steam consumed per ton produced of styrene monomer (SM).

In the plastic transformation segment, we implemented a third manufacturing line for bioriented polypropylene (BOPP) films in 2019, at the Manaus Industrial Complex. In 2020, the expansion of five-layer films will allow the development of new applications. As a result of the investments made in recent years and strong research and development, Unit I showed a significant improvement in productivity in 2020.

In the period, we observed an increase in production, with an outstanding growth of 17.1% in transformed and 17.3% in styrenics.

Still in 2020, faced with the pandemic and the total retraction of the market, without a clear vision of the near future, our Units were impacted. Later, in line with the resumption of consumption and with our activities considered essential to combat the health crisis, we restarted production at high levels, while ensuring the health and safety of all.

Despite the production stoppages in the first half of the year, we produced 65% of the total volume for the year in the second half.

It is also worth mentioning the start of the revitalization of our industrial plants; we invested in improvements in all our structures with the objective of promoting greater well-being to our employees.

All our industrial plants are duly certified according to the ISO 9001 norms, which refers to the Quality Management System, and ISO 14001, for Environmental Management. In the manufacturing of plastic closures for mineral water, juices and soft drinks, we count on the rigorous FSSC 22000 certification, relative to the management of risks related to food safety. (See more in Certifications and Attestations, page 90)

OUR VALUE CHAIN

Employees GRI 103-2, 103-3: Employment

Building trust and strong bonds with our employees is our mission and it was precisely what we undertook in the unprecedented scenario of 2020, with the covid-19 pandemic. At the beginning of the health crisis, we established an action plan to preserve the integrity of our employees without paralyzing operations, considered essential by the official agencies.

We instituted home office for the administrative areas, restricted travel, and vaccinated all staff against the H1N1 flu. Employees with comorbidities or in the high-risk age groups were removed from operational activities, which began to operate on a rotational basis and with a reduced number of people on the buses that make the trips to the plants.

The salaries, wages and working hours of our employees were maintained. We adopted the conduct we deemed appropriate: reassuring the teams, valuing people and relationships, good practices and a good work environment, in an attempt to minimize the impact suffered by everyone.

The strategic projects were maintained, among them one that reformulated our work structure to better define the roles and responsibilities of the company's staff and their careers. The update carried out throughout 2020 relied both on engagement and communication as well as operational training and training in the safety and reliability areas.

In this way, Innova ended the year with 1,023 employees (999 permanent and 24 interns), 3% more than the 993 of 2019, all covered by collective bargaining agreements. The turnover rate for the period was 12.5%, with 134 hires and 122 terminations. GRI 102-8, 102-41, 401-1

Our recruitment and selection process relies on two programs to attract new talents: interns and young apprentices. The intern program seeks to build a strong base of intense and constant learning for students, both in technical and higher education levels. The apprenticeship program, on the other hand, besides reinforcing the training of labor, also has the social function of improving the reality of the population surrounding our operations.

Actions to improve the internal recruitment and internship program are planned, as well as the implementation of analysis of exit interviews.

TOTAL OF EMPLOYEES <small>GRI 102-8</small>			
	2018	2019	2020
Total employees	976	974	999
Total number of interns	24	19	24
Total	1.000	993	1.023

EMPLOYEES BY EMPLOYMENT CONTRACT, BY GENDER <small>GRI 102-8</small>									
Type of contract	2018			2019			2020		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Permanents	208	768	976	198	776	974	191	808	999
Interns	9	15	24	8	11	19	9	15	24
Total	217	783	1.000	1.206	787	993	200	823	1.023

Employee Development GRI 103-2, 103-3: Training and Education, 404-1, 404-2

The training sessions were maintained in 2020 with the support of the leaders, who sought alternative ways to develop the teams through virtual platforms.

The main topics covered in the training sessions were health and safety, regulatory standards, information security, feedback and Compliance. In 2020, training was also made available for terminated employees, retired or not, to support the career transition process. On the occasion, the main topics covered were: self-knowledge, development of skills, a resume session, guidelines for interviews, among others. It is planned to expand the training to all functional categories by 2021. GRI 404-2

AVERAGE HOURS OF TRAINING <small>GRI 404-1</small>			
By gender	2018	2019	2020
Female	21	15	15
Male	40	32	26
By functional category	2018	2019	2020
Vice-Presidency	0	0	0
Board of Directors	0	0	0
Management	0	0	1
Coordination	23	16	15
Operational	38	31	25
Total	61	47	41

Assessment and Recognition

We prioritize the internal utilization of employees to fill vacancies in the selection processes. One of the tools used for this purpose is the Performance Evaluation and Management Program.

In 2020, the evaluation was applied to the Vice-Presidency, Board of Directors, Management and Coordination. The goal is to expand coverage to all other employees in the coming years. The evaluation considers behavioral competencies, potential, and results. The process also includes a results calibration session and identification of successors and individual feedback. GRI 404-3

Performance appraisal cycle



PERCENTAGE OF EMPLOYEES WHO RECEIVED REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS <small>GRI 404-3</small>			
By gender	2018	2019	2020
Female	10%	10%	9%
Male	11%	10%	9%
By functional category	2018	2019	2020
Vice-Presidency	-	100%	100%
Board of Directors	100%	100%	100%
Management	100%	100%	100%
Coordination	0%	100%	100%
Operational	0%	0%	0%

Health and Safety GRI 103-2, 103-3: Occupational Health and Safety

Premise for the responsible development of our operations, the safety of our employees, facilities, products and surroundings of our plants was even more relevant in 2020.

The application of Innova’s Quality, Safety, Environment and Health Integrated Policy (QHSE), for 100% of our employees, is primordial to assure our prominent place in the market. The Company manages its environmental aspects and impacts, dangers and risks, besides being committed to the fulfillment of legal requirements and continuous improvement. GRI 403-1, 403-8



Integrated Quality, Safety, Environment and Health Policy (QHSEQ):

- On-time delivery;
- Maximum quality, minimum rejects;
- Protection of the environment, with the optimization of the use of natural resources;
- Pollution prevention, with the reduction of waste and its best final destination;
- Reduction of incidents, accidents, and work-related illnesses, aiming at zero accidents.

Guilherme Crestani:
Plant II (Triunfo, Rio Grande do Sul)



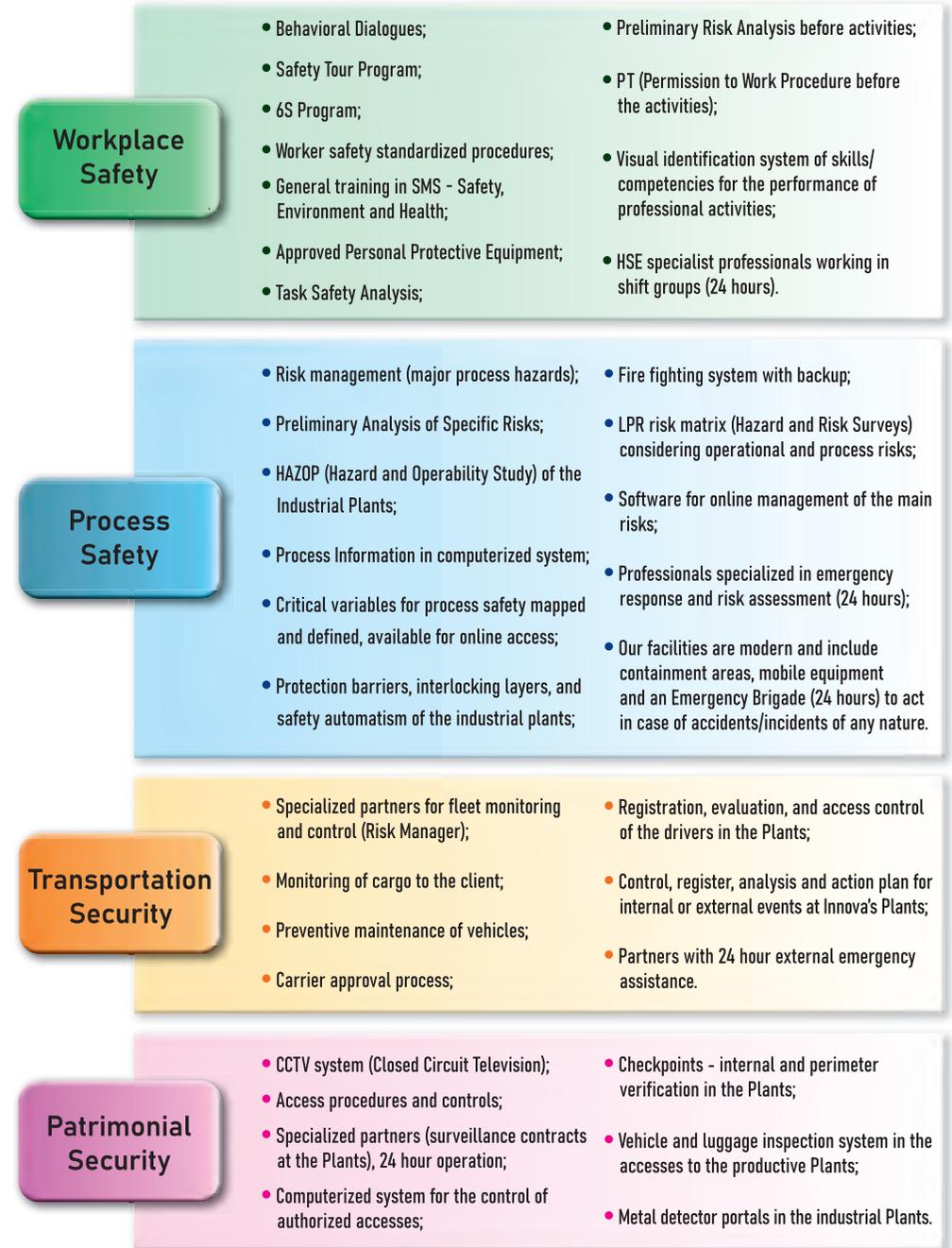
Our management structure in Integrated QHSE is organized focused on:

- Quality Management (products and legal and other requirements)
- Safety Management (work, process, transport, property)
- Environmental Management (climate change, effluents, waste)
- Health Management (health / occupational hygiene)

The responsible development of our activities is based on Brazilian laws, requirements and standards applicable to our business in the area of health, safety and environment. The management of these aspects is carried out through an integrated online platform, in which we receive, evaluate, and act in a multidisciplinary manner on all federal, state, and municipal legislation applicable to our segments from the North to the South of the country. The system is audited annually, conferring integrity and security to the process of recognition and compliance with legal and other requirements. [GRI 403-1](#)

The management of QHSE occurrences and actions for all Units is done in an integrated and traceable way in all its stages, which include the management of analysis, scope and investigations, used to outline and implement effective action plans throughout the Company, in the search for the improvement and continuous improvement of Innova's Integrated Management System. [GRI 403-2](#)

We have a Integrated Quality, Safety, Environment and Health Policy (QHSEQ) management department, which integrates risk management, and we have a series of procedures and programs implemented for risk management: [GRI 403-2](#)





Fábio Machado de Borba: Plant II (Triunfo, Rio Grande do Sul)



In 2020, there were no leaks on the ground or water surfaces. Innova plants have adequate containment systems in the industrial areas, liquid cargo fleet monitored by a specific risk manager and trained professionals in the different areas. [GRI 306-3](#)

QHSE management with regard to suppliers and service providers is carried out according to the specific procedures of the plants, aligned with the best market practices. It includes actions for those who join the Company, such as integration training with an appropriate workload for recognition, evaluation, and learning about our safe work practices, respect for the environment, and health surveillance. The entrance to the plants have an automated turnstile and access control system that guarantees that only duly registered, oriented, and trained professionals can enter. [GRI 403-5](#)

In occupational health, we have our own teams at the industrial Plants and partners who are trained to monitor the health and quality of life of our employees. [GRI 403-4](#)

In 2020, we implemented new management modules for occupational hygiene and risk assessment in our system; and we started a project for the implementation of an electronic Occupational Health Certificate, which brings bigger and better alternatives for control and historical analysis of the employees' profile. [GRI 403-3, 403-6](#)

OCCUPATIONAL HEALTH / HYGIENE [GRI 403-3](#)

Environmental Risk Prevention Program- NR09;

Occupational Health Medical Control Program- NR07

Program for Prevention of Occupational Exposure to Benzene;

Hearing Control Program;

Respiratory Protection Program;

Ergonomics Program;

Monitoring and Control of Exposure to Chemical Agents;

Collective protection equipment, according to the best available practices.

In 2020, despite our efforts, we recorded 16 low-severity injuries, considering employees and service providers from all plants. We instituted several improvement plans in 2020, such as:

- Renew and update QHSE technical criteria with reference to best management practices;
- Create the Integrated Safety Committee (Top Management);
- Launch the long-term Personal Safety and Process Safety Plans;
- Launch new programs such as the Behavioral Dialogue and the Systematic for the Control of Dangerous Energy Control System (LOTO);
- Commit to certification in the ABIQUIM Responsible Care® Program, for 2021.

Innova has no occurrences of occupational diseases related to the work environment. Additionally, our health and occupational hygiene programs seek the excellence and well-being of our employees. [GRI 403-10](#)

COVID-19: Health and Safety First

The Occupational Safety professionals, who assess risks in loco, act in a preventive manner and guide employees regarding good practices and procedures to be adopted in performing their activities.

In 2020, the teams' performance was essential. Especially to adapt the operations according to the World Health Organization (WHO) standards to avoid the contamination of people by COVID-19. All management related to the pandemic with periodic reporting to the Board is managed by the Company's technical committee for COVID-19 issues. We launched the Epidemiological Contingency Plan with flow and conduct definitions prioritizing the safety and health of our employees, aligned with the best WHO reference practices.

In this sense, additional preventive actions were taken:

- Each department had people organizing the tasks and agendas of employees so that there would be a rotation in the plants, avoiding crowds; [GRI 403-4](#)
- Massive distribution of alcohol gel and masks;
- Intensification of the cleaning of all workstations;
- More frequent air conditioning cleaning;
- Implementation of routine sanitization of environments;
- Expansion of air circulation in the environments, by opening doors and windows;
- Monitoring of body temperature in the access to the plants;
- Availability of tests to detect COVID-19;
- Protocol preventive leave and testing to all employees who have symptoms compatible with COVID-19
- Removal of employees in risk groups;
- Program for Prevention of Occupational Exposure to Benzene;
- Hearing Control Program;
- Respiratory Protection Program;
- Ergonomics Program;
- Monitoring and control of exposure to chemical agents;
- Collective protection equipment according to the best available practices.

Certifications and Attestations GRI 403-7

One of the most valued pillars to meet the strict standards of the legislation and of the segments served, such as the food industry, is the one referring to product safety. Innova has certifications and attestations granted by recognized external organizations that guarantee our best practices and deliveries:

- FSSC 22.000 certification, related to risk management aimed at food safety, at Plant I, in Manaus, which produces plastic caps for mineral waters, juices and soft drinks.
- RoHS (Restrictions of the use of Certain Hazardous Substances) compliance certificate in Plants II and IV. This is the European Union’s Directive 2002/95/EU, which provides for the safety in the use of chemical substances for human health and the environment.
- Certificate from the Equipment Inspection Service (SPIE), granted to Plant II by the Instituto Brasileiro de Petróleo, Gás e Biocombustíveis (IBP), which acts as the Product Certification Body. The certification is granted to industries that operate boilers, pressure vessels or piping and have their production validated by an audit without compromising the levels of safety levels.
- Adhesion Term and Commitment Declaration signed with ABIQUIM, for the Plants II and IV that affirm our commitment to the actions of the Responsible Care® Program, a voluntary commitment in the continuous improvement of its performance in health, safety environment and sustainability and will disseminate the principles in the value chain and with stakeholders.

All Innova Plants have ISO 9001 certification for risk management related to the quality of our products and customer satisfaction. The Industrial Units count on ISO 14.001 for environmental risk management.

The requirements of our clients and stakeholders are added to the legal requirements that guarantee ethically and legally reliable products and processes.



SPIE CERTIFICATION

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

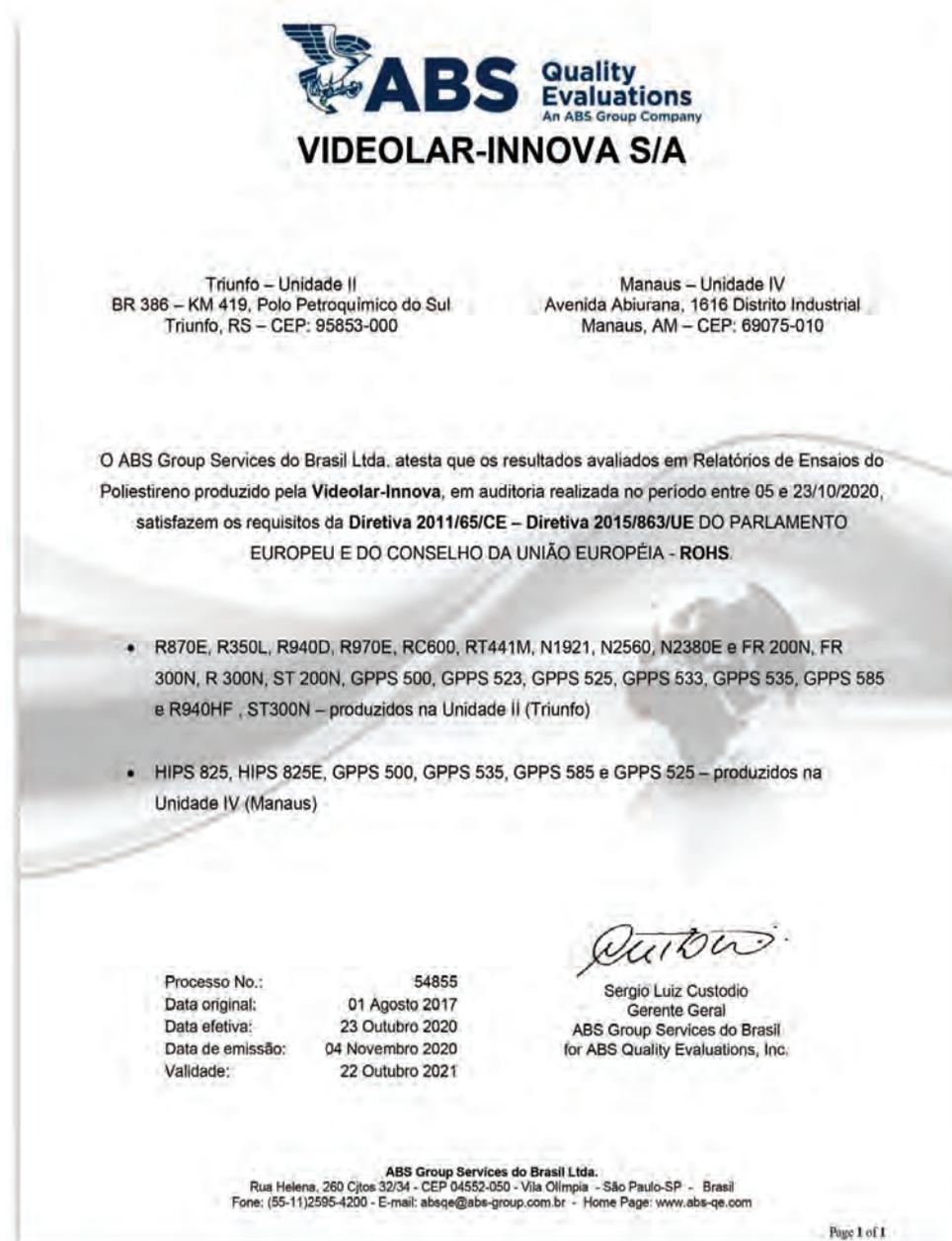


Atuação Responsável®
Compromisso com a sustentabilidade

In 2021, we will have an External Audit for the program.



FSSC 22000 CERTIFICATION



ROHS COMPLIANCE CERTIFICATE
PLANTS II AND IV

ABS Quality Evaluations

Certificado de Conformidade

Este é para certificar que o Sistema de Gestão da Qualidade da:

VIDEOLAR-INNOVA S/A

Unidade I

Avenida Torquato Tapajós, 5.555

Tarumã

Manaus, AM 69.041-025

Brasil

(Com Endereços adicionais listados em página anexa)

Foi avaliada pelo ABS Quality Evaluations, Inc. e encontrado em conformidade com os requisitos estabelecidos pela norma:

ISO 9001:2015

O Sistema de Gestão da Qualidade é aplicável a:

MANUFACTURE AND SALE OF ETHYLBENZENE (EB), STYRENE MONOMER (SM), TOLUENE, POLYSTYRENE (PS), EXPANDABLE POLYSTYRENE (EPS) AND PROCESSED PLASTICS (BOTTLE CAPS, FILMS AND LAMINATED); RESEARCH AND DEVELOPMENT OF PS AND EPS.

FABRICAÇÃO E COMERCIALIZAÇÃO DE ETILBENZENO (EB), MONÔMERO DE ESTIRENO (SM), TOLUENO, POLIESTIRENO (PS), POLIESTIRENO EXPANSÍVEL (EPS) E PLÁSTICOS TRANSFORMADOS (TAMPAS, FILMES E LAMINADOS) E PESQUISA E DESENVOLVIMENTO DE PS E EPS.

Certificado No: 34345
 Data de Expiração Anterior: 27 Janeiro 2014
 Data de Aprovação Original: 29 Dezembro 1998
 Data de Certificação: 14 Abril 2014
 Data Efetiva: 09 Dezembro 2019
 Data de Expiração: 27 Janeiro 2023
 Data de Emissão: 10 Dezembro 2019

Dominic Townsend
 Dominic Townsend, Presidente



A validade deste certificado é baseada em auditorias periódicas do sistema de gestão definido pelo escopo acima e está condicionada à notificação por escrito ao ABS Quality Evaluations, Inc. de mudanças significativas no sistema de gestão ou seus componentes.

ABS Quality Evaluations, Inc. 1701 City Plaza Drive, Spring, TX 77389, U.S.A.
 A validade deste certificado pode ser confirmada em www.abs-qe.com/cert_validation.

Copyright 2011-2019 ABS Quality Evaluations, Inc. All rights reserved.

ABS Quality Evaluations

ISO 9001:2015

Certificado de Conformidade

Anexo

Certificado No: 34345

VIDEOLAR-INNOVA S/A

nos Endereços Abaixo:

Endereço: Unidade II
 BR 386, km 419, Polo Petroquímico do Sul
 Triunfo, RS 95853-000
 Brasil

Endereço: Unidade III
 Av. Tamboré, 25 - Alphaville
 Barueri, SP 06460-000
 Brasil

Atividades: Manufacture of Ethylbenzene (EB), Styrene Monomer (SM), Toluene, Expandable Polystyrene (EPS), Manufacture and Sale of Polystyrene (PS) and Research and Development of PS and EPS
 Fabricação de Etilbenzeno (EB), Monômero de Estireno (SM), Tolueno, Poliestireno Expansível (EPS), Fabricação e Comercialização de Poliestireno (PS) e P&D de PS e EPS.

Atividades: Sale of Ethylbenzene (EB), Styrene Monomer (SM), Toluene, Polystyrene (PS), Expandable Polystyrene (EPS) and Processed Plastics (bottle caps, films and laminated).
 Comercialização de Etilbenzeno (EB), Monômero de Estireno (SM), Tolueno, Poliestireno (PS), Poliestireno Expansível (EPS) e Plásticos Transformados (tampas, filmes e laminados).

Endereço: Unidade IV
 Avenida Aburiana, 1616
 Distrito Industrial
 Manaus, AM 69075-010
 Brasil

Atividades: Manufacture of polystyrene.
 Fabricação de Poliestireno.



A validade deste certificado pode ser confirmada em www.abs-qe.com/cert_validation.

Copyright 2011-2019 ABS Quality Evaluations, Inc. All rights reserved.

ABS Quality Evaluations

Certificado de Conformidade

Este é para certificar que o Sistema de Gestão Ambiental da:

VIDEOLAR-INNOVA S/A
 Unidade I
 Avenida Torquato Tapajós, 5.555
 Tarumã
 Manaus, AM 69.041-025
 Brasil

(Com Endereços adicionais listados em página anexa)

Foi avaliado pelo ABS Quality Evaluations, Inc. e encontrado em conformidade com os requisitos estabelecidos pela norma:

ISO 14001:2015

O Sistema de Gestão Ambiental é aplicável a:

MANUFACTURE OF ETHYLBENZENE (EB), STYRENE MONOMER (SM), TOLUENE, POLYSTYRENE (PS), EXPANDABLE POLYSTYRENE (EPS) AND PROCESSED PLASTICS (BOTTLE CAPS, FILMS AND LAMINATED) AND RESEARCH AND DEVELOPMENT OF PS AND EPS

FABRICAÇÃO DE ETILBENZENO (EB), MONÔMERO DE ESTIRENO (SM), TOLUENO, POLIESTIRENO (PS), POLIESTIRENO EXPANSIVEL (EPS) E PLÁSTICOS TRANSFORMADOS (TAMPAS, FILMES E LAMINADOS) E PESQUISA E DESENVOLVIMENTO DE PS E EPS.

Certificado No: 40187
 Data de Expiração Anterior: 12 Abril 2015
 Data de Aprovação Original: 04 Maio 2006
 Data de Certificação: 22 Abril 2015
 Data Efetiva: 09 Dezembro 2019
 Data de Expiração: 02 Janeiro 2023
 Data de Emissão: 10 Dezembro 2019

Dominic Townsend
 Dominic Townsend, Presidente



A validade deste certificado é baseada em auditorias periódicas do sistema de gestão definido pelo escopo acima e está condicionada à notificação por escrito ao ABS Quality Evaluations, Inc. de mudanças significativas no sistema de gestão ou seus componentes.

ABS Quality Evaluations, Inc. 1701 City Plaza Drive, Spring, TX 77389, U.S.A.

A validade deste certificado pode ser confirmada em www.abs-qe.com/cert_validation.

Copyright 2011-2019 ABS Quality Evaluations, Inc. All rights reserved.

ISO 14001: 2015 CERTIFICATION PLANTS I, II, AND PLANT IV.

ABS Quality Evaluations

ISO 14001:2015

Certificado de Conformidade

Anexo

Certificado No: 40187

VIDEOLAR-INNOVA S/A
 nos Endereços Abaixo:

Endereço: Unidade II
 BR 386, km 419, Polo Petroquímico do Sul
 Trunfo, RS 95853-000
 Brasil

Endereço: Unidade IV
 Avenida Abiurana, 1616
 Distrito Industrial
 Manaus, AM 69075-010
 Brasil

Atividades: Manufacture of Ethylbenzene (EB), Styrene Monomer (SM), Toluene, Manufacture and Research and Development of Polystyrene (PS) and Expandable Polystyrene (EPS).

Atividades: Manufacture of Polystyrene (PS), Fabricação de Poliestireno (PS).

Fabricação de Etilbenzeno (EB), Monômero de Estireno (SM) e Tolueno, Fabricação e Pesquisa e Desenvolvimento de Poliestireno (PS) e Poliestireno Expansível (EPS).



A validade deste certificado pode ser confirmada em www.abs-qe.com/cert_validation.

Copyright 2011-2019 ABS Quality Evaluations, Inc. All rights reserved.



Michel Frank Farias Campos:
Plant IV (Manaus, Amazonas)

Clients

GRI 102-43



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

Our customer portfolio is formed by different companies from all over Brazil. The styrenic products supply the most diverse segments, such as tires, asphalt, refrigeration, food packaging, housewares, disposables, dairy products, civil construction, automotive and paint, among others.



The area of plastic transformed products serves mainly the food, beverage, packaging and tape industries. In all segments and for customers of all sizes, the Company's proposal is unique and value-based: "Total focus on customer demands".

This is accomplished with structured processes from the primary phase of the value chain, such as the supply of raw materials and inputs, to production operations and quality control, and also includes our logistics, marketing, sales, and after-sales areas.

To ensure the best service, we conduct an annual Customer Satisfaction Survey, through which we identify our perceived value, as well as mapping out opportunities to improve service processes. In 2020, the overall satisfaction of our customers was proven by the index of 4.32, compared to 4.25 in 2019.

An international reference in the publication of patents in the segment, the Styrenics Technology Center of our Triunfo Plant (RS) has the infrastructure to reproduce different industrial processes used by customers, enabling customization of resins for each application.

Satisfaction Survey

- 86% of the clients consider Innova a secure and tranquil supplier;
- 81% consider Innova a socially and environmentally responsible company;
- Our technical area is recognized as a competitive differential;
- NPS- Net Promoter Score- 95% promoters/passives.

Responsibility in the Supply Chain

GRI 103-2, 103-3: Purchasing Practices, 102-9, 102-43

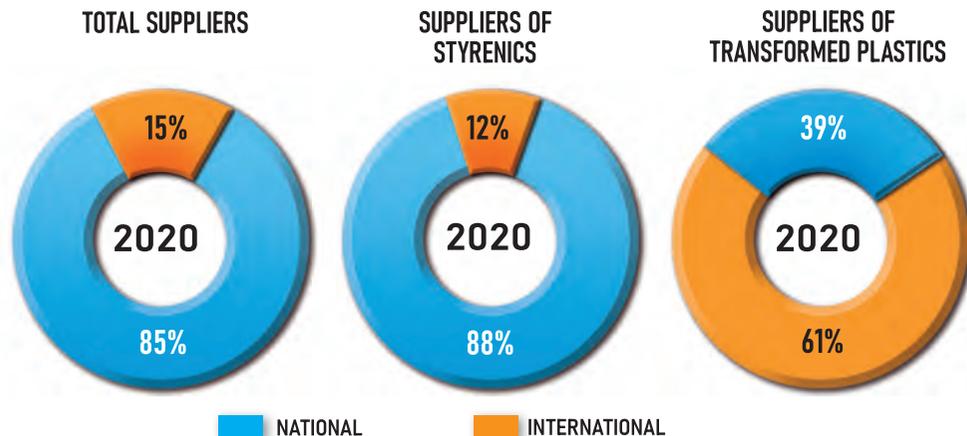
Based on the best ethical and transparent practices, we seek to consolidate valuable partnerships with our supply chain, which is formed by domestic and foreign suppliers of raw materials, inputs, and packaging of various categories and specificities, in addition to consumer goods and services companies. [GRI 102-9](#)

To this end, we invest in long-term relationships and widely publicize our Code of Conduct, which covers supplier relations, as well as our Reporting Channel.

In 2020, these partnerships were fundamental to ensure that we received raw materials essential to maintain our operation interruption free at a time of strong demand and in a global health crisis. We established methodologies and weekly online meetings with our suppliers in which we were able to monitor and ensure the delivery of purchased inputs on time and with a safety margin.

Regarding service suppliers, in addition to assisting in the implementation of the sanitary requirements necessary for the control of the pandemic, we conducted audits to ensure that such measures were being met according to the established standards.

At the end of 2020, Innova had a total of 1,573 active suppliers, of which 1,319 were domestic suppliers, representing 83.85% of the total, and 254 were international. In the period, the main expenses with suppliers were for obtaining raw materials and inputs to supply the production chain of styrene monomer, polystyrene and expansible polystyrene at Plant II, in Triunfo (RS). [GRI 102-9, 204-1](#)



Supplier evaluation GRI 103-2, 103-3: Environmental assessment of suppliers; 103-2, 103-3: Child labor; 103-2, 103-3: Forced or compulsory labor; 103-2, 103-3: Social assessment of suppliers; 308-1; 308-2, 408-1; 409-1; 414-1; 414-2

In the period, we continued to work closely with relevant suppliers, always focused on establishing and verifying the commitment of all third parties to our compliance and governance practices. We adopted specific procedures to verify compliance with all legal requirements and 100% of critical suppliers are periodically evaluated in order to promote the continuous improvement of processes, as well as the insertion and alignment of new suppliers with our management policies.

The evaluations consider specific criteria, according to the object supplied or service provision, divided among commercial, quality, health, environmental, and safety aspects. We also verify whether they are certified with the ISO reference bodies in management and we apply a supplier self-assessment check-list report, which also includes a specific topic on child labor. Additionally, our contracts include clauses related to human rights, anti-corruption and cases of non-compliance can lead to the termination of the services provided.

Furthermore, suppliers responsible for hazardous waste transportation, waste incinerators and suppliers of wood packaging (pallets) of forest origin are audited in loco by the company itself or through a company contracted for this purpose. In the case of styrenics production, all suppliers commit to not using harmful substances prohibited by international agreements in order to comply with the RoHS directive (Restriction of Certain Hazardous Substances).

Process Improvements GRI 102-10

In 2020 we instituted a Corporate Procurement Policy, to promote more clarity and transparency of the procurement processes in an integrated manner. In addition, we are looking for a new tool to manage and evaluate suppliers in an integrated manner, which includes the partner's registration, expected to be implemented in 2021. The novelty should contribute even more to the monitoring of suppliers and the inhibition of environmental and social incidents, among others.

A Supplier Manual is also under development to optimize knowledge of our operational requirements.

Shared Value

GRI 102-43, 103-2, 103-3: Indirect economic impacts, 203-2; 103-2, 103-3: Local communities; 413-1

Amazonas Sustainable Foundation (FAS)

Launched in December 2019, ECO-PS® resin followed in 2020 as a practical translation of our engagement with social, environmental aspects and the circular economy.

ECO-PS® is a pioneer in Brazil and uses material collected through a partnership with the Amazonas Sustainable Foundation (FAS), an organization that received from Unesco the Award in Education for Sustainable Development, which organized collection points in 11 neighborhoods of Manaus. Besides obtaining a product with recycled raw material, we contribute to the generation of income in the Amazon and the de-pollution of the urban area of Manaus.



The project also foresees the construction of PEVs (voluntary delivery points), a diagnostic study of the waste found in Manaus, the construction of a pilot laboratory for recycling purified material with extruders, equipment for washing and purifying the waste, primers and environmental education classes in the schools located in the neighborhoods affected by the project, as well as covering the costs of land and water transportation with rafts for reverse logistics of waste in the rivers of the region.

In 2020, Innova allocated R\$ 370.000,00 to the Amazonas Sustainable Foundation (FAS) in the project.

Ayrton Senna Institute

As members of the LIDE Educação group, whose mission is to seek to change the Brazilian reality and its Human Development Index (HDI), we support the Ayrton Senna Institute, which works with public administrations all over Brazil. The initiative provides educational process management services that include diagnosis and planning, training of managers and educators, and development of innovative solutions.

Instituto
**Ayrton
Senna**



Community Consultative Council (CCC)

Since 2003, together with other companies in the Southern Petrochemical Complex, we have been part of the Community Consultative Council (CCC) that works with the communities of Triunfo, Nova Santa Rita and Montenegro, in Rio Grande do Sul. The council helps to identify, assess and manage the impacts of industrial operations on the surrounding communities. In 2020, the council was expanded to include 5 additional councilors from the surrounding communities (those closest to the plant). [GRI 102-13](#)



Among the highlights of the CCC actions in 2020 are the delivery of cleaning and personal hygiene kits to each of the 30 council members; the creation of the “Fique Ligado” (Stay Aware), a communication tool about the actions of the companies in the Complex; the “Diálogo com a Comunidade” (Dialogue with the Community) program, with quarterly virtual meetings and an evaluation survey; and the implementation of the WhatsApp application to support the society. It is also worth mentioning Papo de Polo, an initiative created to hold live broadcasts on the internet with guests, focusing on topics related to Health, Safety and Environment; and initiatives such as Pink October and Blue November.

In the Image and Reputation diagnosis published in 2020 by the Brazilian Chemical Industry Association (ABIQUIM), among the CCCs in Brazil, the Triunfo Pole CCC had the best result in all points tested, among them, contribution to economic development, generation of quality employment, innovation, safe operation, ethics and transparency, and projects aimed at the communities.

Cycle of Knowledge Project

Since 2018, we have developed the Cycle of Knowledge Project through CCC of the Southern Petrochemical Pole. The initiative promotes knowledge among students in the region. In 2020, the action was suspended until the pandemic scenario improves.



Citizen Dish

In partnership with the Amazonas State Government and the company Sodexo, we maintain one of the restaurants of the Prato Cidadão project in Manaus, which serves 6.000 meals a month. The initiative offers balanced meals at lunchtime, from Monday to Friday, at the price of R\$1.00. The goal is to serve people in situations of social vulnerability, such as homeless people, unemployed and low-income informal workers.



Prato Cidadão
RESTAURANTE COMUNITÁRIO

Support to Culture

In 2020, Innova supported the book project Memorabilia of Image & Sound: Photographic Essays at the Tania Maris Vanin Parisotto Memorial. The book provides a commented iconographic record of what have been, throughout time, the media supports, those objects once necessary to record images and sounds in mass. It starts in the 19th century and takes us up to the day when these inventions became obsolete and everything became virtual.

It is also an approach to the Memorial that tells the story of Videolar, now Innova, from totally different angles and complementary to what is seen on a visit to the site. The free essays by photographer Liz Vanin Parisotto went into the hidden and less obvious corners of the objects.

A walk through the history of image and sound through its memorable objects, the so-called memorabilia, from the machines to the original costumes from Hollywood movies, including the beautiful steel molds, combined in narrative harmony. Nationwide, 100 universities have received the book Memorabilia of Image & Sound.





In 2020, Innova acquired an important Carmen Miranda collection on of black and white photos, illustrations, graphic materials of famous plays, movies, as well as costumes and personal props.

A globalized multimedia phenomenon in the 1930s and the most famous Brazilian on the planet, Carmen Miranda (who came to the world in Portugal) left her indelible mark in the music industry, in Hollywood, and also on Broadway.

Carmen Miranda became a multimedia queen by bringing to a troubled world the lightness of a universal sunny smile. She paved the way for our cinema and, decades later, for Videolar itself as a multimedia industry. The same smile Carmen would certainly smile if she knew that today her collection is well kept in a museum in a petrochemical plant.



Contribution to the sustainable development goals

The development of ECO-PS® contributes to the circular economy, through the reuse of waste. Recycling and reuse promotes the circular economy and decreases the consumption of water, energy and other fossil resources needed for the production of resins.

The project promotes the generation of jobs and income, contributing to the reduction of social inequalities in the region.

The project effectively contributes to five sustainable development goals (SDGs), listed below, and to our commitment to sustainability in industry and value generation.



This is one of the many partnerships we have signed with society to mitigate the impacts caused by our business and consolidate our contribution to sustainable development, a commitment we also reaffirm by prioritizing the hiring of employees from the locations where we are present.



João Willis Souza Gomes:
Plant I (Manaus, Amazonas)



Juliana Ribeiro Dias:
Plant II (Triunfo, Rio Grande do Sul)

EFFICIENT RESOURCE MANAGERMENTS

We maintain the Environmental Management System certified by the ISO 14.001 standard in all our Industrial Plants. It gathers the requirements, guidelines and best practices applicable to our entire production process. Our Units are constantly monitored regarding the use of materials, energy efficiency, effluent and waste management, and emissions management.

Check out our initiatives, indicators and ways to manage aspects that are relevant to our activities.

Use of Materials GRI 103-2, 103-3: Materials

Due to the nature of our activities, the most representative materials in our production process are divided between styrenics and plastic transformates, in addition to the packaging that ensures the quality of the products in the logistics to the customers.

In 2020, we registered an increase of 20.4% in the consumption of transformed and 15.5% in styrenics compared to 2019, which totals are due to the growth in production, by 17.1% and 17.3%, respectively.

Aware of the potential of the reverse chain in our industry, we constantly seek alternatives related to the circular economy. Among the highlights in this regard is ECO-PS®, Brazil's first polystyrene containing up to 30% post-consumer recycled polystyrene with properties similar to those of the product made with 100% virgin resin. GRI 301-2

Type of material (ton) <small>GRI 301-1</small>	2018	2019	2020
Converted			
PP Homopolymer	37.191	39.189	48.024
PS Closure Caps	2.216	3.953	4.755
PP Closure Caps	2.992	2.497	2.170
Styrenics			
Benzene	198.547	144.603	176.030
Ethene	73.186	53.425	64.462
Styrene	117.612	142.837	155.594
Rubber	9.676	9.335	9.284
Mineral Oil	5.772	5.539	5.184
Pentane	661	829	1.240

Energy Efficiency GRI 103-2, 103-3: Energy, 302-1, 302-3, 302-4

Energy efficiency and the prioritization of renewable energy sources are among the main sustainability aspects in our production process. In 2020, we advanced in this agenda with the construction of our Steam and Electricity Generation Plant, built in the petrochemical plant in Triunfo (RS).

The plant has 30,000 kW of installed power, enabling our petrochemical to self-production and self-sufficiency in electric and steam energy, from biomass, a 100% renewable source, replacing fossil-based energy sources.

Regarding energy consumption in the period, indicators are monitored through the Integrated Management System, we observed an energy intensity of 3.23 GJ/t in Plant II, a reduction of 13% compared to 2019.

GRI 302-3, 302-4

The result is due to the increase in production in Plant II and initiatives for greater efficiency in energy consumption, such as catalyst change and gradual, but constant, action to optimize the process variables to obtain the same quality product and lower energy consumption. It is worth noting that, with the use of natural gas as of 2019, the consumption of the fuels BTE petrochemical oil and LPG were zeroed in 2020.

In Plant I, the intensity rate was 5.81 GJ/t, which represents a 5.2% decrease compared to the previous year, due to the 18% increase in production and initiatives to reduce energy consumption. In Plant IV, on the other hand, an energy intensity of 0.58 GJ/t was recorded, an increase of 10% compared to 2019, due to the 10% decrease in production at the Unit. GRI 302-3, 302-4

The results are mainly due to the efforts of the industrial teams for the optimization of production equipment and utilities in order to increase efficiency, quality, availability and reduce gas and electric energy consumption, the awareness through operational recommendations on the main activities/behaviors that impact the energy consumption of the Plant, to avoid waste.

ELECTRICITY CONSUMPTION <small>GRI 302-1</small>				
PLANT I	SOURCE (GJ)	2018	2019	2020
Electricity consumption (including refrigeration)	Electricity	284.803	302.599	333.157
Fuel consumption	Liquefied Petroleum gas (LPG)	951	1.069	1.045
Fuel consumption	Natural Gas	50.540	52.115	64.998
Total		336.294	355.783	399.200

PLANT II	SOURCE (GJ)	2018	2019	2020
Electricity consumption (including refrigeration)	Electric power	237.312	245.362	289.980
Fuel consumption	Petrochemical oil BTE	393.373	23.390	0
Fuel consumption	Liquefied petroleum gas (LPG)	9.154	509	0
Fuel consumption	Natural gas	0,00	254.328	320.272
Steam consumption	Low and High Pressure Vapors	2.058.642	1.388.615	1.465.642
Total		2.698.481	1.912.204	2.075.894

PLANT IV	SOURCE (GJ)	2018	2019	2020
Electricity consumption (including refrigeration)	Electricity	72.571	76.197	76.844
Fuel consumption	Natural Gas	27	27	19
Fuel consumption	Diesel Oil	2.481	1.282	1.836
Total		75.079	77.506	78.699



Claudia Assunção Ribeiro Pantoja:
Plant I (Manaus, Amazonas)

EFFLUENT AND WASTE MANAGEMENT

GRI 103-2, 103-3: EFFLUENTS AND WASTE

In Plant II, the effluent is sent for treatment in the integrated system of treatment for liquid effluents (SITEL), of the Triunfo petrochemical pole. In Plants I and IV, on the other hand, the effluents are treated in internal stations. The environments are periodically monitored and followed up, guaranteeing Compliance with local legislation.

In 2020, Innova had a reduction of 19% of its effluents generated, compared to 2019. This result reflects the operational improvement of the styrene plant, where adjustments were made in operating conditions and other variables, which enabled the greater internal reuse of the effluent generated.

Water discharge <small>GRI 306-1</small>	2018	2019	2020
Total volume discharged (M3)	262.108,20	355.930,20	287.343,00
Disposal	Plants I and II: Ground sprinkling Plant IV: Sewage collection system	Plants I and II: Ground sprinkling Plant IV: Sewage collection system	Plants I and II: Ground sprinkling Plant IV: sewage collection system
Treatment method	Plant I: Biological treatment Plant II: Physicochemical and biological treatment Plant IV: Physicochemical and biological treatment	Plant I: Biological treatment Plant II: Physicochemical and biological treatment	Plant I: Biological treatment Plant II: Physico-chemical and biological treatment Plant IV: Physicochemical and biological treatment

Solid waste GRI 103-2; 103-3: effluents and waste; 306-2; 306-4

The reduction and correct disposal of waste are part of the objectives established by the company's integrated policy. When it is not possible to reuse the waste internally, Innova sends it for treatment and final disposal in approved receptors according to the legislation and procedures established by the company. Furthermore, the company has monitoring and management indicators for the waste theme. GRI 306-4

In 2020, total waste disposal from Innova units was 11,216 tons, an increase of 29% when compared to 2019.

Although the generation of non-hazardous waste was 54% higher when compared to 2019, improvements were made in the way these were disposed of, seeking the principle of reuse.

Among the initiatives of note, in Plant II, approximately 7,000 tons of uncontaminated soil waste were reused by a licensed supplier and used for earthmoving. Previously this waste was sent to landfill, which represented a reduction of 85% for this index.

In addition, part of the class II waste, which was previously sent to landfills, was sent for co-processing in clinker ovens. In Plant I, it is worth mentioning that the organic waste generated in the cafeteria is now being sent for reuse through composting.

As for hazardous waste, there was a 61% reduction between 2019 and 2020. This can be explained mainly by two factors: the non-stopping of production plants for maintenance and the implementation of a new treatment strategy for septic tank sludge through the internal effluent system of the Plants, for treatment in the integrated liquid effluent treatment system (SITEL) of the complex.

WASTE BY TYPE AND DISPOSAL METHOD <small>GRI 306-2</small>			
Hazardous waste (tons)	2018	2019	2020
Reuse/reuse	0,92	-	-
Recycling	52,00	82,93	68,54
Incineration (burning)	162,62	157,64	288,38
Landfill	0,59	0,02	-
Coprocessing	204,41	907,18	336,26
Autoclave	0,01	0,02	0,01
Effluent treatment	360,98	784,16	51,99
Re-refining	4,60	6,90	5,91
Decontamination for Reuse	35,88	21,90	18,46
	822,01	1.960,75	769,55
Non-hazardous waste	2018	2019	2020
Reuse/re-re-use	40,78	70,71	7.011,41
Recycling	2.774,50	4.143,65	2.928,85
Composting	12,90	43,12	43,81
Landfill	11.067,08	2.463,51	371,30
Effluent treatment		1,72	88,16
Co-processing			2,80
Animal feeding	40,12	35,29	
	13.935,38	6.758,00	10.446,33



Alisson Vidal Correia:
Plant II (Triunfo, Rio Grande do Sul)

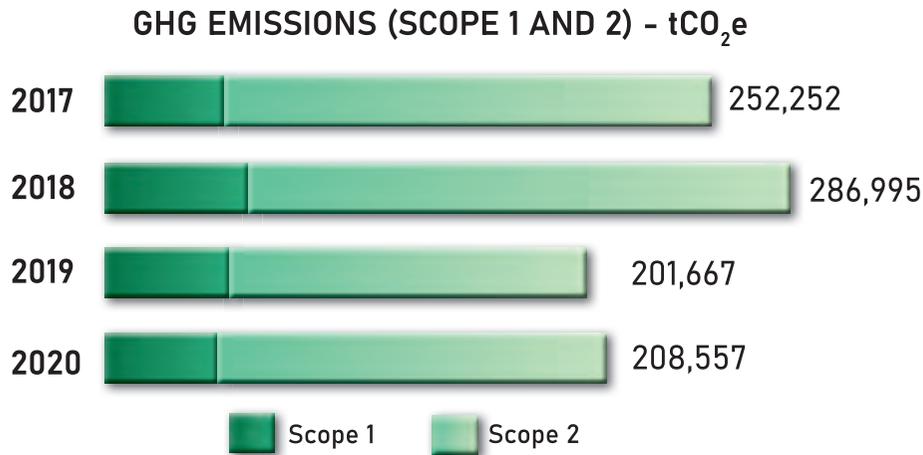
EMISSIONS MANAGEMENT GRI 103-2, 103-3: EMISSIONS

Innova has invested efforts and resources to reduce greenhouse gases emissions and mitigate impacts related to climate change. Since 2018, initiatives for energy efficiency have been underway, with the renovation of the styrene monomer (SM) plant and steam and power generation through renewable fuels and the implementation of the Steam and Power Generation Plant.

Innova has performed its first greenhouse gas emissions inventory (GHG) covering the years 2017 to 2020, for all its Plants. For the preparation of the inventory, the specifications of the Brazilian GHG Protocol Program were used, based on the greenhouse gas protocol, a corporate accounting and reporting. Reporting standard, developed by the world resources institute and the world business council for sustainable development.

In 2020, our absolute scope 1 emissions totaled 47,448 tCO₂e, a 4.85% reduction from the previous year. It is even more significant the reduction of emissions for scope 1 of the company, compared to the year 2018, with a gross reduction of emissions by 12,171 tCO₂e, which represents 20.4%. [GRI 305-1, 305-5](#)

Scope 1 + 2 emissions in 2020 totaled 208,557 tCO₂e, with a reduction of 27.3% if compared to 2018. [GRI 305-2, 305-5](#)

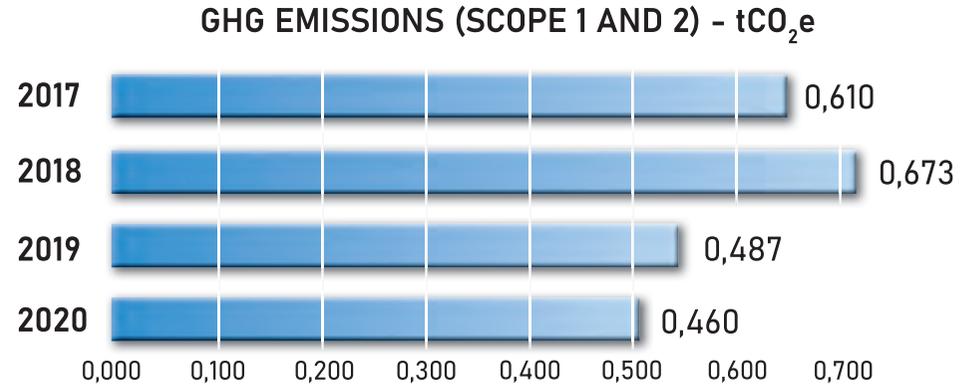


The reductions over the years were possible due to the investments that the company has made over the years, in search of optimization of its production process and energy consumption.

In 2019, the styrene monomer (SM) plant went into operation, with the revamp concept. The installation of the direct heating unit (DHU), energy integration in distillation and the replacement of fuel oil with natural gas were responsible for the lower energy consumption of Plant II, contributing to the result of constant reductions over the years.

Intensity ratio GRI 305-4

In the period from 2018 to 2020, Innova's emission rate showed a 32% reduction, reaching the value of 0.460 tco₂e per ton of commercialized product. In absolute terms, the cumulative emission reduction for the same period represented 78,438 tco₂e, equivalent to all scope 1 emissions from all Innova Plants in one year. [GRI 305-4, 305-5](#)



Based on this first diagnosis, for the next years, the risks and opportunities related to climate change that have the potential to generate substantial changes in operations, revenues or expenses, as well as objectives and goals, will be surveyed. Innova is working hard to become a zero carbon petrochemical company. [GRI 201-4](#)

GREENHOUSE GAS EMISSIONS <small>GRI 305-2</small>			
Scope 1 Category (tCO ₂ e)	2018	2019	2020
Mobile combustion	178	180	199
Stationary combustion	56.852	48.321	45.990
Fugitives	1.136	320	734
Flare and flare pilot	1.452	1.045	525
Total	59.618	49.867	47.448

Scope 2 Category (tCO ₂ e)	2018	2019	2020
Purchase of electric energy	12.769	13.571	12.469
Heating, cooling or steam consumed (if applicable)	214.608	138.230	148.640
Total	227.377	151.800	161.109

ABOUT THE REPORT

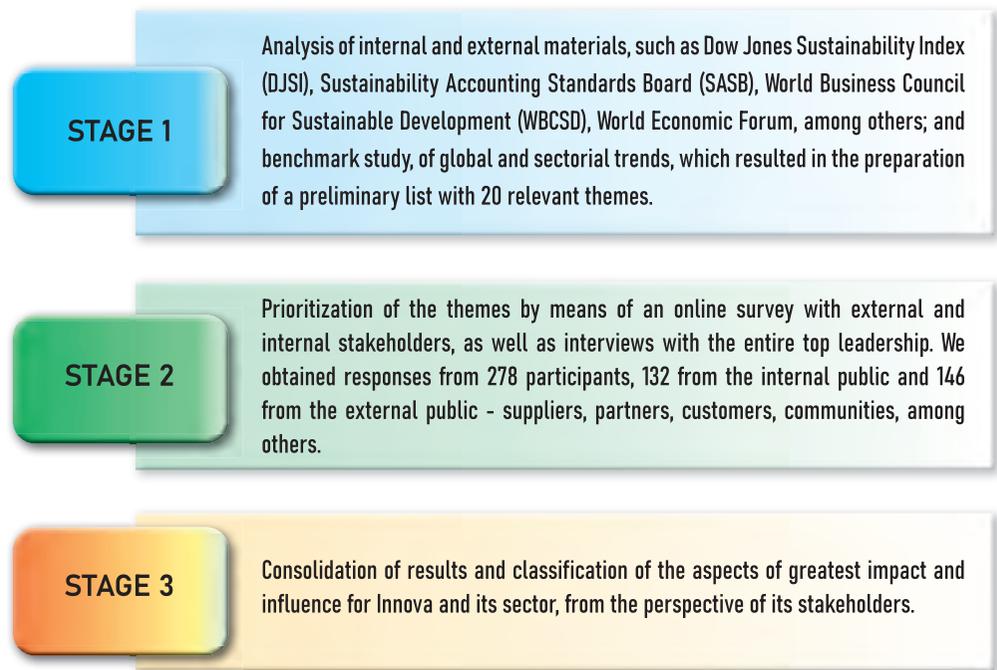
Innova's Sustainability Report provides information on performance and management methods regarding environmental, social and governance aspects for the period between January 1st and December 31st, 2020, as well as guidelines, strategies, vision of the future and initiatives to generate value for our stakeholders.

GRI 102-50

Following the best market practices, the report was built based on the guidelines of the Global Reporting Initiative (GRI), Standards, Essential agreement option, as well as on the premises of the International Integrated Reporting Council (IIRC) and brings the most relevant themes to the activities in line with our materiality matrix. [GRI 102-54](#)

Materiality Matrix [GRI 102-40 e 102-42](#)

In order to promote transparency about our performance, the content of the report was defined based on the materiality process, carried out in 2019 with the support of an external consulting firm, which included the following stages:



LIST OF MATERIAL ISSUES AND IMPACT LIMITS GRI 102-44, 102-46, 102-47, 103-1						
Group	Order of relevance	Material theme	GRI Aspect	GRI Indicators	Impact within Innova	Impact outside Innova
Governance	1º	Ethics and Compliance	Ethics and integrity, Anti-corruption	205-1, 205-2, 205-3	Yes	All
Safe production	2º	Process and Facility Health and Safety	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
	3º	Occupational health and safety	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	
Sustainable solutions	4º	Acting on consumption and post-consumption	Management approach		Yes	Clients and society
	8º	Sustainable product portfolio and solutions	Management approach		Yes	Suppliers, clients and society
Commitment with the value chain	10º	Use of recycled materials	Materials	301-1, 301-2, 301-3	Yes	Suppliers, clients and society
	7º	Training and qualification of employees	Training and education	404-1, 404-2, 404-3	Yes	
Environmental aspects management	9º	Responsibility in the supply chain	Social evaluation of suppliers, Environmental evaluation of suppliers	308-1, 308-2, 408-1, 409-1, 414-1, 414-2	Yes	Suppliers
	5º	Energy efficiency	Energy	302-1, 302-2, 302-3, 302-4, 302-5	Yes	Society
Environmental aspects management	6º	Greenhouse gas management	Emissions	201-2, 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7	Yes	Society

Questions, suggestions, or additional information can be requested and forwarded through the Communications Area contact: selmo.leisgold@innova.com.br [GRI 102-53](#)

GRI (GLOBAL REPORTING INITIATIVE) ANNEXES

GRI 102-8 EMPLOYEES PER WORK CONTRACT, PER REGIONS

Regions	2018		2019		2020	
	Permanent	Trainee	Permanent	Trainee	Permanent	Trainee
South	215	12	227	6	247	7
Southeast	99	8	97	5	102	2
Center-West	0	0	0	0	0	0
Northeast	0	0	0	0	0	0
North	662	4	650	8	650	15
Total	976	24	974	19	999	24

GRI 401-1 NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

2018	Number of hirings	Percentage of hirings	Number of terminations	Turnover
By gender				
Female	7	1%	12	1%
Male	105	11%	68	7%
By region				
North	63	6%	55	6%
Northeast	0	0%	0	0%
Center-West	0	0%	0	0%
Southeast	7	1%	3	0%
South	42	4%	22	2%
By age group				
Under 30 years old	101	10%	38	4%
From 30 to 50 years old	47	5%	41	4%
More than 50 years old	2	0%	15	2%
Total	112		80	

2019	Number of hirings	Percentage of hirings	Number of terminations	Turnover
By gender				
Female	19	2%	28	3%
Male	97	10%	90	9%
By region				
North	72	7%	77	8%
Northeast	0	0%	0	0%
Center-West	0	0%	0	0%
Southeast	13	1%	17	2%
South	31	3%	24	2%
By age group				
Under 30 years old	95	10%	69	7%
From 30 to 50 years old	42	4%	51	5%
More than 50 years old	2	0%	26	3%
Total	116		118	

2019	Number of hirings	Percentage of hirings	Number of terminations	Turnover
By gender				
Female	13	1%	24	2%
Male	121	12%	98	10%
By region				
North	16	2%	80	8%
Northeast	0	0%	0	0%
Center-West	0	0%	0	0%
Southeast	70	7%	11	1%
South	48	5%	31	3%
By age group				
Under 30 years old	60	6%	32	3%
From 30 to 50 years old	72	7%	62	6%
More than 50 years old	2	0%	28	3%
Total	134		122	

GRI 102,48, 403-9 WORK-RELATED INJURIES

Consolidated Innova ^{1,2}	2018		2019		2020	
	Total	Taxa	Total	Taxa	Total	Taxa
Deaths as result of work-related injuries	0	0,0	0	0,0	0	0,0
High severity injuries (excluding fatalities) ³	0	0,0	0	0,0	0	0,0
Injuries related injuries registered	14	7,4	9	4,5	16	8,7
Types of injuries injuries	Cut, Bruising		Cut, Bruising		Cut, Bruising, Burns, Eye Trauma	
Number of hours worked	1.894.830		1.988.824		1.839.685	

¹ The data includes all Innova Units, with the exception of data referring to projects/works

² There was a change in the reporting methodology due to improved management and control over the theme, with refinement of the reporting criteria in line with the GRI and effective control over contractors (service providers).

³ Clt considers occurrences from which the employee or contractor (service provider) has not recovered or is not expected to fully recover within six months for his or her health condition.

GRI 306-5 - WATER BODIES AFFECTED BY WATER DISPOSAL AND DRAINAGE

The Permanent Preservation Areas (APP) are monitored annually, both for the preservation of fauna and flora. We also send reports to the competent environmental agency, we have procedures to forbid the capture of wild animals, and we include signs prohibiting entry into the APP.

Water bodies impacted by water disposal	2020
Size of the water body and related habitat	Plant I and Plant IV: igarapé, 8 meters wide, located in the Tarumã Basin, of which 2 meters are located on Innova's land.
Water body and habitat protected (nationally or internationally)	Plant I and Plant IV: nationally protected, under Innova's responsibility.
Biodiversity value	Plant I: the permanent preservation area is equivalent to 2.92 hectares.

GRI STANDARDS CONTENT SUMMARY GRI 102-55
GRI 101: 2016 FUNDAMENTALS

GRI 102: General Release 2016	Standarts	Page	Omission	Global pact	SDG
Company Profile					
	102-1: Company Name	17			
	102-2: Main activities, brands, products and services	20 e 27			
	102-3: Location of the Company's headquarters	Av. Tamboaré, 25 - Alphaville 06460-000 - Barueri/SP			
	102-4: Location of operations	17 e 18			
	102-5: Shareholder control and Company's legal form	Videolar-Innova S/A			
	102-6: Markets where the Company operates	17 e 27			
	102-7: Size of the Company	30 e 31			
	102-8: Information about employees and other workers	17, 76, 77 e 130		6	8
	102-9: Company's supplier chain	104			
	102-10: Significant changes taken place in the Company or in its supply chain	105			
	102-11: Approach or precautionary principle	38			
	102-12: Externally developed initiatives	52			
	102-13: Participation in associations	52 e 108			
Strategy					
	102-14: President's Statement	6			
Ethics and integrity					
	102-16: Values, principles, standards and rules of behavior	10 e 36		10	16



GRI 101: 2016 FUNDAMENTALS					
GRI 102: General Release 2016	Standarts	Page	Omission	Global pact	SDG
		Ethics and integrity			
	102-17: Counseling mechanisms and ethical concerns.	37			
		Governance			
	102-18: Governance Structure	32			
	102-19 Process of delegation of authority on economic, environmental and social topics by the highest governance body to executives and employees	32			
	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	32			
	102-22 Composition of the highest governance body and its committees	33			
	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	32			

GRI 101: 2016 FUNDAMENTALS					
GRI 102: General Release 2016	Standarts	Page	Omission	Global pact	SDG
		Governance			
	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.	32			
		Stakeholders Engagement			
	102-40: List of stakeholder groups	128			
	102-41: Collective negotiation agreements	76		3	8
	102-42: Identification and selection of stakeholders	128			
	102-43: Approach taken by the organization to engage stakeholders	100, 104 and 106			
	102-44: Main topics and concerns	129			
		Reporting Practices			
	102-45: Entities included in the consolidated financial statements	All operations of Videolar-Innova S.A.			
	102-46: Definition of report content and material limits of topics	129			
	102-47: List of material themes	129			
	102-48: Informations restatements	None			
	102-49: Changes in the report	None			

Governance

GRI 101: 2016 FUNDAMENTALS

GRI 102: General Release 2016	Standarts	Page	Omission	Global pact	SDG
Reporting Pratices					
	102-50: Reporting Period	5 and 128			
	102-51: Date of most recent previous report	2019			
	102-52: Reporting Cycle	Annual			
	102-53: Contact for questions about the report	129			
	102-54: Reporting approach according to GRI standards	5 and 128			
	102-55: GRI Content Summary	133			
	102-56: External Assurance	The financial statements were audited by KPMG Auditores Independentes			

Specific contents	Item	Page	Omission	Global Pact	SDG
-------------------	------	------	----------	-------------	-----

GRI 101: 2016 ECONOMIC PERFORMANCE

GRI 103 Management	103-1: Explanation of materiality and its limit	129			
	103-2: Management approach and its components	65		1 8	1, 5, 8, 16
	103-3: Evaluation of management approach	65			
	201-1: Direct economic value generated and distributed	68			2, 5, 7, 8, 9

GRI 101: 2016 INDIRECT ECONOMIC IMPACTS

GRI 103 Management approach 2016	103-1: Explanation of Materiality and its Limit	129			
	103-2: Management approach and its components	106		1 8	1, 5, 8, 16
	103-3: Evaluation of management approach	106			
	203-2: Significant indirect economic impacts	106			1, 2, 3, 8, 10, 17

GRI 204: 2016 PURCHASING PRACTICES

GRI 103 Management approach 2016	103-1: Explanation of Materiality and its Limit	129			
	103-2: Management approach and its components	104		1 8	1, 5, 8, 16
	103-3: Evaluation of management approach	104			
	204-1: Proportion of expenditures with local suppliers	104			12

GRI 204: 2016 ANTI-CORRUPTION

GRI 103 Management Approach 2016	103-1: Explanation of Materiality and its Limit	129			
	103-2: Management approach and its components	36		1 8	1, 5, 8, 16
	103-3: Evaluation of management approach	36			
	205-1: Operations assessed for risks related to corruption	36		10	16
	205-2: Communication and training on anti-corruption policies and procedures	36		10	16
	205-3: Confirmed incidents of corruption and actions taken	36		10	16

Specific contents	Item	Page	Omission	Global Pact	SDG
-------------------	------	------	----------	-------------	-----

Environmental Standards

GRI 301: 2016 MATERIALS

GRI 103 Management Approach 2016	103-1: Explanation of Materiality and its Limit	129			
	103-2: Management approach and its components	118		1 8	1, 5, 8, 16
	103-3: Evaluation of management approach	118			
	301-1: Materials used discriminated by weight or volume	118		7/8	8,12

Specific contents	Item	Page	Omission	Global Pact	SDG
Environmental Standards					
GRI 301: 2016 MATERIALS					
GRI 103 Management Approach 2016	301-2: Materials from recycling	118			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
Environmental Standards					
GRI 302: 2016 ENERGY					
GRI 103 Management Approach 2016	103-1: Explanation of Materiality and its Limit	129			
	103-2: Management approach and its components	118		1 8	1, 5, 8, 16
	103-3: Evaluation of management approach	118			
	302-1: Energy consumption within the organization	118		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	118 and 119		8	7, 8, 12, 13
	302-4: Reduction of energy consumption	118 and 119		8/9	7, 8, 12, 13
	302-5: Reductions in energy requirements of products and services	Not applicable		8/9	7, 8, 12, 13
Environmental Standards					
GRI 305: 2016 EMISSIONS					
GRI 103 Management Approach 2016	103-1: Explanation of Materiality and its Limit	129			
	103-2: Management approach and its components	126		1 8	1, 5, 8, 16
	103-3: Evaluation of management approach	126			
	305-1: Direct greenhouse gas emissions - Scope 1	126		7 8	3, 12, 13, 14, 15

Specific contents	Item	Page	Omission	Global Pact	SDG
Environmental Standards					
GRI 305: 2016 EMISSIONS					
GRI 103 Management Approach 2016	305-2: Indirect greenhouse gas emissions - Scope 2	126 and 127		7 8	3, 12, 13, 14, 15
	305-4: Greenhouse gas emissions intensity	127		8	13, 14, 15
	305-5: Reduction of greenhouse gas emissions	126 and 127		8 9	13, 14, 15
Environmental Standards					
GRI 306: 2016 EFFLUENTS AND WASTE					
GRI 103 Management Approach 2016	103-1: Explanation of Materiality and its Limit	129			
	103-2: Management approach and its components	122		1 8	1, 5, 8, 16
	103-3: Evaluation of management approach	122			
	306-1: Total water discharge, broken down by quality and destination	122		8	3, 6, 12, 15
	306-2: Total weight of waste, discriminated by type and disposal method	122		8	3, 6, 12
	306-3: Significant leaks	88		8	3, 6, 12, 15
	306-4: Transportation of Hazardous Waste	122		8	3, 12
	306-5: Water bodies significantly affected by water discharge and/or runoff	132		8	6, 15

Specific contents	Item	Page	Omission	Global Pact	SDG
Environmental Standards					
GRI 301: 2016 ENVIRONMENTAL ASSESSMENT OF SUPPLIERS					
GRI 103 Management Approach 2016	103-1: Explanation of Materiality and its Limit	129			
	103-2: Management approach and its components	105		1 8	1, 5, 8, 16
	103-3: Evaluation of management approach	105			
	308-1: New suppliers selected based on environmental criteria	105		8	
	308-2: Significant negative environmental impacts in the supply chain and actions taken	105		8	

Social Patterns					
GRI 401: 2016 EMPLOYMENT					
GRI 103 Management Approach 2016	103-1: Explanation of Materiality and its Limit	129			
	103-2: Management approach and its components	76		1 8	1, 5, 8, 16
	103-3: Evaluation of management approach	76			
	401-1: New hires and turnover	76 and 130		6	5,8

GRI 403: 2016 OPERATIONAL HEALTH AND SAFETY					
GRI 103 Management Approach 2016	103-1: Explanation of Materiality and its Limit	129			
	103-2: Management approach and its components	81		1 8	1, 5, 8, 16
	103-3: Evaluation of management approach	81			
	403-1: Occupational Health and Safety Management System	81 and 84			8
	403-2: Hazard identification, risk assessment, and incident investigation	84			3,8

Specific contents	Item	Page	Omission	Global Pact	SDG
Environmental Standards					
GRI 403: 2016 HEALTH AND OPERATIONAL SAFETY					
GRI 103 Management Approach 2016	403-3: Occupational Health Services	88			3,8
	403-4: Communication, consultation and participation of workers in occupational health and safety	88 and 89			8
	403-5: Worker training in occupational health and safety	88			
	403-6: Worker Health Promotion	88			
	403-7: Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	90			
	403-8: Workers covered by occupational health and safety management system	100%			
	403-9: Work-related injuries	132			
	403-10: Work-related health problems	89			

GRI 404: 2016 TRAINING AND EDUCATION					
GRI 103 Management Approach 2016	103-1: Explanation of Materiality and its Limit	129			
	103-2: Management approach and its components	77		1 8	1, 5, 8, 16
	103-3: Evaluation of management approach	77			
	404-1: Average number of training hours per year per employee	77 and 80		6	4, 5, 8
	404-2: Employee knowledge enhancement and career transition programs	77			8



Specific contents	Item	Page	Omission	Global Pact	SDG
Environmental Standards					
GRI 404: 2016 TRAINING AND EDUCATION					
GRI 103 Management Approach 2016	404-3: Percentage of employees receiving regular performance and career development reviews	80 and 81		6	5, 8
GRI 408: 2016 CHILD LABOR					
GRI 103 Management Approach 2016	103-1: Explanation of Materiality and its Limit	129			
	103-2: Management approach and its component	142		1 8	1, 5, 8, 16
	103-3: Evaluation of management approach	142			
	408-1: Operations and suppliers identified as having risk for incidents of child labor	No significant risks related to cases of child labor have been identified in the supply chain.		5	8, 16
GRI 409: 2016 FORCED OR SLAVE LABOR					
GRI 103 Management Approach 2016	103-1: Explanation of Materiality and its Limit	129			
	103-2: Management approach and its components	142		1 8	1, 5, 8, 16
	103-3: Evaluation of management approach	142			
	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: 2016 LOCAL COMMUNITIES					
GRI 103 Management Approach 2016	103-1: Explanation of Materiality and its Limit	129			
	103-2: Management approach and its components	106		1 8	1, 5, 8, 16
	103-3: Evaluation of management approach	106		1	

Specific contents	Item	Page	Omission	Global Pact	SDG
Environmental Standards					
GRI 413: 2016 LOCAL COMMUNITIES					
GRI 103 Management Approach 2016	413-1: Operations with implemented local community engagement, impact assessment, and local development programs	106		1	
GRI 414: 2016 SOCIAL ASSESSMENT AT SUPPLIERS					
GRI 103 Management Approach 2016	103-1: Explanation of Materiality and its Limit	129			
	103-2: Management approach and its components	105		1 8	1, 5, 8, 16
	103-3: Evaluation of management approach	105			
	414-1: New suppliers that were selected based on social criteria	105		2	6, 8, 16
	414-2: Negative social impacts in the supply chain and actions taken	105		2	6, 8, 16

CREDITS AND ACKNOWLEDGEMENTS

Coordination: Clarissa Westphalen, José Lemos de Carvalho Junior, Selmo Leisgold

GRI Consulting and Editorial Content: InspIR Group

Editorial Concept: Selmo Leisgold

Artwork: Renato Escobar, Gean Victor Studio

Photography: Lirio Albino Parisotto by Liz Vanin Parisotto

Employees from Manaus (AM): Thiago Looney, Zenistesia Filmes

Employees from Triunfo (RS): Daniela Neis Godoy, Dani Neis Fotografia

