



# Sustainability Report 2022



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# About the Report

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*GRI 2-2, 2-3*

Innova's Sustainability Report, published annually, presents the main highlights and results of the Company within social, environmental, governance and financial aspects. The current edition covers the period from January 1<sup>st</sup> to December 31<sup>st</sup>, 2022.



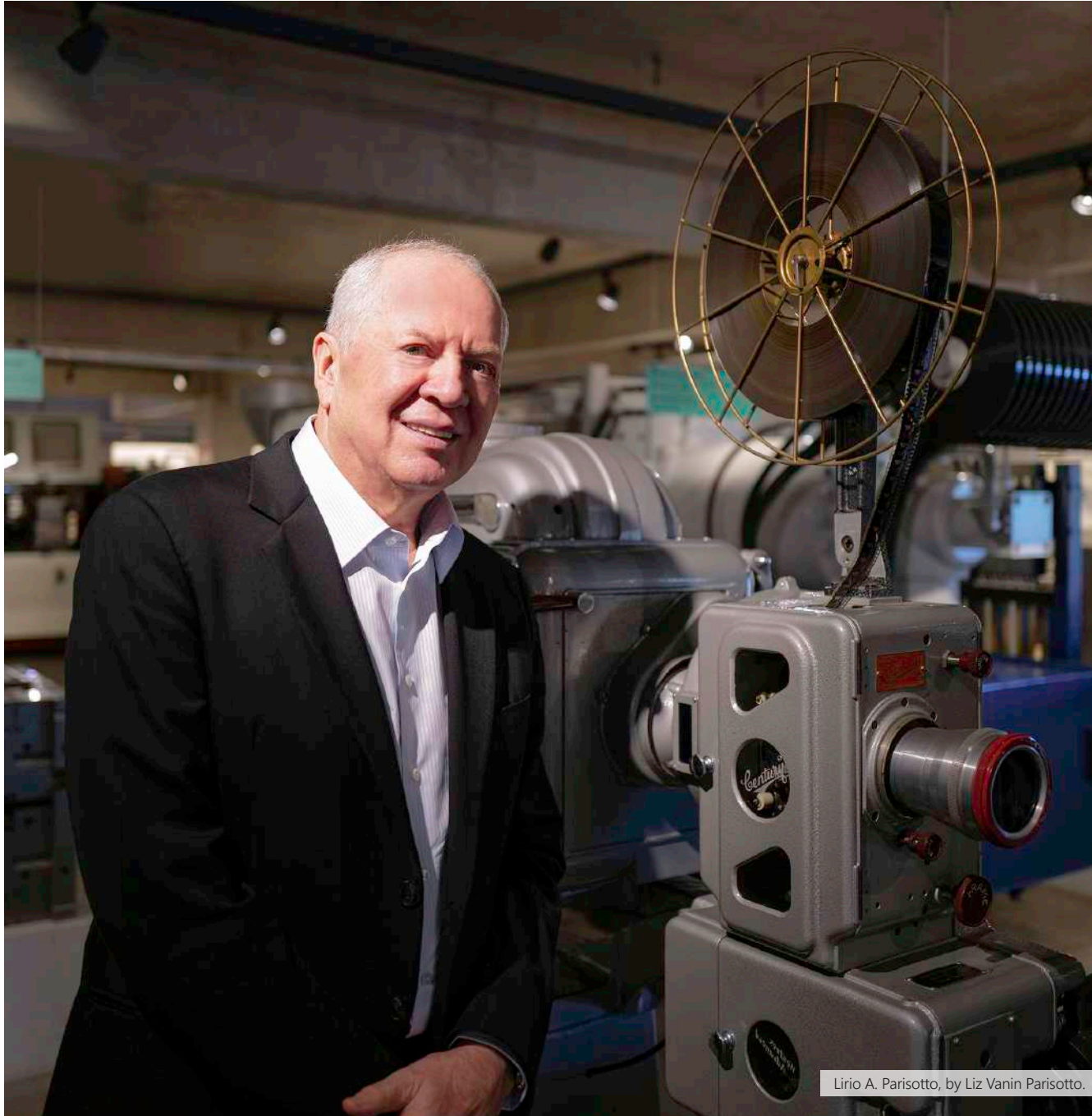
The report was developed in accordance with the Global Reporting Initiative (GRI) and includes all the company's operations.

In 2022, a new materiality matrix was developed.

More information and a description of the material themes in the Sustainability chapter.

Doubts, critics or suggestions can be submitted to [comunicacao@innova.com.br](mailto:comunicacao@innova.com.br).

Enjoy your reading!



Lirio A. Parisotto, by Liz Vanin Parisotto.

# Leadership Message GRI 2-22

## WHAT TO EXPECT AND HOW LONG TO WAIT

Faced with this comprehensive report, which involved experts from the north to the south of the Company, I thought about my part in it. I read it through and dwelt on the part that describes the security and stability of our supply to customers as a response to the demand that followed the COVID-19 pandemic.

Soon it came to my mind the movie of everything that happened before such an amount of effort, always amidst uncertainties, produced the results revealed by the graphs and tables of this piece, fruit of the intensive capital invested.

The Company's timeline shows, end to end, a history of uninterrupted investments, year after year. What has it been like to invest throughout pandemic? Here we know what it was like, and the much we wait for the results.

The times that followed found Innova ready to guarantee essential products to industries in Brazil and around the world. Customers could rely on the expansion carried out in our industrial lines.

In the last five years, we doubled the manufacturing capacity of styrene monomer (SM) in Rio Grande do Sul and expanded the polystyrene and expandable polystyrene lines. Right now, we are expanding our tanking area.

In Manaus (Amazonas), we have set up the third line for bioriented polypropylene plastic films, the BOPP.

In the petrochemical plant in Triunfo (Rio Grande do Sul), we built our Steam and Power Generation Plant, making it self-producing and self-sufficient in electricity and steam, using a renewable source: biomass from forest waste, rice hulls, and sawmill leftovers, replacing oil and coal.

This energy matrix change brought us a 70% reduction in CO<sub>2</sub> emissions compared to 2018, baseline for the measurements.

On the remaining path to being carbon neutral, our guiding vision will be the same: to invest sustainably, giving meaning to this word, with a consistency and awareness that seems to be lacking among those who practice the tiresome greenwashing.

There is no shortcut or magic: the only way is to invest, to wait and make it happen. As for the result, you can see in the following pages.

Thank you for reading.

Lirio A. Parisotto

# About us

## Innova GRI 2-1

We are a Brazilian company, operating in the petrochemical and plastic transformation industries.

Our origins come from Videolar, a manufacturer of blank and pre-recorded media: VHS tapes, audio cassettes, floppy disks, CDs, DVDs and Blu-ray disks. Throughout its history, the Company envisioned the opportunity of evolving from being the largest domestic consumer of polystyrene to the condition of manufacturer of this thermoplastic resin.

In 2002, Videolar built in Manaus the first petrochemical plant in Northern Brazil, supplying its own consumption, as well as that of companies in the Industrial Pole, sectors such as electronics, hygiene, school and office materials. This laid the foundations for our growth in the petrochemical business and the development of Innova as it is known today.

In the petrochemical area, we manufacture styrenic

products: ethylbenzene (EB), styrene monomer (SM) and polystyrene (general purpose or GPPS, high impact or HIPS, expandable or EPS, ECO-PS® and PS-3D).

ECO-PS®, part of the circular economy, is a pioneering product launched by Innova in 2019, polystyrene with up to 30% post-consumer material in its composition and with characteristics similar to those of a 100% virgin product.

In plastics processing, we manufacture bioriented polypropylene (BOPP) films, polystyrene (PS) and polypropylene (PP) reels, as well as closure caps for mineral waters, juices and soft drinks PET bottles.

Our products stand in the heart of the economy and production chain. Our factories are strategically located in Manaus (Amazonas) and Triunfo (Rio Grande do Sul), always close to our customers, industries from north to south of the country and into the world.

Learn about the Company's history throughout our successive reinventions: <https://www.innova.com.br/about-us/#linha-do-tempo>



## Mission

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To be a leader in our business segment, by developing trustworthy and strong ties with customers and employees, assuming a sustainable attitude towards the environment, and ensuring the returns for our shareholders.

## Vision

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

## Values

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Committed and transparent conduct;  
The ability to adapt;  
Totally focused on customer needs.

# Operations Map

## MANAUS (Amazonas)



### PLANT I

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



### PLANT IV

- General Purpose Polystyrene (GPPS)
- High Impact Polystyrene (HIPS)
- ECO-PS®



## 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)
- Steam and Power Generation Plant
- Styrenics Technology Center
- PS-3D

### SALES DISTRIBUTION

SOUTHEAST	51%
SOUTH	22%
NORTHEAST	8%
NORTH	7%
MIDWEST	1%
EXPORTS	11%

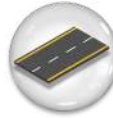
# Our Operations GRI 2-6

Learn About Our Products and Their Applications

## STYRENICS

### STYRENE MONOMER (SM)

Product used in chemical reactions for obtaining resins. It is an essential feedstock for our polystyrene.



ASPHALT



TIRES



PAINTS



BUS SEATS



SWIMMING POOLS



BATHTUBS

### THERMOPLASTIC RESINS

#### GENERAL PURPOSE POLYSTYRENE (GPPS)

A 100% recyclable product, transparent, rigid and non-toxic. Developed in grades to meet the specific needs of various market segments.



CONSTRUCTION



FOOD INDUSTRY



HOUSEHOLD UTENSILS



DISPOSABLE CUTLERY



DISPOSABLE PACKAGING



TECHNICAL PARTS



SCHOOL AND OFFICE SUPPLIES



FOAM TRAYS

#### HIGH IMPACT POLYSTYRENE (HIPS)

A 100% recyclable product, resin with up to 12% rubber added to provide greater impact resistance. Developed in grades that meet specific needs of various market segments.



ELECTRONICS



TOYS



SCHOOL AND OFFICE SUPPLIES



REFRIGERATION INDUSTRY



HOME APPLIANCES



HOUSEHOLD UTENSILS



PROFILES FOR THE FURNITURE INDUSTRY



DAIRY PRODUCTS



DISPOSABLE PACKAGING

#### EXPANDABLE POLYSTYRENE (EPS)

A rigid cellular plastic, 100% recyclable, with thermal and mechanical insulation properties. Innova's technology allows the production of expandable polystyrene beads that expand up to 50 times their size, an alternative to conventional, water-intensive processes.



THERMAL PACKAGING



TECHNICAL PARTS



CONSTRUCTION



SURFBOARDS



HELMETS



SLAB FILLING

#### ECO-PS®

100% recyclable polystyrene, produced with up to 30% post-consumer (recycled) material in its composition, with mechanical properties similar to those of a product made with 100% virgin resin.



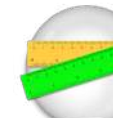
HOME APPLIANCES



ELECTRONICS



PROFILES FOR THE FURNITURE INDUSTRY



OFFICE SUPPLIES



# Our Operations GRI 2-6

Learn About Our Products and Their Applications

## PROCESSED PLASTICS

### FLEXIBLE FILMS

#### BIORIENTED POLYPROPYLENE (BOPP)

Films oriented in both directions, lengthwise and widthwise, providing high resistance and flexibility. BOPP guarantees an effective barrier to food contact with oxygen and humidity: it maintains the freshness, integrity and quality of packaged products.



FLEXIBLE PACKAGING



BOTTLE LABELS



GIFTS PACKAGING



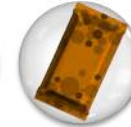
LABELS



ADHESIVE TAPES



DECORATIVE LABELS



CHOCOLATES PACKAGING



CANDIES



FLOWERS PACKAGING

### PLASTIC REELS

#### POLYSTYRENE (PS)

100% recyclable plastic polystyrene (PS) reels.



FLEXIBLE PACKAGING



DAIRY PRODUCTS



DISPOSABLE CUPS



DISPOSABLE POTS



DISPOSABLE TRAYS

#### POLYPROPYLENE (PP)

100% recyclable plastic polypropylene (PP) reels.



DISPOSABLE CUPS



DISPOSABLE POTS



### PLASTIC CAPS

#### FOR PET BOTTLES OF MINERAL WATERS, JUICES AND SOFT DRINKS

The closure caps, 100% recyclable, are molded by compression and their sealing technology guarantees high efficiency in retaining carbon dioxide (CO<sub>2</sub>). They are certified by the Food Safety System Certification (FSSC 22000), a risk management standard for food and drink safety.



# 2022 Highlights



## Expanded Productive Capacities, Zero Indebtedness and High Liquidity

The company ended 2022 with zero debt and a general liquidity ratio of 1.59, compared to 1.04 in the previous year. This unprecedented result is based on R\$457 million investments made between 2019 and 2021 to expand production capacities, which guaranteed full and secure conditions for the clients to meet demand in 2022. This asset value capture generated a consolidated EBITDA margin of 24%.



## 70% reduction in CO<sub>2</sub>eq emission rates

The optimization of the Steam and Power Generation Plant at the Triunfo (Rio Grande do Sul) petrochemical has enabled Innova to increasingly operate with energy from a renewable source: biomass from forest residues, rice husks and sawmill leftovers.

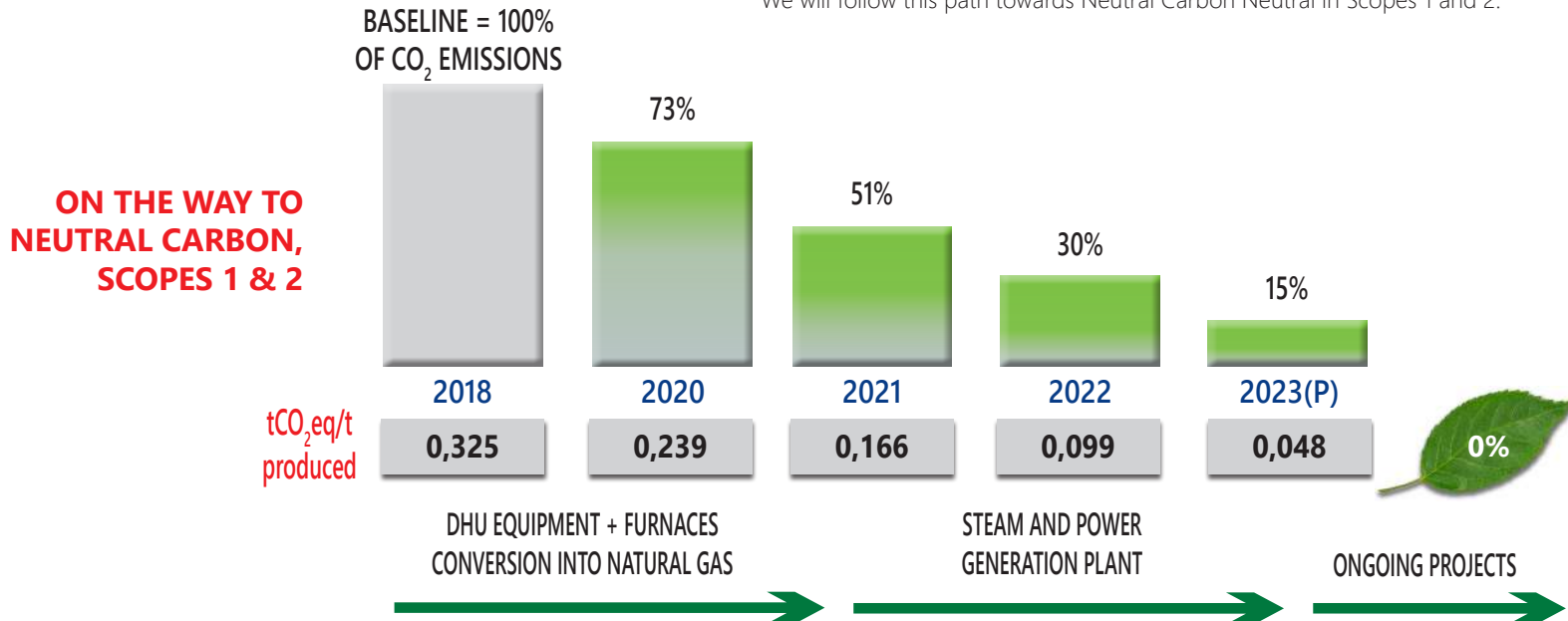
This transformation, combined with previous investments, has resulted in a 70% reduction in CO<sub>2</sub>eq emissions compared to the 2018 baseline.

The process began with the energy matrix switch into natural gas in 2018, replacing 10,000 tons/year of non-renewable fuel oil, resulting in an initial 30% reduction in greenhouse gas emissions from process furnaces.

The second virtuous impact was brought about by the worldwide pioneering implementation of the state-of-the-art Direct Heating Unit (DHU) to replace the conventional furnace.

The DHU equipment reuses the gas generated by the process itself to heat the charge in the new reactor, replacing around 20% of the steam consumed per ton of styrene monomer (SM) produced, previously generated by fossil fuels.

We will follow this path towards Neutral Carbon Neutral in Scopes 1 and 2.



# 2022 Highlights



## Research & Development

42% of the amount spent on Research & Development allocated to sustainable innovation projects.



## Greenhouse gas (GHG) report: External verification

The company has completed its first verification of the Greenhouse Gas Inventory (GHG), based on 2022, drawn up by an independent external audit and covering Scopes 1 and 2. The inventory has been carried out since 2017.

We joined the Public Registry of Emissions, a platform for corporate inventories participating in the GHG Protocol Program.



## Safety at work

We launched our Golden Rules in safety and reduced the number of incidents in our operations: accident rate 15% lower compared to 2021 and 33% lower than the industry average (source: ABIQUIM).



## Performance Assessment for All Employees

A Performance Assessment was carried out for all of the Company's employees using the Nine Box Matrix, a methodology that takes into account performance versus potential.



## Diversity

Innova is committed to promoting diversity at all hierarchical levels.

The company hired consultants specialized in processes and training to raise awareness about People with Disabilities (PwD) at work.

Among the actions carried out in 2022, we encouraged the participation of women on the Operators Training Program at the Triunfo (Rio Grande do Sul) petrochemical plant.



## Recycling: partnership with iFood in the Reverte Project

Innova partnered the Reverte Project, led by the Brazilian delivery company iFood together with Trashin waste management company, to promote the recycling of expandable polystyrene (EPS) and foamed polystyrene (XPS) in delivery containers.



Plant II, Triunfo (RS): Steam and Power Generation Plant.

## Our Figures for 2022

**R\$ 6.5 billion**

in gross revenue, a 11% increase  
compared to 2021.

**R\$ 11.1 million**

invested in  
Research & Development,  
42% of which for  
innovation projects.

**1,060 employees**

in the Industrial Plants  
and Head Office.

**50% renewable matrix**

in energy consumption by 2022,  
with the operation of the Steam  
and Power Generation Plant  
at Triunfo petrochemical  
(Rio Grande do Sul).

**360 tons**

of plastic waste collected through  
sustainability projects supported  
by the Company.

# Annual Installed Capacity

## STYRENICS



ETHYLBENZENE (EB)

540<sub>kt</sub>



STYRENE  
MONOMER (SM)

420<sub>kt</sub>



POLYSTYRENE (PS)

445<sub>kt</sub>



EXPANDABLE  
POLYSTYRENE (EPS)

50<sub>kt</sub>

## PROCESSED PLASTICS



BIORIENTED  
POLYPROPYLENE  
PLASTIC FILMS (BOPP)

72<sub>kt</sub>



POLYSTYRENE (PS) AND  
POLYPROPYLENE (PP) REELS

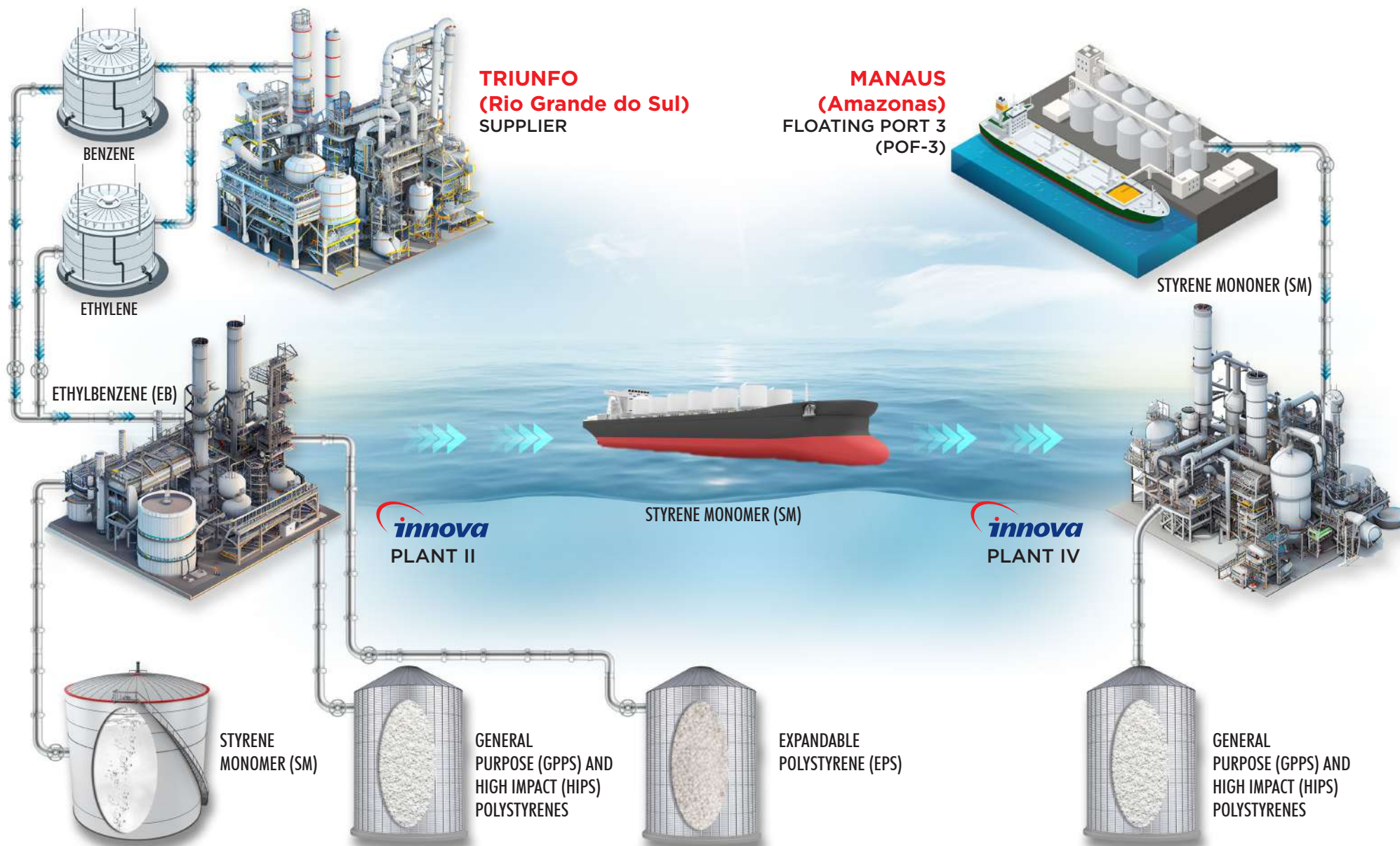
18<sub>kt</sub>



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

3,9 billion units

# Styrenics Productive and Integrated Chain





Plant I, Manaus (AM); 100% recyclable bioriented polypropylene (BOPP) plastic films.





# Strategy

## Market context

The industrial sector had a negative performance in 2022, with a 0.7% drop, sixth in ten years. The industry has accumulated, with this outcome, a production gap of around 2.2% compared to the start of the COVID-19 pandemic.

The Brazilian economy was marked by two important events over the period which affected the country's indicators: the cooling down brought by the global pandemic and the general elections.

The Russian-Ukrainian War affected the international energy scenario, commodities markets, Brazilian imports/exports, and the dynamics of planetary logistics, already impacted by the pandemic.

After a 10,06% inflation in 2021, the persistent price rises in fuel and food led the Brazilian Central Bank to implement successive increases in the Basic Interest Rate. As a result, in 2022 inflation went down and ended with an accumulated rate of 5.8%.

Even with the political instability and uncertainties regarding the direction of economic policy in the second half of the year, the dollar lost strength against the real compared to 2021, with an average PTAX rate of 5.1655 (versus 5.3956 in the previous year).

**0.8%** drop in Apparent Consumption of Industrial Goods compared to 2021.

The domestic demand indicator is measured by the Institute for Applied Economic Research (IPEA);

**0.7%** drop in industrial production, as measured by the Monthly Industrial Survey of Physical Production (PIM-PF) of the Brazilian Institute of Geography and Statistics (IBGE);

**R\$ 187 billion** in turnover for the chemical industry, compared to R\$142.8 billion in 2021, considering all segments monitored by the Brazilian Chemical Industry Association (ABIQUIM).

Financial discipline and made possible a safe cross of this period of instability and the year ended with the distribution of dividends to shareholders and Profit Sharing (PLR) to employees for the targets achieved.

## Sector Overview

The petrochemical sector was affected in 2022 by a decline in demand, production, domestic sales and imports.

According to the Brazilian Chemical Industry Association (ABIQUIM), national demand of chemicals for industrial use, as measured by Apparent National Consumption (CAN), fell by 5.6% in the year, compared to 2021. Domestic sales fell by 1.32%, while national production fell by 5.38% in the same period.

The figures reflect a slowdown in the market in relation to the second half of 2021 and the first few months of 2022, in a severe global economic environment, notably after the start of the conflict between Russia and Ukraine and its impact over the international energy scenario, with gas shortages and rising costs.

In terms of capacity utilization, the segment operated at 71%, one point below the 2021 average.

Innova has followed the tendency in the styrenics market, with a 4% production drop compared to 2022. On the other hand, increased its market share and remained leader in the styrene monomer (SM) and polystyrene (PS) segments. When it comes to polystyrene, the share gain occurred despite a 9% drop in domestic production and imports stability compared to 2021.

According to the Brazilian Plastics Industry Association (ABIPLAST), the processed plastics sector recorded a -6.1% drop in physical production in 2022 compared to 2021. All segments showed decline, with civil construction industry standing out, with a drop of 9.9%. When it comes to the Brazilian packaging industry, according to a macroeconomic study by Getúlio Vargas Foundation (FGV), the gross value of physical packaging production in 2022 will grow by 3.9% compared to 2021, with plastic accounting for around 34%. In terms of production, the packaging industry shrank by 4.5% from 2021 to 2022 and plastic packaging contributed to the decline with a 15.8% drop.

From 2021, the sector began a downward trend in its physical production, reflecting the effects of the COVID-19 pandemic. In 2022, it recorded growth in the first half of the year, but slowed down again thereafter in the last six months. This behavior was still not enough to make up for the losses and reach the pre-pandemic level. Industry as a whole fell by 0.7%.

Even so, Innova increased its market share in bioriented polypropylene films (BOPP) and plastic caps, with record productions in both segments.

## Operational efficiency

The agile and transparent information flow between Innova's various areas contributes to the company's operational efficiency. Our value chain includes essential inputs for industries in Brazil and around the world: we manufacture resins and processed plastics with a total focus on operational efficiency, proactive management and rigorous quality control to generate value for customers and stakeholders.

The strategic locations of the two petrochemical plants, in the north and south of the country, result in a competitive advantage for the company, with flexibility in the production of polystyrene (PS), capturing the best opportunities for styrene monomer (SM), either by importing it into the Manaus (AM) plant or by producing it ourselves at the Triunfo (RS) petrochemical plant. The wide range of raw material suppliers guarantees continuity and optimizes operations.

The Styrenics Technology Center (CTE), located in the Triunfo (Rio Grande do Sul) petrochemical plant provides extensive technological support to customers' developments. Founded in 2005, it has become an international reference.

As of 2019, it has expanded its capacity to operate in Innova's processed plastics segment. Its laboratories are equipped with the very latest technology.

<https://www.innova.com.br/innovation-and-quality/#cte>

# Research & Development: Innovation

Our Research and Development area is focused on sustainability and incorporation of products and businesses within the circular economy, meeting our clients' goals.

## LEARN ABOUT PROJECTS DEVELOPED IN 2022:

Tests with raw materials from renewable sources, such as natural rubber to replace polybutadiene (PBR).



Evaluation of technologies for manufacturing biodegradable resins.



Development of polystyrene grades for application in 3D printing (PS-3D).



Development of new inputs for the production of expandable polystyrene (EPS), reducing costs and the risk of raw materials unavailability.



Development of countertype grades at the Manaus (AM) and Triunfo (RS) petrochemical plants to ensure flexibility for customers in the supply of polystyrenes with special properties, capturing logistical opportunities, reducing shipping lead times and the risk of product unavailability.

# Product or Service Quality and Safety GRI 3-3, 416-1, 417-1

Innova manufactures safe, quality products that meet customer needs, with a significant share in the food industry packaging segment. Our processes follow good manufacturing practices, consolidated in the Food Safety Management System Policy. It is based on the international certification system FSSC 22000 (Food Safety System Certification).



The guidelines of the Food Safety Management System Policy include: motivating and encouraging all employees to play a fundamental role in carrying out safe activities; complying with all applicable legal requirements and standards; communicating clearly and openly with all stakeholders, including customers, suppliers, authorities and other relevant parties; and making continuous improvements.

The company invests permanently in product development and in meeting its customers' sustainability targets, maintaining strict criteria in the selection of raw materials, controls over production processes and quality in deliveries.

All products are developed taking into account the requirements of risks and impacts on the environment, compliance with the ROHS directive, risks and impacts on human health, compliance with national legislation regarding contact with food, use of natural resources and generation of post-consumer waste. Whenever possible, they should contain raw materials from recycled or renewable sources.

# Customer Service

The styrenic products carry safety data sheets with information on use, composition, health, as well as environmental risks and post-use disposal guidelines. The product specifications are validated in the quality control laboratories. In case of non-compliance, the materials are segregated and can be sent for sale, reprocessing or disposal. If a non-compliant product reaches the customer, the batch can be returned or commercial compensation can be handled

Our client portfolio is formed by industries of all sizes, located in different parts of Brazil and the world, all at the heart of the economy: segments such as refrigeration, automobiles, food packaging, construction, domestic utilities, among others.

We carry out an annual Satisfaction Survey to assess the perception of our products and services.



The Satisfaction Survey, carried out by Inteleco company, attests our excellence in customer service, with positive results increasing since 2019 in overall satisfaction index and NPS® (Net Promoter Score).

In 2022, the company achieved a 4.45 score (5 being the maximum) in the satisfaction index, compared to 4.43 in the previous year. The NPS for 2022 was 73, compared to 70 in 2021.

The company monitors product complaints on its Product Committee regular meetings.

The total focus on customer satisfaction leads us to agile service and on-time deliveries, with competitive prices. We constantly look for alternatives in raw materials, negotiate with suppliers and maintain an ever-adjusted structure.

SIGNIFICANT CATEGORIES OF PRODUCTS OR SERVICES WITH IMPACTS ON HEALTH AND SAFETY ASSESSED FOR IMPROVEMENT <small>GRI 416-1</small>	VALUE
Significant categories of products or services	6
Significant product or service categories for which health and safety impacts are assessed for improvement	6
Percentage of significant product or service categories for which health and safety impacts are assessed for improvement	100%

The products considered for this indicator are: styrene monomer (SM), general purpose polystyrene (GPPS), high impact polystyrene (HIPS), expandable polystyrene (EPS), closure caps, bioriented polypropylene (BOPP) films and polystyrene (PS) and polypropylene (PP) reels.

# Certifications

Our operations are certified by globally renowned institutions, with highlights in the areas of Quality, Environment, Health, Safety of People and Food Safety.

Learn about the certifications Innova has achieved:



## RESPONSIBLE CARE PROGRAM®

We are committed to the Responsible Care Program®, run by the Brazilian Chemical Industry Association (ABIQUIM). The aim of the initiative is to promote responsible and safe management in the industry, as well as the continuous improvement of environmental, social, health and safety indicators. Our petrochemical received the program's certification for the first time at the end of 2021. The program has 15 Brazilian companies certified, out of the 108 effective members of ABIQUIM, in a total of 961 chemical industries in the whole country.



## ISO

Certifications ISO 9001, relating to the Quality Management System; ISO 14001, relating to Environmental Management; and FSSC 22000, which brings together the requirements of ISO 22000 and additional requirements recognized by the Global Food Safety Initiative (GFSI).

FSSC 22000 is related to risk management in the production of plastic caps at Plant I, in Manaus (Amazonas).

The ISO standard contributes to the achievement of the Sustainable Development Goals (SDGs).

Example: ISO 22000 certification, is related to SDG 2 (Zero Hunger and Sustainable Agriculture), while ISO 14001 has impact over SDG 13 (Action Against Global Climate Change).



## VEOLIA AWARD

Innova received the Proof, Not Promises award from multinational partner Veolia for its optimization of chemical treatment during the styrene monomer (SM) manufacturing process in 2022. This performance represents savings of US\$ 940,000 and places Innova as an international benchmark in the segment.

## RoHS

## ROHS

Innova has a RoHS (Restriction of Certain Hazardous Substances) certificate of conformity for its petrochemical plants. RoHS regulates the presence of heavy metals and other hazardous substances in products marketed by the electronics sector in the European Community and the United Kingdom.



## OPERATION CLEAN SWEEP®

In 2022, Innova received its third star from the Operation Clean Sweep® program, awarded by Plastivida institution, following the principles of the Plastics Sector Forum - For a Clean Sea. Innova is committed to implementing the Zero Pellet Program, as it is known in Brazil, to mitigate the loss of pellets, flakes and dust to the environment during the resin manufacturing process. Companies that take part in the program receive one star when they sign the commitment term and, as they implement the program, stars are added to their certificate, up to a limit of five. This third star corresponds to the Work Plan, a stage developed by the Industrial, Research & Development and Integrated Management System (IMS) teams.



## SPIE

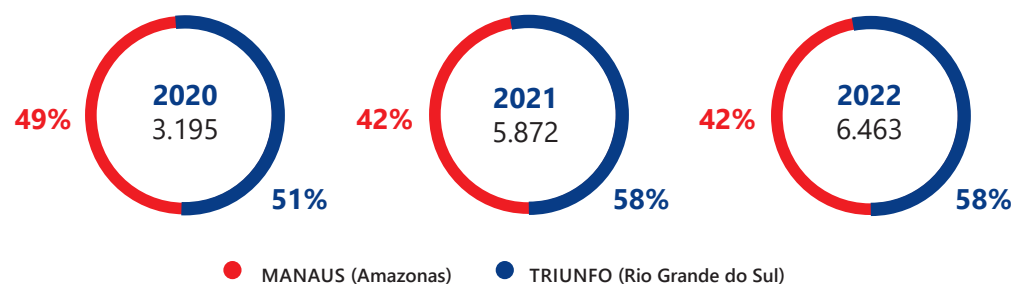
The company is certified by the Own Equipment Inspection Service (SPIE) at Plant II, Triunfo (Rio Grande do Sul) petrochemical. It is granted by the Brazilian Institute of Oil, Gas and Biofuels (IBP), which acts as a Product Certification Body (OCB) accredited by INMETRO. The certification attests to the operation of boilers, pressure vessels, pipes and tanks in compliance with standards and following management practices that ensure this equipment and systems are properly inspected and maintained, ensuring operations safety.

# Economic And Financial Performance

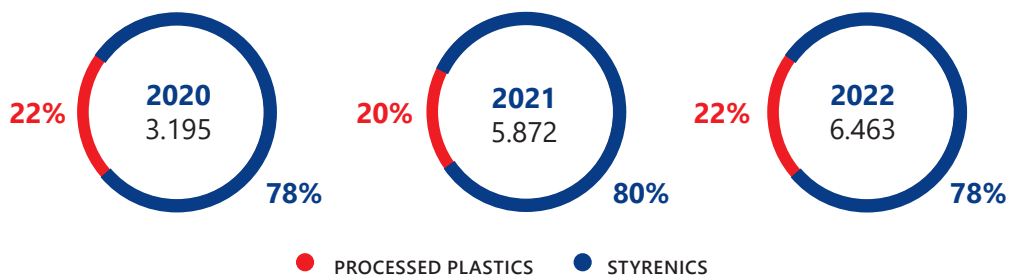
GRI 201-1

The year brought Innova the zero debt milestone and a high general liquidity ratio: 1.59, compared to 1.04 the previous year. This was the legacy of the intensive investments made between 2019 and 2021 to expand production capacities for all products, which enabled the company to produce at full capacity, capturing value from assets, achieving an EBITDA margin of 24% and enabling customers to make the most of the 2022 demand.

## GROSS REVENUE BY GEOGRAPHICAL ORIGIN (R\$ MM)



## GROSS REVENUE BY BUSINESS (R\$ MM)



## DIRECT ECONOMIC VALUE GENERATED (R\$ THOUSAND) GRI 201-1

	2020	2021	2022
GROSS REVENUE	4.324.794	6.142.894	6.793.093

## ECONOMIC VALUE DISTRIBUTED (R\$ THOUSAND) GRI 201-1

	2020	2021	2022
OPERATING COSTS	1.570.437	2.562.406	2.906.206
EMPLOYEE SALARIES AND BENEFITS	128.355	143.469	158.419
PAYMENTS TO CAPITAL PROVIDERS	68.000	173.884	204.228
PAYMENTS TO THE GOVERNMENT	440.160	966.891	1.005.207
COMMUNITY INVESTMENTS	1.303	3.932	3.100
REMUNERATION OF THIRD-PARTY CAPITAL	81.200	59.424	25.597
TOTAL	2.289.456	3.910.007	4.302.757

## RETAINED ECONOMIC VALUE (R\$ THOUSAND) GRI 201-1

	2020	2021	2022
DIRECT ECONOMIC VALUE: GENERATED PLUS DISTRIBUTED	2.035.339	2.232.887	2.490.336

# Operational Performance

In 2022, petrochemical production fell by 4% compared to the previous year, due to reduced demand from the market, especially in the second half of the year.

The industrial area carried out studies for process optimization at the styrene monomer (SM) plant, leading to better technical indicators and lower production costs.

The expandable polystyrene (EPS) output increased compared to 2021 and its production stability throughout the year reduced losses.

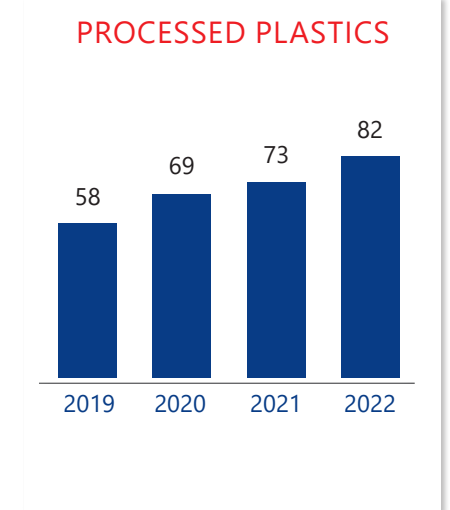
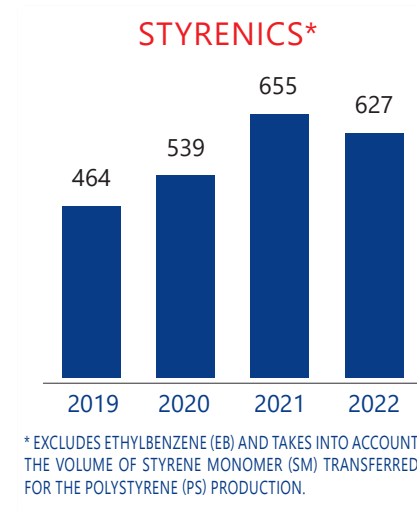
In the processed plastics area, there was a 13% increase, with record productions of bioriented polypropylene (BOPP) films and closure caps (increases of 16% and 17%, respectively).

The polystyrene (PS) and polypropylene (PP) reels production remained stable over the last three years and will increase by 2% in 2022.

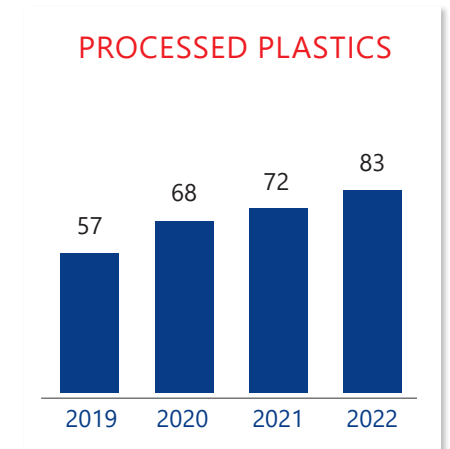
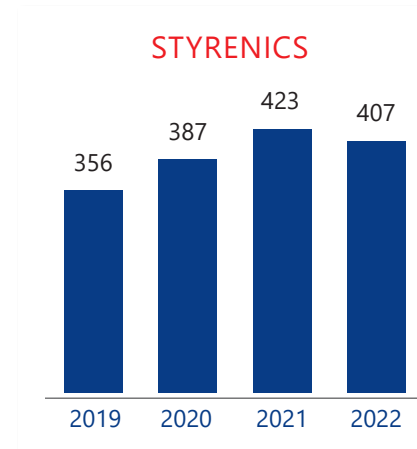
The process improvements carried out at the bioriented polypropylene (BOPP) film plant in 2022 led to a reduction in electricity and gas consumption of 5.4% and 10.2% respectively, compared to 2021. This is the third consecutive year of gains in energy efficiency.

During 2022, we sought stability in the operation of the boilers at the Steam and Power Generation Plant, with greater efficiency and lower biomass consumption per ton of steam generated.

## PRODUCTION (KT)



## SALES (KT)





Plant I, Manaus (Amazonas).



# Sustainability

## Materiality GRI 3-1, 3-2

In 2022, Innova drew up its new materiality matrix with the support of a consultancy. The matrix defines the material for the company, incorporated into the sustainability strategy.

The process of creating the new matrix consisted on the following steps:

1. Definition of purpose, scope and tools;
2. Identification of stakeholders and refining the list of topics using internal and sectoral documents;
3. Prioritization of topics based on the financial and impact perspectives and the the opinions of stakeholders, executives and experts;
4. Analysis of the results to draw up the matrix, with recommendations for reporting;
5. Validation of the topics and recommendations of the Board of Directors and Senior Management.

Four priority stakeholder groups were identified: service providers and suppliers (grouped together for the sake of balance in the weighting of the consultation), clients, sector associations organizations, and employees. The prioritization of stakeholders was determined by analyzing their dependence, influence and relationship with the company. These stakeholders were heard in interviews or online consultations.

The topics were assessed and prioritized according to their social, environmental and financial impacts, as well as their relevance to these stakeholders. After analysis, 10 material topics were identified:

MATERIAL THEME	DESCRIPTION	STAKEHOLDERS WITH MOST COMMENTS	SUSTAINABLE DEVELOPMENT GOALS (SDGS)
Circular economy and post-consumption	Seeking solutions and innovation for circularity in the business, in order to generate opportunities and new fronts of action.	Employees; Suppliers and service providers.	12
Employee health, well-being and safety	Focus on employee health and integrity, with a particular emphasis on employee well-being.	Employees; Suppliers and service providers.	8
Waste management	Complying with regulatory criteria, empowering management systems with a focus on reducing waste generation, guaranteeing proper disposal and increasing the ways residues can be correctly disposed.	Employees; Suppliers and service providers.	12
Energy efficiency	Focus on expanding self-production, increasing performance and gaining energy efficiency.	Employees; Suppliers and service providers;	7; 9; 12
Ethics, integrity and compliance	Commitment to ethics and integrity, guided by internal compliance principles and anti-bribery actions.	Clients. Employees; Suppliers and service providers.	8; 16
Product or service quality and safety	Excellence in operational management and continuous investments that guarantee safety and efficiency in and reliability for clients and other stakeholders.	Clients; Employees; Suppliers and service providers.	12
Climate change	Focus on decarbonizing operations, measures to prevent and mitigate the impacts that can affect the climate, optimization of the production process through new technologies and continuous improvement.	Clients; Employees; Suppliers and service providers.	13
Water and effluent management	Initiatives to reduce water consumption, treating and reusing effluents.	Clients; Employees; Suppliers and service providers.	12; 13
Diversity, inclusion and equity	Diversifying the profile of professionals working in the organization, providing opportunities for all.	Employees	5; 8; 10
Air quality	Focus on demonstrating how the Company emissions of particulate matter, plans are for reducing emissions.	Employees	12; 13

# Sustainable development goals (SDGs)

The materiality matrix was approved by the Board of Directors at an ordinary monthly meeting, with advice from the Sustainability Committee.




The Committee also advises on the preparation and publication of the annual sustainability report, which involves the entire Executive Board and management team.

Before release to the market, the Sustainability Report is submitted for review and approval by the Board of Directors. As a multidisciplinary effort, from planning to structuring and publishing, the Executive Board closely monitors the development of the whole work, together with the managers. *GRI 2-14*

## Sustainability Committee

The three essential pillars for Innova's operations are: results, compliance and sustainability. They reflect the company's goal of achieving business success through ethical action generating virtuous impacts for society.

Innova's sustainability strategy is based on four main objectives:

- Implementing the energy transition by decarbonizing its energy matrix 
- Collaborating in the efficient use of natural resources 
- Integrating the plastics chain into the circular economy through research on raw materials and pioneering product development 
- Generating shared value through social transformation initiatives

Innova's Sustainability Committee aims to advise the Board of Directors on implementing the sustainability strategy and creating mechanisms to integrate the issue into the company's management process. It works across different business areas, such as Human Resources, Finance and Operations, among others.

In 2022, the Sustainability Committee held regular meetings to monitor the company's progress on main projects related to the circular economy and decarbonization. One of Innova's goals last year was the creation of a specific area within the company's structure for carrying out and monitoring sustainability actions. It will begin operating in 2023.

# Circular Economy and Post-Consumption *GRI 3-3, 301-1, 301-2*

Innova faces circularity as a strategic priority. When properly disposed and sent for recycling, our products produce positive environmental impacts and generate income for communities.

We carry out actions to promote recycling in various parts of the country and include in our portfolio products containing post-consumer material, encouraging a circular economy environment.

Measures implemented to prevent incorrect post-consumer disposal include:

Selection of projects to encourage recycling that are transformational rather than assistance-based;



Studies of new recycling technologies;



Participation in networks and events to promote recycling chains and the correct packaging design to facilitate recycling;



Participation in environmental workshops and panels to discuss recycling technologies;

There is always a circular economy initiative for each product developed by Innova. Actions can be related to research and development of recycled or sustainable raw materials, as well as support for external projects that encourage the proper collection and disposal of plastic.

ECO-PS® is a pioneering polystyrene made up of up to 30% post-consumer (recycled) material, with similar mechanical properties similar to those of the virgin product.

ECO-PS® mobilizes the circularity chain in Manaus through Innova's partnership with the Sustainable Amazon Foundation (FAS), providing support to the Amazonas Association of Recyclable Materials Collectors (ASCARMAN) in selective collection.





# Learn about the 2022 Research & Development Initiatives, with a focus on circularity:

## EXPANDABLE POLYSTYRENE (EPS)

Project for the use of recycled raw materials in expandable polystyrene (EPS).

## TECHNOLOGY ASSESSMENT

Project to evaluate mechanical, dissolution and chemical recycling technologies with the aim of obtaining the best aesthetic and usability results. We took part in the K Fair, in Düsseldorf, Germany, which presents the latest technological advances and solutions for transformation in the plastics industry.

## PARTNERSHIP WITH IFOOD FOR REVERSE LOGISTICS

The Reverte Project, in partnership with Brazilian delivery company iFood and Trashin waste management company, aims to promote the recycling of expandable polystyrene (EPS) and foamed polystyrene (XPS), from delivery containers.

Innova provides support to this project by carrying out studies to improve the recycling of the collected material.

In 2022, during the pilot project, 1,130 kg of post-consumer product were sent for recycling and tests carried out with the production of thermal boxes to evaluate the final application.

### MATERIALS USED IN PRODUCTION AND PACKAGING (T) GRI 301-1

MATERIAL	2020	2021	2022
<b>PROCESSED PLASTICS</b>			
PP (HOMOPOLYMER)	48.024	51.357	59.646
PE (POLYETHYLENE)	4.755	5.632	6.576
PP (COPOLYMER)	2.170	1.707	1.418
<b>STYRENICS</b>			
BENZENE	176.030	248.220	241.143
ETHYLENE	64.462	91.167	87.718
STYRENE MONOMER (SM)	155.594	103.657	111.580
RUBBER	9.284	10.464	9.055
MINERAL OIL	5.184	6.126	5.622
PENTANE	1.240	1.321	1.911

In 2022, the styrenics production fell slightly, except for the expandable polystyrene (EPS), which increased in volume by 44%, leading to a higher consumption of pentane. The processed plastics segment experienced an increase in production, reflected in the rise in material consumption. The polypropylene (PP) copolymer consumption is still down due to the change in the consumption profile by the closure caps market, demanding lighter polyethylene items.

### RAW MATERIALS OR RECYCLED MATERIALS USED IN THE MANUFACTURE OF PRODUCTS AND SERVICES GRI 301-2

MATERIAL	2020	2021	2022
	Volume of recycled material (t)	Volume of recycled material (t)	Volume of recycled material (t)
<b>RECYCLED POST-CONSUMER POLYSTYRENE*</b>	7,92	15,93	37,2

\* Recycled post-consumer polystyrene used in ECO-PS® manufacturing .

Consumption of ECO-PS® is still in its beginning, facing long approval processes, such as the current impossibility of using it in packaging when in direct contact with food, as well as in aesthetic applications due to the color variations inherent in the recycled product.

In 2023, we will start testing the use of recycled polypropylene (PP) in bioriented polypropylene (BOPP) films, aimed at applications that do not require contact with food. The target is to provide options for materials containing post-consumer recycle all of our product portfolios.

The circularity projects supported by Innova collected almost 360 tons of plastic waste in 2022. Learn more about the initiatives:



### SUSTAINABLE AMAZON FOUNDATION

The world-renowned institution promotes sustainable development in the Amazon region. Innova chose FAS as a partner for the selective collection of post-consumer polystyrene (PS) as raw material for ECO-PS®. The Amazonas Association of Recyclable Materials Collectors (ASCARMAN) received specific training, logistical support and equipment to collect disposable cups, plates and cutlery. In addition to cleaning up streams and compromised urban areas, the ECO-PS® selective collection generates income for the collectors.



### RECICLA CIDADE

A project to engage the population in the proper management of waste. In 2022, Innova supported the initiative in the city of Guarujá, on the coast of São Paulo. Results: 170 cooperative members trained as environmental agents; 192,850 people directly assisted in 552 social mobilization actions; 7,158 tons of recyclable waste collected.



### TAMPINHA LEGAL

Educational and socio-environmental program with 3,137 collection points in the states of Rio Grande do Sul, Santa Catarina, Minas Gerais, São Paulo, Alagoas, Pernambuco, Goiás, Brasília and Bahia. In 2022, more than a thousand tons of plastic caps were collected, resulting in more than R\$ 2.5 million donated to the participating charity organizations. Innova began supporting Tampinha Legal in December: in addition to the financial contribution, has installed collectors in all industrial plants and head office for the closure caps donated.



### ISOPOR® AMIGO

The project is an initiative to engage industries, organizations in the plastics sector, population, public authorities and academia in the correct disposal of expandable polystyrene (EPS). The project follows the pillars: environmental education, community engagement in correct disposal of waste, reverse logistics and shared responsibility. In 2022, Isopor® Amigo collected and sent two tons of products for recycling.



### RECICLA JUNTO

An Action to collect plastic waste on the beaches of Santa Catarina State. In 2022, 206 kilos of plastic waste were collected from the beaches of Barra (Garopaba), Moles da Barra (Laguna), Balneário Rincão, Balneário Esplanada and Morro dos Conventos (Araranguá).



### REVERSE LOGISTICS FOR CUPS

Since its beginning on February 2019, the project has collected more than 85 million cups across Brazil, equivalent to 143 tons. In 2022, 66 tons were collected and sent for sorting, recycling and transformation into new products. The goal for 2023 is to collect 100 tons of disposable cups.



## Engagement with Stakeholders GRI 2-12, 2-29

In 2022, during the process of drawing up the new materiality matrix, Innova assessed all of its stakeholders to identify the main ones:

CUSTOMERS

EMPLOYEES

SUPPLIERS AND SERVICE PROVIDERS

INDUSTRY ASSOCIATIONS AND ORGANIZATIONS

Periodically, Innova carries out surveys with clients and employees to analyze their satisfaction with the company and possible business opportunities. The raised points are discussed and developed into action plans.

Critical concerns are shared at monthly meetings of the Board of Directors or at extraordinary meetings called by Senior Management.

The Customer Satisfaction Survey is conducted by an independent consultancy on an annual basis. It assesses their perception of the products, technical assistance and areas of interaction with the company, as well as rating their loyalty using the NPS (Net Promoter Score).

Other stakeholder engagement processes are: Ombudsman, the Complaints Channel and the Organizational Climate Survey.

## Our Participation in Associations GRI 2-28

Innova participates in various industry associations, contributing to the debate on market challenges and opportunities. Learn more:

Brazilian Plastics Industry Association (ABIPLAST): sector committees for disposables, closure caps (COFATAMPLAS), films (COFILMES) and the technology and sustainability committees.



Brazilian Chemical Industry Association (ABIQUIM): member of the Board of Directors and member of the EPS and plastics committees (COPLAST).



Brazilian Packaging Association (ABRE): Sustainability Committee and Food and Beverages Committee.



South Industrial Pole Promotion Committee-Triunfo (COFIP): stimulates industrial development in the region and in the production chain.



PLASTIVIDA: founding members and members of the Board of Directors of the organization, which works directly on topics related to plastics and society, environmental issues, rational consumption and responsible disposal.



Plastic Circularity Network: Brazilian initiative in favor of the circular economy through innovation and engagement of the entire chain. Members since its foundation in 2018, with participation in numerous projects.



Plant II, Triunfo (Rio Grande do Sul): petrochemical



# Governance

## Ethics, Integrity and Compliance

GRI 3-3, 2-23, 2-24, 205-1

Innova develops its compliance practices according to all legal norms related to the business. We encourage a culture of integrity in our relationships with our stakeholders, guide and train our employees to adopt ethical behavior, considered essential to the Company's continuity and sustainability.

Our Compliance Program develops tools and mechanisms to mitigate risks, avoid deviations and non-conformities. It has the full support of senior management and a proper execution budget. Its initiatives are based on 10 pillars:

SENIOR MANAGEMENT SUPPORT

RISK ASSESSMENT

CODE OF CONDUCT AND COMPLIANCE POLICIES

INTERNAL CONTROLS

TRAINING AND COMMUNICATION

REPORTING CHANNEL

INTERNAL INVESTIGATIONS

DUE DILIGENCES

AUDITING AND MONITORING

DIVERSITY AND INCLUSION

A set of documents defines the guidelines and rules for Innova's business relations, such as:

### Code of Conduct

Establishes in full details what the company expects of its employees and partners. It provides guidance on complying with laws and respecting values.

### Code of Conduct for Suppliers

Describes what the company understand as ethical conduct in commercial relations with other companies.

### Anti-Corruption and Anti-Bribery Policy

Provides guidelines for combating harmful practices such as bribery and corruption. It is aimed at all employees and other professionals who work on behalf of the company.

### Corporate Policy on Donations and Sponsorships

Establishes the way donations and sponsorships are aligned with the company's strategies for strengthening ties with stakeholders, in addition to their purpose of generating positive impacts, free of undue compensation.

### Gifts and Entertainment Policy

Provides guidance on for receiving and offering gifts, presents and entertainment initiatives.

### Reporting Channel and Non-Retaliation Channel Policy

Establishes the guidelines for making and investigating complaints, as well as guaranteeing non-retaliation against whistleblowers in good faith.

The Compliance Program is subject to continuous improvement. We have put in place internal controls for prevention, detection and correction, such as risks mapping and the Reporting Channel.

All Innova's compliance documents and procedures reflect respect for human rights and sustainable development. The Company's strategy is also based on the company's Mission, Vision and Values, the Integrated Quality, Health, Environment and Safety (QHSE) Policy and the Risk Management Program.

In 2022, Innova carried out an analysis of risks related to corruption. The main ones:

- Gifts made in non-compliance with applicable policies;
- Improper or incorrect interactions with public agents.

The Third Parties Integrity Assessment Policy will be implemented for the 2023 Compliance Program. Find out more at Innova's Compliance Policy and Codes:

<https://www.innova.com.br/en/organizational-structure/#compliance>

MEMBERS OF THE GOVERNANCE BOARD, COMMUNICATIONS AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES, BY REGION <small>GRI 205-2</small>			
REGION	MEMBERS OF THE GOVERNANCE BOARD*	2022	
		COMMUNICATIONS	TRAINING
Barueri	number	8	4
	%	100	50

\*Board of Directors and Executive Board

EMPLOYEES WHO HAVE BEEN INFORMED AND TRAINED IN ANTI-CORRUPTION POLICIES AND PROCEDURES, BY REGION POLICIES AND PROCEDURES, BY REGION* <small>GRI 205-2</small>			
REGION	EMPLOYEES	2022	
		COMMUNICATIONS	TRAINING
Barueri	number	115	62
	%	100	54
Manaus	number	626	15
	%	100	2
Triunfo	number	271	20
	%	100	7
Total	number	1.012	97
	%	100	10

In 2022, we implemented the new Anti-Corruption and Anti-Bribery Policy and acquired a new compliance training platform with anti-corruption content, which will run from 2023.

\* The Compliance Day Lecture, on Corporate Ethics and Anti-Corruption, was aimed at the administrative, purchasing and sales areas from all the industrial plants and head office, with external interlocutors in the private sector and public bodies.

## ComplianceDay

Innova's first Compliance Day was held on 07/12/2022 at the Head Office and via videoconference for all the industrial plants. The presentation was given by consultant Vinicius Carvalho, specialist on Ethics, Compliance and Investigations. Innova's Senior Management also had an exclusive complementary lecture.

## Reporting Channel GRI 2-25, 2-26

Since 2017, Innova offers a confidential channel for receiving reports from employees, customers and suppliers about potential irregularities related to the company. This channel is managed by an independent company and complies with the Brazilian Anti-Corruption Law. The anonymity and privacy of the individual whistleblower are protected. Reports can be made 24 hours a day, 7 days a week, by telephone or via the website:



0800-891-4636



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



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

The Company makes available the access addresses to the Reporting Channel on the website and intranet. In addition, the dissemination of the channel is part of the Compliance area's communication plan.

By filing a report on misconduct that violates Innova's commitments or its internal policies, employees and third parties help to preserve a safe and healthy working environment.

Senior management are sent a monthly report on the reports received through the channel. Identified frauds are dealt with by a committee made up of the Governance, Compliance and Audit areas. Compliance actions are monitored and reported to Governance on a monthly basis.

In 2022, the Reporting Channel and Non-Retaliation Policy was implemented, which lays down the guidelines for making and investigating reports impartially, as well as ensuring non-retaliation against whistleblowers. The Supplier Code of Conduct was also implemented, aimed at clarifying what the company considers to be ethical conduct in its commercial relations with suppliers. In 2023, the document will be sent for their formal acknowledgement and acceptance.

Other channels for receiving complaints and grievances include the Ombudsman's Office, the Polo Community Advisory Council (Plant II) and the registration channel for issues related to Quality, Health, Environment and Safety.

## Risk Management GRI 2-12

An internal audit department is responsible for monitoring good practices, evaluating control systems, establishing risk mitigation plans and verifying compliance with legal and regulatory requirements.

The company uses the COSO (Committee of Sponsoring Organizations of the Treadway Commission) methodology as a reference for managing risks and evaluating internal controls. The COSO international standard is based on eight main components, including business objectives, risk assessment, internal controls, information and communication, monitoring, organizational culture, governance and leadership.

The internal controls and risk management framework is constantly evolving. The risks and internal controls matrix is updated at the end of each cycle, and its results are presented to the employees identified as Control Owners and Process Owners, as well as to the Audit Committee. Tests of the risks and internal controls matrix are carried out annually by internal audit.

Internal controls, the assessment of exposure to risks and the identification of vulnerabilities in the various processes are permanent. Controls identified as ineffective are the object of action plans that take into account the level of risk involved, including its probability of occurrence and estimated impact.

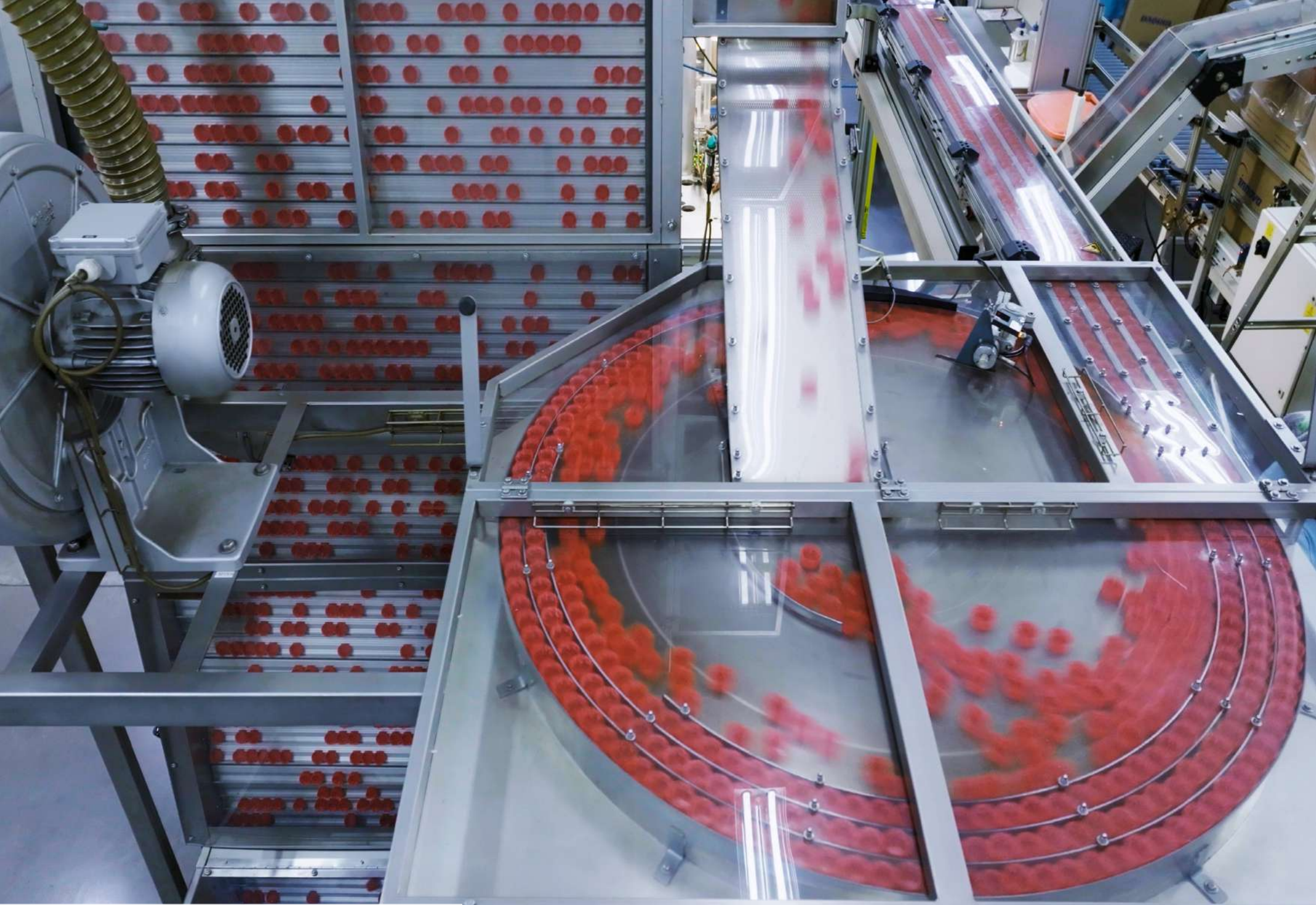
## Conflicts of Interest GRI 2-15

The corporate Governance Secretary previously analyzes the topics to be discussed or deliberated at meetings of the governance system in order to identify potential conflicts of interest. When necessary, the analysis may be assisted by the Compliance or legal departments and discussed with the Chairman of the Board of Directors.

In the event of a possible conflict of interest affecting and one of the members of the decision-making bodies (Shareholders, Directors or Officers), whether self-declared or identified by governance, the person must abstain from voting, in accordance with the provisions of the corporations law. Any conflict is widely disclosed, either in advance or at monthly meetings.

In the event of transactions between related parties, these are duly recorded in the company's controls and reviewed by the independent external auditor, and included in the annual financial statements. It should be noted that the Company's simple corporate structure makes it possible to conduct business in a transparent manner and minimize any conflicts of interest.





Plant I, Manaus (Amazonas): plastic caps for pet bottles of mineral water, juices and soft drinks

# Corporate Governance and Organizational Chart

GRI 2-9, 2-10, 2-11, 2-17, 2-18

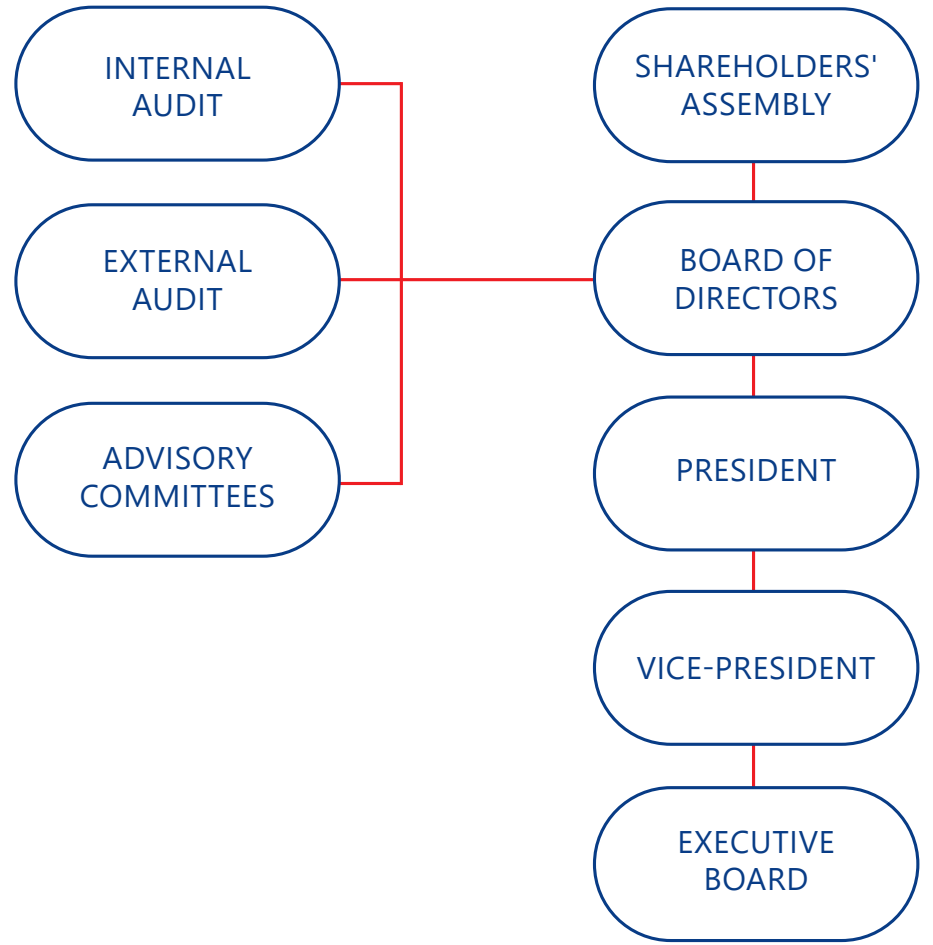
Innova's organizational structure is made up of a General Assembly, a Board of Directors, an Executive Board and a Supervisory Board. The functions of each body are defined by the bylaws, which also provide information on the procedures for choosing its members. Our Governance follows the applicable legislation, principles and best practices of the market.

Even though Innova is a privately-held company, it has been submitting its financial statements to external audits since 2005, always one of the so-called Big Four, as a transparency measure, which broadens communication with its stakeholders. *GRI 2-1*

## General Assembly

This is the body responsible for approving the financial statements, electing members of the Board of Directors and supervisory board, deciding on the allocation of profits, dividends distribution, and setting management remuneration, among other duties.

The resolutions of the general meeting are taken by an absolute majority of the votes of the shareholders, except for specific issues, such as changes to the bylaws, which require 70% of the votes. The members always meet in the first four months of the year, with the possibility of extraordinary meetings when required.



## Board of Directors

The Board of Directors is composed of a minimum of four and a maximum of six members, both shareholders and non-shareholders. They are elected by the General Assembly for a period of three years, with the possibility of re-election.

The Board of Directors is the highest body for guiding the business and the link between the shareholders and the executive board. It prioritizes the agile and transparent sharing of knowledge, ensuring that the execution of the strategy and the achievement of targets are carried out responsibly and sustainably.

The Board of Directors is responsible for defining the guidelines for the business, updating the purpose and statements of mission, vision and values, and approving strategies, policies and targets related to economic, environmental and social topics.

The Board of Directors is also responsible for defining and reviewing the strategic plan and the budget, analyzing expansion and investment projects, managing risks and contingencies, as well as defining the amount of profit participation for employees, based on the premise of operating responsibly and sustainably in the conduct of the company's business and products

### COMPOSITION OF THE BOARD OF DIRECTORS

MEMBER	POSITION	EXECUTIVE	GENDER	INDEPENDENT
LIRIO ALBINO PARISOTTO	President	Yes	M	No
LIZ VANIN PARISOTTO	Councillor	No	F	No
ELIE LINETZKY WAITZBERG	Councillor	No	M	No
RAPHAEL DAVID WOJDYSLAWSKI	Councillor	No	M	No

The Board of Directors evaluates the Company's monthly performance through the presentation of results, in reports issued daily, in real time and accessible to all executives and Senior Management, as well as through the Annual Management Report. Critical concerns are shared at monthly meetings of the Board of Directors or at extraordinary meetings called by Senior Management. [GRI 2-16](#)

In 2022, the Board of Directors met monthly to discuss strategic planning, the company's results, strategic decisions, sustainability actions and risk management, among other topics. It currently has four members, one of them a woman. [GRI 2-12](#)

## Executive Board

The Executive Board and the Board of Directors are the company's administrative governing bodies, responsible for business strategies. It is made up of three to six members, elected by the Board of Directors for a three-year term, with re-election allowed. Shareholders and Directors can make up the Executive Board, with the presence of Board of Directors members limited to one third of the body.

### COMPOSITION OF THE EXECUTIVE BOARD

LIRIO ALBINO PARISOTTO	PRESIDENT
REINALDO JOSÉ KRÖGER	VICE-PRESIDENT DIRECTOR
CLAUDIO DA ROCHA FILHO	OPERATIONS DIRECTOR
JOSÉ LEMOS DE CARVALHO JUNIOR	FINANCIAL DIRECTOR
CHRISTIAN BARG	INDUSTRIAL DIRECTOR

Weekly meetings are held between the Executive Board and the managers to discuss business issues, solutions, goals and challenges, as well as how to manage and mitigate any negative impacts. Support groups formed by the statutory and non-statutory committees assist and guide the discussions, providing agility and objectivity to ensure that the strategic priorities are put to deliberation.

The President delegates to each of the executives in Senior Management the duties and authorities on economic, environmental and social topics along the lines established by the Board of Directors. [GRI 2-12, 2-13, 2-16](#)

## COMPLIANCE COMMITTEE

MEMBER	POSITION	EXECUTIVE	GENDER	INDEPENDENT
LIZ VANIN PARISOTTO	Councillor	No	F	No
REINALDO JOSÉ KRÖGER	Vice-President Director	Yes	M	No
JOSÉ LEMOS DE CARVALHO JUNIOR	Financial Director	Yes	M	No

The company also has the support of the Credit, Commercial and Tactical Planning Committees. The following also report to the Board of Directors: Internal Audit, which monitors, evaluates and recommends improvements to internal controls; Independent Audit, which ensures the integrity of the financial statements; Corporate Governance Secretary.

Innova's corporate governance action plan includes the implementation of a formal process for choosing members of the Board of Directors and Committees.

The selections take into account the unblemished reputation of its members, the prohibition on holding positions with competitors or representing conflicting interests, as well as professional background, experience or technical knowledge, strategic vision and availability of time, in addition to alignment and commitment to the company's principles and values.

The members of the Board have been trained by the Brazilian Institute of Corporate Governance (IBGC) and are committed to systematically updating their knowledge. They all take part in internal and external training, forums, congresses and events of the associations the company belongs to.

## Supervisory Board

This is a non-permanent body, set up by resolution of the shareholders when necessary, and can be made up of three to five members, with re-election allowed. It is responsible for overseeing financial and accounting management, in accordance with the duties laid down by law. In 2022, the Fiscal Council was not installed.

Learn more about Innova's governance structure at <https://www.innova.com.br/en/organizational-structure/#estrutur>

The Board is advised by statutory and non-statutory committees. The statutory committees include:

### AUDIT COMMITTEE:

It is responsible for ensuring the quality of accounting and operational practices in the preparation of the financial statements;

### COMPLIANCE COMMITTEE:

Fosters the culture of integrity, the Company's commitment to ethics and transparency;

### SUSTAINABILITY COMMITTEE:

Creates strategies for Innova's management.

Current composition of the company's committees:

## AUDIT COMMITTEE

MEMBER	POSITION	EXECUTIVE	GENDER	INDEPENDENT
LIRIO ALBINO PARISOTTO	Director-President and President of the Board of Directors	Yes	M	No
REINALDO JOSÉ KRÖGER	Vice-President Director	Yes	M	No
JOSÉ LEMOS DE CARVALHO JUNIOR	Chief Financial Officer	Yes	M	No

## SUSTAINABILITY COMMITTEE

MEMBER	POSITION	EXECUTIVE	GENDER	INDEPENDENT
LIZ VANIN PARISOTTO	Councillor	No	F	No
ELIE LINETZKY WAITZBERG	Councillor	No	M	No
REINALDO JOSÉ KRÖGER	Vice-President Director	Yes	M	No
JOSÉ LEMOS DE CARVALHO JUNIOR	Chief Financial Officer	Yes	M	No
CLAUDIO ROCHA FILHO	Operations Director	Yes	M	No
CHRISTIAN BARG	Industrial Director	Yes	M	No

# Relationship with Suppliers GRI 204-1, 308-1, 308-2

Innova's Purchasing Policy establishes rules applicable to all purchases of supplies (raw materials, inputs and packaging) as well as goods and services. The company offers equal opportunities to suppliers through competitive bidding, ethical and transparent selection processes.

All registered suppliers must comply with the requirements of the Integrated Management System, ISO 9001 and ISO 14001 certifications relating to quality and the environment, as well as the FSSC 22000 and RoHS certification schemes. Whenever applicable, the supplier's qualification documentation and compliance with ABIQUIM's Responsible Care Program are required.

Environmental regulations are covered in the registration and approval stages, taking into account the applicable legislation for each category of supply, good or service. Environmental suppliers (waste and effluent handlers and transporters) are systematically assessed according to internal procedures for health, safety and environmental items.

In 2022, the Supplier Code of Conduct was implemented with ethical and socio-environmental guidelines for commercial relations with the companies that supply us with services and products. In 2023, the document will be sent to active suppliers for acknowledgement and acceptance.

The Third Party Integrity Assessment Policy will come into force in 2023, which establishes

with the fundamental guidelines for assessing the integrity risk of suppliers, according to the risk matrix. This assessment includes the analysis of corruption and socio-environmental risks, including national and international restrictive lists regarding child labor and labor analogous to slavery.

At the end of 2022, Innova reported a total of 2,161 active suppliers, 159 of which were international.

No negative social and environmental impacts caused by suppliers have been identified in the last three years.

PURCHASING BUDGET SPENT WITH LOCAL SUPPLIERS <small>GRI 204-1</small>			
	2020	2021	2022
<b>BUDGET FOR SUPPLIERS (R\$)</b>	2.272.815.000	4.352.774.000	4.503.185.297
<b>AMOUNT SPENT WITH LOCAL SUPPLIERS (R\$)</b>	1.484.988.000	2.869.646.000	3.385.416.628
<b>% OF BUDGET SPENT ON LOCAL SUPPLIERS</b>	65	66	75

Local supplier equals national supplier. Values converted into R\$ by the average conversion of the reference year. The increase in the share of local suppliers was driven by the increase in the price of the main raw materials together with the increase in the volume of national purchases for Plant I (Moaçu, AM). The increase in biomass purchases for Plant II (Triunfo, RS) from suppliers in the state of Rio Grande do Sul was 43% compared to 2021.

The company's goal is to maintain the proportionality of purchases from local suppliers while seeking new developments.



Plant II, Triunfo (RS): petrochemical

# Social Performance

## People Management

Innova's Human Resources area has undergone transformations in order to meet the needs of the Company and society. In the last year, all HR practices have been reviewed in areas such as recruitment and selection, development, training and benefits. The changes accompanied an analysis of routines that took into account the requirements of the LGPD (General Data Protection Act). Our governance bodies approved the updates to procedures and policies, made available to employees via the internal repository.

### Attraction, Selection and Retention GRI 401-1

Innova aims to be competitive by attracting the best talent on the market. We work to analyze and promote improvements in all channels of communication between employees and the company. In terms of attraction, we advertise our vacancies in order to reach the right target audience and strengthen our brand image. We take special care during interviews to assess cultural the candidate's affinity with the company.

Once hired, the employees go through an integration process with mandatory and optional training. They also learn about their career path, remuneration policies and have the opportunity to establish their individual development plan after the annual Performance Assessment Cycle.

Innova has low turnover compared to market rates. However, we understand that it is always possible to make improvements with a view to employee well-being and retention. Our standard procedure is to carry out interviews with employees who resign in order to understand their grievances and motivations. The results are analyzed in order to identify actions for improvement.

EMPLOYEES HIRED, BY AGE GROUP <small>GRI 401-1</small>						
	2020		2021		2022	
	Nº	RATE	Nº	RATE	Nº	RATE
UNDER 30	46	0,26	59	0,32	67	0,34
BETWEEN 30 AND 50	71	0,10	67	0,09	129	0,18
OVER 50	2	0,02	4	0,03	9	0,07
TOTAL	119	0,12	130	0,13	205	0,19

EMPLOYEES HIRED, BY GENDER <small>GRI 401-1</small>						
	2020		2021		2022	
	Nº	RATE	Nº	RATE	Nº	RATE
MEN	109	0,14	112	0,14	147	0,17
WOMAN	10	0,05	18	0,09	58	0,3
TOTAL	119	0,12	130	0,13	205	0,19

EMPLOYEES HIRED, BY REGION <small>GRI 401-1</small>						
	2020		2021		2022	
	Nº	RATE	Nº	RATE	Nº	RATE
BARUERI	16	0,16	19	0,18	38	0,31
MANAUS	57	0,09	79	0,12	121	0,18
TRIUNFO	46	0,20	32	0,13	46	0,17
TOTAL	119	0,12	130	0,13	205	0,19

EMPLOYEES WHO LEFT THE COMPANY, BY AGE GROUP <small>GRI 401-1</small>						
	2020		2021		2022	
	Nº	RATE	Nº	RATE	Nº	RATE
UNDER 30	19	0,11	28	0,14	28	0,14
BETWEEN 30 AND 50	63	0,09	63	0,09	114	0,16
OVER 50	27	0,22	10	0,08	24	0,18
TOTAL	109	0,11	98	0,10	166	0,16

EMPLOYEES HIRED, BY GENDER <small>GRI 401-1</small>						
	2020		2021		2022	
	Nº	RATE	Nº	RATE	Nº	RATE
MEN	87	0,11	84	0,1	109	0,13
WOMAN	22	0,11	14	0,07	57	0,3
TOTAL	109	0,11	98	0,10	166	0,16

**EMPLOYEES HIRED, BY REGION** *GRI 401-1*

	2020		2021		2022	
	Nº	RATE	Nº	RATE	Nº	RATE
BARUERI	11	0,11	18	0,17	25	0,21
MANAUS	67	0,11	57	0,09	116	0,18
TRIUNFO	31	0,13	23	0,09	25	0,09
<b>TOTAL</b>	<b>109</b>	<b>0,11</b>	<b>98</b>	<b>0,10</b>	<b>166</b>	<b>0,16</b>

## Remuneration and Benefits *GRI 2-19, 2-20, 2-21*

Innova's Remuneration Policy determines a set of criteria, rules and concepts that guarantee a structure of positions and salaries that is relevant to the company's needs. This policy promotes internal equity, better management of positions and careers, competitiveness with the market and the company's financial viability, supporting a culture of high performance. The current practice is fixed remuneration for all employees.

The Human Resources department manages positions and salaries through an annual market survey carried out by independent consultants. In addition to remuneration values, the survey also looks at the benefits granted by the company in order to verify and compare them with current practices. When we receive any comments from stakeholders about the salary scale, we take them into account and, if necessary, expand the base of companies or segments in the market survey.

Innova also has a Profit Sharing Program (PLR), which aims to encourage senior management and employees to seek continuous improvements and exceptional results. The goals and objectives to be met are based on strategic planning. The budget and employee performance are validated through the People Cycle, a human development tool using the Nine Box Matrix, performance evaluation and 360 evaluation methodologies.

## Training and Development *GRI 404-1, 404-2, 404-3*

In 2022, the People Cycle carried out employee performance assessments using the Nine Box Matrix (a methodology that takes into account performance versus potential). This initiative helped to identify key positions for leadership succession processes. All the company's employees were assessed.

Innova has training aimed at behavioral and technical skills, as well as meeting regulatory requirements.

Technical training is defined according to the area, such as Microsoft Excel and Business Intelligence (BI). In 2022, an operator training program was launched at Plant II (Triunfo, RS) in partnership with the National Industrial Learning Service (SENAI). The company also uses the Conquer platform for online courses for office functions.

Innova offers internship and young apprentice programs. Interns perform technical development functions for areas that require successor training at a professional level. Apprentices perform administrative activities in different areas.



### Climate survey

In 2022, Innova carried out an Organizational Climate Survey among its employees that combined qualitative and quantitative data from focus groups and an online questionnaire.

The results were positive, with 87% of respondents saying they were satisfied or very satisfied with the company. The highest levels of satisfaction were given to "environment and quality of life" and "engagement".

The data was calculated per industrial plant and head office, and the negative evaluations will be treated in action plans aimed at improvements in 2023, through groups of employees called "Ambassadors", responsible for the activities implemented, acknowledged by the Climate Survey seal.





# Diversity, Inclusion and Equity GRI 3-3

AVERAGE HOURS OF EMPLOYEE TRAINING BY GENDER <small>GRI 404-1</small>			
	2020	2021	2022
MEN	25	24	27
WOMAN	12	18	11
TOTAL	22	23	24

AVERAGE HOURS OF EMPLOYEE TRAINING BY FUNCTIONAL CATEGORY <small>GRI 404-1</small>			
	2020	2021	2022
VICE-PRESIDENCY AND SENIOR MANAGEMENT	0	1	0
EXECUTIVE BOARD	0	3	24
MANAGEMENT	1	4	37
COORDINATION	16	26	22
OPERATIONAL	23	23	24
TOTAL	22	23	24

AVERAGE HOURS OF EMPLOYEE TRAINING BY FUNCTIONAL CATEGORY <small>GRI 404-1</small>			
	2020	2021	2022
APPRENTICES	93	262	106
INTERNS	19	30	13
TOTAL	53	184	80

EMPLOYEES RECEIVING PERFORMANCE REVIEWS BY FUNCTIONAL CATEGORY (%) <small>GRI 404-3</small>									
	2020			2021			2022		
	MEN	WOMAN	TOTAL	MEN	WOMAN	TOTAL	MEN	WOMAN	TOTAL
VICE-PRESIDENCY AND TOP MANAGEMENT	25	0	20	20	0	20	0	0	0
EXECUTIVE BOARD	100	0	100	100	0	100	100	0	100
MANAGEMENT	100	100	100	95	100	95	100	100	100
COORDINATION	100	100	100	93	87	91	94	100	95
OPERATIONAL	0	0	0	8	32	12	97	96	97
TOTAL	9	9	9	17	40	21	97	96	97

Apprentices receive a contractual evaluation for the program. Interns did not receive an evaluation in 2022.

Innova considers the triad of diversity, inclusion and equality as a material and strategic issue and systematically formulates actions to ensure consistent improvement in people management practices.

The company prepares to expand its internal surveys in order to gain a better demographic understanding of its employees and establish improvement targets. Ethnic-racial diversity, gender and schooling will be criteria observed in the analysis and addressed with action plans for recruitment and selection processes.

Innova's employees profile did not change much in 2022 when compared to the previous year. Considering the industrial plants and offices in the north, southeast and south, the company's ethnic-racial diversity is in line with the diversity of Brazil.

In 2022, two priority groups received actions aimed at diversity and inclusion. The first was the group of people with disabilities (PwDs). We hired a specialized consultancy to analyze the company's physical structure, with the aim of promoting improvements and developing a more welcoming and inclusive environment .

The company also established partnerships and ran campaigns to increase the number of women in technical positions traditionally held by men. The main target was Plant II (Triunfo, RS), where a course was held to train operators. We took the opportunity to make women aware of the course, encouraging them to join the company.

EMPLOYEES BY GENDER AND REGION - 2022 <small>GRI 2-7</small>			
REGION	MEN	WOMAN	TOTAL
BARUERI	69	52	121
MANAUS	564	98	662
TRIUNFO	234	43	277
TOTAL	867	193	1.060

EMPLOYEES BY GENDER <small>GRI 405-1</small>									
TYPE OF CONTRACT	2020			2021			2022		
	MEN	WOMAN	TOTAL	MEN	WOMAN	TOTAL	MEN	WOMAN	TOTAL
TOTAL	794	185	979	827	193	1.020	867	193	1.060

EMPLOYEES BY REGION <small>GRI 2-7</small>			
REGION	2020	2021	2022
BARUERI	102	107	121
MANAUS	632	659	662
TRIUNFO	245	254	277
TOTAL	979	1.020	1.060

There are no employees under temporary contract. The figures reported refer to the actual number of employees. The entire company's workforce was taken into account when compiling the information. All employees have working hours defined in their contracts. There was no significant variation in relation to the previous year.

EMPLOYEES BY FUNCTIONAL CATEGORY AND GENDER <small>GRI 2-8</small>									
	2020			2021			2022		
	MEN	WOMAN	TOTAL	MEN	WOMAN	TOTAL	MEN	WOMAN	TOTAL
APPRENTICES	14	6	20	15	7	22	14	7	21
INTERNS	15	9	24	5	6	11	3	5	8
TOTAL	29	15	44	20	13	33	17	12	29

We maintain management aligned with the quota required for interns, preserving the minimum coverage. The fluctuations in the number of trainees were due to their being hired or, on the other hand, leaving the company. Goals for the next reporting cycle: to meet the Company's organizational and strategic needs by training interns and to strengthen the workforce and employee succession process.

INDIVIDUALS WITHIN THE ORGANIZATION'S GOVERNANCE BODIES, BY GENDER (%) - 2022 <small>GRI 405-1</small>	
MEMBERS OF GOVERNANCE BODIES	
MEN	75
WOMAN	25
TOTAL	100

INDIVIDUALS WITHIN THE ORGANIZATION'S GOVERNANCE BODIES, BY AGE GROUP (%) - 2022 <small>GRI 405-1</small>	
MEMBERS OF GOVERNANCE BODIES	
UNDER 30	0
BETWEEN 30 AND 50	50
OVER 50	50
TOTAL	100

EMPLOYEES, BY FUNCTIONAL CATEGORY AND GENDER (%) <small>GRI 405-1</small>						
	2020		2021		2022	
	MEN	WOMAN	MEN	WOMAN	MEN	WOMAN
VICE-PRESIDENCY AND SENIOR MANAGEMENT	80,00	20,00	80,00	20,00	80	20
EXECUTIVE BOARD	100,00	0,00	100,00	0,00	100	0,00
MANAGEMENT	89,47	10,53	85,00	15,00	86,36	13,64
COORDINATION	78,26	21,74	79,69	20,31	73,91	26,09
OPERATIONAL	81,09	18,91	81,03	18,97	82,41	17,59
TOTAL	81,10	18,90	81,08	18,92	81,79	18,21

EMPLOYEES, BY FUNCTIONAL CATEGORY AND GENDER (%) - 2022 <small>GRI 405-1</small>		
	MEN	WOMAN
APPRENTICES	66,67	33,33
INTERNS	37,50	62,50
TOTAL	58,62	41,38

**EMPLOYEES, BY FUNCTIONAL CATEGORY AND AGE GROUP (%) - 2022** *GRI 405-1*

	UNDER 30	BETWEEN 30 AND 50	OVER 50
VICE-PRESIDENCY AND SENIOR MANAGEMENT	0	40	60
EXECUTIVE BOARD	0	100	0
MANAGEMENT	0	72,73	27,27
COORDINATION	1,09	80,43	18,48
OPERATIONAL	20,90	67,27	11,83
TOTAL	18,58	68,49	12,92

100% of the workers from the functional category, apprentices and interns are under the age of 30.

**EMPLOYEES IN UNDER-REPRESENTED GROUPS,  
BY FUNCTIONAL CATEGORY (%) - 2022** *GRI 405-1*

	PwD
VICE-PRESIDENCY AND SENIOR MANAGEMENT	0
EXECUTIVE BOARD	0
MANAGEMENT	0
COORDINATION	1,09
OPERATIONAL	4,58
TOTAL	4,15

**RATIO OF BASIC SALARY AND REMUNERATION RECEIVED BY WOMEN TO THOSE RECEIVED BY MEN  
RECEIVED BY MEN - BY FUNCTIONAL CATEGORY - 2022** *GRI 405-2*

	BASE SALARY	REMUNERATION
VICE-PRESIDENCY AND SENIOR MANAGEMENT	-	-
EXECUTIVE BOARD*	0	0
MANAGEMENT	0,89	0,96
COORDINATION	1,05	0,94
OPERATIONAL	1,06	0,87
APPRENTICES	1,00	0,98
INTERNS	1	1

\*There are no women on the Board of Directors



# Health, Welfare and Safety

*GRI 3-3, 403-1 A 403-10*

Innova has an Integrated Quality, Safety, Environment and Health Policy aimed at the continuous improvement of processes and attention to stakeholders. Its commitments include compliance with applicable legislation, improvements, constant risk reduction and encouraging employee engagement with the company's values and objectives.

The company has an integrated health and safety management system at its industrial plants, which complies with current legal requirements. The system follows risk analysis and prevention practices and is designed to cover all the company's employees.

Health, well-being and safety processes are mapped out in an integrated way through the Risk Management Program (PGR), which covers the hazards and risks identified, as well as control measures to eliminate or minimize them. For field and non-routine activities, the company carries out Preliminary Risk Analyses (APR) and issues Work Permits (PT), in addition to the Hazard and Risk Survey (LPR).

Controls are implemented to eliminate or minimize risk factors by adopting collective protection, work organization and individual protection strategies. Our processes include the use of chemical inputs in the manufacture of products, the use of flammable and combustible liquids, working at heights, confined spaces and energized systems, the operation of machinery and the adoption of continuous production systems.

All the chemical products used in the industrial plants and production processes are assessed and their information made available to employees and service providers. The most relevant in terms of danger: ethylene, benzene, pentane, ethylbenzene (EB), styrene monomer (SM), toluene and expandable polystyrene (EPS). We also have control initiatives relating to the safety of our products for customers.

The company has procedures for reporting accidents, incidents and deviations, investigating and proposing improvements. We have also developed the LOTO (Lockout & Tagout) program to lockout and tagout hazardous energies in our units. We keep an integrated panel of health and safety indicators, where we monitor and statistically analyze the results of accidents and incidents.

# Training and Employee Participation in Health and Safety

The health and safety training matrix ensures the system's effectiveness and is regularly updated to guarantee that everyone is properly trained to carry out their activities. Our employees and service providers receive induction training when they enter the plants. There is also functional and health training broken down by position, following the applicable legal requirements.

The control and validation of that health and safety training matrix is managed by the Human Resources team. Training is carried out internally and externally, according to the specialty and organizational knowledge required.

All employees are invited to participate by reporting any unsafe act or condition in the workplace, as well as any accidents or personal incidents. The company has a confidential reporting channel managed by an external company of international prestige.

Innova uses appropriate software designed for investigating health, safety and environmental incidents. The company guarantees the confidentiality, exclusivity and protection of medical information.

All industrial plants have their own internal accident prevention committee (CIPA) and communication channels for all employees and partners. We hold monthly management meetings, daily safety dialogues (DDS), internal communications and campaigns.

## Health and Well-Being

Initiatives aimed at employee well-being and protection include the ergonomics program and monitoring of physical and chemical agents, which help to map risk situations and generate specific action plans in search of continuous improvements. The risks surveyed also feed into the Medical Control and Occupational Health Program (PCMSO), which monitors the health of our employees through periodic examinations and consultations. Other tools include behavioral dialogue, work permit audits and safety tours.

We use up-to-date systems integrated with government systems (E-social), guaranteeing the correct management of information, risk factors and monitoring of workers' health in real time. We have our own health department with professionals dedicated to the subject, and partners for strategic issues such as clinical examinations. Health processes are audited within our internal and external management system.

The industrial plants have outpatient clinics and professionals trained in occupational health, available during administrative hours, as well as trained first aid personnel on shifts and weekends.



In 2022, the company launched a social calendar with campaigns, events and talks covering specific themes according to the monthly calendar month, as well as activities such as quick massage and workplace exercises. Some of the campaigns carried out during the year:

World Environment Day: kits were distributed to employees containing a plant pot produced on a 3D printer with ECO-PS® filament, plus a pack of organic compost with ashes from Steam and Power Generation Plant, together with seeds for planting.

Yellow September: suicide prevention campaign; talk with a specialist.

Pink October: breast cancer prevention campaign.

Blue November: a campaign to prevent prostate cancer.

Campaigns to encourage vaccination against covid-19.

Innova ended the year with around 80% of employees vaccinated with the third dose. There were no fatalities related to the disease in 2022, and some protocols were maintained, such as the availability of alcohol gel strict hygiene routines. The company also followed specific health recommendations of the local authorities.

Innova has established periodic blood sugar and cholesterol tests for employees, monitoring of risks diabetes and heart disease. A health committee was set up to reinforce preventive programs and practices.

No work-related illnesses were recorded in 2022 or in previous years. *GRI 403-10*

## Improvements in safety and well-being practices

In 2022, Innova set up a Process Safety department, responsible for designing and analyzing practices adopted for the company's production processes, with excellent feedback from insurers during the policy renewal cycle. The year finished with no records of events related to process safety, such as leaks or explosions.

We are certified by Responsible Care® Program. Our accident rates with and without time off work have been reduced to levels below those of the sector standard. The average for the Brazilian chemical industry, published annually by ABIQUIM, is 4.65, compared to Innova's 3.5. Our personal accident rate, with and without time off work, was reduced by 15% compared to 2021, 33% lower than the industry average.

During the year, the company invested in awareness campaigns to reduce accident rates. As a result, in December it completed 270 days without an accident. Another innovation in 2022 was the renewal of the fire-fighting system at Plant I, in Manaus (AM), with a R\$ 1.5 million investment in training and equipment. Among the improvements, new vehicles were acquired.

## Golden Rules for Safety

We launched a campaign for our 6 Golden Rules of Safety, which express the main precautions for carrying out activities safely.

People's lives and the safety of employees and contractors are absolute and non-negotiable values for Innova. We have created the Golden Rules, essential and must to guide our perceptions, attitudes, behaviors and decisions. Valuing safety and active care underpins our belief that every loss can be avoided. Therefore, our Golden Rules are an imperative condition for all activities. Their obedience saves lives.



### INNOVA'S GOLDEN RULES FIRST AND FOREMOST, LIFE

- 

**1. WORK PERMIT:**

Work only with valid, specific permits, with all safety recommendations and measures implemented.
- 

**2. HAZARDOUS ENERGIES:**

Carry out work on equipment or installations only after making sure that all energy sources have been switched off and locked out.
- 

**3. CRITICAL ACTIVITIES:**

Hazardous activities\*\* may only be carried out with proper documentation, PPE and the implementation of appropriate protective measures.
- 

**4. TOOLS AND EQUIPMENT:**

Never use improvised or defective tools, machines and equipment to perform a job.
- 

**5. PROCESSES, MACHINERY AND EQUIPMENT:**

Never remove or alter safety guards and controls on processes, machines and process, machinery and equipment without proper risk analysis and authorization.
- 

**6. REPORTING AND HANDLING INCIDENTS AND ACCIDENTS:**

Every incident/accident must be reported immediately.

\*\* Services involving electricity, hot work, confined spaces, heights, digging and handling suspended loads.

ACCIDENTS AT WORK *GRI 403-9*

	2020		2021		2022	
	EMPLOYEES	WORKERS WHO ARE NOT EMPLOYEES, BUT WHOSE WORK AND/OR WORKPLACE IS CONTROLLED BY THE ORGANIZATION	EMPLOYEES	WORKERS WHO ARE NOT EMPLOYEES, BUT WHOSE WORK AND/OR WORKPLACE IS CONTROLLED BY THE ORGANIZATION	EMPLOYEES	WORKERS WHO ARE NOT EMPLOYEES, BUT WHOSE WORK AND/OR WORKPLACE IS CONTROLLED BY THE ORGANIZATION
NUMBER OF WORKING HOURS	1.462.737	376.947	1.558.420	679.838	1.859.359	973.759
NUMBER OF DEATHS RESULTING FROM ACCIDENT AT WORK	0	0	0	0	0	0
RATE OF DEATHS RESULTING FROM ACCIDENT AT WORK	0	0	0	0	0	0
NUMBER OF ACCIDENTS AT WORK WITH SERIOUS CONSEQUENCES (EXCEPT DEATHS)	0	0	0	0	0	0
RATE OF ACCIDENTS AT WORK WITH SERIOUS CONSEQUENCES (EXCEPT DEATHS)	0	0	0	0	0	0
NUMBER OF RECORDED WORK-RELATED INJURIES (INCLUDING DEATHS)	11	5	7	3	9	1
RATE OF INJURIES WORK-RELATED (INCLUDING DEATHS)	7,52	13,26	4,49	4,41	4,84	1,03

In 2022, there were no serious events related to exposure to chemicals. Serious accidents are considered in this indicator to be those where the worker is away from work for full recovery for more than 6 (six) months. Occurrences/situations involving "chemical burns, cuts and sprains" were the most intensive during 2022.

Number of work-related incidents identified as having a high potential for occurrence: 17.

\*Considers occurrences from which the employee or contractor (service provider) has not recovered or from which they are not expected to recover fully within six months for their health condition.

Number of near incidents in 2022: 34

 Community Relations *GRI 413-1*

Innova is committed to working for the development of the communities in which it is situated, as well as promoting improvements in the quality of life of the local population. We support various social and environmental projects and have a volunteer program. The Sustainability Committee is constantly working on actions in the communities close to our operations in Manaus (Amazonas) and Triunfo (Rio Grande do Sul), as well as in Barueri (São Paulo), where the company's head office is located.

The proper progress of the initiatives and the company's relationship with its partners are ruled by the Donations and Sponsorships Policy. According to this statement, all donations and sponsorships must be aligned with Innova's strategy of generating positive impacts, in compliance with applicable legislation and internal policies.

Innova keeps a constant dialogue with the community of the Triunfo Petrochemical Pole (RS) through the Community Consultative Council (CCC) since 2003, which covers the municipalities of Triunfo, Montenegro, Nova Santa Rita and other neighboring towns. In Triunfo and Manaus, we are also part of the Mutual Aid Plan (PAM), which provides support for firefighters by trained teams made available by the companies in the event of an emergency.



We maintain open communication channels and interaction with the community, through Contact Us ([www.innova.com.br](http://www.innova.com.br)) and shared networks such as Fale com o Polo ([www.falecomopolo.com.br](http://www.falecomopolo.com.br)). From an environmental point of view, we rigorously manage the impacts and risks that could affect neighboring communities through licenses, internal and external audits and customer audits.

OPERATIONS WITH SIGNIFICANT NEGATIVE IMPACTS ON LOCAL COMMUNITIES- ACTUAL AND POTENTIAL *GRI 413-2*

* LOCATION OF OPERATION	* LOCATION OF IMPACT
OPERATIONS IN MANAUS (AMAZONAS) AND TRIUNFO (RIO GRANDE DO SUL).	PLANTS I AND IV IN MANAUS (AMAZONAS) AND PLANT II IN TRIUNFO (RIO GRANDE DO SUL).

\* DESCRIPTION OF SIGNIFICANT NEGATIVE IMPACTS OF OPERATIONS IN THIS LOCATION, ACTUAL AND POTENTIAL

POTENTIAL RISKS IDENTIFIED: Fires, explosions, liquid spills within the boundaries of the plants and loss of pellets during external transportation.

We have mapped the socio-environmental aspects and impacts of the business, analyzed direct and indirect risks to communities and monitored them through environmental licensing, certification in international voluntary management systems such as ISO14001, ABIQUIM's Responsible Care® Program, the Zero Pellet Program and constant community relations.

All the chemical products used in the industrial plants and production processes are evaluated and their information made available to employees and service providers. The most relevant in terms of danger are: ethylene, benzene, pentane, ethylbenzene (EB), styrene monomer (SM), toluene and expandable polystyrene (EPS). We also have safety-related control initiatives for our customers.

Learn about the internal volunteer programs, as well as the institutions supported by Innova:

## Sustainable Amazon Foundation (FAS)

A non-governmental organization dedicated to sustainable development projects and programs in the Amazon, with a focus on empowering traditional populations and using clean technologies. Innova's support to FAS is historic, since its founding. Three recent projects:

Integral Development of Children and Adolescents from the Amazon River (DICARA), aimed at children and young people aged 0 to 17 and their families, with free courses in preventive health and complementary education.

The Indigenous Archery Project for high-performance athletes, with a focus on the Olympics.

The Indigenous Canoeing Project, for new athletes in vulnerable communities assisting Apurinã, Kameba and Karapãna indigenous tribes.

FAS is also a strategic partner in Innova's circularity projects.



## Prato Cheio (Manaus)

Popular restaurant in partnership with the Amazonas State Government.

The unit supported by Innova in the Compensa neighborhood of Manaus provides 6,000 meals a month to people experiencing food instability.



## Ayrton Senna Institute

A non-profit organization whose aim is to develop educational projects and programs for underprivileged children and young people. Innova has been a partner of the Ayrton Senna Institute for 16 years.



## Amazonas Opera Festival

Annual event held at the Teatro Amazonas, with an international projection.



## Active Voice Association

Franchisee of the NGO Gerando Falcões, it offers activities such as English, chess, judo, guitar and tutoring courses.

Innova supports the Flag Football project developed by Associação Voz Ativa in Manaus. Flag Football is a variant of American soccer, which uses flags instead of physical contact to mark possession of the ball. The project's main target is low-income young people from underprivileged communities.



## Faz Bem Volunteer Program

Encourages Innova employees to donate their time or material goods to social institutions. In 2022, it organized a Christmas event where toys, clothes and hygiene products were donated to children assisted by the Ana Maria Ramos Franco Municipal Shelter, in Triunfo (RS); Lar Meu Pé de Laranja Lima, in Nova Santa Rita (RS); Central Única das Favelas (CUFA), in Montenegro (RS); Nossa Senhora Aparecida Parish, in Carapicuíba (SP); Lar da Dona Val Shelter, in Manaus (AM) and Casa dos Filhos, in Manaus (AM).



## Beit Yakov Educational Institute

Maintenance of two Jewish schools in São Paulo.



## Nora Teixeira Hospital

Construction of a new emergency ward at the Nora Teixeira Hospital in Porto Alegre (RS), dedicated exclusively to patients from the Unified Health System (SUS). The hospital is a national reference in urgent and emergency care for elderly patients, with state-of-the-art technological infrastructure and highly qualified nursing teams.



## Santa Casa da Misericórdia de Porto Alegre: Care for the Elderly

Support for training nursing teams to treat the elderly in Rio Grande do Sul, with social activities for 150 patients. The hospitals involved: Dom Vicente Scherer, Santa Rita, Pavilhão Pereira Filho, São José, São Francisco and Santa Clara. The project also contributed to 176,000 consultations, more than 22,000 surgeries and 19,000 hospitalizations.



## Building Smiles Project

Support for pediatric surgeries at the Santo Antônio Children's Hospital in Porto Alegre (RS). It made possible 264 heart surgeries, 150 neurological surgeries and 48 transplants, as well as 2081 chemotherapy procedures.



## Maternity in Focus

Support for the project to provide high-risk obstetric care and assistance to premature newborns at the Mário Totta Hospital in Tramandaí (RS).

## Literary Bag

Donation of packages containing 200 titles by various authors and literary genres to 20 public schools in Manaus (AM), accompanied by teacher training.



## Frei Salvador Compassion Corner Project

Social work of the Mão Amiga Association in Caxias do Sul (RS). Innova supported the construction of 125 beds for vulnerable elderly people in a building where the INSS used to work.



## Elderly Support Project

Comprehensive care for patients over the age of 60 in the units of the Hospital de Amor de Barretos (SP). The project covers the costs related to treatment and the multidisciplinary activities carried out on an ongoing basis.



## Renovation of the Cultura Artística Theater

Renovation project for the theater, based in São Paulo. The new facilities, scheduled to open in 2024, will have the Leed sustainable building seal.







Plant I, Manaus (AM): 100% recyclable bioriented polypropylene (BOPP) plastic films.



# Environmental Performance



## Climate Strategy

Innova contributes to the measures against climate change through strategies to neutralize emissions, by adopting a cleaner energy matrix. Neutralizing emissions includes reducing greenhouse gas (GHG) emissions and offsetting residual emissions.

Changing the energy matrix includes replacing fossil energy sources with renewable energy sources or less polluting fuels. In addition, the company implements energy efficiency measures to reduce energy consumption and, consequently, emissions.

Our emissions inventories and sustainability reports our show those projects in full detail.



## Climate Change GRI 3-3, 201-2

Innova made a public commitment to neutralize its greenhouse gas emissions in Scopes 1 and 2. We are currently investing in a series of operational and energy matrix improvements. In 2022, the company began a decarbonization project, carried out in two stages:

1. Search opportunities on Scopes 1 and 2 on emissions reductions using the Marginal Abatement Cost Curve (MACC). In 2023, we will monitor and detail those projects.
2. Research on climate risks and opportunities. The analysis was guided by the principles of the Task Force on Climate-related Financial Disclosure (TCFD), combined with

geopolitical, physical and regulatory data, among others publicly available. Existing climate models and scenarios were considered, such as those drawn up by the International Energy Agency (IEA) and The Intergovernmental Panel on Climate Change (IPCC), which best represent the assets and regions in which we are located. An action plan will be drawn up in 2023.

In terms of mitigation projects, one of the initiatives already adopted is to replace the use of BTE oil in furnaces with natural gas, which is less polluting. In addition, in 2022, we expanded the use of steam and electricity from the Steam and Power Generation Plant, which operates from forest waste, a renewable fuel. The project has made our petrochemical plant in Triunfo (RS) self-sufficient in steam and electricity.

Since 2020, Innova has been preparing its annual Greenhouse Gas and Regulated Pollutant Inventory (NOx, SOx, CO and PM) for all industrial plants, regarding Scopes 1 and 2. In 2022, the company joined the Public Emissions Registry, a platform developed by the Brazilian GHG Protocol Program, which helps publish GHG emissions inventories. For the first time, the 2022 inventory will be analyzed by a third party.

In terms of Scope 1 emissions, Innova obtained a reduction in absolute numbers of 18% compared to last year (2021). It can be observed due to improvements on industrial operational performance. When the 2022 inventory with the 2018 baseline, we have already achieved a 70% reduction of the emissions intensity rate

In terms of Scope 2 emissions, Innova reached a 52% reduction in absolute numbers compared to the previous year due to the higher consumption of steam and electricity generated internally. This reduction on demand for external energy brings a significant reduction in Scope 2 emissions. In addition, there was no impact from coal-fired thermoelectric plants during the year, a positive factor.

With regard to the intensity of greenhouse gas emissions, Innova's rate stood at 0.099 tCO<sub>2</sub>e/t produced. There was a 40% intensity rate in 2022 compared to 2021. In comparison to the 2018 baseline, it was has even more significant: 70% (0.325 tCO<sub>2</sub>e/t produced in 2018).

**DIRECT GREENHOUSE GAS EMISSIONS (t CO<sub>2</sub> EQUIVALENT)** *GRI 305-1*

	2020	2021	2022
GENERATION OF POWER, HEAT OR STEAM	43.905,03	52.245,61	42.919,54
TRANSPORTATION OF MATERIALS, PRODUCTS, WASTE, EMPLOYEES AND PASSENGERS	223,07	243,64	214,98
FUGITIVE EMISSIONS	733,87	1.357,89	985,13
<b>TOTAL GROSS CO<sub>2</sub> EMISSIONS</b>	<b>44.861,97</b>	<b>53.847,14</b>	<b>44.119,65</b>

Taking into account CO<sub>2</sub> (carbon dioxide), CH<sub>4</sub> - (methane), N<sub>2</sub>O (nitrous oxide).

**BIOGENIC CO<sub>2</sub> EMISSIONS (t CO<sub>2</sub> EQUIVALENT)** *GRI 305-1*

	2021	2022
	222.055	245.835,82

2018 was chosen as the baseline year, as it was the last year of operation before the structural changes at Innova and significant changes in the company's energy matrix.

Total emissions: 54,808.45 t CO<sub>2</sub> equivalent.

The methodologies and assumptions established by the Brazilian GHG Protocol Program were used to prepare the Greenhouse Gas Inventory.

**INDIRECT EMISSIONS FROM ENERGY ACQUISITION (t CO<sub>2</sub> EQUIVALENT)** *GRI 305-2*

	2020	2021	2022
	158.250,32	123.662,19	58.857,37

CO<sub>2</sub> (carbon dioxide), CH<sub>4</sub> - (methane), N<sub>2</sub>O (nitrous oxide) gases considered.

**INTENSITY OF GREENHOUSE GAS EMISSIONS (t CO<sub>2</sub>E/t PRODUCED)** *GRI 305-4*

	2020	2021	2022
TOTAL GHG EMISSIONS (t CO <sub>2</sub> EQUIVALENT)	203.112,29	177.509,33	102.797,27
<b>INTENSITY OF GREENHOUSE GAS EMISSIONS</b>	<b>0,239</b>	<b>0,166</b>	<b>0,099</b>

**REDUCTIONS IN GREENHOUSE GAS EMISSIONS (t CO<sub>2</sub> EQUIVALENT)** *GRI 305-5*

	2020	2021	2022
REDUCTIONS FROM DIRECT EMISSIONS (SCOPE 1)	78.438		
REDUCTIONS FROM INDIRECT EMISSIONS FROM ENERGY PURCHASES (SCOPE 2)		108.232	141.964,29
<b>TOTAL GHG EMISSION REDUCTIONS</b>	<b>78.438</b>	<b>108.232</b>	<b>141.964,29</b>

For the purposes of calculating avoided emissions, it was assumed that all the steam and electricity consumed at Innova's Plant II was of non-renewable origin (purchased from external sources and not produced internally through the operation of the Steam and Power Generation Plant, using renewable fuel).

Out of the 141,964.29 tCO<sub>2</sub>e, 2,817.57 refer to electricity and 139,146.19 to thermal energy (steam). The GHG Protocol indices were used for the calculation.

The year 2018 was chosen as the base year, as it was the last year of operation before the structural changes. Total emissions in the base year (t CO<sub>2</sub> equivalent): 277,673.83

Additional information: the emissions avoided in 2022 were higher than in 2021, due to the higher internal consumption of electricity and steam produced by the Steam and Electricity Generation Plant.

## Air Quality *GRI 3-3, 305-7*

Innova systematically monitors gaseous emissions of atmospheric pollutants (NOx, SOx, CO and PM) through duly accredited consultants. The emission standards are determined based on Brazilian legislation and the Operating Licenses of each Plant, following the methodologies stipulated by the Brazilian Association of Technical Standards (ABNT), the Environmental Company of the State of São Paulo (CETESB) and the Environmental Protection Agency of the United States of America (EPA). In the event of non-compliance with the legislation, a proper analysis is carried out to address the issue.

**SIGNIFICANT ATMOSPHERIC EMISSIONS (TONS)** *GRI 305-7*

	2020	2021	2022
NOX	40,15	35,16	28,35
SOX	0,81	0,74	0,61
PERSISTENT ORGANIC POLLUTANTS (POP)	0	0	0
VOLATILE ORGANIC COMPOUNDS (VOC)	39,29	43,47	47,90
HAZARDOUS AIR POLLUTANTS (HAP)	0	0	0
PARTICULATE MATTER (MP)	2,30	2,11	1,75
CARBON MONOXIDE (CO)	17,58	16,51	13,10
<b>TOTAL</b>	<b>100,14</b>	<b>98,00</b>	<b>91,70</b>

Sources of emission factors used: EPA - Environmental Protection Agency and GHG Protocol.

The cost and tax components of each plant are also reported. The main plant utilities are high-pressure and low-pressure steam, electricity and natural gas.

Weekly executive meetings are held to structure action plans for energy efficiency, reduction of energy intensity, operational excellence, rational use of natural resources and prioritization of renewable energy sources.

At Plant II (Triunfo, RS), Innova set up three boilers to produce energy from vegetable biomass: forestry waste, rice husks and sawmill leftovers. The renewable energy matrix replaces coal and fuel oil. The petrochemical company has become self-sufficient and self-producing in steam for manufacturing processes and electricity, with an installed capacity equivalent to the consumption of a city with 450,000 inhabitants. The surplus electricity generated can be sold in the Free Contracting Environment (ACL).

By 2020, 100% of the fuels consumed in Innova's production processes were of non-renewable origin. With the start-up of the Steam and Electricity Generation Plant, we will reach 38% renewable energy consumption in 2021 and 49% in 2022. The challenge for 2023 is to move towards 60% renewable fuels, with an increase in the generation of electricity and steam from 100% renewable sources. New initiatives in clean energy generation, such as solar and photovoltaic, are currently in study.

In 2022, a total of 4,819,509 GJ (100%) was consumed, of which 1,300,206 GJ (27%) from non-renewable fuels. Another 607,590 GJ (12%) refers to electricity purchased entirely from the National Interconnected System (SIN), while 571,504 GJ (12%) refers to complementary high-pressure (VA) and low-pressure (VB) steam from suppliers at the Southern Petrochemical Complex. The remaining 2,340,209 (49%) came from renewable fuel consumed at the Steam and Electricity Generation Plant. No electricity was sold to third parties in 2022.

In 2022, 67,086 MWh of electricity was generated and consumed from renewable sources from the operation of the Steam and Electricity Generation Plant.

ENERGY CONSUMED (GJ) <small>GRI 302-1</small>			
	2020	2021	2022
ELECTRICITY	723.723	592.709	607.590
STEAM	1.599.418	1.121.664	571.504
<b>TOTAL</b>	<b>2.323.141</b>	<b>1.714.373</b>	<b>1.179.094</b>

TOTAL ENERGY CONSUMED (GJ) <small>GRI 302-1</small>			
	2020	2021	2022
FUELS FROM NON-RENEWABLE SOURCES*	1.173.149	1.402.198	1.300.206
FUELS FROM RENEWABLE SOURCES**	0	1.939.094	2.340.209
ENERGY CONSUMED	2.323.141	1.714.373	1.179.094
ENERGY SOLD (ELECTRICITY)	0	7.117	0
<b>TOTAL</b>	<b>3.496.290</b>	<b>5.048.548</b>	<b>4.819.509</b>

(\*) The following non-renewable fuels consumed were considered: natural gas (NG), liquefied petroleum gas (LPG), diesel, petrochemical oil (BTE, discontinued use in 2019), purges from the styrene plant (OFF GAS), dimethyl ether (DME), heavy waste from the ethylbenzene and styrene units (TAR) and purges from the polystyrene unit (SEB).  
 (\*\*) Renewable fuel consumed was biomass from solid vegetable waste of pine and eucalyptus wood, rice husks and sawmill leftovers in the form of chips. The Steam and Power Generation Plant went into commercial operation in accordance with ANEEL Order No. 1,594/2021.

Energy efficiency projects and the continuous search for operational excellence led to a 2% reduction in the energy intensity indicator compared to the previous year, from 4.72 GJ/t (2021) to 4.63 GJ/t (2022), despite two adverse factors: (I) an increase in electrical loads and the need for process steam resulting from thermoelectric operation (an increase in one of the numerator components) and (II) a 3% reduction in the organization's total production (a decrease in the denominator). GRI 302-4

It is worth highlighting a 5% reduction in the energy intensity indicator when comparing 2022 operations with the company's 2018 baseline. In the baseline, energy intensity was 4.88 GJ/t, with 4,166,147 GJ of total energy consumption within the organization, for a total 853,149 t production.

ENERGY INTENSITY (GJ/T PRODUCED) <small>GRI 302-3</small>			
	2020	2021	2022
<b>TOTAL</b>	<b>4,12</b>	<b>4,72</b>	<b>4,63</b>

Energy intensity (GJ/t produced) is the ratio between total energy consumption within the Company (GJ) and the Company's total production (t).



# Efficient Resource Management

Innova guarantees efficient management of resources by monitoring eco-indicators. Our Integrated Quality, Safety, Environment and Health Policy is committed to complying with legislation, generating continuous improvements, protecting the environment by optimizing and consciously using natural resources, reducing waste and ensuring the correct disposal. Learn about the company's main actions in waste, water and effluent management.

## Waste Management GRI 3-3, 306-1, 306-2

Innova's waste management is oriented by the guidelines established by ISO 14001 and Responsible Care® Program from ABIQUIM. The Integrated Quality, Health, Safety and Environment Policy includes preventing pollution by reducing the impact of waste generation, searching for more efficient technologies and more appropriate management solutions. We are also guided by the UN Sustainable Development Goals (SDGs).

We strive for efficiency through non-generation, reduction, reuse, treatment and final disposal of waste.

When waste generation is unavoidable, measures are taken to increase eco-efficiency rates, reduce costs and prevent environmental liabilities. Today, most of the waste generated at Innova is sent for reuse, recycling, composting and energy reuse carried out externally (examples: paper, plastic, hazardous waste, etc.), making up 97% of the waste generated throughout the company.

All plants have a Waste Management Plan and internal procedures. Waste is classified by class, as determined by legislation, by exams from certified laboratories. Once the class has been determined, they are sent to licensed recipients for treatment by type, undergoing an

approval audit by the technical areas. We prioritize disposal to suppliers who recover and reuse the waste, whether for energy or other purposes.

The impacts of waste are related to the company's own activities. In 2022, our target for waste generation was to reduce the rate by 10%, excluding the works and operation of the Steam and Power Generation Plant. In 2022, our eco-efficiency was 3.97 kg/t produced, compared to 3.82 kg/t produced in 2021, which represents a slight increase of 4%. In the overall result, including all the waste generated by the company, the rate was 53.64 kg/t produced.

The rate of non-hazardous waste, considering work in progress, increased by 252%. The total amount of non-hazardous waste generated in 2022 was 55,224.73 tons, of which 38,970 tons came from work carried out at the Plants. The hazardous waste generation rate fell by 43% compared to 2021.

Disregarding waste generated at construction sites, non-hazardous waste from Innova's operations alone totaled 16,254 tons, with a rate of 15.65 kg/t produced, representing a slight increase of 4% compared to the 2021 result.

The operation of the Steam and Power Generation Plant contributed to an increase in ashes generation, with a negative impact on the result. In 2022, it generated more steam and energy, consequently consuming a greater volume of biomass, thus generating more ashes in the process. At the end of 2022, the system received an improvement, which will bring have positive impact on the amount of waste destined for composting. The positive impact of this operational improvement will be felt in by 2023.

The company took on the challenge of reducing 34% of the total waste generated.

TOTAL WASTE GENERATED, BY COMPOSITION (TONS) <small>GRI 306-3</small>			
	2020	2021	2022
NON-HAZARDOUS	10.446	16.153	55.225
HAZARDOUS	770	956	533
<b>TOTAL</b>	<b>11.215</b>	<b>17.109</b>	<b>55.758</b>

TOTAL HAZARDOUS WASTE NOT DESTINED FOR FINAL DISPOSAL (BY RECOVERY OPERATION, IN METRIC TONS)* <small>GRI 306-4</small>			
	2020	2021	2022
<b>NON-HAZARDOUS WASTE</b>	<b>TOTAL</b>	<b>TOTAL</b>	<b>TOTAL</b>
REUSE	7.011	760	37.613
RECYCLING	2.929	3.320	3.548
COMPOSTING	30	11.185	12.853
CO-PROCESSING	3	448	25
REUSE (ANIMAL FEED)	14	36	0
<b>TOTAL</b>	<b>9.987</b>	<b>15.750</b>	<b>54.039</b>

HAZARDOUS WASTE			
CO-PROCESSING	336	282	185
DECONTAMINATION FOR REUSE	18	63	23
RECYCLING	68	56	27
REREFINING	6	7	22
EFFLUENT TREATMENT	52	1	0
<b>TOTAL</b>	<b>481</b>	<b>409</b>	<b>258</b>
<b>TOTAL WASTE NOT DESTINED FOR FINAL DISPOSAL</b>	<b>10.468</b>	<b>16.158</b>	<b>54.296</b>

All waste not destined for final disposal was treated (offsite).

TOTAL WASTE DESTINED FOR FINAL DISPOSAL, BY OPERATION, IN METRIC TONS (T)* <small>GRI 306-5</small>			
	2020	2021	2022
<b>NON-HAZARDOUS WASTE</b>	<b>TOTAL</b>	<b>TOTAL</b>	<b>TOTAL</b>
LANDFILL	371	401	1.034
INCINERATION WITHOUT ENERGY RECOVERY	0	1	2
EFFLUENT TREATMENT	88	1	150
<b>TOTAL</b>	<b>459</b>	<b>403</b>	<b>1.186</b>

HAZARDOUS WASTE			
INCINERATION WITHOUT ENERGY	288	544	275
LANDFILL	0	3	0
AUTOCLAVE	0	0	0
EFFLUENT TREATMENT	52	1	0
<b>TOTAL</b>	<b>340</b>	<b>548</b>	<b>275</b>
<b>TOTAL WASTE DESTINED FOR FINAL DISPOSAL</b>	<b>800</b>	<b>952</b>	<b>1.461</b>

All waste was destined for final disposal outside the organization (offsite).

## Water and Effluent Management GRI 3-3, 303-1, 303-2, 303-4

In 2022, a survey on the risks and opportunities in water management related to climate change was developed, in accordance with the methodology developed by the Task Force on Climate-Related Financial Disclosures (TCFD). Innova's plants are not subject to the climate event of water stress and drought, with no problems in water availability until 2050.

Innova's plants are not located in areas of water stress. The basins that could suffer significant impacts are: Tarumã-Açu Basin / Igarapé do Tarumã (Unit I, Manaus, AM), Cai River Basin (Plant II, Triunfo, RS) and Educandos Basin / Igarapé do Quarenta (Plant IV, Manaus, AM).

In 2022, we invested in actions to reduce water collection, consumption and disposal. Find out more:

## Water Abstraction

Innova's supply sources are licensed by a regulatory body, which analyzes its conditions and issues a use permit. The Manaus plants use water from underground sources, with licensed wells for abstraction. The Triunfo plant uses water purchased from third parties, from a surface source (Rio Cai). The data is compiled monthly by the technical areas and monitored through eco-indicators.

We have adopted effluent reuse initiatives at the industrial plants, with positive impact on both the amount of water collected and the effluent sent for treatment. Find out more about the use of water in our plants:

Plants II (Triunfo, RS) and IV (Manaus, AM) have systems for reusing effluents or streams from the production process. This effluent is reused mainly for cooling water, instead of clarified water;

In 2022, Plant IV (Manaus, AM) reused 100% of its effluent, which represents around 10,000 m<sup>3</sup> savings;

At Plant II (Triunfo, RS), the Demineralized Water Production Unit (UPAD) transforms clarified water into demineralized water for use in the Steam and Power Generation Plant;

At Plant II (Triunfo, RS), a new line for reusing the effluents generated in the boiler water demineralization process also came into operation, reinforcing Innova's commitment to eco-efficiency in its results.

The definition of objectives and targets for the eco-indicators related to water was carried out in conjunction with all industrial teams. In 2022, the target set for water consumption and effluent generation, of a 5% reduction, disregarded the operation of the Steam and Power Generation Plant, i.e., only the consumption and generation of the operation itself was considered. Based on this, our eco-efficiency in 2022 was 0.85 m<sup>3</sup>/t produced, compared to 1.08 m<sup>3</sup>/t produced in 2021, which represents a reduction of 21%. The increase in the amount of reused water used in cooling systems enabled us to achieve this positive

result. If we consider 100% of operations (including Steam and Power Generation Plant), in 2022 our eco-efficiency was 1.78 m<sup>3</sup>/t produced, a stable result compared to the previous year.

Due to the consumption and generation records from the boilers since their start of 2021, 100% of the operations were included for 2023 in the definition of the eco-efficiency targets for Innova's production plants.

The target for the water consumption rate is 1.77 m<sup>3</sup>/ t produced, a reduction of 0.5% compared to 2022.

In addition, we monitor the results obtained by Innova in comparison to the index generated by ABIQUIM.

TOTAL VOLUME OF WATER CONSUMED (in ml) <i>GRI 303-5</i>			
	2020	2021	2022
<b>TOTAL WATER ABSTRACTED (A) (303-3)</b>	1.362,14	1.905,61	1.849,1
GROUNDWATER	271,35	246,41	259,85
THIRD-PARTY (SURFACE) WATER	1.090,79	1.659,2	1.589,25
<b>TOTAL WATER DISCHARGED (B) (303-4)</b>	<b>287,35</b>	<b>357,3</b>	<b>436,99</b>
SURFACE WATER	41,17	31,5	20,49
WATER SENT TO THIRD PARTIES	246,18	325,8	416,51
<b>WATER CONSUMPTION 303-5</b>	<b>1.074,79</b>	<b>1.548,31</b>	<b>1.412,11</b>

WATER PURCHASED FROM THIRD PARTIES (ML) 2022 <i>GRI 303-3</i>	
PLANT I	175,71
PLANT II	1.589,25
PLANT IV	84,14

The Steam and Power Generation Plant operation has an impact on both water consumption and the generation of effluents, since we incorporate demineralization of the water used in the boilers into the process. In other words, there is greater consumption of water and, with the removal of impurities, greater generation of effluents. Strict controls on the quality of feed and process water minimize this impact.

## Effluent management

Innova's effluent management complies with the standards recommended by local legislation. The company has internal procedures that take into account the characteristics of the operations in each region, the substances of interest and the composition of the effluents. The substances and their respective limits are listed in the specific legislation of each state or in the operating licenses.

The legislation applicable to the business is managed through an assessment system. Legal compliance checks are carried out annually. Qualitative and quantitative information is monitored through monthly reports. All effluents go through internal or external Effluent Treatment Plants (ETEs), which combine physical-chemical and biological treatment. The results are monitored by accredited laboratories, guaranteeing the treatment quality. In the event of non-compliance, an Anomaly Report (AR) assesses the root cause and defines a corrective or preventive action plan.

In 2022, there were no non-compliance incidents with the limits for these priority substances. The frequency and limits for the disposal are defined in the operating license, in accordance with local legislation. Periodically, the plants undergo internal and external audits to assess the integrated management system, including the management of water, effluents, waste and emissions.

Plants I and IV (Manaus, AM) have water resource use permits which determine the flow rate for discharging effluents into the respective bodies of water. Plant II (Triunfo, RS) sends its effluent for treatment to an external company (SITEL) and subsequently sprinkles the effluent on the ground, as determined by local legislation and in accordance with its Operating License. Learn about some of the practices:

Plant I (Manaus, AM): has a biological and industrial effluent treatment plant which is then sent to the Tarumã stream. Periodic monitoring of the quality of the water discharged is

carried out. The sector standards considered include CONAMA resolution 357/2005 and CONAMA resolution 430/2011, as well as parameters established in the operating licenses.

Plant II (Triunfo, RS): the effluent from Plant II is collected, pre-treated internally in a water and oil separator and then sent for complete external treatment in the Integrated Liquid Effluent Treatment System (SITEL). In 2022, the plant put effluent reuse systems into operation, replacing water in cooling processes. The sector standards include FEPAM Ordinance 04/1995 and the contract with the Effluent Treatment Company (CORSAN-SITEL).

Plant IV (Manaus): has a biological and industrial effluent treatment plant which is then sent to the Igarapé do Quarenta. The quality of the water discharged is monitored regularly. Effluent reuse systems came into operation at this Unit in 2022, with 100% of effluents reused in cooling towers. The sector standards considered include CONAMA resolution 357/2005 and CONAMA resolution 430/2011, as well as the parameters established in the operating licenses.

In 2022, Innova's effluent generation target had a 10% reduction in the eco-indicator, excluding the operation of the Steam and Power Generation Plant. However, the rate remained stable, with eco-efficiency in 2022 being 0.25 m<sup>3</sup>/t produced, similar to 2021. As for effluent generation considering all operations, including the Steam and Power Generation Plant, our eco-efficiency was 0.42 m<sup>3</sup>/t produced in 2022, compared to 0.33m<sup>3</sup>/t produced in 2022. The increase occurred because demanded more process water.

As with water consumption, for the 2023 effluent generation target there will be no differentiation in operations. We have therefore committed to a 10% reduction in relation to 2022 for this eco-indicator, with the effluent generation target at 0.38 m<sup>3</sup>/t produced.





Plant I, Manaus (AM): polystyrene (PS) and polypropylene (PP) reels.

# Summary of GRI Content

STATEMENT OF USE	INNOVA HAS REPORTED IN ACCORDANCE WITH THE GRI STANDARDS FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31, 2022.
GRI 1 USED	GRI 1: FOUNDATION 2021

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GENERAL CONTENTS					
GRI 2: Contents General 2021	2-1 Organizational details	5			
	2-2 Entities included in the organization's sustainability reporting	In January 2022, Innova incorporated a Media Carriers plant in Manaus (Unit III). The Media business was finished in December 2022. The sustainability indicators do not include this plant , so they remain comparable with previous years.			
	2-3 Reporting period, frequency and contact point	3			
	2-4 Restatements of information	There wasn't.			
	2-5 External assurance	There wasn't.			

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GENERAL CONTENTS					
	2-6 Activities, value chain and other business relationships	8 and 9			
	2-7 Employees	42			
	2-8 Workers who are not employees	42			
	2-9 Governance structure and composition	34			
	2-10 Nomination and selection of the highest governance body	34			
	2-11 Chair of the highest governance body	34			
	2-12 Role of the highest governance body in overseeing their management of impacts	35	B and C	Information not available.	Innova does not yet have a methodology for quantifying the total number and nature of critical issues reported to the main governance body in the reporting period.
	2-13 Delegation of responsibility for managing impacts	35			
	2-14 Role of the highest governance body in sustainability reporting	26			
	2-15 Conflicts of interest	32			
	2-16 Communication of critical concerns	35			
	2-17 Collective knowledge of the highest governance body	34			

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
<b>GENERAL CONTENTS</b>					
	2-18 Evaluation of the performance of the highest governance body	Currently Innova does not currently apply performance evaluation processes for directors, but this improvement is included in the company's action plans.			
	2-19 Remuneration policies	40			
	2-20 Process for determine remuneration	40			
	2-21 Annual total compensation ratio	40			
	2-22 Statement on sustainable development strategy	4			
	2-23 Policy commitments	31			
	2-24 Embedding policy commitments	31			
	2-25 Processes to remediate negative impacts	32			
	2-26 Mechanisms for seeking advice and raising issues	32			
	2-27 Compliance with laws and regulations	In 2022, we have not recorded any significant fines.			
	2-28 Membership associations	29			
	2-29 Approach to stakeholder engagement	29			
	2-30 Collective bargaining agreements	100% of employees are covered by collective bargaining agreements			

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
<b>MATERIAL TOPICS</b>					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	25			
	3-2 List of material topics				
<b>DIVERSITY</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	41			
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	42 and 43			
	405-2 Ratio of basic salary and remuneration of women to men	43			
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	In 2022 we had no cases of discrimination based on race, color, gender, religion, political opinion, national origin or social origin.			
<b>CIRCULAR ECONOMY AND POST-CONSUMPTION</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	26 and 27			
	301-2 Recycled materials used	26 and 27			
	301-3 Reclaimed products and their packaging materials	There is no packaging collection, reverse logistics or use of recycled packaging. Targets: Develop a reverse logistics project for the bags, bigbags and pallets that package and transport our products by 2023.			

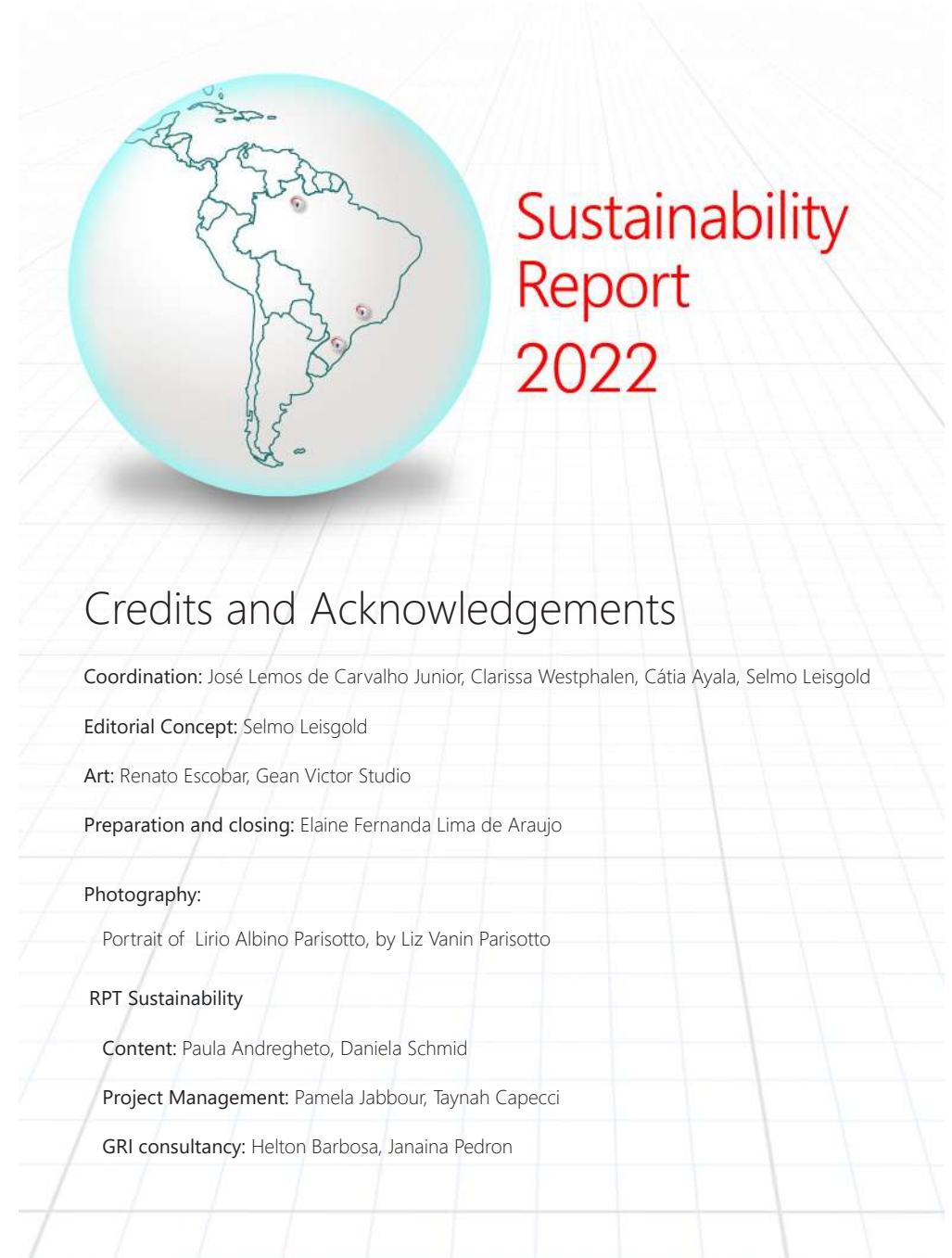
GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
<b>GENERAL CONTENTS</b>					
<b>CIRCULAR ECONOMY AND POST-CONSUMPTION</b>					
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	37			
	308-2 Negative environmental impacts in the supply chain and actions taken	37			
<b>WASTE MANAGEMENT</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	53			
GRI 306: Waste 2020	306-1 Waste Generation and significant waste-related impacts	53			
	306-2 Management of significant impacts	53			
	306-3 Waste generated	54			
	306-4 Waste diverted from disposal	54			
	306-5 Waste directed for disposal	54			
<b>HEALTH, WELL-BEING AND SAFETY</b>					
	3-3 Management of material topics	43			
GRI 3: Material Topics 2021	403-1 Occupational health and safety management system	43			
	403-2 Hazard identification, risk assessment and incident investigation	43			
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services	43			
	403-4 Worker participation, consultation and communication on occupational health and safety	43			
	403-5 Worker training on occupational health and safety	43			
	403-6 Promotion of worker health	43			

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
<b>GENERAL CONTENTS</b>					
<b>HEALTH, WELL-BEING AND SAFETY</b>					
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	43			
	403-8 Workers covered by an occupational health and safety management system	43			
	403-9 Work-related injuries	46			
	403-10 Work-related ill health	44			
<b>ETHICS AND THE FIGHT AGAINST CORRUPTION</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	31			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	31			
	205-2 Communication and training about anti-corruption policies and procedures	32			
	205-3 Confirmed incidents of corruption and actions taken	In the last three years, no cases involving corruption have been reported.			
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In the last three years, we have had no lawsuits regarding unfair competition and violations of antitrust and monopoly laws in which Innova has been identified as a party.			
<b>CLIMATE CHANGE</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	50			
GRI 201: Economic performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	50			

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
<b>GENERAL CONTENTS</b>					
<b>CLIMATE CHANGE</b>					
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	51			
	305-2 Energy indirect (Scope 2) GHG emissions	51			
	305-3 Other indirect (Scope 3) GHG emissions		A and B	Information not available	We have chosen not to publish scope 3 data. The GHG inventory for scope 3 is for internal control only and will require a better understanding until it is published externally.
	305-4 GHG emissions intensity	51			
	305-5 Reduction of GHG emissions	51			
<b>AIR QUALITY</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	50			
GRI 305: Emissions 2016	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	52			
<b>ENERGY EFFICIENCY</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	50			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	52			
	302-2 Energy consumption outside of the organization	There is no energy consumption outside the organization.			
	302-3 Energy intensity	52			
	302-4 Reduction of energy consumption	52			
	302-5 Reductions in energy requirements of products and services	We do not have any products with energy consumption reduction differentials.			

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
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<b>GENERAL CONTENTS</b>					
<b>WATER AND EFFLUENT MANAGEMENT</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	54			
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	54			
	303-2 Management of water discharge-related impacts	54			
	303-3 Water withdrawal	55			
	303-4 Water discharge	55			
	303-5 Water consumption	55			
<b>PRODUCT OR SERVICE QUALITY AND SAFETY</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	19			
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of products and categories	19 e 20			
GRI 417: Marketing and labeling 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	We had no cases of non-compliance in relation to health and safety impacts caused by our products in the period evaluated.			
	417-1 Requirements for product and service information and labeling	19			
	417-2 Incidents of non-compliance concerning product and service information and labeling	We did not receive complaints regarding product information and product labeling.			
	417-3 Incidents of non-compliance concerning marketing communication	There were no incidents of non-compliance.			

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
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<b>GENERAL CONTENTS</b>					
<b>NON-MATERIAL TOPICS</b>					
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	22			
GRI 204: Procurement practices	204-1 Proportion of spending on local suppliers	37			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	39 and 40			
GRI 404: Training and education 2016	404-1 Average hours of training per year, per employee	40 and 41			
	404-2 Programs for upgrading employee skills and transition assistance programs	40			
	404-3 Percentage of employees receiving regular performance and career development reviews	40 and 41			
GRI 408: Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	We have not had any cases of child labor reported in Innova's operations or in our supply chain.			
GRI 409: Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	No cases of forced or compulsory labor have been identified in our supply chain.			
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments and development programs	46			
	413-2 Operations with significant actual and potential negative impacts on local communities	46			



# Sustainability Report 2022

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