

Sustainability Report 2018



GRI



ourofino
agrociência

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General presentation

As in recent years, Ourofino Agrociência is pleased to make public its most recent Annual Sustainability Report for 2018. The material brings to the stakeholders its main results achieved and highlights in the environmental, social and financial areas.

The material was produced following international methodologies for sustainability reports and is based on the perception of stakeholders. Also considered in the material are the main impacts produced by the company's operations, the corporate strategies adopted last year and the prospects for the future.

In this cycle, we maintained the Global Reporting Initiative (GRI) guidelines for the development and construction of indicators, as well as the International Financial Reporting Standards (IFRS) set of standards. New to this report, we have incorporated International Integrated Reporting Council (IIRC) references into our chapters.

Message from the board

GRI 102-14, 102-15, 103-2, 103-3

Another year of overcoming and opening new horizons, undoubtedly 2018 was unique. After a year of hardship in 2017, due to the onset of the crisis in the Chinese input market, we prepared in 2018 to trace a new history with the supply chain, focused on long-term partnerships and lasting relationships. We also had a milestone in this last period, where Japanese companies have begun to buy equity in our capital and will be instrumental in boosting the company's growth in the coming years.

With all the knowledge gained from the difficulties of 2017, we have redirected the relationship strategy throughout our value chain, prioritizing the input market in China. We reestablished our priorities with our partners by redesigning contracts for long-term horizons, establishing planned procurement schedules and initiating a team approach process. This approach movement has come about through positive agendas between our leadership and Chinese suppliers, always supported by our Shanghai (China) office. Even in Brazil, we implemented a new protocol to welcome and conduct visits from our business partners.

As part of this new dynamic, we held in October 2018, the first Ourofino Agrociência event on Chinese soil. The event was attended by over 60 companies and focused primarily on aspects of the operation of Brazilian legislation, the potential of the market and,

especially, how we intend to operate in the coming years in relation to the supply chain. We also attended the *China International Import Expo (CIIE)*, which took place in November last year. All this movement of approach and engagement established before the partners and the market, a new perception regarding the attitude of Ourofino Agrociência, which is very important for our long term goals.

Over the past year, we have faced large variations in costing and unforeseen delivery of production inputs. This scenario tested daily the agility and competence of our teams, which demonstrated great adaptability, already ratified in previous years. As a result of all this effort, we outperformed 2017 sales, but with similar levels of profitability as last year, which shows clear signs of how we were affected by market variations. We ended the year with net sales of R\$ 798.402 million, EBITDA of R\$ 135.200 million (16.9% of total net revenues) and final net profit (LL) of R\$ 68.035 million (8.5% of total net revenue).

The year was also marked by the beginning of major structural changes in our company. Japanese companies Mitsui and Ishihara Sangyo Kaisha (ISK) have started a 20% and 5% stake purchase process, respectively, of our capital. Mitsui *grain* trading company has more than 450 affiliated companies worldwide, while ISK specializes in research and development of new agrochemical molecules. The purpose

of this partnership is to capture synergy between the companies, making the most of the great complementarities and willingness to cooperate, aiming quickly and intensely to create and share value to the Brazilian farmer.

Another highlight was the launch of a new line of solutions named Reimagined Products. This line is one of the new strengths of Ourofino Agrociência, as it is perfectly in line with our purpose of reimagining Brazilian agriculture. In 2018 four new products were launched, all with important differentials for the market, such as: greater systemicity, rapid absorption, micronized particles, microencapsulation, molecule photoprotection, more rain tolerance, better soil distribution and greater adhesion. All the features obtained in this product line are the result of intense years of research and dedication of the company's teams, focused on "tropicalizing" the solutions offered to the Brazilian market as much as possible.

We have advanced in the aspects of sustainability and in the breadth of our strategy for local development. We continue to look for opportunities to decarbonize our

production and operation. A good example was the greenhouse gas (GHG) emission reductions achieved at the Uberaba plant. We started to buy cheaper and cleaner energy from the free market, which allowed us to stop using generators at peak hours. We also started to outsource the treatment of effluents from the production area. Locally, we invested even more in events aimed at producers and agribusiness, bringing knowledge and training that reverberates in the regional economy.

Finally, we believe 2019 as a more positive year in relation to the challenges we have as a Brazilian agribusiness company. We project important growth, based on our passion for innovating and seeking solutions for Brazilian agriculture. As a central force in pursuing these goals, we believe in the continuity of transparent, ethical and responsible management focused on risk prevention and value building.

Great read!


Norival Bonamichi
President


Marcelo Abdo
Vice-President

Business overview

See this chapter:
- Main indicators



Main indicators

GRI 102-7, 201-1

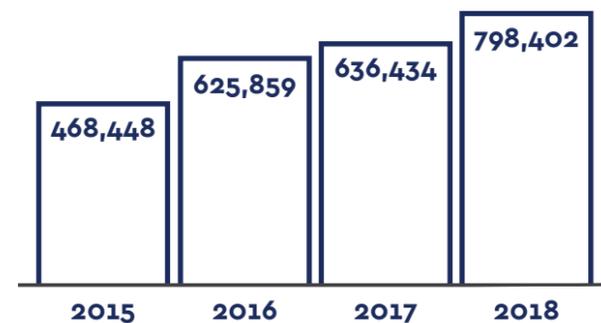
Added value generated (Reais – R\$)

	2015	2016	2017	2018
Revenue	519,144,956	666,875,789	685,221,496	858,473,174
Sales of goods, products and services	508,632,269	664,059,780	672,867,748	842,181,151
Other revenues	(52,101)	153,791	764,654	351,509
Income from construction of own assets	11,340,908	5,802,705	13,054,445	17,588,735
Estimated losses on doubtful accounts	(776,120)	(3,140,487)	(1,465,262)	(1,648,221)
Inputs purchased from third parties	(373,149,993)	(448,256,541)	(467,865,286)	(591,317,571)
Costs of goods, goods and services sold	(326,550,544)	(367,119,879)	(387,594,407)	(487,258,887)
Materials, energy, third party services and others	(46,294,144)	(79,752,400)	(79,791,789)	(103,080,789)
Loss / recovery of assets	(305,305)	(1,384,262)	(479,090)	(977,894)
Others	-	-	(1)	-
Gross added value	145,994,962	218,619,248	217,356,210	267,155,604
Depreciation, amortization and exhaustion	(8,879,227)	(8,679,275)	(10,154,487)	(12,601,463)
Net added value produced by entity	137,115,735	209,939,973	207,201,723	254,554,141
Added value received on transfer	129,991,011	96,838,927	61,773,375	119,789,378
Equity income	-	-	-	-
Financial income	130,186,671	96,811,531	60,146,350	119,677,229
Others	(195,660)	27,396	1,627,025	112,149
Total general	267,106,746	306,778,900	268,975,098	374,343,519

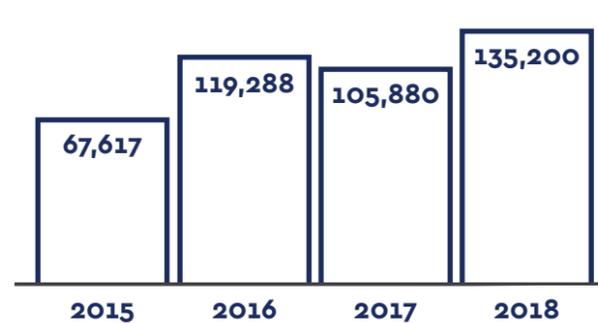
Distribution of value added generated (Reais – R\$)

	2015	2016	2017	2018
Revenue	49,420,870	57,674,391	69,045,649	79,518,272
Direct remuneration	38,787,933	46,899,689	55,194,404	61,913,187
Benefits	7,841,058	7,858,833	10,488,131	13,477,585
Service Time Guarantee Fund (FGTS)	2,791,879	2,915,868	3,363,114	4,127,500
Taxes, fees and contributions	16,891,495	55,484,344	50,452,564	60,578,044
Federal	11,985,891	42,088,945	34,886,580	37,028,100
State	4,844,127	13,359,104	15,438,681	23,485,980
Municipal	61,477	36,295	127,303	63,964
Third party capital remuneration	172,714,086	116,591,671	77,493,567	166,212,659
Interest	170,511,297	113,276,360	74,083,298	161,698,117
Rents	1,317,035	1,572,586	1,846,793	2,252,862
Others	885,754	1,742,725	1,563,476	2,261,680
Own equity remuneration	28,080,295	77,028,494	71,983,317	68,034,545
Interest on own equity	4,537,500	14,274,000	18,401,706	19,757,409
Dividends	2,814,583	6,192,919	20,350,208	214,839
Retained earnings / loss for the year	20,718,156	56,160,664	33,231,403	48,062,297
Non-controlling interest in retained earnings	10,056	400,911	-	-
Total general	267,106,746	306,778,900	268,975,098	374,343,519

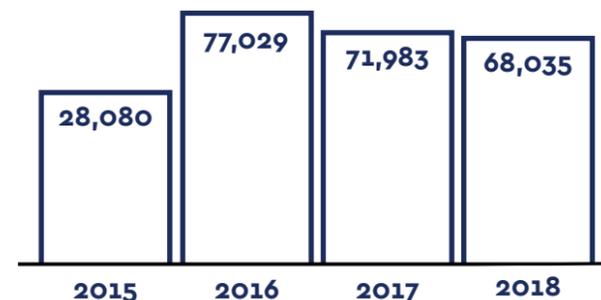
Net income
(Reais – R\$ Thousands)



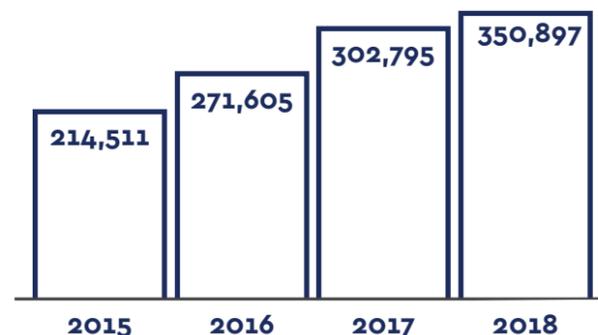
Ebitda
(Reais – R\$ Thousands)



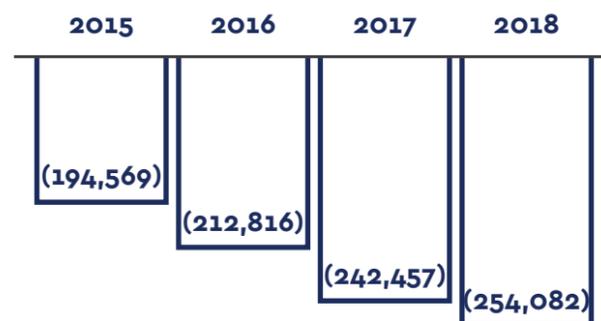
Net profit
(Reais – R\$ Thousands)



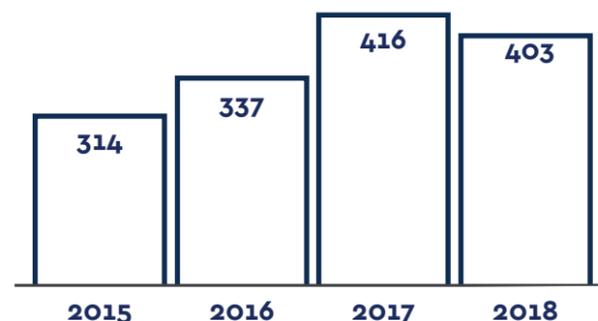
Net equity
(Reais – R\$ Thousands)



Indebtedness
(Reais – R\$ Thousands)



Number of employees



Revenue by harvest (Reais – R\$ Thousands)

	2015	2016	2017	2018
Cotton	6,518	13,717	9,820	38,925
Sugar cane	168,064	273,999	305,318	352,190
Corn	43,946	60,254	84,112	91,855
Soy	196,879	191,608	204,733	281,989
Others	5,636	5,737	18,816	44,613
Total general	421,043	545,315	622,799	809,573

Note: This data does not consider sales or services to third parties (Business to business – B2B).

Environmental investments (Reais – R\$)

	2015	2016	2017	2018
Environmental technical consulting	24,458	24,971	86,238	89,770
Waste disposal	1,197,554	1,700,863	2,615,134	3,554,785
Expenditure on equipment, maintenance and materials and operating services	25,571	59,436	61,702	106,736
Benefits	14,107	15,967	29,792	26,680
Total general	1,261,690	1,801,237	2,792,866	3,777,971

Ourofino Agrociência

See this chapter:

- Who we are
- Where we are present
- Business model
- Corporate structure and governance



Who we are

With the purpose of bringing innovative solutions that are sustainable and adapted to the reality of Brazilian agriculture, Ourofino Agrociência has been operating since 2010, focused on the development and sale of pesticides to the domestic market.

GRI 102-1, 102-2, 102-6

It all started in the district of Ouro Fino (MG), where the visionaries Mr. Norival Bonamichi and Mr. Jardel Massari, both from Inconfidente (MG), were created and established their first business ties in 1987. At this time, they founded an economic group that initially focused on the manufacture of veterinary medicines and products. Gradually, the group grew and began to incorporate in its portfolio the formulation of pesticides in 2010, after the inauguration of the industrial plant of Uberaba (MG). In 2014, the group's veterinary division opted to go public and Ourofino Agrociência followed its operations independently. GRI 102-5

In recent years, we have improved our management and production model, working in an integrated manner from research and development in experimental stations to the delivery of formulations developed exclusively for the Brazilian market. We have 403 employees, including our office in Shanghai (China). The administrative headquarters are in Ribeirão Preto (SP) and the industrial plant in Uberaba (MG), recognized as a reference in the pesticide market for all technology and sustainability aspects employed in its assembly and operation. In the field, we have four experimental stations, located in the cities of Cambé (PR), Bandeirantes (PR), Rio Verde (GO) and Guatapar (SP). Finally, we use four distribution centers, in Igarapava (SP), Cuiab (MT), Carazinho (RS) and Uberaba (MG), all outsourced, aiming at a better logistics service of the trading partners. GRI 102-3, 102-4, 102-8

The 2018/2019 biennium is undoubtedly a milestone for the biography of Ourofino Agrociência. 25% of our capital was acquired by the Japanese companies Mitsui and Ishihara Sangyo Kaisha (ISK). The process completed in the first half of 2019, had the contribution of all areas of the company, during the audit cycle. We are very proud to be in a new moment with great long-term prospects, reaffirming our values, principles and forward thinking.

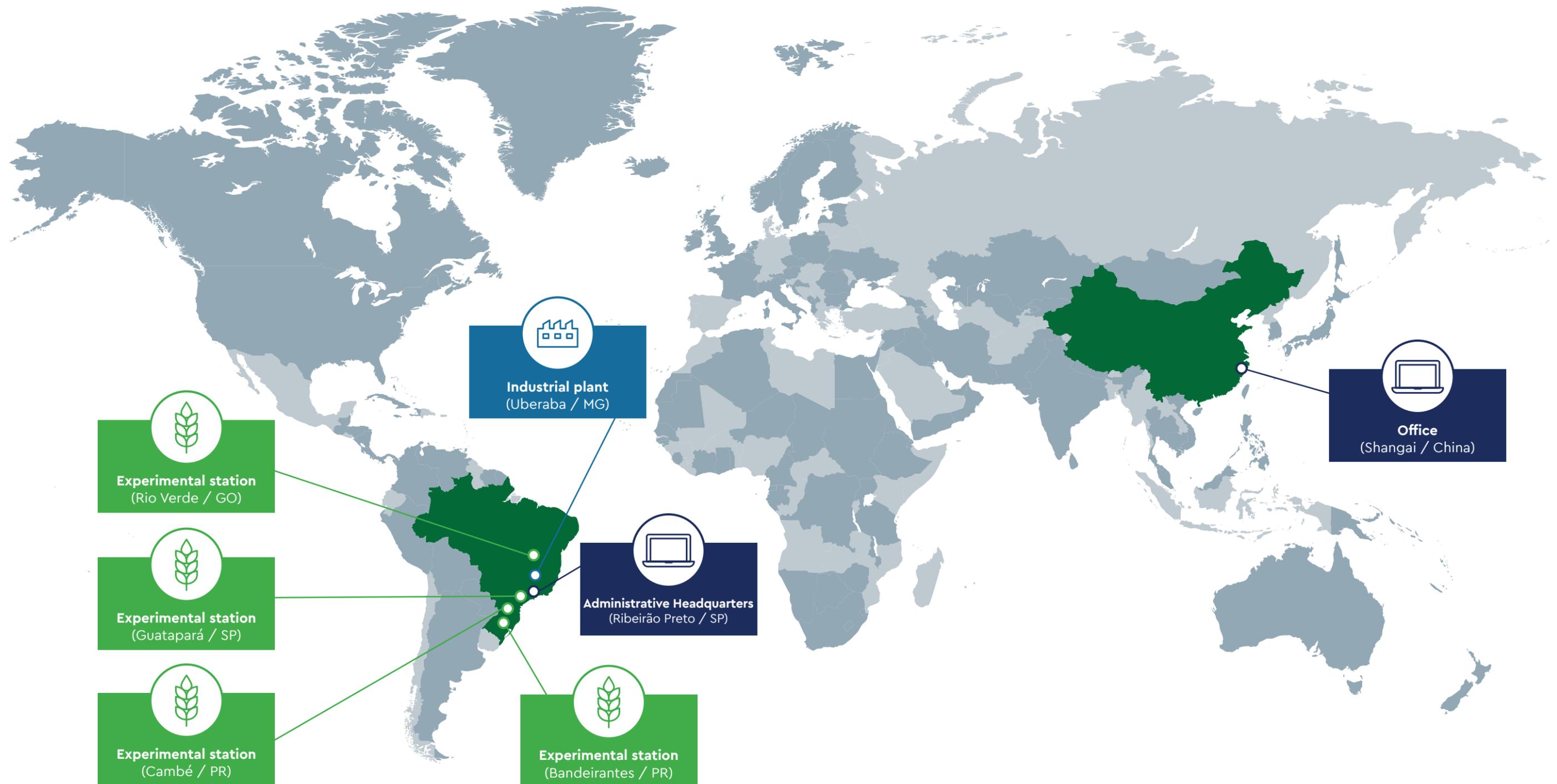
GRI



Where we are present

GRI 102-4, 102-6, 102-7, 102-8

			
+ than 400 employees	+ than 40 international suppliers	+ than 29,000,000 de kg/l of pesticides produced in 2018	120,000,000 kg/l It's our annual production capacity



GRI

Business model

Our way of thinking about capitals and processes for value creation.

Our purpose

Reimagine Brazilian agriculture.

Our pillars

Innovating for Brazilian agriculture.



Constant presence. Building value.



Growing up with Brazilian agriculture.



Our processes



Financial Capital

Austerity - Manage the company's resources and investments responsibly, always observing potential risks and opportunities.

Financial Health - Maintain favorable business ratios for maintaining credit through ethical decision-making focused on corporate strategy.



Natural Capital

Sustainability - Think processes more efficiently throughout the value chain, from choosing materials to using products in the field, seeking to decarbonize our operation and reduce waste generation.

Animal Welfare - Use responsible and ethical practices during the testing phases, introducing and fostering new possibilities to cease animal use in research.



Social and Relationship Capital

Producers and partners - Meet market needs, always meeting the expectations of productive quality, innovation and respect with stakeholders.

Transparency and Proximity - Establishing long-term relationships in our value chain that support us in times of crisis and lead to the least possible impact.

Caution - Take full responsibility for the potential impact of our products on the various communities where they are applied.



Manufactured Capital

Excellence and Productivity - Commitment to serve the various business partners always with the safest and most modern production process possible, meeting legal and regulatory standards.

Assertiveness - Plan all campaigns in a timely manner to maintain full integration of the commercial, procurement, production, and delivery areas.



Intellectual Capital

Study - Provide continuous technical capacity for teams at different hierarchical levels.

Leadership - Develop research that guarantees innovative products to meet the specific demands of Brazilian agriculture in the most diverse crops.

Connection - Expand our relationship with researchers and entities, to form a knowledge network for the continuous evolution of Brazilian agriculture.



Human Capital

Ourofino Agrociência Culture - Valuing individuals and integrating the different people who are part of our operations, considering their cultural diversity and company values.

Health and Safety - Ensure the physical and mental well-being of all employees, regardless of their location and function.

Our potential impacts

Agriculture growth and income generation to the producer.

Innovative products and suited to the Brazilian reality.

Long term value creation for all stakeholders.

Corporate structure and governance

GRI 102-18, 102-22, 102-23, 102-24, 102-25, 102-26

Although we are a privately held company, we have a robust governance structure following best business practices. We operate with several integrated decision-making instances to bring agility and prompt response to the different challenges imposed by agribusiness. The main mission of our corporate governance team is to harmonize the relationships between the leadership and the company's management structure, striving for compliance with internal guidelines.

Board of Directors

As main function, the Board continues to define the general corporate guidelines, ensuring the implementation of our strategy and evaluating the performance of the executive body. All five members were elected by the Meeting, and their nomination is based on *market* expertise and *professional* background, as well as no conflicts of interest. The meeting was held in December 2018 and was formed by two founding partners and three independent directors. The chairman of the Board does not occupy an executive position in the company. GRI 102-28

Regarding the current governance structure, we had no changes in 2018, remaining the Board of Directors, Audit Committee and Executive Board. The Innovation and Steering Committees also remained unchanged and focused on assisting decision making at various levels of the company.

The Board operates in risk management through participation in periodic meetings, jointly with members of the Executive Board. The meetings are held at quarterly intervals, addressing issues of strategic interest, including economic, environmental and social issues. At these meetings, the Board provides the necessary guidance and autonomy for the decision-making of key company leaders, such as Vice-Presidency and Executive Officers. GRI 102-33



Executive Board

The Executive Board has a key role in managing the various business processes based on the requirements set forth in our corporate policies. We had in 2018, the addition of Mrs. Thais Balbão Clemente Bueno de Oliveira for the team, occupying the Registration Board.

- Norival Bonamichi**
President
- Marcelo Damus Abdo**
Vice-President
- Luciano Marcos da Silva Galera**
Director of Marketing, Research and Development
- Miguel Favotto Padilha**
Commercial Director
- Joamyr Castro Junior**
Supply Director
- Thaís Balbão Clemente Bueno de Oliveira**
Director of Regulatory Affairs

Audit Committee

It acts independently to oversee the actions taken by the company's managers, as well as the managers' mentoring and financial statements.

- Cesar Augusto Campezo Neto**
Independent Member
- Luiz Antônio Santos Baptista**
Independent Member
- Anselmo Buosi**
Independent Member



Committees

Composed by directors, executive managers, internal and external professionals, the committees constitute a crucial tool in our governance, acting to advise the management bodies. During 2018 was not different, the committees supported many important discussions, which resulted in more integrated, agile and assertive solutions.

We have two formally structured and active committees, the first one being linked to the analysis of initiatives related to research, development and innovation, called Innovation Committee and the second one, called Steering Committee, focused on assisting economic, environmental and social decisions, including possible demands from interested parties.

Steering Committee

Marcelo Damus Abdo
Vice-President

Luciano Marcos da Silva Galera
Director of Marketing, Research and Development

Miguel Favotto Padilha
Commercial Director

Joamyr Castro Junior
Supply Director

Jair Sunega
Industrial Director

Raquel Santos de Almeida
Human Resources and Sustainability Executive Manager

Andrea Cristina Mujali Ribeiro
Industrial Operations Executive Manager

Innovation Committee

Norival Bonamichi
President

Luciano Marcos da S. Galera
Director of Marketing, Research and Development

Miguel Favotto Padilha
Commercial Director

Joamyr Castro Júnior
Supply Director

Thaís Balbão Clemente Bueno de Oliveira
Director of Regulatory Affairs

Antônio Carlos Nucci Filho
Fungicide Product Manager

Marco Antônio Drebes da Cunha
Insecticide Product Manager

Roberto Estevão Bragion de Toledo
Herbicide Product Manager

Richard Feliciano
Agrochemical Research, Development and Innovation Manager

Edivaldo Domingos Vellini
Consultant

Ruy Quadros
Consultant



Corporate strategy

See this chapter:

- Pillars and planning
- Great opportunities
- Our look at risks and opportunities
- Our look at sustainability
- Participation and external initiatives
- Definition of materiality

Pillars and planning

Our greatest challenge has always been to develop products adapted to Brazilian agriculture and thus bring greater prosperity to producers throughout Brazil. This will translate into our purpose and the corporate policies implemented. Our priority is to bring innovative products to the field, designed specifically for Brazilian crops and meeting the highest quality standards.

To this end, we prioritize in our strategic planning the main guiding aspects for the company, aligned with the material themes of the Sustainability Report. The aspects are: territory management, research and development, strategic communication, financial management, team training and customer management.

Great opportunities

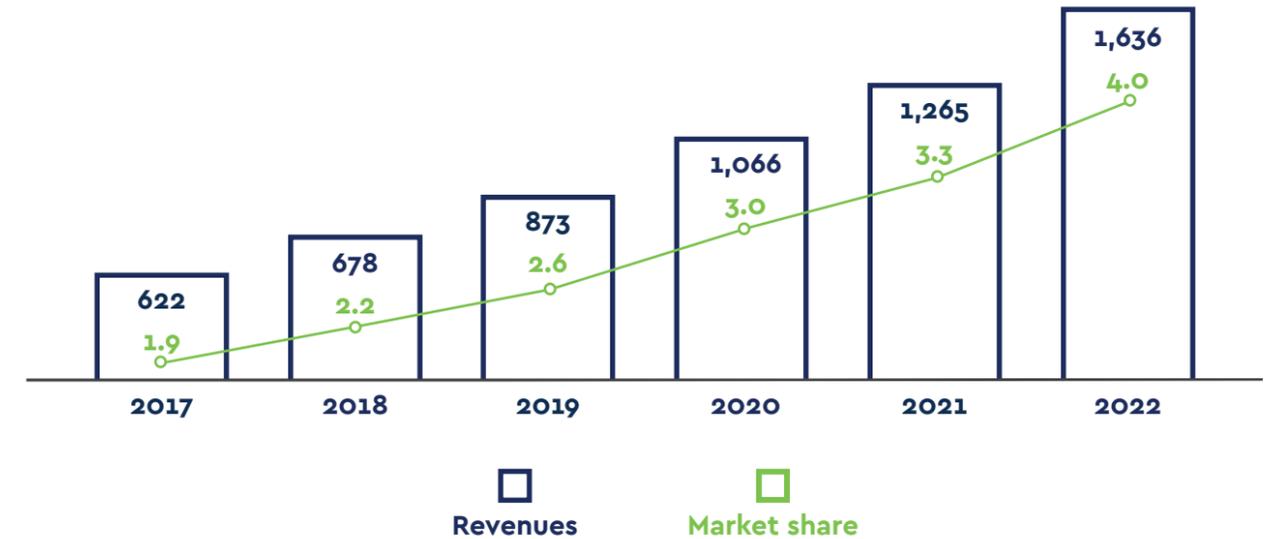
GRI 102-26

Together with the Executive Board and the support of the Company's Committees, the Board of Directors team is responsible for overseeing Ourofino Agrociência's strategy annually. The process lasts a few months and includes several meeting agendas, where goals are defined by area, performance indicators, market performance, important investments and the main priorities.

With the entry of Mitsui and Ishihara Sangyo Kaisha (ISK) into our capital, we redesigned expectations and priorities for 2019. Although the operation is well structured to serve the whole of Brazil, with this new partnership, we added significant investment potential, which expands our expectations in the short term.



Projected revenue growth and market share (Reais – R\$ Millions and Percentage – %)



Growth strategy

We plan to launch approximately **32 new products** by the year 2022.

Continuity of **strategic actions tailored** to the needs of each client to increase our participation.

We will expand the portfolio with **innovative formulations** that are appropriate to the conditions of Brazilian agriculture.

We will maximize **geographic coverage** (current and new territories) by developing strategic actions tailored to the needs of each territory.

Our look at risks and opportunities

GRI 102-11, 102-15, 102-30, 102-31, 201-2

We daily monitor and evaluate potential risks and opportunities related to Ourofino Agrociência's activities, as part of all stages of the company's strategic planning and decision-making rounds. Through the Integrated Management System (IMS) and its various levels of guidelines, we are able to monitor situations considered significant to the business in real time. The responsibility for controls and prevention of potential impacts is verticalized in the company, under the most diverse hierarchical levels. However, most of the management is concentrated in the areas of Risk, Compliance, Credit and Collection, Health, Safety and Environment (HSE) and Quality.

The performance of the areas is directed towards an integrated, holistic and global vision, always seeking quick and thoughtful solutions to minimize potential future losses. As a methodology, we classify our risks at two different levels, whose actions for correction or adjustment will be equivalent in their magnitude and speed of response, namely: strategic and operational risks. Thus, we consider as strategic risks those that in any way impact the business planning and future ambitions. Operational risks, on the other hand, are linked to internal company processes, for which we have greater control.

In general, we seek to follow global and market trends to prevent potential future impacts or adaptation needs, as well as the evolution of scientific aspects that may affect us in any way, including by utilizing our network of researchers and support institutions. This monitoring ensures the agility needed to address controversial issues linked to the active principles and application of our products.

Risk mapping is continuously built and changed, taking into account various input data, such as the mapping of production processes, understanding of the value chain, daily and procedural risk assessment considering the non-conformities generated by the integrated management system, performance indicators, internal and external audit reports, stakeholder engagement, complaints received through relationship channels and externalities analysis.

In the next page are some of our our key concerns and how we act to transform learning from the entire risk management process into business opportunities.

Key risk management

GRI 103|201, 103|205, 103|206, 103|307, 103|408, 103|409, 103|410, 103|411, 103|412, 103|415, 103|418, 103|419

Topic / aspect	Our concern	Our performance
 <p>Business Integrity</p>	<p>Compliance Occurrences and problems related to non-compliance with regulations, standards and legislation applicable to the sector or industry / private sector as a whole.</p>	<p>Performance of the internal audit department with procedural analysis bias, aiming to ensure that the processes are performed properly. Maintenance of external audit following and auditing information. Teams monitoring regulatory changes in the various agencies, whether specific to the segment, tax, fiscal or government.</p>
 <p>Environmental Compliance</p>	<p>Waste and effluent management Occurrences and problems related to the increased generation of materials for disposal or even improper disposal of these materials.</p>	<p>The main role is to improve processes and controls to minimize generation. The HSE department manages waste, whether it is destined for recycling, incineration or landfill. The materials are collected in the productive areas, stored, treated and destined by authorized companies.</p>
 <p>Integrated Management System (IMS)</p>	<p>Image and reputation Non-conformities or situations in disagreement with quality standards and regulatory requirements. Certifications, in addition to being important to the market in which we operate, attest to our responsible performance.</p>	<p>Maintaining strict procedural control and conducting internal and external audits to ensure the quality and reliability of the IMS. We have experienced and qualified professionals to manage the controls and critical processes.</p>
 <p>Financial Health</p>	<p>Working capital Difficulties in financing business partners due to unavailability of capital.</p>	<p>Strengthening of financial risk policies, ranging from interest rates to minimum cash maintenance requirements. We constantly monitor cash flow and have procedures in place to ensure the availability of financial resources. We also focus on short-term sales and cheaper fundraising strategies.</p>



GRI

Topic / aspect	Our concern	Our performance
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Product Safety

Contamination of products
This type of contamination can cause major losses to producers and, consequently, affect the company's image or potential liabilities.

Factory built under various premises that seek to minimize the risk of product contamination, such as one-way material flow, unevenness between areas, independent factories, dedicated tank area, among others. In addition, we maintain a multi-departmental committee periodically reviewing processes related to this topic.



Portfolio and New Projects

Assertiveness in project selection and product tropicalization
High investments in products that are misaligned with future needs or are not commercially accepted after registration.

Robust Research, Development and Innovation Area (RDI) capable of developing projects and products. We also maintain a technical department structure in direct contact with clients and researchers, seeking to identify opportunities and evaluate existing projects. Our structure in China also ensures that the project's chosen suppliers are active and financially sound to ensure post-registration supply.

Our look at sustainability

Ourofino Agrociência has always evolved having as its strategic director the pillars of sustainability inherent in the agribusiness activity. The challenges for companies that work with pesticides are even greater, given the potential impact we can have on people's lives and undoubtedly on the results of Brazilian agriculture.

We believe in sustainable development as the most complete vision possible to project real long-term gains and leave a positive legacy for future generations based on social growth, responsible use of natural resources and innovative solutions.

Since the beginning of the assembly of the industrial plant in 2008, the theme has always been on the agenda, since every conception of the factory project already considered aspects of sustainability. We report our results annually through the Sustainability Report.

Our current journey is aimed at gradually decarbonizing our processes and thus identifying opportunities for financial gain and reduction in the use of natural resources. The new projects developed in the company's research areas already consider the use of alternative and less polluting materials, including the development of smaller and less energy-intensive industrial processes.

The discussion of related or increasingly connected topics is permeated across the company, and the topic is commonly debated in the Innovation and Management Committees. This helps to spread and maintain different corporate levels, including the executive, engaged in socio-environmental issues, which are increasingly adhering to Ourofino Agrociência's strategic steps. **GRI 102-19, 102-20, 102-29**



External participation and initiatives

GRI 102-12, 102-13

We seek to align with external initiatives and cutting-edge institutions, which lead important movements within agribusiness. In this way we kill ourselves prepared for market trends, new concepts and

opportunities for improvement. This participation has yielded good results for the company through the acquired knowledge, resulting in a more responsible, innovative management and aligned with the expectations of the stakeholders.



We remained active within Abifina in 2018, with intense participation from Mrs. Thaís Balbão Clemente Bueno de Oliveira (Regulatory Affairs Director), who was retained in the association's Board.



We continue our strategic participation in this important forum through our advisor, Mr. João Lammel.



As in our first greenhouse gas (GHG) inventory, we continued in 2018 using the Brazilian protocol calculation methodology to measure our emissions. In this second year, we improved our calculation bases, making the process more robust and reliable.



Another year of participation as signatories of this public commitment, whose mission is to promote the correct use of pesticides in Brazilian agriculture to protect crops and contribute to guaranteeing people's basic right to food, respecting beekeeping, protecting bees and the environment.



We continue to use the *Global Reporting Initiative* (GRI) guidelines to report our social and environmental performance and, for the first time, we are adopting references from the *International Integrated Reporting Council* (IIRC).

Materiality definition

GRI 102-21, 102-29, 102-40, 102-42, 102-43, 102-44

We have based our Sustainability Report on the materiality process since 2015. This key step is part of the Global Reporting Initiative (GRI) methodology and International Integrated Reporting Council (IIRC) guidelines, and is fostered by an ongoing process of consultation and engagement with our key stakeholders: public power, employees, financing entities, society, producers, suppliers, among others. The combination between the perception of external parties and the internal look of the company has allowed us to project a broader view in recent years, prioritizing in our strategy the aspects considered most relevant to manage and disclose.

variations and needs caused by the entry of new shareholders. According to this premise, we focus our efforts on reviewing the themes determined and deepening their connections, which are divided into: business integrity, environment, health and safety, innovation and knowledge management, operational management, partnerships and quality, product safety and traceability.

In 2018, we did not review the materiality that we had projected in 2017, as we went through a process of buying part of our capital, already mentioned in this report. Thus, we understand that the best strategy would be to carry out a robust process in 2019, already considering potential

Know the material themes and their consequences

GRI 102-47

Material themes	Goals
 <p>Business Integrity</p>	<p>Meet the requirements set forth in our policies and commitments, protecting the integrity and reputation of the company. Together, we understand our fundamental role in line with the expectations of our stakeholders, in acting ethically, complying with legal requirements and other subscriptions, always in a transparent manner.</p>
 <p>Environment, Health and Safety</p>	<p>Seek solutions and evolve the company's performance, aiming at reducing the environmental impacts inherent to operations, together with the guarantee of mental and physical health of employees. Work on eco-efficiency actions to optimize the use of natural resources in different spheres of activity.</p>
 <p>Innovation and Knowledge Management</p>	<p>Develop innovations focused on the reality of Brazilian agriculture, which can generate positive impacts by the use of products, as well as bring development to producers. We also aim to continuously train and value our teams and thus expand the intellectual capital of Ourofino Agrociência.</p>
 <p>Operational management</p>	<p>Improve the internal processes of the operation, ensuring lower costs and expansion of internal investments and balanced financial management.</p>
 <p>Partnerships</p>	<p>Establishing long-term relationships with the different parts in our value chain who value common principles and thus ensure positive interdependence based on respect, operational excellence and trust.</p>
 <p>Quality, Product Safety and Traceability</p>	<p>Ensure compliance with the different requirements established in our processes by the Integrated Management System (IMS) and legal obligations. Continuously improve daily tasks to reduce rework, failures or inconsistencies while maintaining our brand as a benchmark in quality.</p>

Related capitals	Related indicators	Stakeholders involved
 <p>Financial Capital</p>  <p>Social and Relationship Capital</p>	<p>205-1, 205-2, 205-3, 206-1, 307-1, 415-1, 418-1, 419-1</p>	<ul style="list-style-type: none"> • Employees • Corporation • Suppliers • Public Power • Producers • Financing entities • Distributors and cooperatives
 <p>Natural capital</p>  <p>Human capital</p>  <p>Intellectual capital</p>	<p>302-1, 302-3, 302-4, 303-1, 303-2, 303-3, 304-1, 304-2, 304-3, 304-4, 305-1, 305-2, 305-3, 305-4, 306-1, 306-2, 306-3, 306-4, 306-5, 308-1, 403-1, 403-2, 403-3, 403-4</p>	<ul style="list-style-type: none"> • Employees • Corporation • Suppliers • Public Power • Producers • Financing entities • Distributors and cooperatives
 <p>Human capital</p>  <p>Intellectual capital</p>	<p>401-1, 401-2, 401-3, 404-1, 404-2, 404-3, 412-2</p>	<ul style="list-style-type: none"> • Employees • Corporation • Public Power • Producers • Financing entities • Distributors and cooperatives
 <p>Financial Capital</p>  <p>Manufactured Capital</p>	<p>201-1, 201-2, 201-3, 201-4, 202-1, 202-2</p>	<ul style="list-style-type: none"> • Employees • Suppliers
 <p>Social and Relationship Capital</p>	<p>203-1, 204-1, 402-1, 405-1, 405-2, 406-1, 408-1, 409-1, 410-1, 411-1, 412-1, 413-1, 413-2, 414-1, 414-2</p>	<ul style="list-style-type: none"> • Employees • Corporation • Suppliers • Producers • Distributors and cooperatives
 <p>Financial Capital</p>  <p>Social and Relationship Capital</p>	<p>416-1, 416-2, 417-1, 417-2, 417-3</p>	<ul style="list-style-type: none"> • Employees • Corporation • Suppliers • Producers • Distributors and cooperatives

Ourofino Agrociência conduct

See this chapter:

- Corporate responsibility
- Compliance and risks



Corporate responsibility

GRI 103|205, 103|206, 103|307, 103|408, 103|409, 103|410, 103|411, 103|412, 103|415, 103|418, 103|419

We believe in long term relationships established from the perspective of ethics and transparency. These pillars permeate all spheres of Ourofino Agrociência and are part of the company's core values. In recent years, we have made joint efforts in our value chain, seeking to promote a fairer market. To this end, we continually work to improve the various policies and guidelines that guide the theme in our management system.

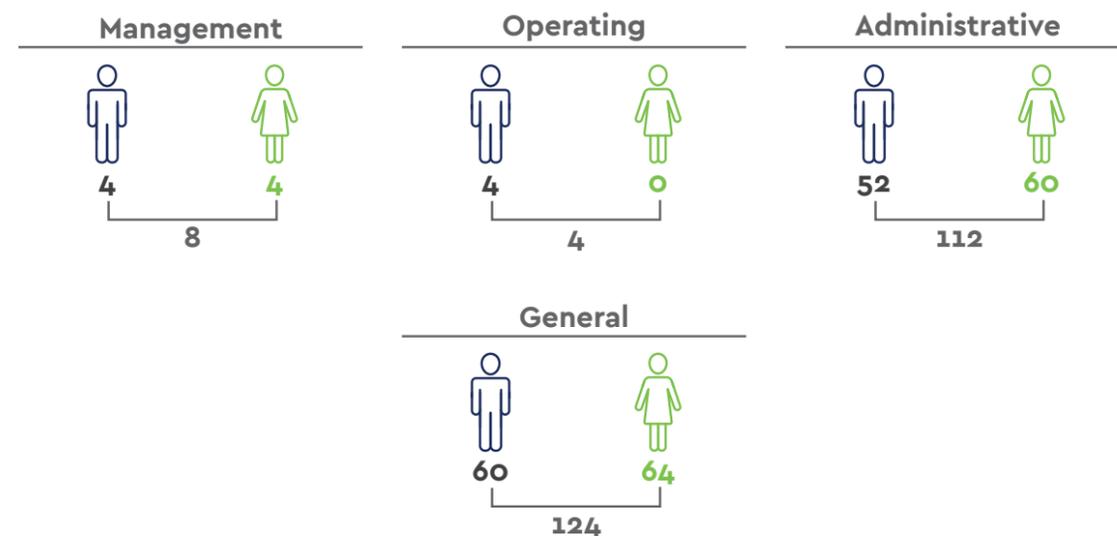
Ourofino Agrociência's Code of Conduct is the central guideline for directing business ethical conduct, and is our main commitment to the various audiences we relate to. It addresses issues such as human rights and fighting corruption, and are available for all operations in Brazil and China. GRI 102-16, 205-2

Human Resources and Sustainability management are the forefront of organizing and conducting training related to the Company's Code of Conduct and values. We use the Code of Conduct as a guideline in the process of integrating new employees, ensuring an important initial alignment with the fundamental pillars of Ourofino Agrociência. We also use routine training to reinforce more specific issues such as social inclusion, discrimination, child labor and social responsibility. This dynamic includes third parties and property security teams. GRI 205-2, 410-1

In 2018, there were 124 hours of training, which represent 16% of our workforce. It is noteworthy that we had no members linked to the governance bodies trained in 2018, as they had been previously trained. GRI 205-2, 412-2

GRI 205-2, 412-2

Hours of training on human rights policies and fighting corruption by gender and area of expertise



Compliance and risks

GRI 102-17, 103|205

We are prepared to address situations with the potential to significantly affect the company's reputation and image. We have active monitoring in Brazil and China operations, led by the Risk, Legal and Human Resources areas. These controls, based on the requirements of the Code of Conduct, enable us to prevent and address cases of corruption and unethical behavior identified in our relationships. Additionally, we have control tools instituted by our chain, such as the approval process and supplier audits. In 2018, no cases or incidents related to corruption were recorded.

GRI 205-1, 205-2, 205-3

We have the Hotline described in the Code of Conduct and made available on our website, focused on receiving complaints primarily related to issues of ethics and integrity (including human

rights and related aspects). The team involved in this channel is able to interact and maintain confidentiality, due to the sensitivity of the issues addressed. In 2018, we registered two occasional reports through this channel, both resolved internally. For all registered cases, we use a formal procedure, where complaints are dealt with by the respective area managers, and depending on the severity, the boards and the Board of Directors are involved. Next year, we will have an independent company managing the demands. GRI 103-2, 205-2

As a goal for 2019, we will continue to structure our compliance policies and improve our Code of Conduct. We will also expand training programs in conjunction with active communication of related topics, evolving our culture of compliance and business risk prevention. GRI 103|205



Field Needs

See this chapter:

- Products
- Commercial highlights
- Business development with third parties
- Quality management
- Innovation and research structure
- Legal service and testing
- Reimagined products
- Customer service and relationship
- Product information and labeling
- Occurrences



INTELLECTUAL
CAPITAL



SOCIAL AND
RELATIONSHIP CAPITAL

Products

GRI 102-2

We are part of the routine of thousands of Brazilian producers and large companies that use our products throughout Brazil and in the most diverse agricultural crops. This growing trust in Ourofino Agrociência products brings confidence that we are on the right track, but at the same time extends our responsibility as a leading company.

The challenge of developing products for the agricultural market is hard work for visionary planning, which includes designing the various segments that we operate over the next five to

ten years. Development is a major investment and includes phases such as testing, experimentation, registration, and more. We usually have four to five year cycles (in good scenarios) until a product comes out and becomes available.

In 2018, we continued to expand the range of products and services to serve sugarcane, soybean, corn, peanut, citrus, wheat, rice, potatoes, beans, tomatoes and cotton crops. Twelve products were registered, corresponding to nine clones and three commercial products.

2018 Releases

Clones

Aderis
(clorotalonil 500)

ÁvidoBR®
(methomyl)

BequeBR®
(fipronil)

Daniato®
(acephate)

Electro®
(clomazone)

Mojjave®
(premium glyphosate)

Ogiva®
(premium glyphosate)

Prever
(procymidone)

Staff®
(clomazone)

Commercial Products

Templo®
(premium glyphosate)

Quallis
(2,4-D + pichloram)

NotávelBR®
(flutriafol)



Main crops served

Herbicides						
Products	Active ingredient	 Soy	 Sugar cane	 Corn	 Cotton	Other crops
Acclaimed BR	Atrazine		■	■		Sorghum
Advance	Diuron + Hexazinone		■			-
Confidence	Diuron + Hexazinone		■			-
Colonel	Metribuzin	■	■			Potato, Tomato, Cassava
DemolidorBR	Diuron + Hexazinone		■			-
Diox	Diuron		■		■	Coffee
Fluent	2,4 - D	■	■	■		Rice, Pasture, Wheat
FortalezaBR	Tebutiuron		■			-
GrandeBR	Clomazone	■	■			-
Hexaplus	Clomazone + hexazinone		■			-
MagnusBR	Hexazinone		■			-
MegaBR	Amethrin Ametrina		■			Coffee
MegaBR Duo	Amethrin + clomazone		■			-
PonteiroBR	Sulfentrazone	■	■			Coffee, citrus, tabacco, pineapple
Quallis	2,4 - D + picloram					Pasture
SeveroBR	Paraquate	■	■	■	■	Potato
Temple	Glyphosate	■	■	■	■	Coffee, citrus, tabacco, apple, pineapple, beans, rice, eucalyptus, pasture, pine, wheat, grape

Insecticides						
Products	Active ingredient	 Soy	 Sugar cane	 Corn	 Cotton	Other crops
AfincoBR	Diafentiuon	■			■	Coffee, tomato, beans
AutênticoBR	Acetamipride				■	Potato, Tomato, Wheat, Beans
BrilhanteBR	Metomil	■		■	■	Potato, broccoli, tomato, wheat, kale, cabbage
BritBR	Cypermethrin	■		■	■	-
CapatazBR	Chlorpyrifos	■		■	■	Coffee, citrus, tomato, wheat, pasture
DiamanteBR	Imidacloprid		■			-
PingBR	Permethrin	■		■	■	Rice
Ratio	Acephate	■				-
SingularBR	Fipronil	■	■	■	■	Potato
Terra Forte	Fipronil	■		■	■	Beans, rice, pasture, wheat, barley

Fungicides						
Products	Active ingredient	 Soy	 Sugar cane	 Corn	 Cotton	Other crops
Eleve	Mancozebe	■		■	■	Coffee, citrus, rice, banana, potato, apple, wheat, grape, bean
ImperadorBR	Carbendazim	■			■	Citrus, Bean
Nillus	Chlorotalonil	■				Citrus, bean, peanut, rice, banana, potato, aubergine, carrot, apple, watermelon, melon, cucumber, pepper, tomato, wheat, grape
NotávelBR	Flutriafol	■			■	Coffee, oats, beans, bananas, potatoes, papaya, melons, tomatoes, wheat
ParrudoBR	Procimidone	■				Beans, lettuce, potato, tomato, grape
ProdutorBR	Tebuconazole	■		■		Coffee, citrus, beans

Business Highlights

Billing of R\$ 346 Million ↑ **16%**

Sugar cane
Robust portfolio and focus on business with large groups and cooperatives, with high liquidity and short-term repayment capacity.



Billing of R\$ 463 Million ↑ **43%**

Grains
Action in large strategic accounts added to portfolio expansion solutions.



Billing of R\$ 118 Million ↑ **95%**

SingularBR
Product availability in a year with shortage of solutions due to Chinese market constraints.



Billing of R\$ 99 Million ↑ **5%**

New products
Entry of new products at the end of 2017, added to the 2018 launches.



DesafioBR
End of phytosanitary emergency status in Brazil.

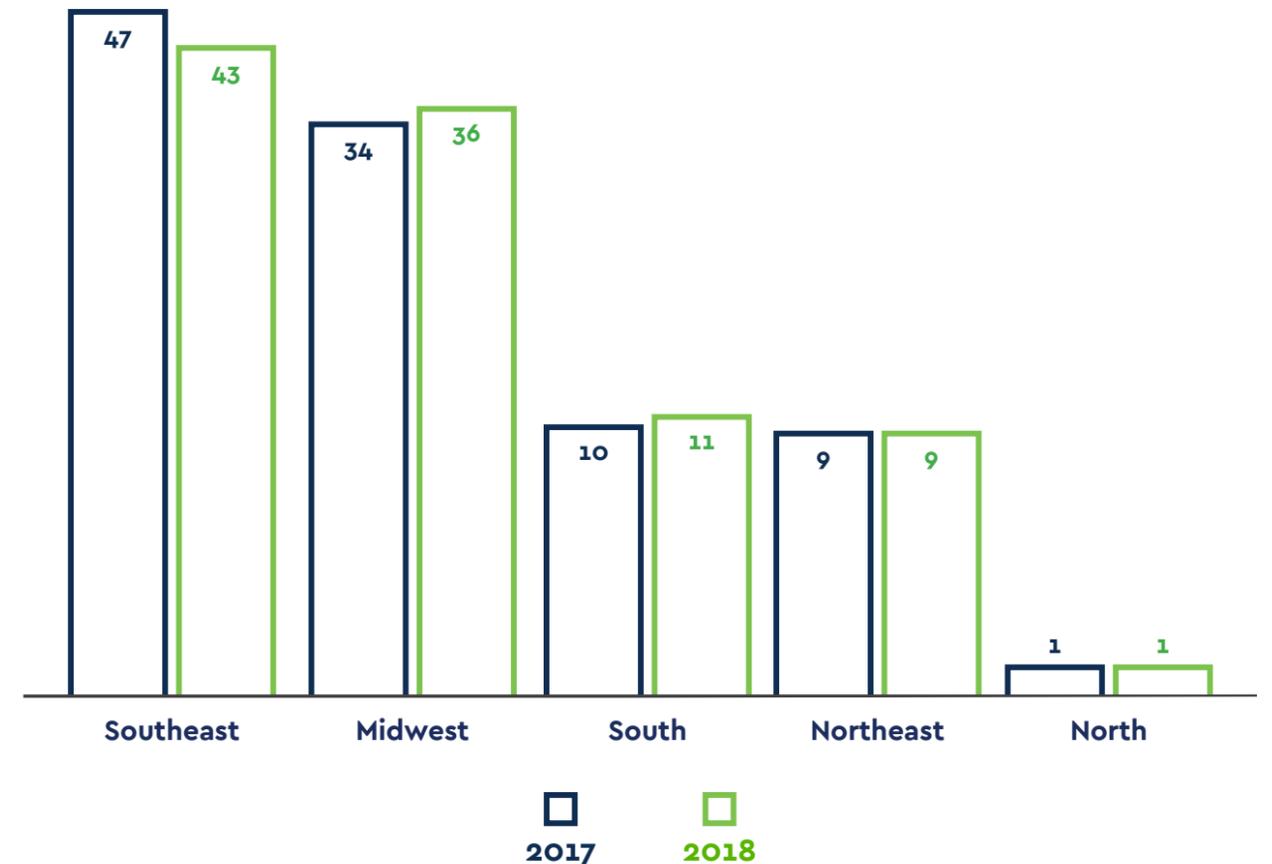
Billing of R\$ 36 Million ↓ **42%**



We kept our performance focused on Brazil and with sales numbers rising among the main bets of the company. We ended up benefiting from the business attitude we had in 2017, when several times we came across a lack of inputs in the market, and consequently, the impossibility of delivering several customer orders. We had months of hard struggle, proactivity and hard work from the company's commercial and technical teams, doing their best to make negotiated deliveries. Despite the difficult year in 2018, we have seen the recognition of this effort by our customers and business partners.

In the field, we maintained our technical staff with 81 agronomists dedicated to sales and technical assistance to resellers, cooperatives, mills and farmers. We closed 2018, with an average rate of 4.3 visits per day to clients, consultants and perspectives. There are currently more than 3,600 clients spread across all corners of Brazil, with 33% concentrated in the Midwest, 29% in the southeast, 22% in the south, 9% in the northeast and 6% in the north.

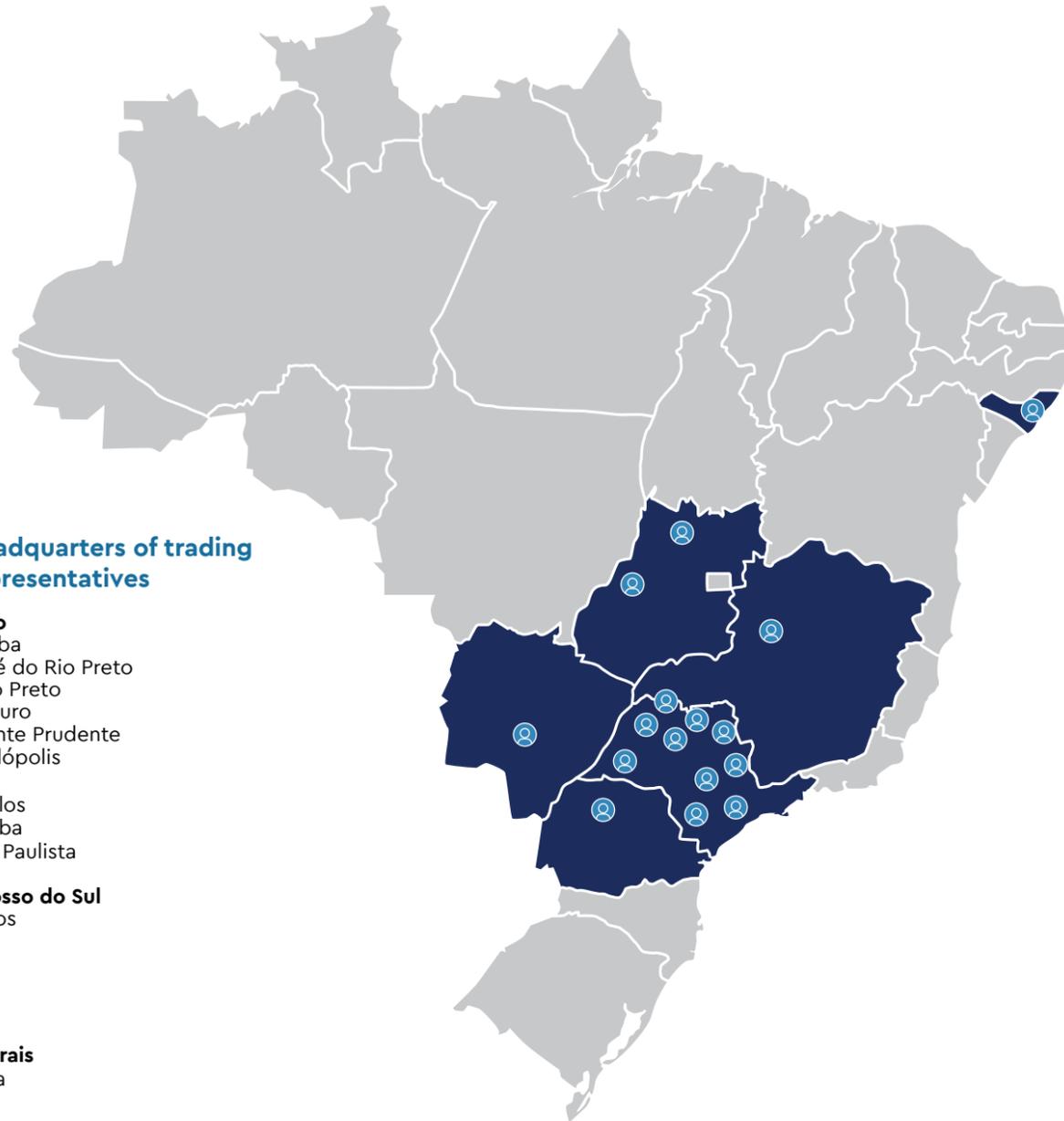
Sales distribution by Brazil (Percentage - %)



Note: The above highlighted percentages consider 2018 as the base year for the calculation.



Presence of the sugarcane trading team

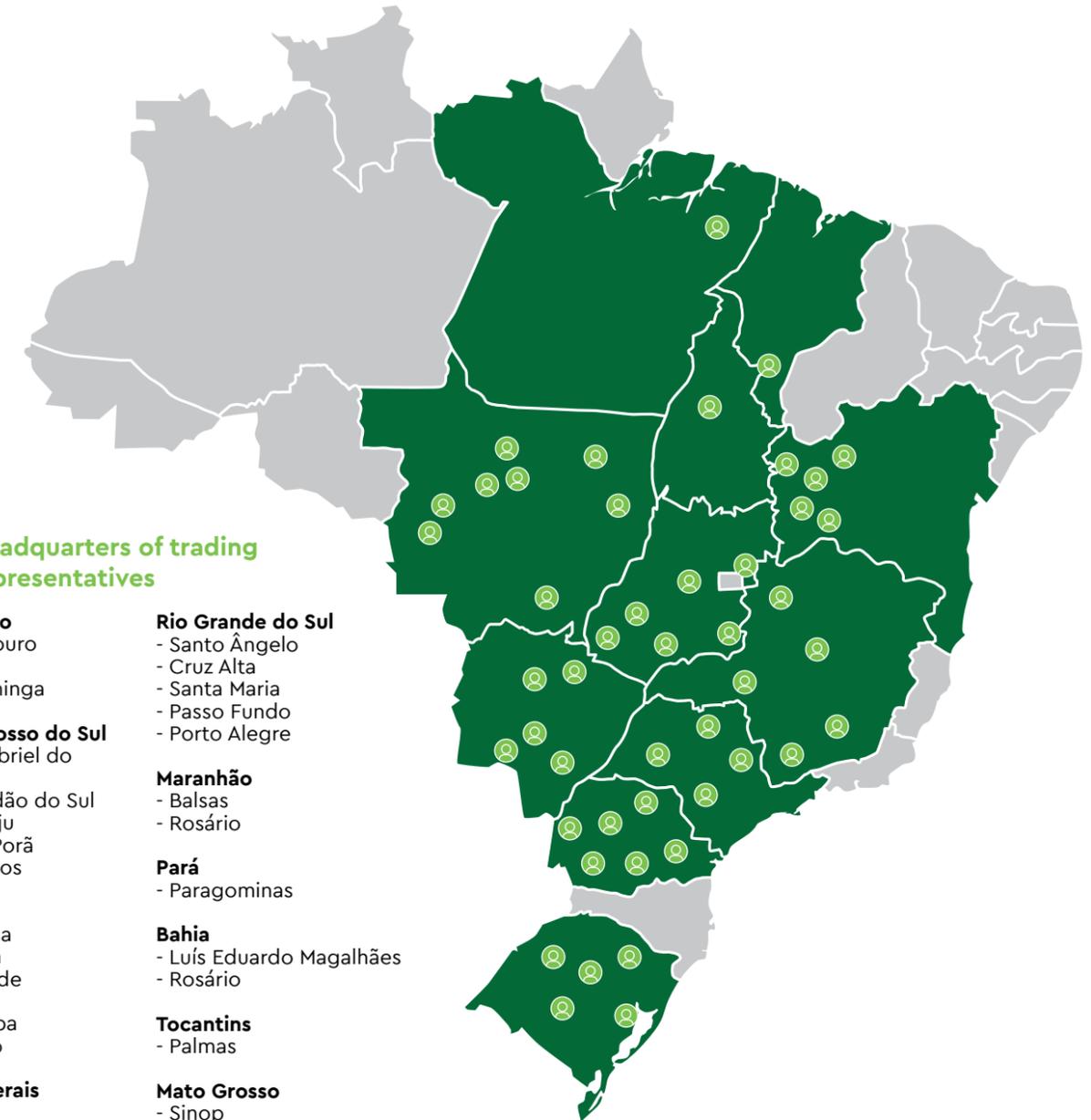


Headquarters of trading representatives

- São Paulo**
 - Araçatuba
 - São José do Rio Preto
 - Ribeirão Preto
 - Bebedouro
 - Presidente Prudente
 - Fernandópolis
 - Batatais
 - São Carlos
 - Piracicaba
 - Lençóis Paulista
- Mato Grosso do Sul**
 - Dourados
- Goiás**
 - Jataí
 - Goiânia
- Minas Gerais**
 - Uberaba
- Paraná**
 - Maringá
- Alagoas**
 - Maceió



Presence of the Grain trading Team

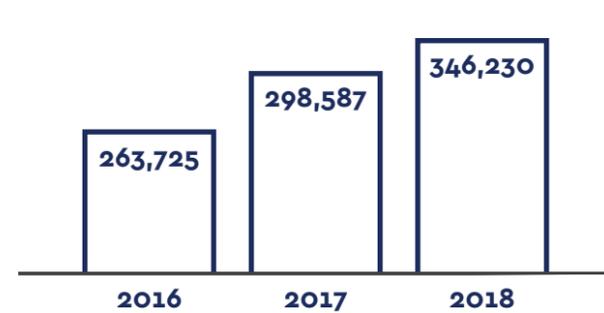


Headquarters of trading representatives

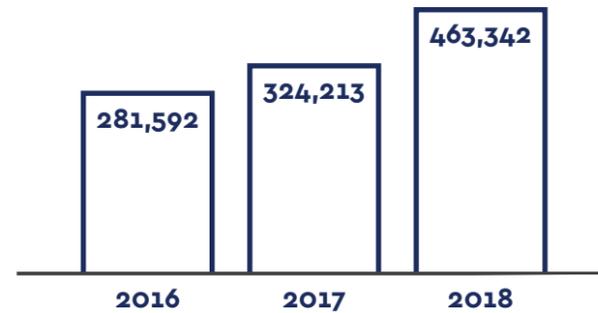
- São Paulo**
 - Bebedouro
 - Marília
 - Itapetininga
- Mato Grosso do Sul**
 - São Gabriel do Oeste
 - Chapadão do Sul
 - Maracaju
 - Ponta Porã
 - Dourados
- Goiás**
 - Formosa
 - Goiânia
 - Rio Verde
 - Jataí
 - Goiatuba
 - Catalão
- Minas Gerais**
 - Unai
 - Patos de Minas
 - São João Del Rei
 - Pouso Alegre
 - Uberlândia
- Paraná**
 - Campo Mourão
 - Londrina
 - Palotina
 - Cascavel
 - Guarapuava
 - Ponta Grossa
- Rio Grande do Sul**
 - Santo Ângelo
 - Cruz Alta
 - Santa Maria
 - Passo Fundo
 - Porto Alegre
- Maranhão**
 - Balsas
 - Rosário
- Pará**
 - Paragominas
- Bahia**
 - Luís Eduardo Magalhães
 - Rosário
- Tocantins**
 - Palmas
- Mato Grosso**
 - Sinop
 - Sorriso
 - Campo Novo do Parecis
 - Tangará da Serra
 - Lucas do Rio Verde
 - Querência
 - Água Boa
 - Rondonópolis

Gross revenue by business type (Reais – R\$ Thousands)

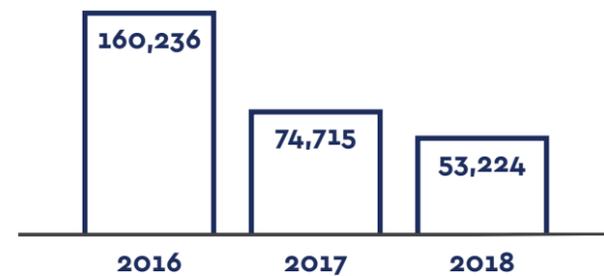
Sugar cane



Cereals



Industrial sales



Note: Industrial sales are those made to third parties and include both the industrialization and sale of finished products.

Business development with third parties

We follow our *business to business* (B2B) strategic direction, expanding strategic partnerships with major players in the pesticide market, either to outsource product formulation at our industrial plant, as well as to sell complementary solutions to Ourofino Agrociência partners' portfolio.

The first modality mentioned presents a very important aspect of learning and evolution, since the level of demands coming from our partners and the constancy in the assessments makes us evolve

significantly in many aspects. In the second case, with the support of the market access strategy, we guarantee a better sale to specific customers. In both cases, the use of the industrial plant reduces the operational and the idleness costs.

Although last year was atypical, greatly affected by the unavailability of supplies and the complex Chinese landscape, we expect 2019 to grow 40% in B2B revenues, based on new clients and long-term partnerships.

Quality management

GRI 103|416, 103|417

The constant evolution in the quality of our processes and products is remarkable being the result of years of investments in production lines, team training and procedural structuring. We have daily strengthened a cross-cutting culture of risk management, sustainability and contamination prevention.

We believe in the quality factor as one of the great differentials to keep our brand relevant in such a competitive market. To this end, we have an Integrated Management System (IMS) that guides and monitors the various processes of our value chain and, especially, the industry.

IMS has a significant contribution to the business, since in practice it acts as responsible for the dynamics and monitoring of all industrial processes, as well as legal compliance. In 100% of the productive processes considered primordial or significant, we have mechanisms to evaluate health and safety aspects, which are worked in the continuous improvement cycle. GRI 416-1

In 2018, we continued the round of external audits that included verification by clients, certifying / accrediting bodies and supervisory bodies, of the compliance of the various controls in the IMS. There were eight audits, highlighting the transition of the new version of the quality standard ABNT NBR ISO / IEC 17025 and maintenance of the standards ABNT NBR ISO 14001, ISO 9001 and OHSAS 18001. Also last year, we integrated the quality and IMS areas under the same coordination, which brought us significant agility and reduction of bureaucracy. For 2019, we will work on the transition to the new standard, ABNT NBR ISO 45001 – Occupational Safety and Health Management Systems.

Internally, we maintained our audit cycle to ensure compliance of internal processes with legal requirements and customer and regulatory standards. We consider the internal process of paramount importance to measure the evolution of the quality system from the perspective of continuous improvement. The process lasts throughout the year with specific calendar and comprehensive scope in all operations of the company, and in 2018, 28 internal audits were performed.



Innovation and research structure

Innovation is a central pillar for Ourofino Agrociência and a strategic theme in the pesticide market. The company's sustainability and growth potential are intrinsically linked to our ability to anticipate trends and bring producers and customers innovative solutions tailored to the tropical conditions of Brazilian agriculture.

To differentiate ourselves in this market, we have invested in increasingly robust research and development structures, with highly skilled teams and partnerships with renowned institutions and researchers. We kept the research structures divided into four experimental stations and one test laboratory, located at the industrial plant of Uberaba (MG). We also have the Research, Development and Innovation (RDI) teams, focused on working the formulations, and the Research and Development (R&D) team, responsible for the tests and validation of the products. Supporting

these teams, we have a Registration Board to monitor the entire legal process and ensure a shorter time for new products to enter the market.

In the last year, we increased investments in research, development and innovation, reaching a total of R\$ 28 million, which represents about 3.6% of the company's net sales. In addition to the structures and financial contributions cited to foster research and increment innovative solutions, we have agreements with several universities, contracts with researchers and technology companies. In 2018, we also maintained our joint action partnership with the Financiadora de Estudos e Projetos (FINEP) [Financier of Studies and Projects], receiving a contribution of R\$ 7 million.

GRI 201-4

Legal Service & Testing

We follow several national and international market guides, as well as important legislation in the conduct of experimental station operations. Our field testing models are accredited by the Ministry of Agriculture, Livestock and Supply (MAPA) and the protocols conducted evaluate in 100% of the cases the health and safety impacts of users and professionals involved in the management of the solutions. In addition to MAPA accreditation, the stations meet the requirements of Good Laboratory Practice (GLP). **GRI 416-1**

Guatapar (SP) Experimental Station is our largest and most complete testing area. The structure has laboratories, greenhouses, training rooms and also accommodates most professionals from the company's Research and Development (R&D) department. At this station we carry out most of the developments and application of legal protocols. The other stations, located in the states of Paran and Gois, are also dedicated to conducting field tests, but on a smaller scale, with a leaner structure, simulating the different climatic conditions in the country.



Reimagined Products

Last year, we launched a new line of solutions that receive the Reimagined Product seal. They are products developed specifically for Brazilian agriculture, with more sustainable formulations and thought to withstand the great performance *challenge* in a tropical environment. Among the special features presented in this line are its greater systemicity, rapid absorption, presence of micronized particles, adoption of microencapsulation, photoprotection of molecules, greater resistance to rain, greater adhesion and innovative packaging.

This is the result of the alignment between our purpose, long investments and, mainly, the understanding of the needs of the field. As already mentioned, we have invested, in recent years, about 3% of our net revenues in research and development of innovations in conjunction with the development of partnerships with several universities, researchers

and large companies – among them Embrapa Recursos Genéticos e Biotecnologia [Embrapa Genetic Resources and Biotechnology].

One of the main investments of the last year was the remodeling and expansion of the laboratory to develop new formulations present in our plant in Uberaba (MG). With a contribution of around R\$ 2 million, the space has been doubled and allows the development of products on a pilot scale, saving time and labor, reducing energy waste, productive inputs and waste, and minimal deviations in the technology transfer process. It is also possible to simulate *performances* during the manufacture of products in order to build a relevant and sustainable differentiation for the national market.

We have already developed seven Reimagined Products, six of which are already available to farmers and one in the final stages of registration.



Reimagined Product

Developed for Brazilian agriculture

Nillus® (chlorotalonil)

Important protective fungicide, with liquid formulation and multisite action. Used in the resistance management of fungal diseases.

SingularBR® (fipronil)

Liquid formulation that provides better syrup homogenization and greater effectiveness during application.

Racio® (acephate)

Efficiency in controlling bed bugs and soybean larvae. Packaging minimizes odor, brings applicator safety and longer product life.

ParrudoBR® (procymidone 500)

Effective in controlling white mold, the liquid formulation facilitates the preparation of the syrup, which offers greater safety and excellent control period.

PonteiroBR® (sulfentrazone)

Allows better transposition of straw to soil, provides longer control period and high drought tolerance.

Templo® (premium glyphosate)

With exclusive surfactant and Duo Sal technology, it offers safety and speed in weed control and eradication of sugarcane stalk.

GrandeBR® Ultra* (clomazone)

Microencapsulated formulation which promotes higher selectivity to crops, better transposition on straw, independently of humidity.

*Product under final phase of registration.



GRI

Customer Service and Relationship

We are committed to meeting the needs of customers and stakeholders the best we can. In order to do so, we provide our relationship channels, where we can exchange important experiences that help us improve as a company work with effective processes, always prioritizing objectivity and agility in delivering answers. The main purpose of this process is to mitigate any risk to our customers through the use of Ourofino Agrociência products and thus protect our reputation.

We have the Customer Service Channel (CSC) to receive general complaints, which can be accessed via website, telephone or email. Most of the records in this channel are related to products and storage issues. All cases coming from this channel are investigated and handled by our Quality department. In extreme cases, the Legal department is called upon to support

the company's responses and actions. Last year we registered 22 complaints, 19 of which were considered valid. Of this total, seven non-conformities for investigation and expansion of the analysis. Finally, we follow our system of opening action plans to guide the negotiations, thus avoiding the recurrence of failures. **GRI 102-34, 103|416, 103|417**

We have our official Facebook communication channel. The company's website has grown a lot in recent months, accumulating more than 140,000 subscribers and becoming another relevant tool for interaction and vital communication. This channel allows us to be close to a younger audience and thus maintain an open dialogue to spread news and products quickly.



Product Information and Labeling

We follow all Ministry of Agriculture, Livestock and Food Supply (MAPA) standards for the quality and safety of licensed products and their labeling. The information on the packaging and labels follows the technical regulations determined by the agencies, prioritizing safety information and correct use for customers. These legal and regulatory alignments are taken for all products from our production lines, and are critical to avoiding legal issues or reputational risks. **GRI 417-1**

Also on the product label are information on the reverse logistics program managed by the Instituto Nacional de Processamento de Embalagens Vazias (Inpev) [National Institute for Empty Packaging Processing], which we are part of. Due to the importance of the theme in the context of sustainability and market, we continued the training program for retailer and farmers in 2018, focused on encouraging reverse logistics and showing its importance in the agribusiness chain.



Occurrences

GRI 103|416, 103|417

The inappropriate use of pesticides can bring health risks and significant impacts to Ourofino Agrociência's image. Together with misuse, social impacts can be associated with environmental impacts, which amplify potential damage. Therefore, we consider the occurrences and records of social and environmental impact of clients as critical in our risk management. To prevent these situations, we have a number of safety measures spread throughout our product chain and life cycle.

Care is also initiated in the product research and development phase, where we follow all safety standards determined by the regulatory agencies and Ourofino Agrociência quality standards. We continue with a preventive focus on all operations including the industrial plant and experimental farms, operating under a dense Integrated Management System (IMS) and accompanied by ongoing external verifications, whose role is critical to backing the company's serious and responsible work.

We can not fail to mention the robust process of approval of suppliers led by the Procurement area, which ensures compliance in the choice of partners, products, inputs and services. Finally, the logistics and storage sectors ensure the traceability of batches and campaigns.

The measures outlined above are not the only measures taken by the company and are part of a larger framework managed throughout the company and are part of the efforts made.



GRI

Partnerships and impacts



See this chapter:

- Value chain
- Suppliers
- Closer relationship with the chain
- Investments and local interaction
- People and culture
- Training and business focus
- Valuation, organizational environment and diversity
- Professional benefits and evaluations



HUMAN
CAPITAL



SOCIAL AND
RELATIONSHIP CAPITAL

Value chain

GRI 103|308, 103|408, 103|409, 103|414

We are mindful of value chain management and the potential impacts of our operations. We have a complex and highly responsible scenario that involves managing from complex supplier networks to impacts caused by unforeseen climate variations. Thus, we adopt as a corporate strategy, working our zones of influence together with the various stakeholders, aiming to prevent

risks, establish long-term relationships and create value for society.

Our chain is characterized by the spread and dependence of many different actors. We maintain a heterogeneous network, divided into national and international partners, which have standards of quality, ethics and integrity aligned with those of Ourofino Agrociência.

Suppliers

103|204, 103|308, 103|408, 103|409, 103|414

Supply chain management is considered to be a strategic activity for Ourofino Agrociência's business, as the share of purchased materials in price composition can range from 70% to 90% of the total cost of the finished product, depending on its formulation.

Our supply chain consists of two main groups, divided into direct and indirect materials. The direct ones are those applied in the formulation and filling of our products. Indirect ones are characterized by materials applied in the maintenance and operation of facilities. GRI 102-9

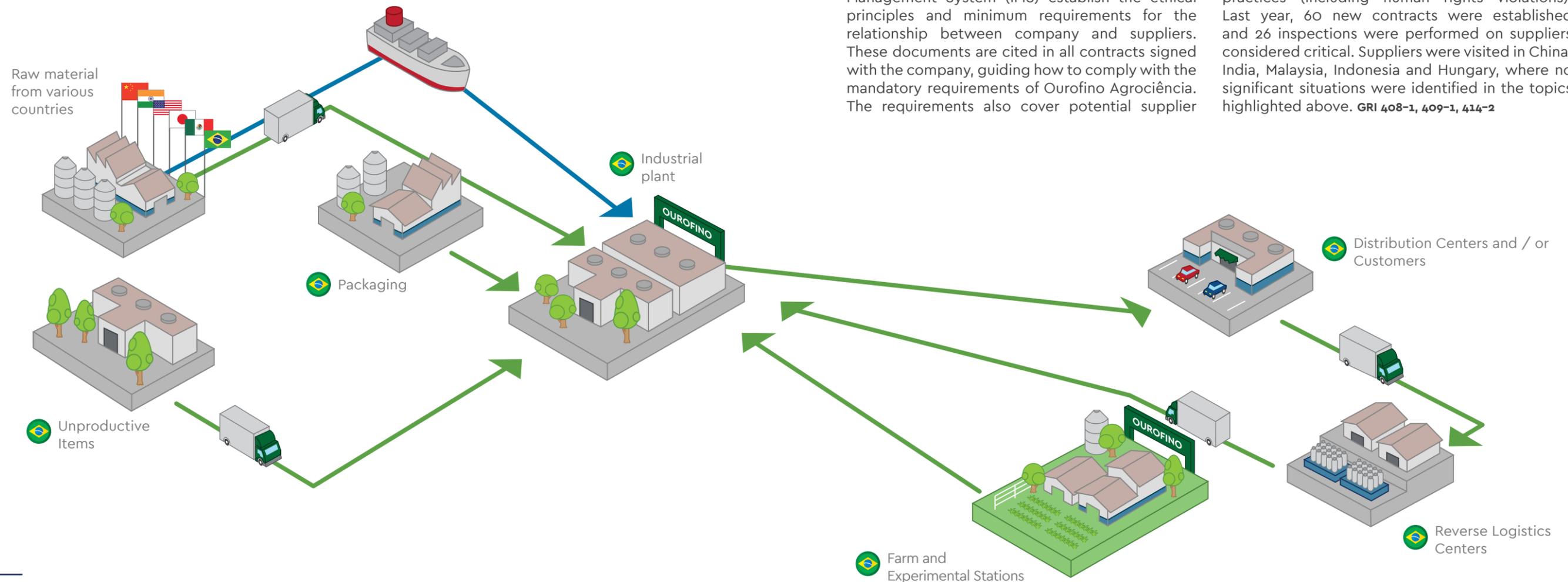
The Code of Conduct and the social and environmental policies in the Integrated Management System (IMS) establish the ethical principles and minimum requirements for the relationship between company and suppliers. These documents are cited in all contracts signed with the company, guiding how to comply with the mandatory requirements of Ourofino Agrociência. The requirements also cover potential supplier

subcontracting and sensitive topics such as child labor and slave-like labor. GRI 408-1, 409-1, 103|204

We have a team responsible for maintaining a constant process of supplier evaluations and approvals, which analyze market, social, labor, human rights, financial and legal violations, among others. The procedure is applied prior to supply and analyzes, in 100% of cases, productive and non-productive items (typified as chemicals). GRI 308-1, 414-1

In addition to the approval process, we conduct annual audits of sample suppliers. This process aims to assess compliance with mandatory contractual, social and environmental requirements and labor practices (including human rights violations). Last year, 60 new contracts were established and 26 inspections were performed on suppliers considered critical. Suppliers were visited in China, India, Malaysia, Indonesia and Hungary, where no significant situations were identified in the topics highlighted above. GRI 408-1, 409-1, 414-2

Our value chain



Closer relationship with the chain

GRI 103|204, 103|308, 103|408, 103|409, 103|414

Over the past two years, we have faced an unprecedented crisis in the Chinese market, the heart of agribusiness input supply. Many intermediate suppliers from our main Chinese partners closed their doors as a result of the new government environmental policy and, in many cases, reduced their production considerably. Thus, we face major difficulties in receiving the main inputs present in the company's formulations, unanticipated cost variations in budget and poor predictability in order delivery.

After the crisis erupted in mid-2017, we knew we could not operate as in recent years and a new strategy needed to be adopted. Our challenge was to establish a renewed long-term vision for the supply chain focused on mutually beneficial commitments. The vision should change partners' perceptions of Ourofino Agrociência and be grounded in principles such as operational efficiency, respect for social and

environmental issues, long-term commitments and predictability of delivery.

We started the changes by projecting a restructuring in early 2019, involving the Procurement area, which will now operate as *Procurement* sector. At the other end and with the support of our Shanghai (China) office, we began a process of approaching partners to demonstrate that we have evolved our approach to doing business with China. It has been months of work, involving rounds of meetings and accessing major Chinese suppliers to demonstrate our interest in establishing genuine, real-win relationships for both sides. We present ourselves as real partners and committed to working together for growth.

GRI 102-10

In 2018, we followed up with dedicated partner agendas that included:

Structuring of supplier relationship area

With the main objective of uniting the commercial and communication aspects, we established a new area to take care of the information passed to the suppliers (market or corporate), as well as

to expand the ties with the partners. This area has already developed a specific protocol to receive teams from other countries and is expanding the Supplier Relationship Program.

Round of meetings and events

We kept our agenda with Chinese suppliers and closed with a balance of over 40 meetings last year, with guidelines focused on the potential of the Brazilian agro market and Ourofino Agrociência's new supply culture. We also held for the first time in October an event for Ourofino Agrociência's Chinese partners. This day was marked by the participation of over 60 companies and 100 participants from major Chinese partners.

The event was marked by the participation of the Secretary of Agricultural Defense of the Ministry of Agriculture, Livestock and Food Supply (MAPA), Mr. Luis Rangel, and by the lectures of our Director of Marketing, Research and Development, Mr. Luciano Marcos da Silva Galera, and the Director of Regulatory Affairs, Mrs. Thaís Balbão Clemente Bueno de Oliveira.



Investments and local interaction

GRI 103|202, 103|203, 103|413, 203-1, 413-1, 413-2

We believe that the best way to build a legacy and promote social and environmental development is through actions aligned with the needs of the communities where we operate. We see the impact of our activities as a great opportunity to create value and build lasting relationships through participatory and constructive agendas.

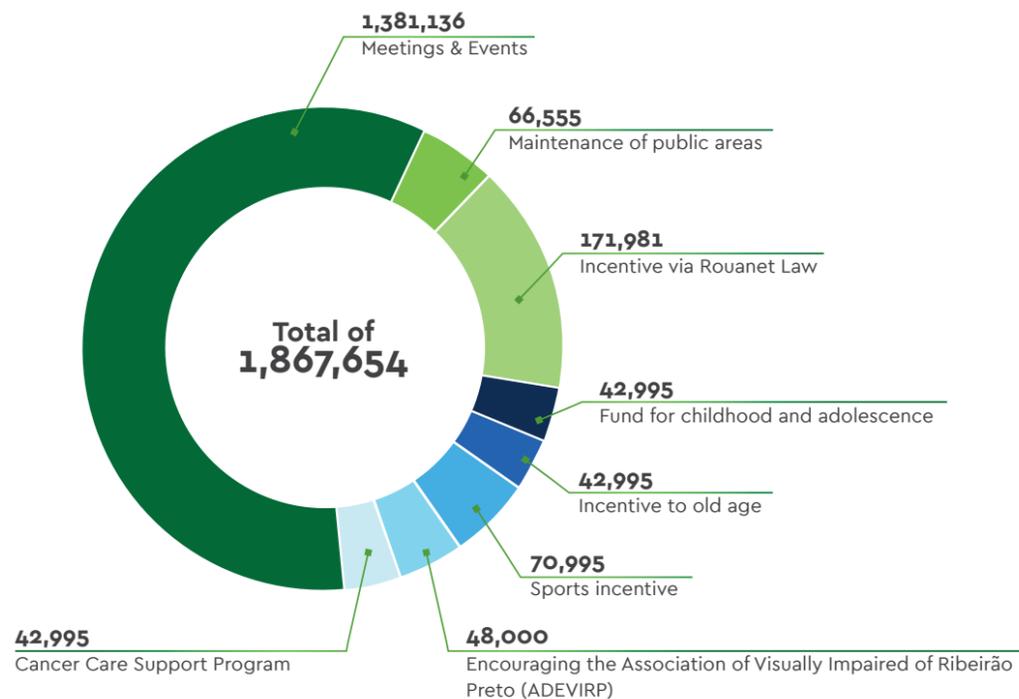
The Marketing area is responsible for organizing, annually, the planning of local actions and interactions. The plan is developed in view of the main demands of the communities surrounding

Ourofino Agrociência's most significant operations. We have invested in incentive and sponsorship programs in the cities of Uberaba (MG) and Ribeirão Preto (SP), which cover 66% of the regions where we have some type of activity. **GRI 103-2**

As we are in regions of rural predominance, we have been working, to a large extent, on improving the knowledge of local producers, thus fostering the agricultural sector. Last year, we attended or organized about 17 events, where the training and presentation of important agribusiness solutions were the highlights.

GRI 203-1

Local investments, incentives and sponsorships (Reais - R\$)



Note: The item "Meetings and Events" includes activities throughout Brazil. The item "Maintenance of public areas" refers to the front site of the industrial plant of Uberaba (MG). The remaining items are all focused on Ribeirão Preto (SP), where the company's headquarters is located.

Over the past year, we have maintained the policy of promoting income and encouraging local shopping as an important part of social development. Mainly in business relations, we had a turnover of R\$ 87,199 in supplies purchased in Brazil. Of this amount, 80% of indirect materials and 96% of direct materials were sourced locally (near the industrial operation and main office) in the states of São Paulo and Minas Gerais. Local negotiations are very relevant for reducing logistical impacts and production costs. **GRI 204-1**

Another aspect prioritized in our management is the local hiring of professionals for the company's main operations (office and industrial plant). This dynamic is an important tool for wealth generation and local economic growth. Today we have in our management team a percentage of 40% of the midlands of São Paulo and Minas Gerais. **GRI 202-2**



People and culture

Ethics and integrity are values shared by all employees of Ourofino Agrociência and a fundamental part of our victorious career. Added to these values and distributed throughout

the chain, the passion for reimagining and transforming Brazilian agriculture is the main fuel in our business model.



GRI 102-8

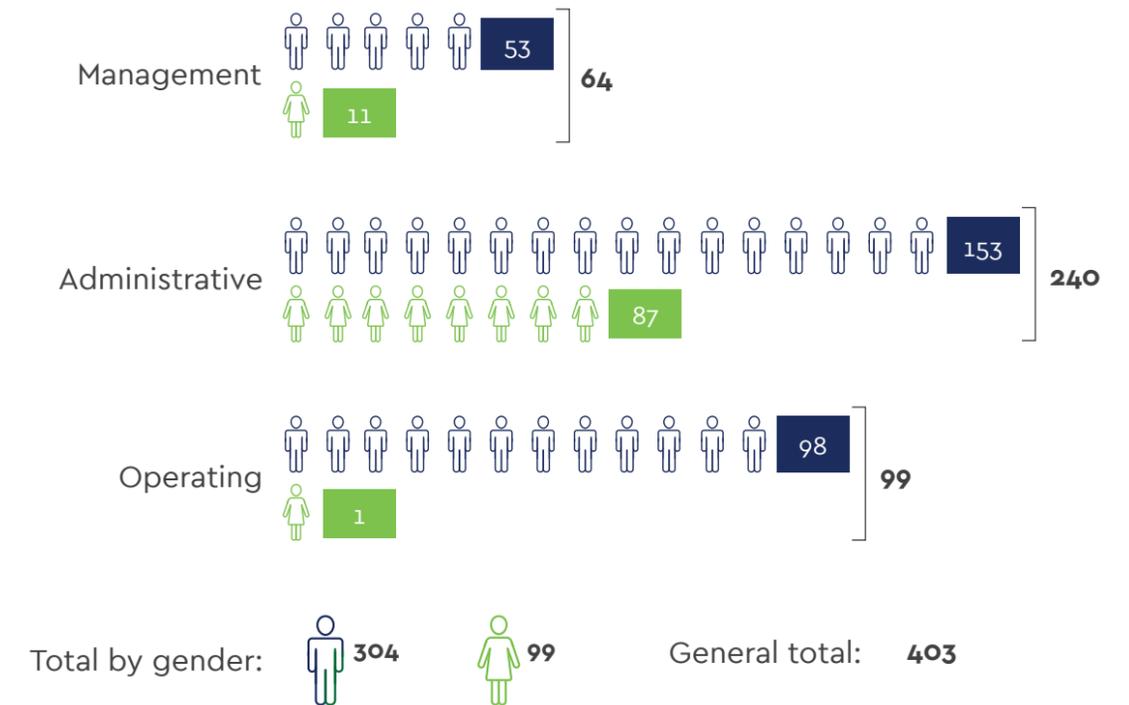
Number of employees by country and gender

		2015	2016	2017	2018		
					Male	Female	Total
Effective	Brazil	308	332	410	298	99	397
	China	6	5	6	6	-	6
Total general		314	337	416	304	99	403
Others	Temporary	40	13	7	18	2	20
	Third parties	84	65	68	32	52	84
Total general		124	78	75	50	54	104

Note: We consider all the professionals listed on our payroll to be effective, including apprentices. All data is compiled by payroll.

GRI 102-8

Number of employees by level and gender



GRI

Qualification and business focus

GRI 103|404

Our best performance is intrinsically linked to expanding opportunities and empowering teams. Thus, we have been able to increase the level of operational excellence by keeping people motivated and engaged. We seek to strengthen the strategy by enhancing the company's human capital. To this end, we develop leaders and managers who believe in the quality of relationships and are active in all levels of the company.

We also believe in the educational development of teams as a crucial factor in achieving our strategic goals. Broadening the range of training opportunities and enhancing employee skills is the best way to keep them motivated and aligned with the most diverse business trends. We structure training programs in accordance with key corporate strategic objectives, employee needs and type of participants.

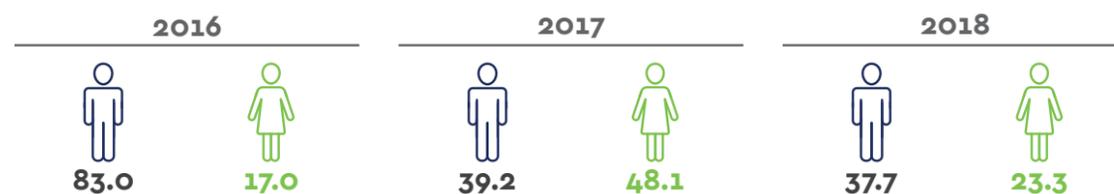
GRI 404-1

Training average by area (Hours - h)

	2016	2017	2018
Management	43.1	74.4	47.5
Administrative	39.4	27.7	20.5
Operating	90.7	50.3	49.8
Total general	57.7	41.1	31.9

GRI 404-1

Average training by gender (Hours - h)



Note: Average calculated considering the number of permanent employees at 12/31/2018 (397 employees). The totals were relativized by the total number of employees. The calculations presented do not include the operation in China.

Valuation, organizational environment and diversity

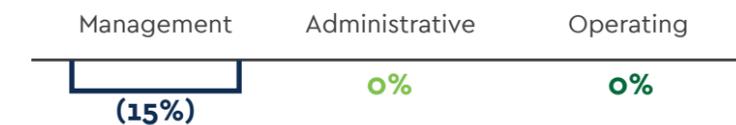
GRI 103|202, 103|405, 103|402, 103|406

Valuing people and their development are priorities for Ourofino Agrociência. We seek plurality of ideas and fight all forms of discrimination, whatever their origin. Accordingly, our hiring and compensation are defined solely on the basis of technical aspects and aligned with the corporate position and salary policy. We practice wages and rewards consistent with the pesticide

market, with no significant differences between men's and women's wages. The compensation of the highest decision-making executives of the company, in turn, is defined by the shareholders in conjunction with the Human Resources area, always based on market practice. GRI 102-35, 102-36, 102-37, 405-1, 405-2

GRI 405-2

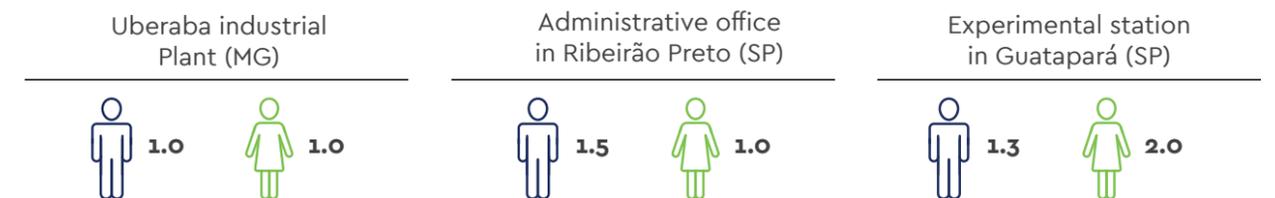
Women's salary compared to men by employee category



note: The calculations were performed based on the monthly (lower) base compensation of professionals by category and do not consider awards. In the management category, we did not consider president and vice president, and we only have men in these positions. The calculations presented do not include the operation in China.

GRI 405-2

Lowest salary rate relative to local minimum by operation and gender



Regarding the organizational climate, we seek to promote ideal conditions for our professionals to develop their full potential and thus leverage the company's results. A balanced environment, with healthy relationships and valuing people, makes the company more stable and with little turnover. Our turnover rate in 2018 was 12%. GRI 103|401, GRI 401-1

survey was conducted in 2017 and was attended by 60% of employees. We plan to apply a new survey in 2019. GRI 103|401

Within the social inclusion aspect, we completed, in the second half of 2018, the accessibility project of the industrial plant. This project is part of our inclusion program and had an investment of over R\$ 300 thousand. Adjustments were made in all circulation areas, including ramp placement and tactile signaling. In the coming years, the number of employees with disabilities, now with better conditions to receive them. GRI 401-1

To ensure this environment, we periodically apply a Climate Assessment to detect favorable and negative points regarding the work environment, which are addressed through action plans. The last

Benefits and professional appraisals

GRI 103|201

We believe that the best way to strengthen our corporate culture and achieve better results is through talent search and retention. We are focused on developing professionals, ensuring appropriate challenges according to their *performance* and offering differentiated benefits for their well-being.

We had a professional evaluation process called Value Conversation, which was conducted by the Human Resources area. The main objective of the process was to ensure the full development of each employee through individual evaluations and direct managers. As part of the continuous improvement process, in 2019, we will adopt a new professional development model focused on the pillars of career analysis and skill enhancement.

GRI 404-3

We offer good benefit options for effective and temporary employees. We also take special care in granting maternity and paternity leave. Last year, 11 licenses were granted, five for fathers and six

for mothers. We had no cases of dismissal in the subsequent months after the benefit was granted last year. When compared to the births of 2018, we had three cases of dismissal, which represented 0.74% of the total employees. **GRI 401-3**

Among the main benefits offered to permanent professionals, we highlight the participation in the private pension plan of Ourofino Agrociência. The plan has salary contribution ranges from 2% to 6% (supplementary pension), while Ourofino Agrociência's contribution ranges from 100% to 200% of the amount invested by the employee, varying according to his with her time at company. Last year, we contributed about R\$ 969 thousand.

GRI 201-3

We maintain a good relationship with local unions and hold regular meetings to discuss agendas of common interest, and the agreements cover our entire workforce. These meetings mainly discuss wage increases and social guidelines. **GRI 102-37, 102-41**



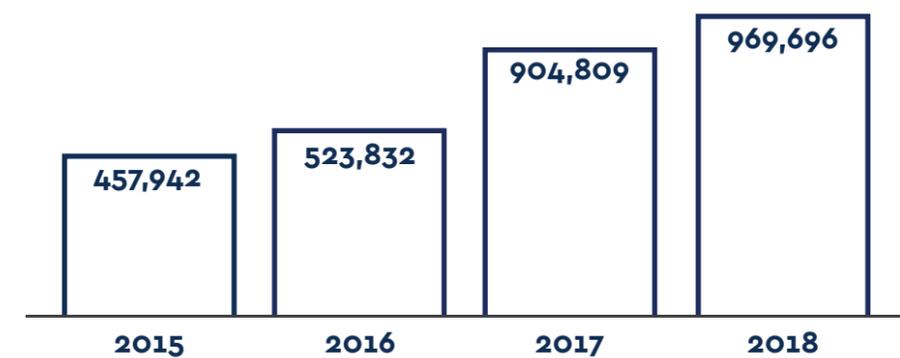
GRI 404-2

Benefits granted by type of contract

	Effective	Intern	Temporary
Life insurance	X	X	
Health care	X		
Dental care	X		
Private pension	X		
Profit Sharing (PLR)	X		
Food voucher / food supplies	X	X	X
Food voucher / fruit and vegetable voucher	X	X	
Food voucher / meal on site	X	X	X
Transport / Parking	X	X	X
Labor gymnastics	X	X	X
Childcare assistance	X		
Christmas basket or card	X	X	X
Birthday gift	X	X	
Baby kit	X	X	
Dinner voucher for company anniversary (every 5 years)	X		
Bonus for time of company (10, 15, 20 and 25 years)	X		
Afternoon snack	X	X	X
Wedding gift	X		
School supplies	X		
Refund for children with special needs	X		
Educational allowance	X		
Gifts on commemorative dates	X	X	

GRI 201-3

Contributions made to employees pension plan (Reais - R\$)



Health, safety and environment

See this chapter:

- Health and safety performance
- Environmental performance
- Investments in the environment and controls
- Water
- Monitoring
- Ecologic park
- Effluents
- Energy
- Emissions
- Waste
- Reverse logistics and impact mitigation



HUMAN
CAPITAL



HUMAN
CAPITAL

Health and safety performance

GRI 103/403

We are committed to taking care of our health and valuing the well-being of our employees in all Ourofino Agrociência operations. With the support of the company's leadership, we have a qualified Health, Safety and Environment (HSE) technical area responsible for maintaining our management standards, as well as complying with policies for all company operations. We also seek to influence the audiences with which we relate so that they may adopt better health and safety practices and value human lives. **GRI 102-19**

Our practices are in line with the highest industry standards and international certifications. We have legal compliance monitoring, goals and management indicators related to critical processes. Health and safety management is present in all operations and focuses on risk prevention. The controls established are always based on specific impact studies and take into account the magnitude of potential damage. Health and safety goals are organized annually based on historical monitoring of indicators and new risk studies.

We also have an annual program of internal and external audits to promote continuous system improvement. We are BS OHSAS 18001 certified and in 2019 we will transition to ISO 45001.

The main focus of the HSE team is the Uberaba (MG) industrial plant. The operation has risk activities, which are monitored directly in the field and by specific indicators. For these, we have preventive programs such as Hearing Conservation (PCA) and Respiratory Protection (PPR). As in previous years, we did not identify cases of occupational diseases related to activities performed by employees in our operations. **GRI 403-3**

In recent years, we have only had significant accidents with outsourced teams operating in our industrial plant. To mitigate this situation, last year we adopted a new policy of mandatory requirements for outsourced activities, with the adoption of more restrictive measures at the documentary and procedural levels.

GRI 403-2

Main health and safety indexes

	2015	2016	2017	2018	
Employees	Number of injuries with absence from work	1	1	-	-
	Number of injuries without absence from work	1	1	3	3
	Injury Rate	1.35	1.36	4.60	7.00
	Occupational disease rate (with absence from work)	-	-	-	-
	Total days lost	13	1	-	-
	Deaths	-	-	-	-
Fixed third parties	Number of injuries with absence from work	1	-	3	-
	Number of injuries without absence from work	-	-	-	1
	Injury rate	303.00	-	37.33	4.30
	Occupational disease rate (with absence from work)	-	-	-	-
	Total days lost	34	-	66	-
	Deaths	-	-	-	-

Note: In 2015, the rates of operations of Ribeirão Preto (SP) and Guatapar Experimental Station (SP) were not compiled.

We maintained employee representation on formal health and safety committees, representing about 17% of the workforce. We took advantage of the structure of the Internal Accident Prevention Commission (CIPA), present at the office of Ribeirão Preto (SP), experimental station of Guatapar (SP) and industrial plant of Uberaba (MG), to promote awareness campaigns, analyze risk situations, as well as disseminate safety procedures and practices to the various populations. These commissions are made up of participants from various hierarchical levels, where 50% of the members are elected by the employees and the other 50%, nominated by the company. Another important safety-focused working group is the Emergency Brigade team, which is trained to work in emergency situations and is scattered throughout operations. **GRI 403-1**

All collective bargaining agreements signed with unions in 2018 continue to contain health and safety clauses, which cite requirements such as the use of personal protective equipment and the performance of accident investigations. **GRI 102-41, 403-4**



Main health and safety achievements and investments of 2018

Inspection cycle

We reinforce field inspections to look for deviations and opportunities for improvement from workplace conditions and safe behavior. The focus of inspections is to ensure optimal physical and mental working conditions for the teams, always meeting the main Health and Safety Regulatory Standards (NR), especially NR 10, 12, 13, 33 and 35.

Health campaigns

Every year we focus on campaigns that help create a positive health culture for our employees, including family involvement. As highlights, in 2018 we had the Pink October, Blue November and vaccination campaigns.

Safety training and programs

We invest in employee training in the main Regulatory Standards (NR): NR 06 (personal protective equipment), NR 10 (safety in electrical installations and services), NR 11 (transport, handling, storage and material handling), NR 12 (occupational safety in machinery and equipment), NR 17 (ergonomics), NR 20 (safety and health at work with flammable and combustible), NR 23 (fire protection), NR 26 (safety signs), NR 33 (safety and health at work in confined space), NR 35 (work in height) and others applicable to employee activities.

We have evolved our main programs, as follows: Environmental Risk Prevention Program (PPRA), the Occupational Health and Medical Control Program (PCMSO), the Ergonomics Program (PE), the Respiratory Protection Program (PPR) and the Hearing Conservation Program (PCA). In all cases, we seek to reduce or eliminate risks to the health and physical integrity of employees.

Fire protection

We continued the regular meetings of the Emergency Brigades and Internal Accident Prevention Commissions (CIPA), including general inspections of emergency and prevention equipment, emergency drills, training, signaling adequacy, Mutual Assistance Plan (PAM) meetings, and procedures update.

Environmental performance

We are committed to promoting the responsible use of natural resources throughout our value chain. We seek to understand the key environmental impacts caused by the Company's activities to mitigate potential risks in a comprehensive manner. From the choice of inputs to the return of product packaging, we are committed to contributing to more efficient, less damaging processes that protect biodiversity.

We are constantly investing to improve our controls governed by an Integrated Health, Safety and Environment (HSE) Management System (IMS). The system which was formatted based on international management standards, including ISO 14001, has in its scope several procedures and instructions that ensure comprehensive management based on risk prevention, legal compliance and good market practices.

We have dedicated HSE team and management, located in the industrial plant of Uberaba (MG). This team, active in all operations of the company, is responsible for coordinating environmental initiatives and maintaining procedures, always supported by other operational areas. As its main objective, the HSE team seeks to build a more holistic and integrated view on the subject.

The dynamics of the area are determined by important agendas, which include periodic meetings with the participation of leaders and managers to improve controls and mitigate risks. We also have a series of manager-controlled performance indicators, which ensures continuous planning of improvements.

We see environmental management and sustainability vision as strong allies in building market differentials and generating opportunities. In recent years, it has become clear how our management of these issues has been a key factor in our company being chosen as the best option as a commercial partner or in supporting us with our stakeholders. Partners such as banks closely observe the company's performance in the area of HSE for credit approval and differentiated financing. A good example was materialized in 2018, when studies pointed to a joint opportunity to reduce greenhouse gas (GHG) emissions and diesel oil consumption at the industrial plant. Based on the study, we shifted our energy supply to the free market, which represented real savings in the amount paid annually and allowed us to switch to the use of generators at peak hours (the highest value for energy consumption), thus representing a considerable drop in annual fossil fuel consumption. **GRI 201-2**



Investments in the environment and controls

We have expanded the number of major environmental projects and improvements in energy efficiency. In the last year, we maintained investments totaling around R\$ 3.7 million, divided between improvements in equipment and processes, audits and consultancies.

As a highlight, we reached the final stretch of the complementary works of the waste plant of the industrial plant of Uberaba (MG). The works add up to an investment of R\$ 1 million and are expected to close in April 2019.



GRI

Water

GRI 1031303

Water and its treatment are considered vital aspects for Ourofino Agrociência. Its quality and availability largely determine the success of the agribusiness chain. Thus, we identified this resource as strategic and organized its management broadly (analyzing direct and indirect factors) and seeking to implement rationalization, efficiency and treatment programs as much as possible. **GRI 201-2**

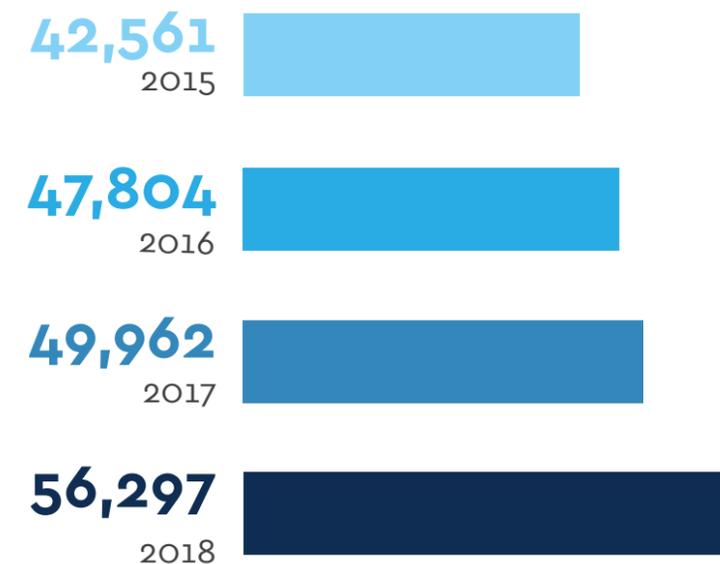
The company adopts risk management as the main tool to measure potential damages generated by the unavailability of water resources. We are also

aware of the studies released and discussed in the region's River Basin Committees, which signal potential changes and threats.

Our plant, located in a strictly industrial region of Uberaba (MG), is supplied by groundwater from the Rio Grande River Basin. The withdrawal is carried out by two tubular wells with authorized intake volume of 423,360 m³/year. This basin is not officially considered a protected area and we have had no evidence of any impact on communities close to the operation, either due to scarcity issues or changing resource quality. **GRI 303-2**

GRI 303-1

Groundwater withdrawal (Cubic meter - m³)



Note: The grant 02538/2010 was renewed to the ordinance 15129/2015 referring to well 1, with a flow of 26.67m³/h, with capture time, through pumps, of 15 hours/day. With the granting order 01401/2014, referring to well 2, the flow granted is 23m³/h, with capture time of 5 hours and 30 minutes/day (from January to July) and 13 hours and 45 minutes/day (from July to December). The granted uses are: human consumption, ornamental pond, irrigation and industrial consumption (process). Data referring to the industrial plant of Uberaba (MG). Data were obtained by hydrometers installed in the wells.

Monitoring

GRI 103|303

In our controls, we have a series of indicators focused on monitoring the consumption and use of water resources in operations. Associated with the indicators, annual targets are set to gradually reduce consumption, based on operational infrastructure improvements, new factory modernization projects and innovations.

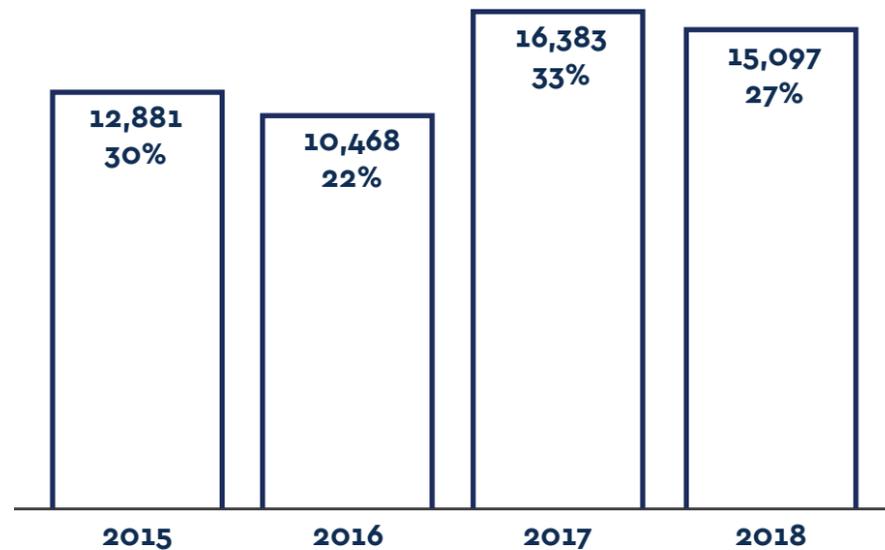
We have invested resources to increase water reuse in our industrial plant through process adjustments or incorporation of new technologies. For 2019, we will do a pilot project that aims to reuse 100% of the wash water from production

lines as part of subsequent formulations. This initiative will be implemented throughout the year and accompanied by our Quality Control team. The process of washing lines configures our main factor of water consumption.

We also monitor compliance with all applicable laws and mandatory standards regarding the use, abstraction and quality of water in our operational process. We have management software as a support tool to monitor legal requirements, together with periodic audits to assess compliance degree.

GRI 303-3

Profile of use of recycled and / or reused water and its representativeness in relation to the total collected (Cubic meter - m³)



Note: The volume of water recycled refers to the effluent treated by the effluent treatment plant (ETE) plus that of the industrial water treatment plant, both located at the industrial plant of Uberaba (MG). For the calculation we consider the total recycled water reused in relation to the total water withdrawal.

Ecologic park

GRI 103|304

Our industrial plant is not located in or near protected areas considered of great value for local or national biodiversity of Uberaba (MG). However, we have an area attached to the operation, called the Ecologic Park, which we have made efforts to gradually recover its original condition. GRI 304-1

The park has approximately three hectares and its vegetal formation is reminiscent from deciduous forest (dry forest), over basaltic outcrop. As one of the conditions of our Operating License, we are committed to ensuring the park's condition and evolution. Thus, it is up to our HSE team to lead the area's monitoring and management actions. GRI 304-1

As main actions for the development of the area, we perform its maintenance quarterly with activities such as mowing, pruning, fertilization and pest control. We also periodically hire a specialized company to evaluate the degree of recomposition of flora and biodiversity. These monitoring have evidenced a full evolution of the park, with the increase of the number of species and individuals. GRI 304-2, 304-3, 304-4

In the company's operating areas, including the Ecologic Park, we do not have records of species listed in the *Red List of Threatened Species of the International Union for Conservation of Nature (IUCN)* or national conservation lists.



Effluents

GRI 1031306

We continuously monitor the generation of effluents inherent to our operations and consider their disposal as essential, thus mitigating potential environmental risks and damages. We have a responsibility to protect surface and deep waters, which are the basis for our production and used by local communities.

We have three different types of effluents generated at our industrial plant in Uberaba (MG). The first one, from bathrooms, pantries and refectory, has characteristics and composition of domestic effluent. The other effluents are considered industrial, being segregated in two ways: water-based effluents and solvent-based effluents (including other contaminants) that cannot be evaporated. We define the treatment or disposal of effluents based on their characteristics.

In recent years, we have invested efforts to reduce the production of industrial effluents at

our main source, line washing. Until 2017, we used equipment whose main objective was to evaporate water from the effluent generated by washing and increase the concentration of material that would be sent for incineration. In 2018, after a risk analysis, we decided to send all the washing material to a hazardous waste treatment and incineration company. Thus, we significantly reduced the risk of contamination, saved maintenance hours and technical staff.

As a more sustainable practice, we maintained the use of water resulting from domestic wastewater treatment by the sewage treatment plant (ETE) to irrigate the green areas of the Ecologic Park. Samples of water quality are periodically performed, ensuring compliance with legal parameters for final disposal. **GRI 306-1, 306-5**

GRI 306-1

Effluent disposal by destination and type (Cubic meter – m³)

	Source	Destination	Total
Industrial	Tank cleaning	External treatment and incineration	1,115.0
	Cleaning tanks contaminated with solvents, dyes and others	External incineration	536.0
Domestic	Use of bathrooms, pantry and refectory	Soil	15,097.3
Total general			16,738.3

Note: Data referring to the industrial plant of Uberaba (MG). Ourofino Agrociência effluents are not used by other companies.

Energy

GRI 1031302

Energy management in the company's operations is considered strategic. Price, availability and source variations are on the radar of technical teams and are important risk factors to monitor. We have a maintenance management dedicated to the energy theme, located at the plant of Uberaba (MG).

Last year we had a very small 1.4% increase in energy consumption. However, when we look at the numbers considering the improvements and advances made, we see a gradual change in our now more sustainable energy matrix.

We continually study viable alternatives to replace nonrenewable energy sources with less impactful options. As the main action for 2018, we acquired 100% of the electricity from the free market Uberaba (MG) industrial plant. This change resulted in annual savings of around R\$ 300,000 and allowed us to stop the use of generators at peak times. As a result, we achieved a significant 45% drop in energy consumption from non-renewable sources, driven by a drastic 80% reduction in diesel fuel use for generators. Added to this reduction is the fact that the free market provides energy from more

sustainable sources, such as small hydroelectric plants (SHPs), photovoltaic, biomass and wind power. **GRI 201-2, 302-4**

Still aiming at reductions in consumption from non-renewable sources, we replaced the source that generates the heating of the industrial refectory, previously made by liquefied petroleum gas (LPG), by solar heating. In the other areas, we maintained the structures already incorporated, such as translucent tiles in industrial areas, natural lighting in administrative rooms and solar heating system for employees' bath water. All efforts made amounted to an annual reduction of 882.42 GJ.

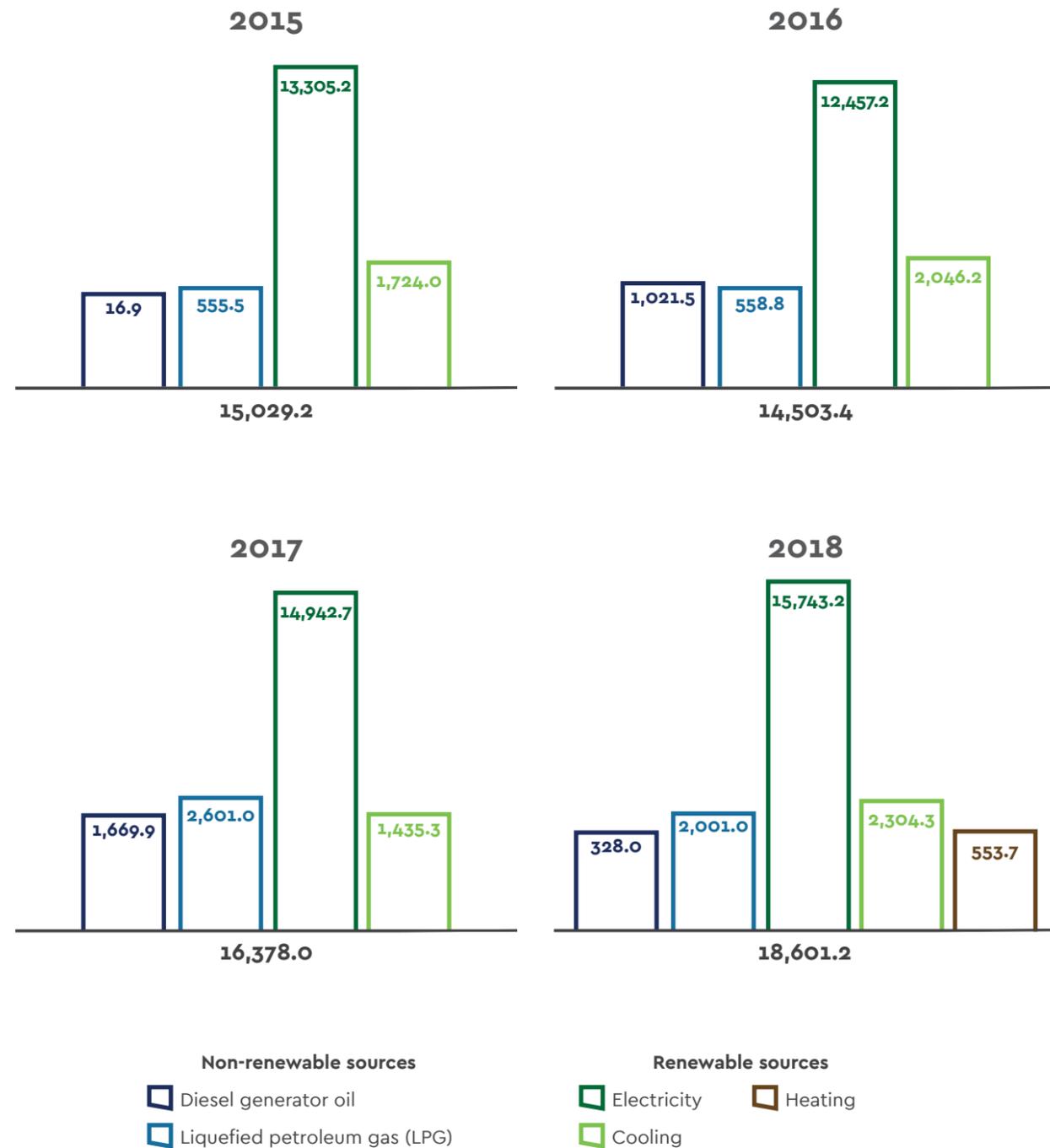
GRI 302-4

Another prime factor measured in production is energy intensity ratios. These ratios reflect how efficient we are in each of our product lines, taking into account energy consumption. Thus, we monitor in real time 100% of the existing lines in the industrial plant through management control software. This helps us make reliable and effective decisions with great agility. We now measure with this level of accuracy in 2017. In previous years, the values were obtained by estimates. **GRI 302-3**



GRI 302-1

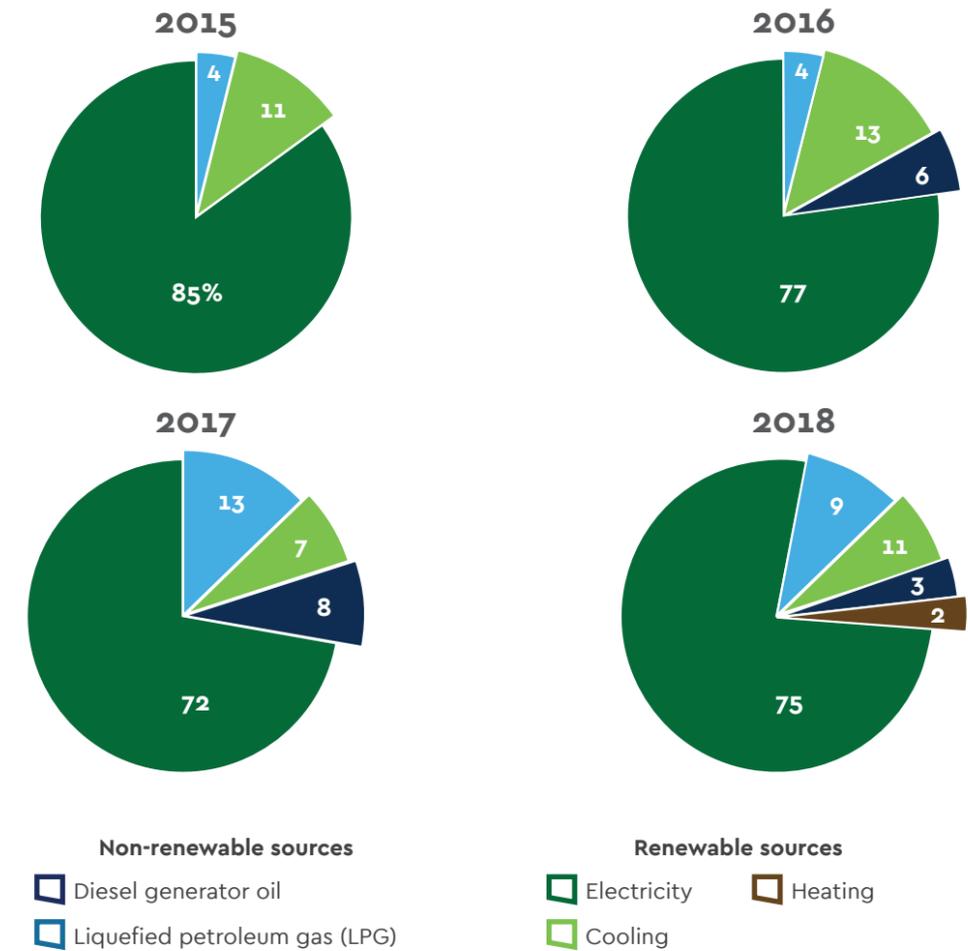
Energy consumption within the organization by type of source (Gigajoule - Gj)



Note: Data referring to the industrial plant of Uberaba (MG). We do not sell energy and the consumption of cooling and heating were measured by specific software. The other consumptions are controlled by specific spreadsheets in the technical areas.

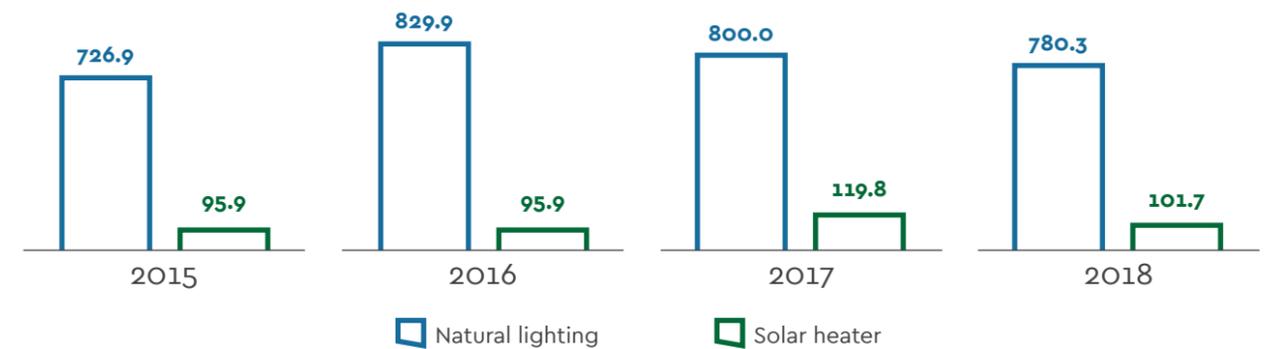
GRI 302-1

Energy consumption profile by source (Percent - %)



GRI 302-4

Energy Consumption Reduction by Structure (Gigajoule - Gj)



Note: Data referring to the industrial plant of Uberaba (MG).

GRI 302-3

Energy intensity rate per plant (Kilowatt per liter – kW/l)

	2015	2015	2017	2018
Post Herbicides	0.184	0.184	0.179	0.179
CE Herbicides	0.172	0.172	0.108	0.108
SC Herbicides	0.090	0.090	0.110	0.110
SL1 Herbicides	0.042	0.042	0.042	0.042
SL2 Herbicides	0.027	0.027	0.014	0.042
WDG Herbicides	-	-	0.272	0.270
SC insecticides	-	-	0.110	0.094
CE Insecticides	-	-	0.014	0.014
WP Insecticides	-	-	0.042	0.042
WP Herbicide Filling	-	-	0.014	0.014
WDG Herbicide Filling	-	-	0.014	0.014
Liquid Herbicide Filling	-	-	0.025	0.025
Liquid Insecticide Filling	-	-	0.025	0.025
CE Herbicide Water Bath	-	-	-	0.108
CE Insecticide Water Bath	-	-	-	0.108
WP Insecticide Filling	-	-	-	0.014

Note: The above mentioned abbreviations refer to the type of formulation of the products: CE – Emulsifiable Concentrate; SC – Concentrated Suspension; SL1 – Liquid Solutions 1; SL2 – Liquid Solutions 2; WDG – Water Dispersible Granules; WDG – Dispersible Granules; WP – Wettable Powder. Data referring to the industrial plant of Uberaba (MG). In 2018, we began measuring the WP insecticide filling lines and the CE herbicide water bath. For intensity measurements, only the internal energy consumption from electricity, cooling and heating were considered.

Emissions

GRI 103/305

The company's strategy is to gradually increase the efficiency of natural resources use and to manage greenhouse gas (GHG) emissions throughout the chain. The effects of climate change are real and pose potential risks to our business, which is highly dependent on climate predictability. Thus, setting reduction targets and influencing the chain are preventive actions for risk management.

As part of the medium and long-term action planning to decarbonize Ourofino Agrociência's operation, we prepared, for the second consecutive year, the greenhouse gas (GHG) inventory following the methodology of the Brazilian GHG Protocol Program. With the evolution of the process, we obtained data that allowed us to draw more assertive scenarios and operate with lower margin of error.

Undoubtedly, most of the company's emissions are concentrated in our value chain, considering the freight for product delivery and receipt of raw materials (use of road and ship transportation). For the next few years, we intend to advance this agenda with the main players in our chain and thus positively influence GHG reductions in an amplified way.

Considering the operation as a whole, our main sources of direct and indirect GHG emissions are concentrated in the transportation of professionals by own fleet (cars) and energy acquisition to the industrial plant of Uberaba (MG). As potential reduction opportunities for 2019, we will institute policies that encourage the purchase or rental of flex fuel vehicles and the prioritization of ethanol use in vehicle supplies.

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

GHG Emissions by GHG Protocol scope (Metric tons of carbon dioxide equivalent – tCO₂e)

	Gases included in the calculations	2018
Direct GHG emissions (Scope 1)		430.217
Indirect GHG emissions (Scope 2)	CO ₂	429.083
Indirect GHG emissions (Scope 3)	CH ₄	
Business travel	N ₂ O	228.83

Biogenic emissions (Metric tons of carbon dioxide – tCO₂)

60.695
2018

GRI 305-4

GHG emissions rate per kilogram or liter of invoiced product

0.030
2018

Note: The calculations considered a total production of 29,477,431 kg/l of pesticides in 2018. This value does not consider rework.

Waste

GRI 103|306

We understand waste management as a complex process of more efficient choices that involves the entire value chain, from input selection to post-consumption. The HSE area is responsible for managing this process in the company's operations and working with the different actors in the chain, considering the potential of impacts and operational efficiency.

We have a waste disposal plant at our industrial unit in Uberaba (MG). We invested approximately R\$ 1 million in several improvements in 2018, including local signage, waterproofing expansion and placement of coverage in the area. These advances allow us to have greater packaging

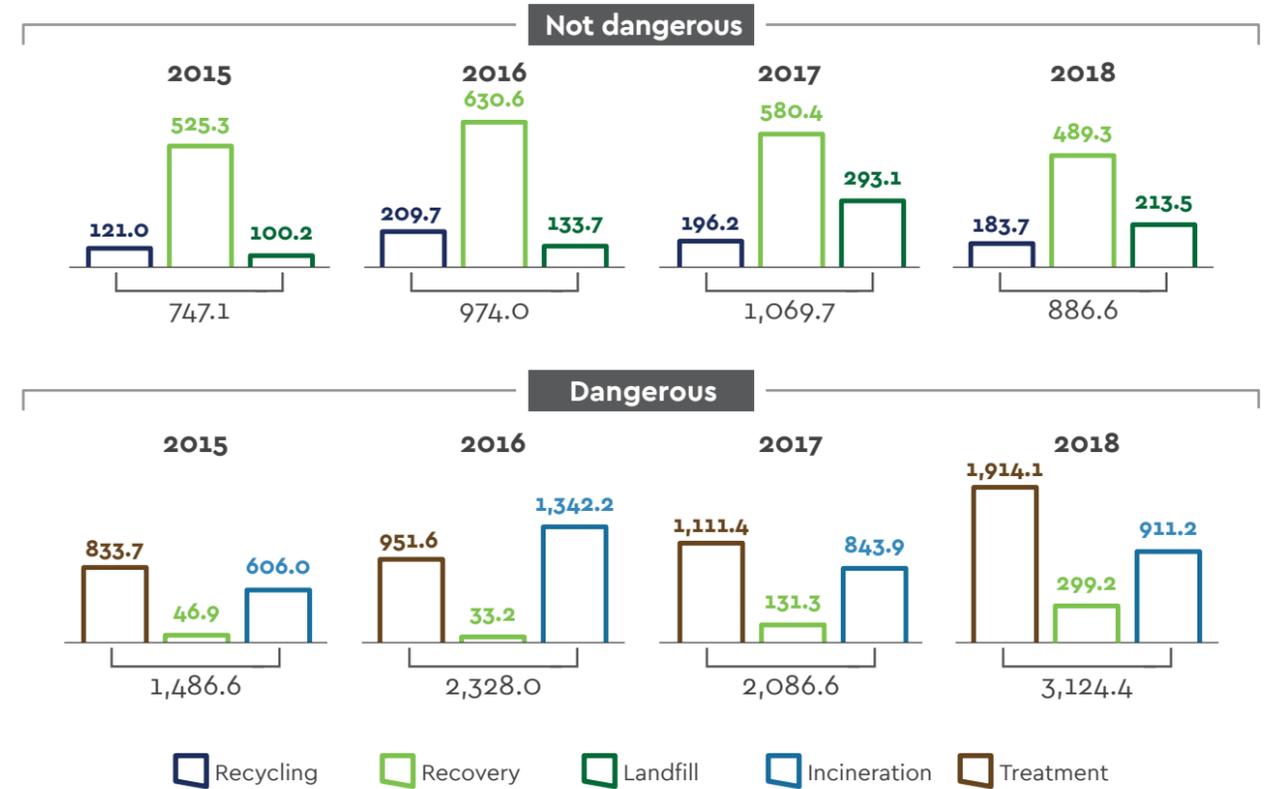
control and more efficient and safer separation. The plant receives all disposal material from the operation, including hazardous waste.

In 2018, we transported approximately 2,315 kg of hazardous waste locally and did not register any significant spill (with hazardous waste generation or soil contamination) by substances or as a result of accidents with products of any kind, whether on transportation or on our operations. We have an emergency plan with specific actions for significant spill scenarios, which include specialized soil or water treatment, release of hazardous or odorous emissions, as well as containment losses or contamination. GRI 306-3, 306-4



GRI 306-2

Waste disposal (Tons - Ton.)



Note: Data referring to the industrial plant of Uberaba (MG). For non-hazardous waste, recycling is linked to materials such as plastics, cardboard/paper and metals; recovery is linked to materials such as pallets, drums and bins; landfill is linked to materials such as non-recyclable and uncontaminated waste, organic waste and construction debris. For hazardous waste, treatment (done by a specialized company) is linked to materials such as industrial sludge; recovery (done by specialized company) is linked to materials such as empty drums of hazardous goods; Incineration (done by a specialized company) is linked to materials such as Class I solid and liquid waste.

Reverse logistics and impact mitigation

We work with reverse logistics as an opportunity to reduce impacts while engaging stakeholders for more efficient waste management. Our main focus is to increase the volume of packaging processed annually by the National Institute for Empty Packaging Processing (Inpev), but we depend directly on customers who make use of our products and are the main reverse logistics gear.

To achieve our goals, we have increasingly invested in training and information in recent years. More than 814 hours were dedicated in 2018 to promote the theme with producers, resellers and other customers. We have also used social media and other communication channels to spread the problem.

The report

This edition of Ourofino Agrociência's Annual Sustainability Report follows again the Global Reporting Initiative (GRI) methodology, but for the first time in its Standards version. We have also adopted integrated reporting guidelines from the International Integrated Reporting Council (IIRC), addressing our capital vision, guidelines for managing and reporting economic, social and environmental performance indicators more broadly. **GRI 102-52**

The report follows the requirements of the GRI Core option and addresses the key financial and non-financial aspects determined by our materiality, including performance data collected from January 1 to December 31, 2018. As in previous years, the report continues to be an essential tool in our transparency policy, whose central objective is to bring us closer to the various stakeholders.

GRI 102-45, 102-48, 102-49, 102-50, 102-51, 102-54

As a strategy of approaching the different audiences of Ourofino Agrociência, we structured the material to meet the expectation of significant information, including the external and internal view. Indicators generally apply to all company operations. In cases where we have scope specifics, these are presented throughout the texts and graphics. **GRI 102-46**

To confirm all the data in the report, we have submitted the document for external verification by Hirashima Associados. The greenhouse gas (GHG) inventory was not subject to external assurance. The financial data present in the material were assured by PricewaterhouseCoopers Brasil.

GRI 102-56

For any suggestions, questions and comments regarding the content of this report, please contact us at: sustentabilidade.agro@ourofinoagro.com.br

GRI 102-53

Letter of assurance



Independent Auditors' Limited Assurance Report of 2018 Annual Sustainability Report of Ouro Fino Agrociência

To the Partners of Ourofino Agrociência
São Paulo - SP

Introduction

We were engaged to conduct Limited Assurance Procedures on the sustainability information stated in the Annual Sustainability Report of Ouro Fino Agrociência, composed by the following companies: Ouro Fino Química Ltda.; and Ouro Fino Participações e Empreendimentos S.A, regarding the period from January 1st, 2018 to December 31th, 2018, prepared under the Management's responsibility. Our responsibility is to issue a Limited Assurance Report on the procedures used by the Management on obtaining and compiling such sustainability information.

Management's responsibilities

The Management of Ouro Fino Agrociência is responsible for the preparation and presentation of the 2018 Annual Sustainability Report, following the criteria and guidelines on sustainability reports of the Global Reporting Initiative, version *GRI Standards*. Such responsibility includes the design, implementation, and maintenance of internal controls for an adequate preparation and presentation of the 2018 Annual Sustainability Report.

Procedures applied

The limited assurance procedures were conducted according to Brazilian Accounting Standard NBC TO 3000 - Assurance Engagement Different from Audit and Review, issued by the CFC - Federal Accounting Council. This standard requires compliance with ethical standards, planning and performance of a service towards achieving a limited assurance that no issue has come to our knowledge that would lead us to believe that the 2018 Annual Sustainability Report does not comply with the criteria and guidelines for sustainability reports of the Global Reporting Initiative, version *GRI Standards*, in all relevant respects.

In a limited assurance service, the procedures to obtain evidence are more limited than in a reasonable assurance service. The selected procedures depend on the independent auditor's judgment, including the risk assessment of the 2018 Annual Sustainability Report does not significantly comply with the criteria and guidelines for sustainability report of the Global Reporting Initiative, version *GRI Standards*. Within the scope of our work we conducted the following procedures, among others: (i) planning the work considering the relevance and volume of information presented at the 2018 Annual Sustainability Report; (ii)

the understanding of internal controls; (iii) check, on a sampling basis, of evidences which supports the quantitative and qualitative data included in the 2018 Annual Sustainability Report; (iv) interviews with managers responsible for the information; and (v) matching the financial information with the accounting records. Therefore, the procedures applied were considered sufficient to obtain a limited assurance level, and thus, do not contemplate those required to issue a broader assurance report, as established in such standard.

Scope and limitations

The purpose of our work was to verify if the data included in the 2018 Annual Sustainability Report, regarding the obtainment of qualitative information, the measurement and calculation of quantitative information, comply with the criteria and guidelines for sustainability reports of the Global Reporting Initiative, version *GRI Standards*.

Considering that this review did not represent an examination according to the Brazilian and International audit standards, we are not in position to express, and therefore, we do not express an opinion on the information included in the 2018 Annual Sustainability Report, or about the accounting information included by reference or stated in this report. In addition, our report does not provide limited assurance on social responsibility policies and practices, as well as on the achievement of the future information such as goals, expectations, projections and descriptive information that are subject to subjective assessment.

Conclusion

Based on the procedures applied, we are not aware of any relevant change to be made on the sustainability information stated in the Annual Sustainability Report of Ouro Fino Agrociência, regarding the period from January 1st, 2018 to December 31th, 2018, for such report to be prepared in compliance with the criteria and guidelines for sustainability reports of the Global Reporting Initiative, version *GRI Standards*.

São Paulo, September 06th, 2019.

Hirashima & Associados Auditores Independentes
CRC-2SP025496/O-4

Taiki Hirashima
Accountant-CRC-1SP056189/O-1

Summarized content

GRI 102-55

General disclosures

Organizational profile		
GRI Standard	Disclosure	Page / other justifications
	102-1 Name of organization	16
	102-2 Activities, brands, products, and services	16, 44, 46, 47
	102-3 Location of headquarters	16
	102-4 Location of operations	16, 18, 19
	102-5 Nature of ownership and legal form	16
	102-6 Markets served	16, 18, 19
GRI 102: 2018 General Disclosures	102-7 Size of the organization	10, 11, 12, 13, 18, 19
	102-8 Employee and worker information	16, 18, 19, 71
	102-9 Supply chain	65
	102-10 Significant changes in the organization and its supply chain	16, 66
	102-11 Precautionary approach or principle	30
	102-12 Externally developed initiatives	34, 35
	102-13 Membership in associations	34, 35

Strategy		
GRI Standard	Disclosure	Page / other justifications
GRI 102: 2018 General disclosures	102-14 Statement by senior decision maker	6, 7
	102-15 Key impacts, risks, and opportunities	6, 7, 30

Ethics and integrity		
GRI Standard	Disclosure	Page / other justifications
GRI 102: 2018 General disclosures	102-16 Values, principles, standards and norms of behavior	40
	102-17 Ethics advice and concern mechanisms	41

Governance		
GRI Standard	Disclosure	Page / other justifications
	102-18 Governance structure	22, 23, 24
GRI 102: 2018 General disclosures	102-19 Delegation of authority	32, 78
	102-20 Executive level responsible for economic, environmental and social topics.	32

102-21 Stakeholder consultation on economic, environmental and social topics	35	
102-22 Composition of the highest governance body and its committees	22, 24	
102-23 Chairman of the highest governance body	22	
102-24 Selecting and appointing the highest governance body and its committees	22, 24	
102-25 Conflict of Interest	22	
102-26 Role of the highest governance body in defining purpose, values and strategies	22	
102-27 Collective knowledge of the highest governance body		Involvement of leadership in the conception, consultation and approval of the Sustainability Report, as well as its dissemination to relationship audience.
102-28 Performance review of the highest governance body	22	
102-29 Identifying and managing economic, environmental and social impacts	32, 35	
102-30 Effectiveness of risk management processes	30	
102-31 Review of economic, environmental and social topics	30	
102-32 Role of the highest governance body in the reporting process		The Sustainability Report has its content approved by the board of executive officers and is then approved by the Company's Vice-President.
102-33 Communicating critical concerns	22	
102-34 Nature and total number of critical concerns	58, 113	
102-35 Compensation policies	73	
102-36 Processes for determining compensation	73	
102-37 Stakeholder involvement in compensation	73	
102-38 Ratio of total annual compensation		Due to internal policies and management's understanding, we consider this information confidential and, therefore, we will not report it in this cycle. With the materiality review in 2019, we will reassess the relevance of the disclosure.

GRI 102:
2018 General disclosures

GRI 102:
2018 General disclosures

102-39 Percentage increase in proportion of total annual compensation

Due to internal policies and management's understanding, we consider this information confidential and, therefore, we will not report it in this cycle. With the materiality review in 2019, we will reassess the relevance of the disclosure.

Stakeholder engagement		
GRI Standard	Disclosure	Page / other justifications
	102-40 List of stakeholder groups	35
	102-41 Collective bargaining agreements	74, 79
GRI 102: 2018 General disclosures	102-42 Stakeholder Identification and Selection	35
	102-43 Approach to stakeholder engagement	35
	102-44 Key topics and concerns raised	35
Reporting practices		
GRI Standard	Disclosure	Page / other justifications
	102-45 Entities included in consolidated financial statements	95
	102-46 Defining report content and topic Boundaries	95
	102-47 List of relevant topics	36, 37
	102-48 Information restatements	95
	102-49 Changes to the report	95
GRI 102: 2018 General disclosures	102-50 Reporting period	95
	102-51 Date of most recent report	95
	102-52 Reporting cycle	95
	102-53 Contact point for reporting questions	95
	102-54 Option according to GRI Standards	95
	102-55 GRI content summary	99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111
	102-56 External assurance	95, 97

Relevant topics

Organizational profile		
GRI Standard	Disclosure	Page / other justifications
GRI 103: 2018 Management approach	103-1 Explanation of the relevant topic and its limits	31, 74
	103-2 Management approach and its components	31, 74
	103-3 Evolution of management approach	31, 74
	201-1 Direct economic value generated and distributed	10, 11
	201-2 Financial implications and other risks and opportunities due to climate change	30, 81, 83, 87
	201-3 Obligations of the defined benefit plan and other retirement plans	74, 75
GRI 201: 2018 Economic performance		54
	201-4 Financial aid received from government	In addition to participating in the Financier of Studies and Projects (FINEP), we have some government tax incentives that are generally granted to all companies in the segment. We do not disclose the values because we consider the information confidential.
Market presence		
GRI Standard	Disclosure	Page / other justifications
GRI 103: 2018 Management approach	103-1 Explanation of the relevant topic and its limits	68, 73
	103-2 Management approach and Its components	68, 73
	103-3 Evolution of management approach	68, 73
GRI 202: 2018 Market presence	202-1 Range of ratios of lowest entry level wage compared to local minimum wage	73
	202-2 Proportion of senior management hired from the local community	69
Indirect economic impacts		
GRI Standard	Disclosure	Page / other justifications
GRI 103: 2018 Management approach	103-1 Explanation of the relevant topic and its limits	68
	103-2 Management approach and Its components	68
	103-3 Evolution of management approach	68

GRI 203: 2018 Indirect economic impacts

203-1 Development and impact of infrastructure investments and services offered

68

Purchasing practices		
GRI Standard	Disclosure	Page / other justifications
GRI 103: 2018 Management approach	103-1 Explanation of the relevant topic and its limits	65, 66
	103-2 Management approach and its components	65, 66
	103-3 Evolution of management approach	65, 66
GRI 204: 2018 Purchasing practices	204-1 Proportion of spending on local suppliers at significant units of operation	69, 114, 115
Fight against corruption		
GRI Standard	Disclosure	Page / other justifications
GRI 103: 2018 Management approach	103-1 Explanation of the relevant topic and its limits	31, 32, 40, 41
	103-2 Management approach and Its components	31, 32, 40, 41
	103-3 Evolution of management approach	31, 32, 40, 41
GRI 205: 2018 Fight against corruption	205-1 Operations subject to corruption risk assessments	41
	205-2 Communication and training on anti-corruption policies and procedures	40, 41
	205-3 Confirmed cases of corruption and actions taken	41
Unfair competition		
GRI Standard	Disclosure	Page / other justifications
GRI 103: 2018 Management approach	103-1 Explanation of the relevant topic and its limits	31, 32, 40
	103-2 Management approach and its components	31, 32, 40
	103-3 Evolution of management approach	31, 32, 40
GRI 206: 2018 Unfair competition	206-1 Lawsuits filed for unfair competition, anti-trust practices, and monopoly	In 2018, no donations or contributions to politicians were made.
Energy		
GRI Standard	Disclosure	Page / other justifications
GRI 103: 2018 Management approach	103-1 Explanation of the relevant topic and its limits	87
	103-2 Management approach and its components	87

GRI 103: 2018 Management approach	103-3 Evolution of management approach	87
	302-1 Energy consumption within the organization	88, 89
GRI 302: 2018 Energy	302-3 Energy intensity	87, 90
	302-4 Reducing power consumption	87, 89

Water

GRI Standard	Disclosure	Page / other justifications
GRI 103: 2018 Management approach	103-1 Explanation of the relevant topic and its limits	83, 84
	103-2 Management approach and its components	83, 84
	103-3 Evolution of management approach	83, 84
GRI 303: 2018 Water	303-1 Total water withdrawal by source	83
	303-2 Water sources significantly affected by withdrawal of water	83
	303-3 Percentage and total volume of water recycled and reused	84

Biodiversity

GRI Standard	Disclosure	Page / other justifications
GRI 103: 2018 Management approach	103-1 Explanation of the relevant topic and its limits	85
	103-2 Management approach and its components	85
	103-3 Evolution of management approach	85
GRI 304: 2018 Biodiversity	304-1 Own operating units leased or managed within or adjacent to protected areas and areas of high biodiversity value outside protected areas	85
	304-2 Significant impacts of activities, products and services on biodiversity	85
	304-3 Protected or restored habitats	85
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by organization's operations	85

Emissions

GRI Standard	Disclosure	Page / other justifications
GRI 103: 2018 Management approach	103-1 Explanation of the relevant topic and its limits	91
	103-2 Management approach and its components	91
	103-3 Evolution of management approach	91

GRI 305: 2018 Emissions	305-1 Direct greenhouse gas emissions (Scope 1)	91
	305-2 Indirect greenhouse gas emissions (Scope 2)	91
	305-3 Other indirect greenhouse gas emissions (Scope 3)	91
	305-4 Greenhouse gas emission rate	91

Effluents and waste

GRI Standard	Disclosure	Page / other justifications
GRI 103: 2018 Management approach	103-1 Explanation of the relevant topic and its limits	86, 92
	103-2 Management approach and its components	86, 92
	103-3 Evolution of management approach	86, 92
GRI 306: 2018 Effluents and waste	306-1 Water discharge by quality and destination	86
	306-2 Waste by type and disposal method	93
	306-3 Significant leaks	92
	306-4 Transport of hazardous waste	92
	306-5 Water bodies affected by water discharge and/or drainage	86

Environmental compliance

GRI Standard	Disclosure	Page / other justifications
GRI 103: 2018 Management approach	103-1 Explanation of the relevant topic and its limits	31, 32, 40
	103-2 Management approach and its components	31, 32, 40
	103-3 Evolution of management approach	31, 32, 40

GRI 307: 2018 Environmental compliance	307-1 Non-compliance with social and economic laws and regulations	In 2018, we did not report cases of non-compliance with environmental laws and regulations.
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Environmental compliance

GRI Standard	Disclosure	Page / other justifications
GRI 103: 2018 Management approach	103-1 Explanation of the relevant topic and its limits	64, 65, 66
	103-2 Management approach and its components	64, 65, 66
	103-3 Evolution of management approach	64, 65, 66
GRI 307: 2018 Environmental compliance	308-1 New suppliers selected based on environmental criteria	65

Job		
GRI Standard	Disclosure	Page / other justifications
GRI 103: 2018 Management approach	103-1 Explanation of the relevant topic and its limits	73
	103-2 Management approach and its components	73
	103-3 Evolution of management approach	73
GRI 401: 2018 Job	401-1 Recruitment and employee turnover rates	73, 116, 117, 118
	401-2 Benefits provided to full-time employees that are not offered to temporary or part-time employees	75
	401-3 Maternity and paternity leave	74

Working relationships		
GRI Standard	Disclosure	Page / other justifications
GRI 103: 2018 Management approach	103-1 Explanation of the relevant topic and its limits	73
	103-2 Management approach and its components	73
	103-3 Evolution of management approach	73
GRI 402: 2018 Working relationships	402-1 Minimum notification period for operational changes	We consider 30 days as a minimum term as described in the collective agreements.

Occupational health and safety		
GRI Standard	Disclosure	Page / other justifications
GRI 103: 2018 Management approach	103-1 Explanation of the relevant topic and its limits	78, 79
	103-2 Management approach and its components	78, 79
	103-3 Evolution of management approach	78, 79
GRI 403: 2018 Health and Safety	403-1 Formal representation of workers on health and safety committees	79
	403-2 Types of injuries, injury rates, occupational diseases, days lost, absenteeism, and number of work-related deaths.	79
	403-3 Workers represented on formal health and safety committees	78
	403-4 Health and safety topics covered in formal trade union agreements	79

Training and education		
GRI Standard	Disclosure	Page / other justifications
GRI 103: 2018 Management approach	103-1 Explanation of the relevant topic and its limits	72
	103-2 Management approach and its components	72
	103-3 Evolution of management approach	72

GRI 404: 2018 Training and education	404-1 Average hours of training per year per employee	72
	404-2 Employee continuing learning and retirement preparation programs	We currently have no specific programs and will evaluate their relevance as soon as we deem it necessary.
	404-3 Percentage of employees receiving regular performance and career development reviews	72

Diversity and equal opportunity		
GRI Standard	Disclosure	Page / other justifications
GRI 103: 2018 Management approach	103-1 Explanation of the relevant topic and its limits	73
	103-2 Management approach and its components	73
	103-3 Evolution of management approach	73
GRI 405: 2018 Diversity and equal opportunity	405-1 Diversity in governance bodies and employees	73, 118, 119
	405-2 Mathematical ratio of salary and remuneration between women and men	73

Non-discrimination		
GRI Standard	Disclosure	Page / other justifications
GRI 103: 2018 Management approach	103-1 Explanation of the relevant topic and its limits	73
	103-2 Management approach and its components	73
	103-3 Evolution of management approach	73

GRI 406: 2018 Non-discrimination	406-1 Cases of discrimination and corrective action taken	In 2018, we did not record incidents of discrimination. Our code of conduct has the parameters that must be followed in relation to ethical behavior and if we have any situation or complaint, we adopt as a procedure the confidential investigation and agile resolution.
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Child labor		
GRI Standard	Disclosure	Page / other justifications
GRI 103: 2018 Management approach	103-1 Explanation of the relevant topic and its limits	31, 32, 40, 64, 65, 66
	103-2 Management approach and its components	31, 32, 40, 64, 65, 66
	103-3 Evolution of management approach	31, 32, 40, 64, 65, 66

GRI 408: 2018 Child labor 408-1 Operations and suppliers identified as having significant risk for child labor 65

Forced or slave-like labor

GRI Standard	Disclosure	Page / other justifications
GRI 103: 2018 Management approach	103-1 Explanation of the relevant topic and its limits	31, 32, 40, 64, 65, 66
	103-2 Management approach and its components	31, 32, 40, 64, 65, 66
	103-3 Evolution of management approach	31, 32, 40, 64, 65, 66
GRI 409: 2018 Forced or slave-like labor	409-1 Operations and suppliers identified as having significant risk for forced or slave-like labor	65

Safety practices

GRI Standard	Disclosure	Page / other justifications
GRI 103: 2018 Management approach	103-1 Explanation of the relevant topic and its limits	31, 32, 40
	103-2 Management approach and its components	31, 32, 40
	103-3 Evolution of management approach	31, 32, 40
GRI 410: 2018 Safety practices	410-1 Security personnel trained in human rights policy or procedure	40

Indigenous peoples rights

GRI Standard	Disclosure	Page / other justifications
GRI 103: 2018 Management approach	103-1 Explanation of the relevant topic and its limits	31, 32, 40
	103-2 Management approach and its components	31, 32, 40
	103-3 Evolution of management approach	31, 32, 40
GRI 411: 2018 Indigenous peoples rights	411-1 Cases of violation of rights of indigenous peoples	In 2018, we did not record Incidents of violations involving rights of indigenous peoples.

Human rights

GRI Standard	Disclosure	Page / other justifications
GRI 103: 2018 Management approach	103-1 Explanation of the relevant topic and its limits	31, 32, 40
	103-2 Management approach and its components	31, 32, 40
	103-3 Evolution of management approach	31, 32, 40

GRI 412: 2018 Human rights	412-1 Operations that have undergone human rights reviews or impact assessments	Currently we use the integrations and training as a way to ensure the alignment of teams in relation to the theme of human rights. We also have communication channels as a way to receive and handle any complaints that violate human rights issues. We do not have a specific rights assessment
	412-2 Employee training on human rights policies or procedures	40

Local communities

GRI Standard	Disclosure	Page / other justifications
GRI 103: 2018 Management approach	103-1 Explanation of the relevant topic and its limits	68, 69
	103-2 Management approach and its components	68, 69
	103-3 Evolution of management approach	68, 69
GRI 413: 2018 Local communities	413-1 Operations with implemented local community engagement, impact assessment and local development programs	68, 69
	413-2 Operations with significant potential impacts or actual negative impacts on local communities	68, 69

Supplier social assessment

GRI Standard	Disclosure	Page / other justifications
GRI 103: 2018 Management approach	103-1 Explanation of the relevant topic and its limits	64, 65, 66
	103-2 Management approach and its components	64, 65, 66
	103-3 Evolution of management approach	64, 65, 66
GRI 414: 2018 Supplier social assessment	414-1 New suppliers selected based on social criteria	65
	414-2 Negative social impacts on the supply chain and actions taken	65

Public policy

GRI Standard	Disclosure	Page / other justifications
GRI 103: 2018 Management approach	103-1 Explanation of the relevant topic and its limits	31, 40
	103-2 Management approach and its components	31, 40
	103-3 Evolution of management approach	31, 40

GRI 415: 2018 Public policy	415-1 Political Contributions	We follow the Brazilian electoral legislation (Federal Law No. 13.165/2015) and do not make contributions or donations to any kind of campaign, or political party.
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Consumer health and Safety		
GRI Standard	Disclosure	Page / other justifications
GRI 103: 2018 Management approach	103-1 Explanation of the relevant topic and its limits	53, 58, 60
	103-2 Management approach and its components	53, 58, 60
	103-3 Evolution of management approach	53, 58, 60
GRI 416: 2018 Consumer health and safety	416-1 Products and services for which health and safety impacts are assessed	53, 54
	416-2 Cases of non-compliance related to health and safety impacts of products and services	In 2018, we did not record incidents of non-compliance related to health and safety impacts of products and services.

Marketing and labeling		
GRI Standard	Disclosure	Page / other justifications
GRI 103: 2018 Management approach	103-1 Explanation of the relevant topic and its limits	53, 58, 60
	103-2 Management approach and its components	53, 58, 60
	103-3 Evolution of management approach	53, 58, 60
GRI 417: 2018 Marketing and labeling	417-1 Requirements for information and labeling of products and services	59
	417-2 Cases of non-compliance related to information and labeling of products and services.	In 2018, we did not record incidents of non-compliance related to product and service information and labeling.
	417-3 Marketing Communications Non-Compliance Incidents	In 2018, we did not report any cases of non-conformities regarding marketing communications.

Customer privacy		
GRI Standard	Disclosure	Page / other justifications
GRI 103: 2018 Management approach	103-1 Explanation of the relevant topic and its limits	31, 32, 40
	103-2 Management approach and its components	31, 32, 40
	103-3 Evolution of management approach	31, 32, 40

GRI 418: 2018 Customer privacy

418-1 Proven complaints regarding customer privacy violations and customer data loss

In 2018, we did not file proven complaints regarding customer privacy violations and customer data loss.

Socioeconomic compliance		
GRI Standard	Disclosure	Page / other justifications
GRI 103: 2018 Management approach	103-1 Explanation of the relevant topic and its limits	31, 32, 40
	103-2 Management approach and its components	31, 32, 40
	103-3 Evolution of management approach	31, 32, 40
GRI 419: 2018 Socioeconomic compliance	419-1 Non-compliance with social and economic laws and regulations	We currently have 18 lawsuits in progress, of which 7 are labor, 1 civil and 10 administrative. For these cases we have a provision of R\$ 2,659,055.51.

Customer Service and Relationship

GRI 102-34

Number of Customer Service (CSC) Records

	2015		2016		2017		2018	
	Well-funded records	Unfunded records						
Physical and chemical characteristics of the product	29	3	43	2	23	4	7	1
Logistic Services	14	2	1	3	1	2	1	-
Packaging Quality	4	5	-	1	-	-	-	-
Production and process issues	-	1	5	1	9	2	9	-
Product performance and efficiency	-	-	5	2	2	3	1	2
Provision of services to third parties	-	-	-	-	-	-	1	-
Total general	47	11	55	10	35	11	19	3

Note: All complaints are received through various communication channels and centralized by the CSC.

Investments and local interaction

GRI 204-1

Geographic distribution of indirect material suppliers by state – Brazil (Percentage – %)

	Value
Bahia	0.4
Federal District	1.9
Espirito Santo	1.7
Goiás	2.5
Maranhão	1.6
Minas Gerais	28.5
Mato Grosso do Sul	0.5
Mato Grosso	0.1
Paraná	1.4
Rio de Janeiro	2.6
Rio Grande do Sul	4.4
Santa Catarina	2.6
São Paulo	51.6
Total general	100.0

GRI 204-1

Geographic distribution of direct materials suppliers (packaging) by state – Brazil (Percentage – %)

	Value
Minas Gerais	63.0
Paraná	2.0
Rio de Janeiro	3.0
São Paulo	32.0
Total general	100.0

GRI 204-1

Geographic distribution of direct materials suppliers (other inputs) by state – Brazil (Percentage – %)

	Value
Bahia	2.8
Minas Gerais	14.1
Paraná	0.7
Rio de Janeiro	0.1
Santa Catarina	1.6
São Paulo	80.7
Total general	100

GRI 204-1

Geographic distribution of service suppliers (other inputs) by state – Brazil (Percentage – %)

	Value
Bahia	0.8
Federal District	0.2
Espirito Santo	0.6
Goiás	3.5
Maranhão	0.5
Minas Gerais	39.7
Mato Grosso do Sul	0.1
Mato Grosso	5.2
Paraná	4.6
Rio de Janeiro	0.6
Rio Grande do Sul	0.5
Santa Catarina	0.1
São Paulo	43.6
Pará	0.0
Total general	100.0

GRI 204-1

Direct material suppliers (active ingredients) by country (Percentage – %)

	Value
China	95.2
India	4.6
Others	0.1
Total general	100

Valuation, organizational environment and diversity

GRI 404-1

Number of employees and distribution of new hiring by age group



GRI 401-1

Number of employees and distribution of new hiring by gender



GRI 401-1

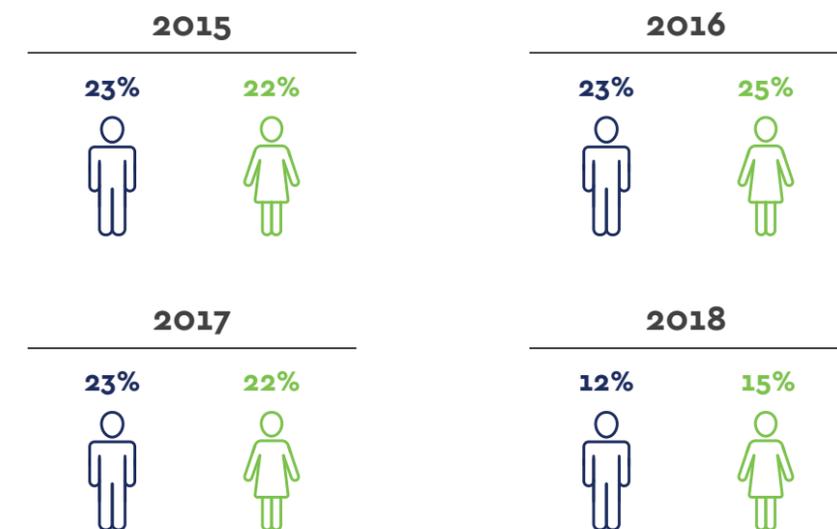
Number of employees and distribution of new hires by region



Note: The calculations presented do not include the operation in China. Expired contracts for trainees and apprentices were not considered for the calculations.

GRI 401-1

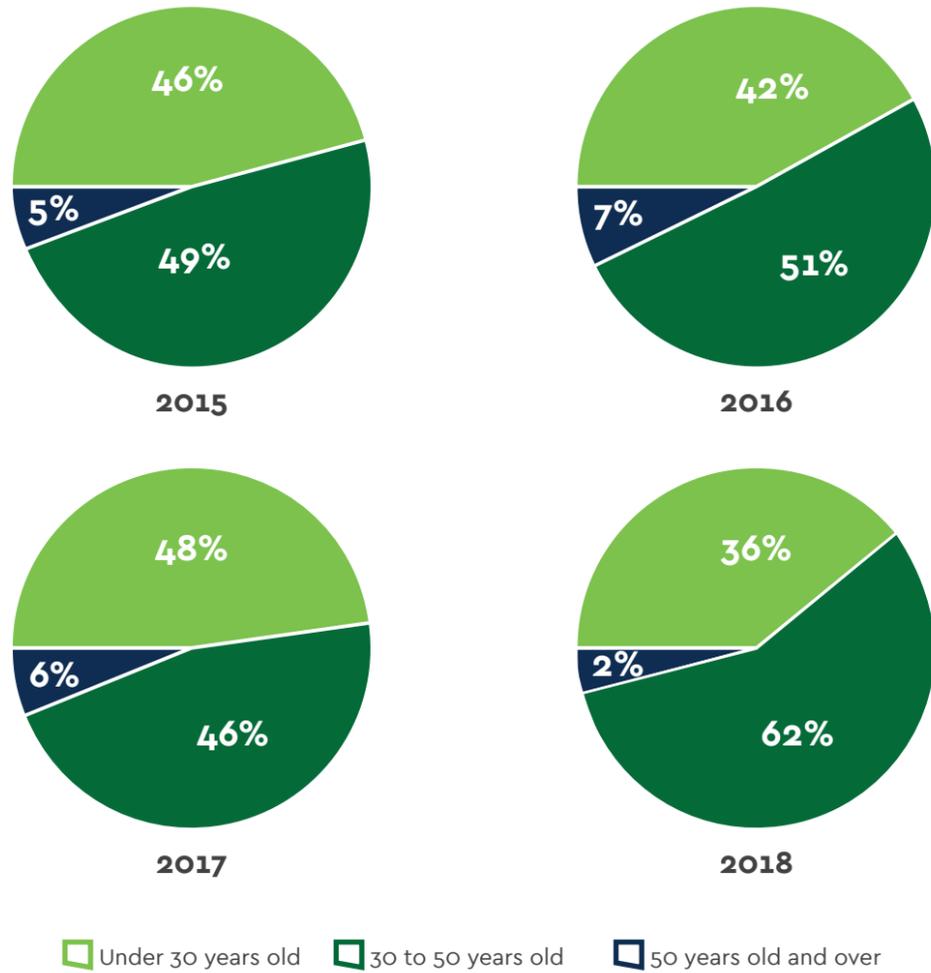
Turnover by gender



Note: For the calculation were considered the total number of dismissals (with or without cause) and admissions. The calculation considers the sum of hired and fired/2 x 100/headcount. The calculations presented do not include the operation in China.

GRI 401-1

Turnover by age group



GRI 405-1

Governance body individuals by gender (Percentage - %)

	Men	Women
Board of Directors	100.0	-
Audit Committee	100.0	-
Executive Board	80.0	20.0
Total general	91.7	8.3

GRI 405-1

Governance individuals by age group (Percentage - %)

	Under 30 years old	30 to 50 years old	50 years old and over
Board of Directors	-	-	100.0
Audit Committee	-	-	100.0
Executive Board	-	40.0	60.0
Total general	-	17.0	83.0

GRI 405-1

Number of employees by employee category and gender

	Men	Women
Management	53	11
Administrative	153	87
Operating	98	1
Total general	304	99

GRI 405-1

Number of employees by employee category and age group

	Under 30 years old	30 to 50 years old	50 years old and over
Management	1	49	14
Administrative	78	146	16
Operating	27	67	5
Total general	106	262	35

Team

Project planning and coordination

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Marlistange Vais Burgos

Coordination and development

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Graphic design and diagramming

Felix Benito

Communication support

André Ricci
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Consulting, design and writing

Schmidt Consulting

External Verification

Hirashima Associados



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