

# Reimagining Brazilian agriculture





# Purpose Ourofino Agrociência

GRI 102-16

## Reimagining Brazilian agriculture

Our purpose is related to our commitment to inspire a new era of development, productivity and growth, creating new possibilities for the challenges of Brazilian agriculture.





# Pillars

## **Innovating for Brazilian Agriculture.**

Developing new products and solutions based on the needs and characteristics of tropical agriculture, in the enhancement and better use of the knowledge developed by Brazilian agriculture research, with simplicity, fast answers and smaller impact.

## **Constant presence.**

## **Building value.**

Establishing close and transparent relationships based on our Brazilian origin and experience, going beyond commercial approaches, presents on grower's daily activities, partners and agricultural communities, sharing knowledge, resources and building value.

## **Growing with brazilian agriculture.**

Encouraging and promoting entrepreneurship, interaction and collaboration among members of the agricultural community, growing together and contributing for the recognition and the evolution of Brazilian agriculture.



# Our personality

Agile and Simple

Open and collaborative

Entrepreneurial Attitude

Transparent and Attractive

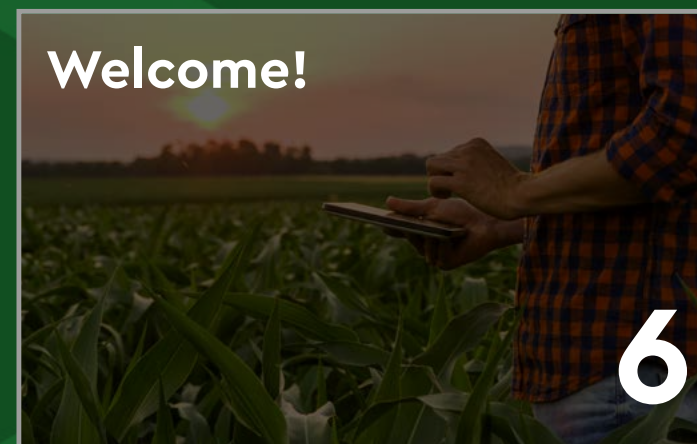
Brazilian Origin





# General description

Be very welcome to our Sustainability Report 2019/20. In this material, we present our main social, environmental and financial results achieved in the period between April 1, 2019 and March 31, 2020. In addition, we hope to meet your expectations as a reader and share some of the challenges faced by the Company within the agribusiness market, always in search of value creation and sustainable development.



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# Welcome!

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# A new time

GRI 102-14

It was a great year! We passed the mark of one billion BRL in revenues and consolidated our new corporate structure, which now includes Japanese companies Mitsui and Ishihara Sangyo Kaisha (ISK). We keep on being optimistic to inspire a new era of development, productivity and growth, creating new possibilities for the challenges of Brazilian agriculture and maintaining the characteristics that brought us here, including our simple, agile, open, collaborative, transparent, engaging and entrepreneurial personality.

Regarding the results, 2019/20 proved a challenging year. We had to work a lot in the management as a whole to establish yet another cycle of growth and good results. We still face uncertainties related to the availability of supplies from China and at the same time, great variation in exchange rate. Thus, we manage the processes closely, always aiming our best performance in all areas.

**We reached net sales of BRL 1.2 billion, an increase of 49.2% compared to the 2018 result.**

The Ebitda reached BRL 175.6 million and net income of BRL 87.3 million, representing 7.2% of net revenue.

The year was marked by the beginning of the relationship between Ourofino Agrociência and Mitsui and ISK partners, now members of the Company. This move searches for market opportunities, including the development of molecules or even patents, as well as synergies through the relationship with these companies or capital invested from the Japanese partners. In addition, we will carry out joint development of new solutions to complement our portfolio and at the same time, expand market share in several segments.

**Norival Bonamichi**  
President



In terms of processes and automation activities, we have advanced a lot in this last cycle, always seeking greater operational efficiency, transparency and integrity. A good example of this was the creation of the Risk and Compliance Area in the first half of 2019. This new area is now directing all assessments of business processes, risks and internal controls, as well as the Reporting Channel management, analysis and investigations of possible cases of ethical misconduct, issuing of policies and procedures to stop fraud, bribery, and corruption, among others. In addition, we have advanced in the structuring of important policies and procedures in a number of critical business activities including, in many cases, the process automation.

Finally, in January 2020 and as part of the celebration of the 10 years of Ourofino Agrociência, we opened our new headquarters in Ribeirão Preto (SP).

It took months of hard work to provide our professionals and stakeholders a space that is modern, interactive and aligned to the Com-

pany's future ambitions. This change reflects the good moment we are experiencing and ensures a robust framework for us to evolve with the agribusiness sector.

We have gone through a historic year in terms of results achieved and we see incredible opportunities ahead. We have prepared for this moment and have already identified which path to follow. It is invigorating to know that Ourofino Agrociência will accomplish its tenth year of existence with so much energy and even more prepared for the next 10 years. We are confident that our value proposition for Brazilian agriculture follows being the main guide for positive action, to either society or the planet.

Welcome to the report and have a great read!

**Norival Bonamichi and Marcelo Abdo**



**Marcelo Abdo**  
Vice President



# General summary of indicators

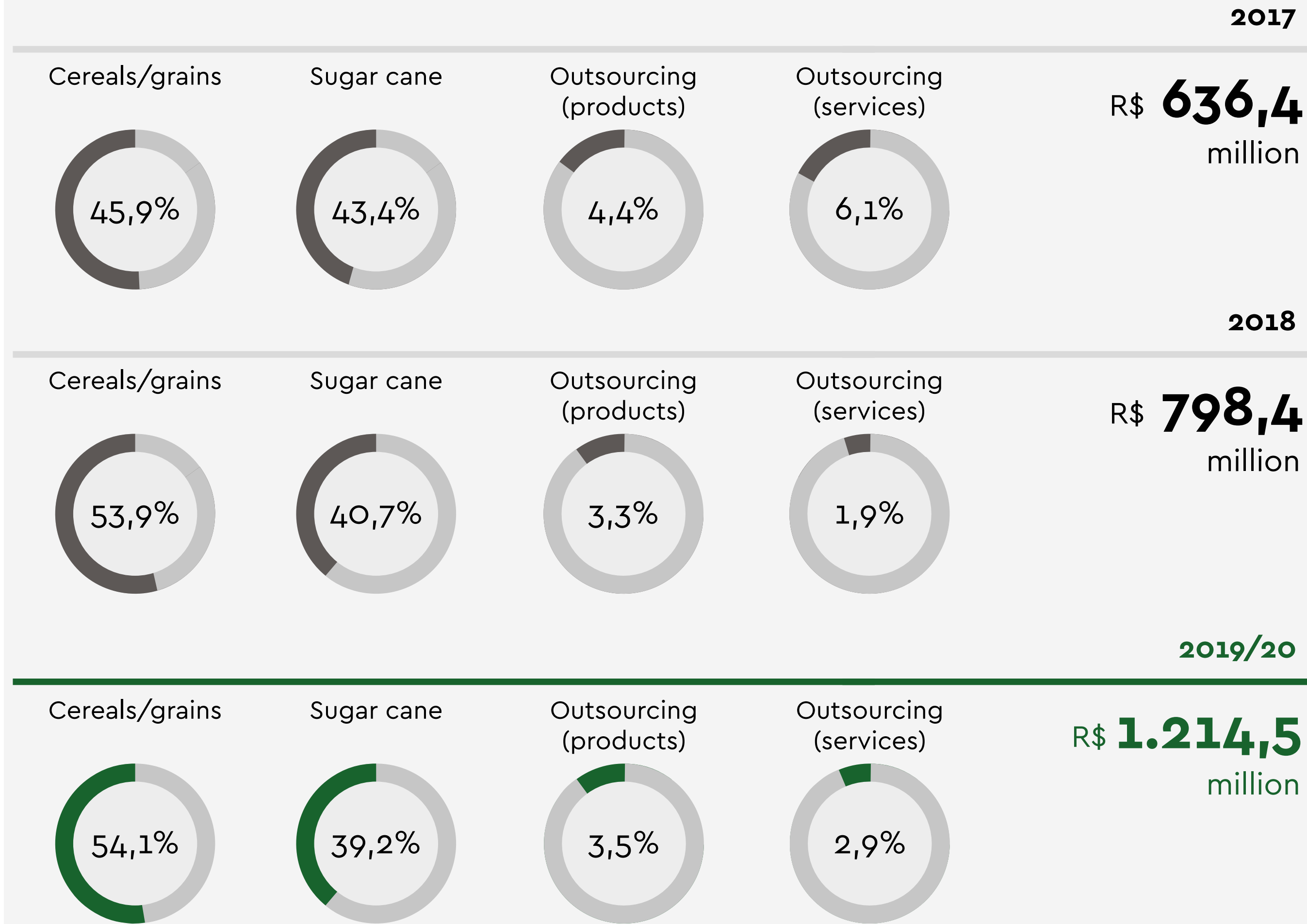
GRI 102-7

## Main Financial indicators (BRL million)

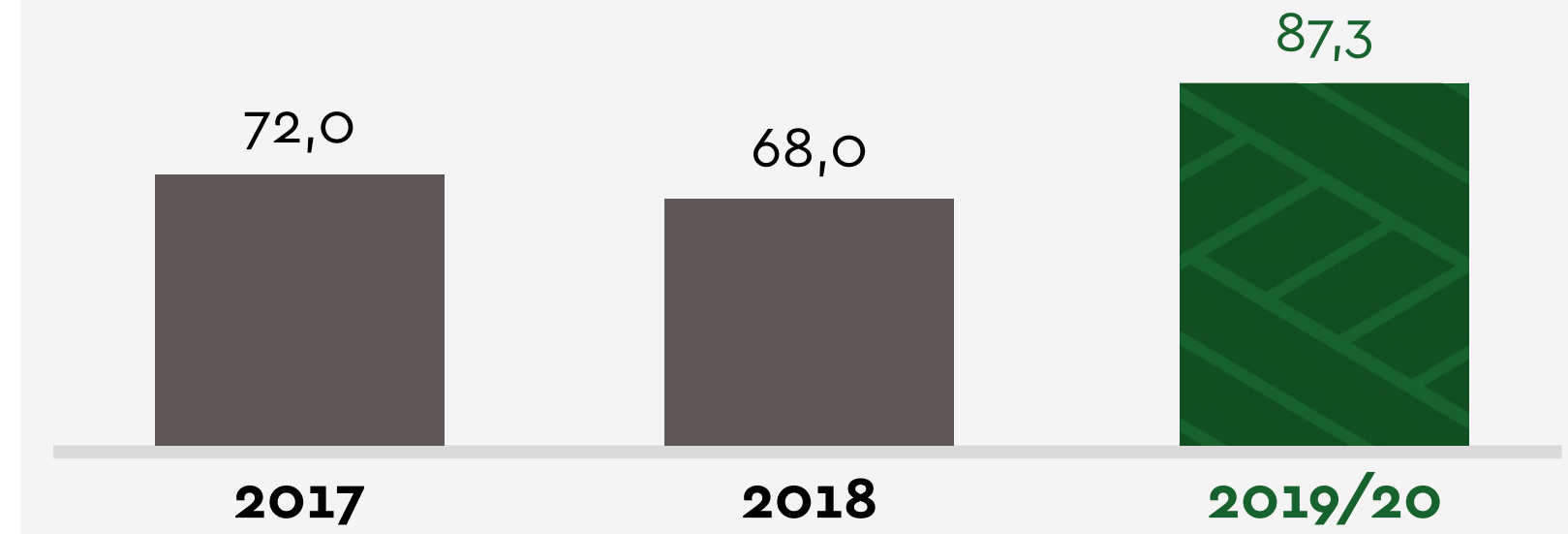
	2017	2018	2019/20
Net Revenue	636,4	798,4	1.214,5
Gross profit	199,4	241,7	309,6
Ebitda	105,9	135,2	175,7
Ebitda margin (%)	16,6	16,9	14,5
Net Profit	72,0	68,0	87,3
Net Margin (%)	11,3	8,5	7,2
Total Assets	959,0	1.035,3	1.661,5
Net Equity	302,8	350,9	416,4
Net Debt	(19,6)	41,6	(145,6)
Net Debt/Ebitda	(0,2)	0,3	(0,8)



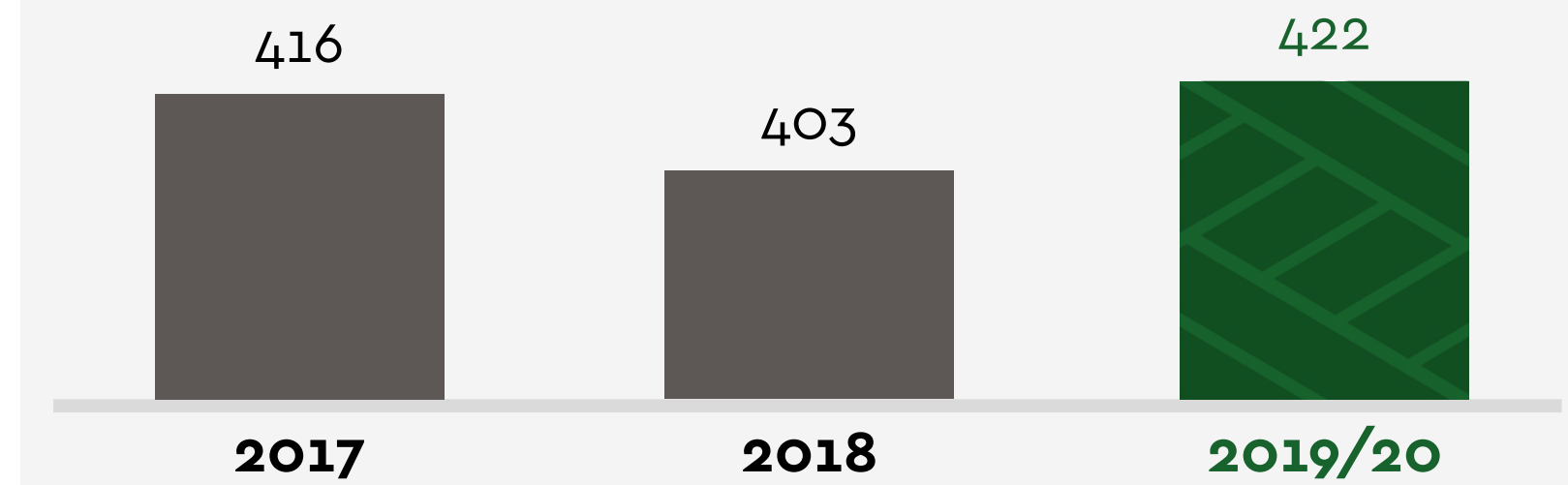
## Revenue by Segment



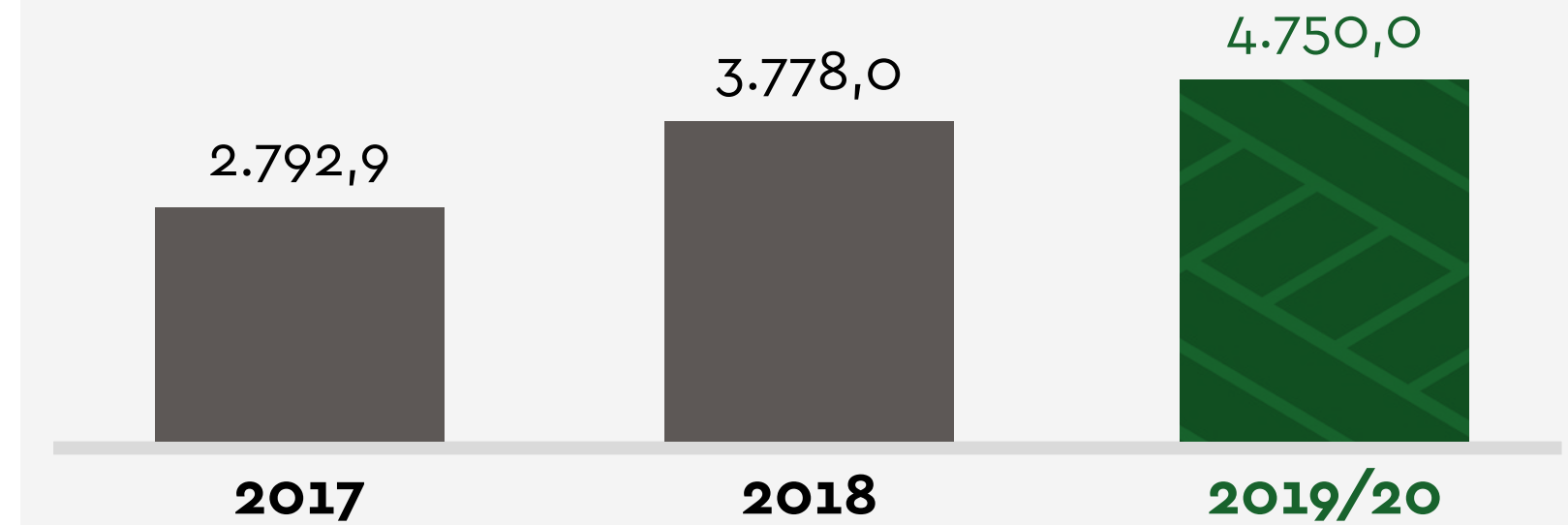
## Net Profit/loss (BRL million)



## Number of employees



## Environmental investments (BRL thousands)



**Note 1:** The above figures do not include expenditures on professional salaries.  
**Note 2:** The amounts include the use of technical consultancy services, investments in improvements, waste disposal, new equipment, maintenance and operational services.



# We are Ourofino Agrociência

In order to bring to growers solutions that are innovative, sustainable and adapted to the reality of Brazilian agriculture, we operate since 2010. We are a Brazilian private capital corporation, headquartered in Ribeirão Preto (SP), consisting of 422 employees, distributed throughout the country and with some professionals in China. **GRI 102-1**

Since the first half of 2019, Ourofino Agrociência has 25% of its capital owned by the Japanese partners Mitsui & Co. and Ishihara Sangyo Kaisha Ltd. (ISK) and the remainder in possession of minority and founding partners. Our work is focused on the development and sales of crop protection products for the

domestic market with representativeness in all Brazilian states. The scope of work includes the phases of research, development and innovation (RD & I) and the production and delivery of formulations targeting major national crops: sugarcane, soybeans, corn, peanuts, citrus, wheat, rice, potatoes, beans, tomatoes and cotton. **GRI 102-2**

The structure of Ourofino Agrociência counts on the administrative headquarters of Ribeirão Preto (SP), the industrial complex in Uberaba (MG) and experimental stations in Cambé (PR), Bandeirantes (PR), Rio Verde (GO) and Guatapar (SP).

The Guatapar Experimental Farm (SP) is our largest structure dedicated to testing and accommodates the greatest part of the Research Department, Development and Innovation (RD & I) team of the Company. In 2019, we expanded our logistics service network and opened another distribution center (DC) in Uberaba (MG). The five DCs are still outsourced and operating in the cities of Igarapava (SP), Cuiab (MT), Carazinho (RS) and Uberaba (MG). We also have a support office in Shanghai (China) that allows us greater proximity to major suppliers. **GRI 102-3, 102-4**



# Origin

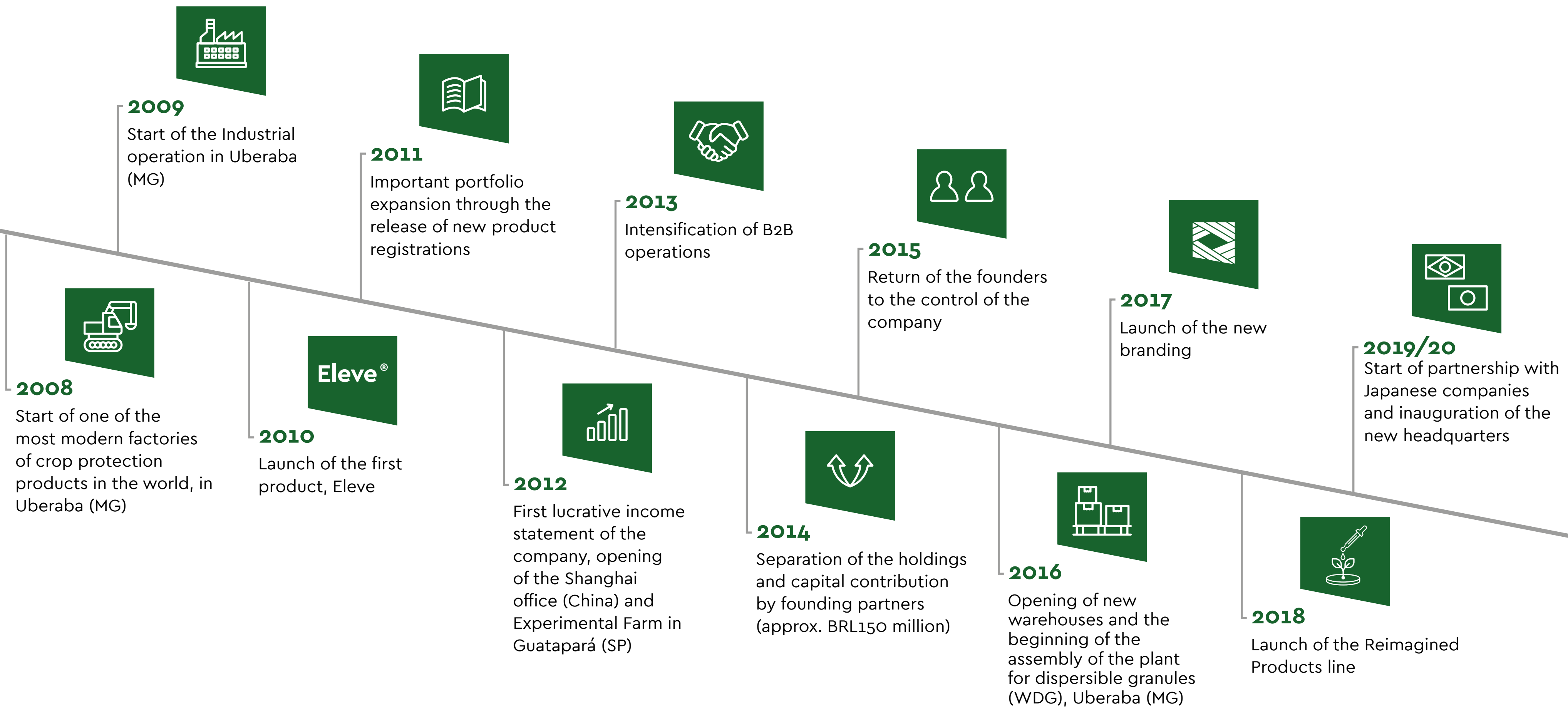
It all began with the vision and entrepreneurship of the founders, Mr. Norival Bonamichi and Jardel Massari. From its name, a tribute to the mining district of Ouro Fino where both were raised, to the practical and efficient work style the reference of these two entrepreneurs who started the business trajectory in 1987 is still present.

Initially, the economic group formed by the partners was focused on the manufacture of drugs and other veterinary products. However, in 2008, they began the stakes in the segment of crop protection, with the start of the construction of the industrial complex in Uberaba (MG). In 2010, Ourofino Agrociência was already structured and the first product was officially launched.

The group continued its expansion jointly in animal health and crop protection segments until 2014, when the veterinarian segment chose to proceed with its IPO. Thus, in the same year, Ourofino Agrociência began operating independently. In 2019, another important step happened in our history, with part of the capital being acquired by Japanese companies Mitsui and Ishihara Sangyo Kaisha (ISK). This partnership brings many competitive advantages and significant synergies, besides enabling the operation to reach a new level as a company, strengthening the search for solutions that are adapted to agriculture in the tropics. Since May 2019, we have started to operate as a corporation and we now have a structure formed by Ouro Fino Química SA (Controller) Ouro Fino Hong Kong Ltd. (Controlled) and Ouro Fino Shanghai Trading Co. (controlled). **GRI 102-3, 102-6**



# Timeline





# Strong presence and size of the operation

GRI 102-6, 102-7

As a company of Brazilian origin, Ourofino Agrociência, develops and sells crop protection products. Thus, we create value for several families distributed throughout the national territory and influence suppliers around the world.

**BRL +1 Billion**  
revenue



**1 Research, Development and innovation (RD & I) Technology Center**



**+ than 3,700**  
active clients

**1 office**  
in China

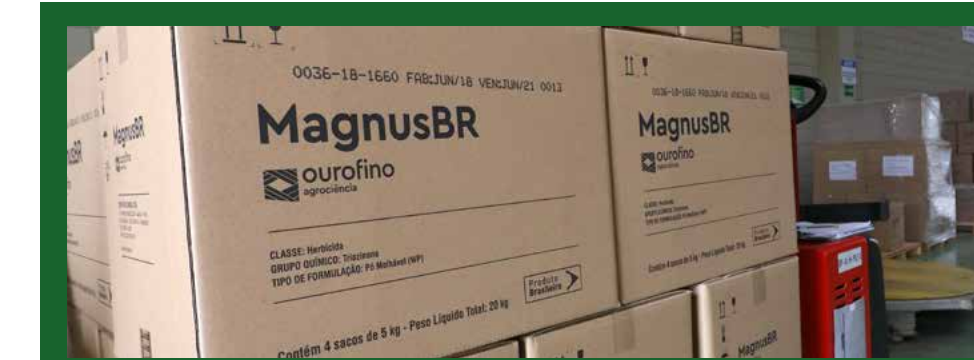
**5 distribution**  
centers

**1 administrative**  
headquarters

**1 industrial**  
park



**+ than 400**  
employees



**+ 50 million Kg / L**  
of Crop protection products  
produced annually

**+ than 40 international**  
suppliers

Present in **all the**  
states of Brazil



# New facilities

In 2020, we completed a decade of experience in the Brazilian crop protection market. We can say that our success is a result of the hard work done by a team aligned with the values and principles of the Company. We have registered significant advancements in recent years, reaching a growth of 70% in the last four. Moreover, because of this market consolidation, associated with our future ambitions, we have taken another important step to condition the Company to a new level.

That is how we started in 2020! As part of the celebrations of the ten years of Ourofino Agrociência, we inaugurated in January, the new headquarters in Ribeirão Preto, tripling the size of our facilities compared to the previous headquarters. From January 6, the company's administrative office came to occupy three floors and an area of 3,000 m<sup>2</sup>, in the Iguatemi Business building, located in the region of Vila do Golfe in Ribeirão Preto (SP). The space was all structured and de-

signed to meet the future challenges of the Company, which involves the expansion of the agribusiness sector. In each of the new office walls, the alignment of the project's purpose and fundamental pillars of Ourofino Agrociência are made clear.

With the change, our teams have come to enjoy a modern, interactive environment that ensures greater agility and efficiency in the processes. The expansion of the headquarters is also in line with the current situation of the Company in relation to the partnerships with Japanese companies Mitsui and ISK, signed in 2019.





# Corporate Governance

Our relationship with the market has been marked by transparency and integrity, aligned with safe practices and harmonic management. Even though we have private equity, we maintain from the beginning of operations a robust structure that allows us to take the best market governance practices. This brings security to trading partners and at the same time, supports us with investors and banks.

**The Board of Directors, Supervisory Board and Executive Board form the Ourofino Agrociência governance structure.**

**Completing the structure, we have the Director and Innovation Committees, both non-statutory. GRI 102-18**

We do not have a committee devoted to environmental issues, which are addressed to the governing level.



## Board of Directors (start of mandate on 12/08/2019)

GRI 102-22, 102-23

This is the highest body within the governance structure of Ourofino Agrociência and remains the main responsible for the strategic guidance and general resolutions of the Company. The Council also acts in the supervision of the activities developed by the different Boards and targeting in periodic agendas, the main corporate objectives, as well as relevant guidelines to the business. The Council plays a key role in the delegation of authority to the Vice President and Directors; this allows greater agility and assertive actions for routine matters involving social,

environmental and financial topics including the definition of strategies, goals, programs and controls. In special or extreme cases, the Council may be involved to facilitate or even define the position of the Company. GRI 102-19, 102-20, 102-26

Six members form our current Board of Directors, all elected by the assembly with two-year term. We had some major changes over the last fiscal year, where Mr. Norival Bonamichi assumed the presidency in place of Mr. Jardel Massari, which now appears as Secretary and the entries of Mr. Shinji Tetsuya and Mr. Hitoshi Kudo. Finally, we had Mr. João Sereno Lammel leaving the council. The

choice of these professionals follows technical and behavioral criteria, through the observation of their expertise, market experience and independence. Currently, one of the senior executives occupies the Council Presidency. GRI 102-23, 102-24

The Board is responsible for communicating the most significant demands that are outside of its decision-making competence to the Council. These communications, followed by discussions and definitions, are held at meetings with the participation of Directors and Senior Management. Last fiscal year, we had four meetings of the Council, where strategic issues were addressed to deal with agendas devoted to evaluation of results and budget review. GRI 102-34

**Norival Bonamichi**  
(President of the Board of Directors)

**Jardel Massari**  
(Effective Member)

**Marcos Fava Neves**  
(Independent Member)

**Luiz Antonio S. Gonçalves**  
(Independent Member)

**Shinji Tetsuya**  
(Independent Member)

**Hitoshi Kudo**  
(Independent Member)

**Hiroiyuki Honda\***  
(Independent Member)

Note: (\*) Member indicated in August 2019 and elected in April 2020.



## Supervisory Board

Composed of three independent directors, the Supervisory Board has permanent nature within the governance structure of Ourofino Agrociência. The Council operates independently being responsible for supervising the actions of the Company's management. It also participates in mentoring managers and financial statements. Last fiscal year, we did not change its members being: **Cesar Augusto Campez Neto (independent member); Luiz Antonio Santos Baptista (independent member) and Anselmo Buosi (independent member).**

## Board of Executive Officers

Formed by the Company's executives, the Board is responsible for turning strategic planning into reality through the business management and alignment to the Board of Directors' resolutions. The structure in the last fiscal year presented new developments that include the entry of Ms. Barbara Tamara Mendes and Mr. Alessandro Henrique Flamini, Mr. Soshiro Nakaoka, Mr. Leonardo Araújo Campos and Mr. José Edson Carvalho. We also had the following members leave: Joamy Castro Junior, Lucia-

no Marcos da Silva Galera and Jair Sunega. We closed our last fiscal year, with the following participating members of the Executive Board: **Norival Bonamichi; Jardel Massari; Marcelo Damus Abdo; Miguel Favotto Padilha; Thaís Balbão Clemente Bueno de Oliveira; Bárba-**

**ra Tamara Mendes; José Edson de Carvalho; Leonardo Campos Araújo; Soshiro Nakaoka and Alessandro Henrique Flamini.**

**Our committees are essential to assist governing bodies in decision-making and analysis of business risks, including external participants.**

### Innovation Committee

Norival Bonamichi; Miguel Favotto Padilha; Thaís Balbão Clemente Bueno de Oliveira; Marco Antônio Drebes da Cunha; Richard Feliciano; Roberto Estevão Bragion de Toledo; Bárbara Tamara Mendes; Caio Carbonari (invited Technician); Edivaldo Domingos Vellini (invited Technician).

### Steering Committee

Marcelo Damus Abdo; Alessandro Henrique Flamini; Miguel Favotto Padilha; Bárbara Tamara Mendes; José Edson de Carvalho; Leonardo Campos Araújo; Thaís Balbão Clemente Bueno de Oliveira Soshiro Nakaoka.



# Our strategy

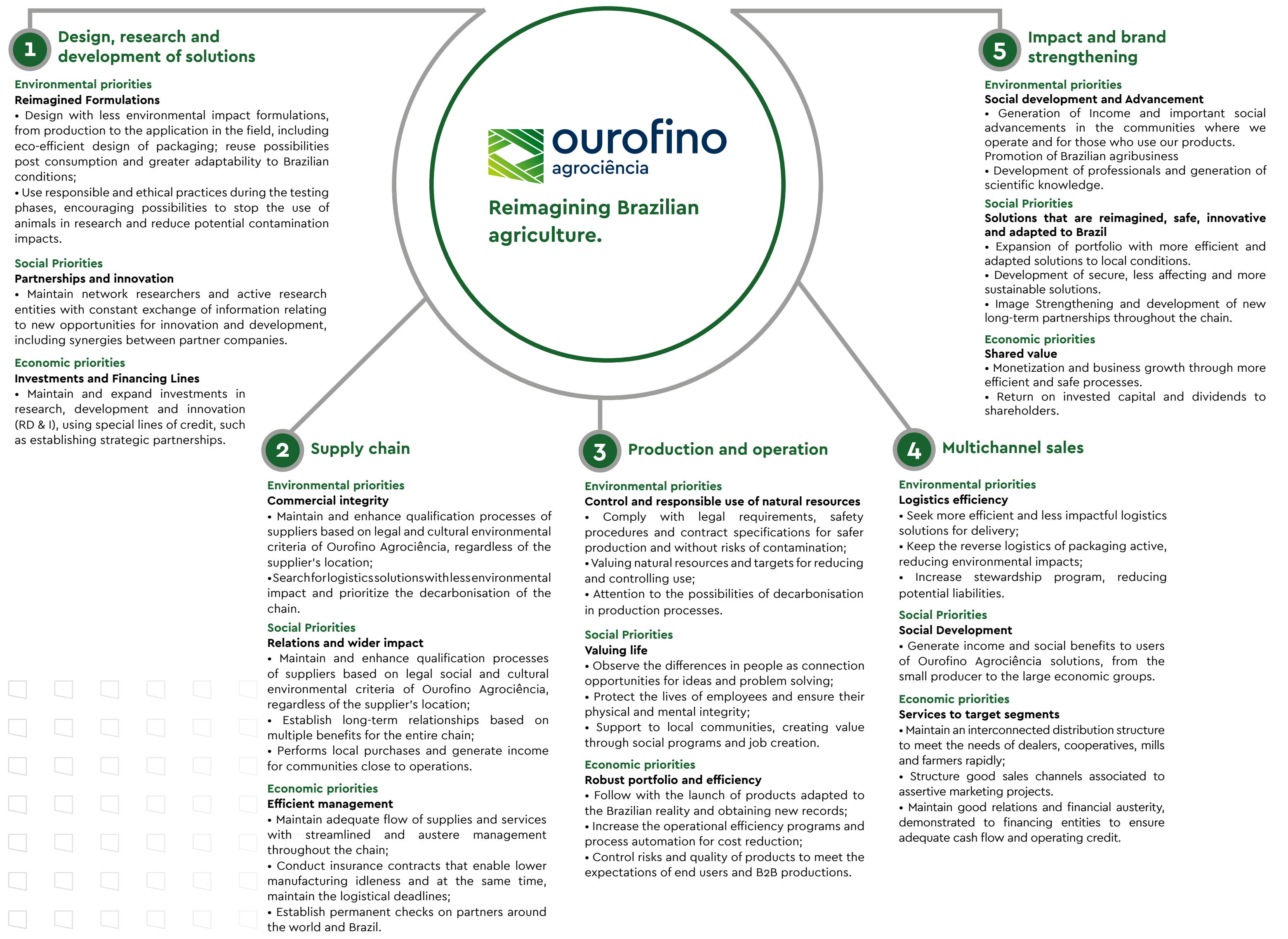
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# Business model

Our work involves the continuous search for positive impacts on society and the Brazilian agricultural market, be it by the launch of more sustainable solutions, local income generation, expansion of productivity and profitability to shareholders or the reduction of environmental impacts in our chain. This virtuous cycle goes through increasingly structured and efficient processes to achieve the full potential of the resources employed in the activities of Ourofino Agrociência.





# Risk Management

GRI 103-1 | 307, 103-2 | 307, 103-3 | 307, 103-1 | 419, 103-2 | 419, 103-3 | 419, 102-11, 102-15, 102-34

We continuously strive to improve our internal processes and control the main risks to the business. Since the beginning of the Company, we have always been aware of this issue, but realized over the past few years and with the growth of the business, that having a structured and centralized area to manage risk and compliance would be an important step for our future ambitions.

Thinking about it, we structured our area of Risk and Compliance in 2019, based on internationally recognized standards and principles, such as the Coso Enterprise Risk Management - Integrated Framework (2017) and modern market methodologies. The area is responsible for the governance and coordination of the entire management system of corporate risks (internal and external) and the main exposure scenarios. The management focuses on the capital protection of shareholders, physical and mental integri-

ty of the professionals, and reduction of potential negative events to the strategic objectives of the Company, safeguarding our values and protecting the environment. The reporting of the area is made directly to the Vice President.

The methodology used by the Risk and Compliance area to measure and manage opportunities and risks effectively, involves the adoption of assessments of likelihood and impact associated, with quantification of damages in financial terms, reputation and image. Thus, we get an overview that allows us to take more effective and assertive measures. All levels of the Company are involved in this process, raising awareness and understanding of risks, which is essential in creating a culture of compliance.

**We always seek transparency and support decisions on known scenarios, thus ensuring safety and compliance with mandatory requirements or those endorsed by Ourofino Agrociência.**

Over the past fiscal year, we conducted a long work of revision and improvement of our risk matrix. The scenarios and notes have been revised based on the experiences and changes that have occurred in the market in recent years. The following are the relevant financial and non-financial reportable risks, and how we act to transform the whole process into opportunities for business. The order in which we listed does the risks not imply order of relevance.



## Financial risks

### Our concern

As an agribusiness company, we are exposed to a wide range of internal and external events that could significantly affect the achievement of our financial and non-financial goals, such as liquidity, counterparty credit, changes in exchange rates and volatility in the price of commodities.

### Our practice

In order to combat these risks, we seek to strengthen our risk policy, which covers everything from interest rates to requirements for minimum cash maintenance. We monitor cash flow and have procedures established to ensure the availability of financial resources. We also focus short-term sales and strategies to attract cheaper resources.

Ourofino Agrociência has sufficient liquidity to ensure compliance with all of its payment obligations. In addition, the company maintains good relationship and facilitated credit lines with banks. To manage credit risk of the counterparty, we regularly review the capacity of our customers. Every year, clients are subject to our credit analysis, where political and economic scenarios are taken into account for credit limit purposes. Credit limits are set for all clients. Risks related to exchange rate and floating interest rates, as well as volatility in commodity prices, are avoided or mitigated by the use of derivative financial instruments.

## Compliance with Regulatory Bodies

### Our concern

Our activities are linked to extensive regulations, subject to change, particularly in areas related to products, competition, antitrust laws, anti-corruption law, patent law, tax law, data protection and environmental laws. The investigation of possible legal violations can result in the imposition of civil or criminal penalties, including substantial monetary fines and other adverse consequences, damaging the reputation of the Company and our business success.

### Our practice

Our system of internal controls is set to mitigate the possible risks of rights and / or laws violations. Also as part of our compliance program, our professionals receive regular training, not only related to specific changes and regulations, but also with regard to ethical conduct expected and practiced by the Company and its management. In 2019, we created the area of Risk and Compliance, responsible for internal audit practices, risks and compliance in the Company, operating independently. All risks and weaknesses of processes that could expose the Company to such risks are mapped and reported to senior management for guidance regarding the appropriate actions. In addition, we monitor the current and potential legal disputes and report them to the Executive Board. This monitoring is the result of close cooperation between the operational and administrative areas, along with the legal department.

## Business downtime

### Our concern

Earthquakes, fires, power outages or interruptions in the supply chain may interrupt operations.

### Our practice

We combat the risk maintaining relationships with alternative suppliers with long-term contracts and expanding our inventory of raw materials and finished product. The Procurement area regularly reviews the risks related to our suppliers and key active ingredients in order to seek alternatives in the market to minimize the dependence on suppliers and expand opportunities. In addition, for some products, Ourofino Agrociência has safety inventories to meet the contracts celebrated with our clients for a limited period until normalization of the activities if the facilities are hit by natural events that affect its operation.

## Competitiveness and sales volume

### Our concern

We may face a growing competition in the crop protection market. Consolidation processes and aggressive marketing strategies and pricing, particularly for generic products, may adversely affect us.

### Our practice

We continually improve our product portfolio to maintain competitiveness. We analyze the market and competition to seize opportunities and tackle emerging risks with appropriate measures. In addition to innovation, the key components of our competitiveness are in our cost management and continuous process optimization. We have a robust Research, Development and Innovation (RD&I) area that is able to carry out development projects and suitable products to the market and to our clients. We also have a technical department structure in direct contact with our clients and researchers, seeking to identify opportunities and to assess the existing projects. Our structure in China also ensures that selected suppliers for the projects are active and financially healthy to ensure the supply post registration.

## People Management

### Our concern

Qualified and dedicated professionals are essential to the success of Ourofino Agrociência. Difficulties in recruiting, retaining and developing people may have significant consequences for the future of the Company. In addition, the unfavorable organizational climate or lack of transparency in organizational change can lead to decreased motivation of such professionals.

### Our practice

We combat these risks by implementing recruitment and development of people aligned to the market and the Company's strategic objectives, besides performance evaluations that refer to plans of action aiming at team development. In addition, through periodic processes of general research and climate, we were able to map the needs of our teams and keep aligned with the values and culture of Ourofino Agrociência. In addition, we value a transparent communication channel with all the Company's professionals.



# Business Relationship

We seek proximity with customers and producers from all over Brazil, offering knowledge and innovative solutions adapted to national reality. We understand the needs of the field as clear opportunities to reimagine Brazilian agriculture and thus build a new model that can further contribute to the people and prosperity of the country.

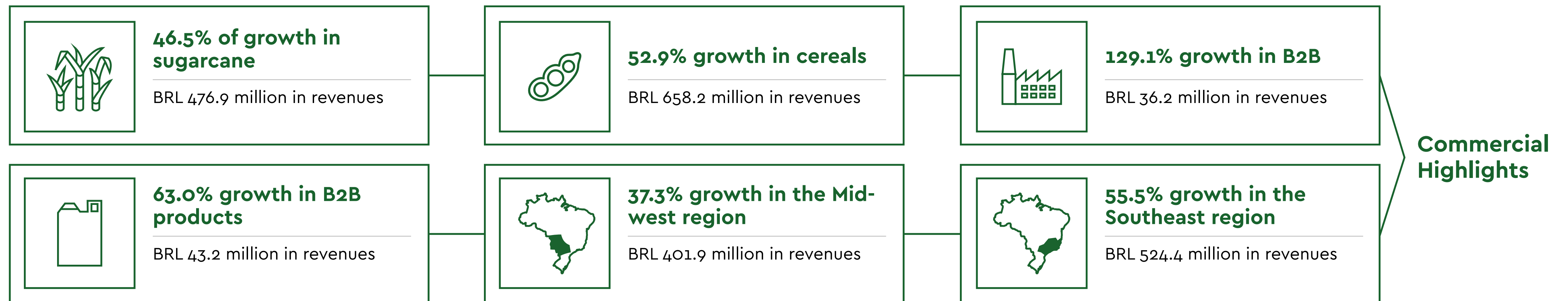
We operate in various business fronts segregated by crop, client type or even service offered. The entire process is controlled by our Commercial Department, which has a

commercial and technical staff of more than 80 agronomists dedicated to sales and technical support for dealers, cooperatives, mills and growers.

The last fiscal year was marked by the difficulties mainly faced at the end of 2019 due to the absence or delay in receipt of active ingredients and extended periods of drought that were not expected by growers. After all, we managed to overcome the sales mark of one billion BRL due to an austere, active and agile management of the entire

team. We focus on the relationship with the clients, specific campaigns (winter corn) and execution of sales.

We also maintained our presence in the field and ended the fiscal year with an average rate of 4.0 visits per day to clients, consultants and prospects. There are currently more than 3.700 active clients spread all over Brazil, with 35.8% concentrated in the Midwest, 27.4% in the Southeast, 23.5% in the South, 10.1% in the Northeast and 3.3% in the north.





# Sustainability linked to business

We want to reimagine Brazilian agriculture so that we can promote positive impacts on social, environmental, economic and cultural welfare. Ourofino Agrociência directs its strategy through sustainability concepts related to the entire value chain.

**We understand the challenges of agribusiness as great opportunities to evolve our business model and thus increasingly affect not only people but also the environment in which we operate positively.**

For us, sustainable development remains as the most complete view possible to design real gains in the end and leave a positive legacy for future generations, marked by social development, responsible use of natural resources and innovative solutions.

We have increasingly invested in developing solutions aligned to the concepts of sustain-

ability. The formulations of the Reimagined Products line are a great example of how we are evolving consistently thinking of ways to protect the environment and at the same time, fostering high performance and less impact agriculture. These products, when compared to similar products in the market have greater alignment to the Brazilian climatic conditions and have more sustainable characteristics, such as increased absorption, molecule photo protection, greater resistance to rain and expanded adhesiveness. GRI 201-2

For us to support the development of more sustainable solutions and minor impacts in terms of the product cycle, we will extend training at the end of the chain, with training programs together with the dealers and growers after structuring the Stewardship area. The knowledge generated in these movements favors the adoption of more effective and safe techniques in the application of crop protection products, accelerating the return of empty containers via reverse logistics and reducing cases of improper storage that may cause contamination.

In the Sustainability Report cycle, we list the material themes and their consequences with the Sustainable Development Goals (SDGs) of the United Nations (UN) for the first time. Formed by 17 items, the SDDs were launched in 2015 and propose the participation of agents of society to address the main challenges of humanity. In this way, the SDGs begin to form our analysis base for determining actions related to material themes and we can understand the degree of alignment of the Company with global demands.

Our journey on sustainability follows the improvement of production and logistics processes, combined with the search for solutions capable of producing smaller impacts and gradually reduce emissions of greenhouse gases (GHG). We do not just care about producing. For Ourofino Agrociência, the "how it is done" is as or more important than the result achieved.









# Commitments, partnerships and programs





GRI 102-12, 102-13

We are in constant evolution and improvement of our processes as a company provider of solutions for the field and Brazilian agriculture. Therefore, we keep being active and aligned to external initiatives and cutting-edge institutions, which lead important movements in agribusiness, from initiatives focused on conservation of biodiversity up to research institutions.

As the central focus, we seek to keep prepared to market trends, new concepts, opportunities for improvement and risk reduction. In recent years, we have adhered to and associated with sectorial institutions and a series of voluntary initiatives that have yielded good results for the Company, adding knowledge, allowing advancements in the management of more responsible processes, anticipating trends and understanding the different needs of sectors of society.

	Partner Mission	Relationship status
	Representing and promoting the defense of the common rights and interests of its members, participation and defense of the sector in collective labor negotiations and collaboration with the public authorities, as a technical and advisory body in promoting a predictable, transparent and science-based regulatory framework.	Member and participant of the Board of Directors.
	Promote Brazilian industrial development in the area of fine chemistry, biotechnology and its specialties.	Associate and participant of the Technical Board.
	Promote the correct disposal of empty packaging from manufacturers of agricultural pesticides.	Member and participant of the Board of Directors.
	Gather, produce and disseminate information, based on scientific basis, aimed at the conservation of Brazilian biodiversity and the harmonious and sustainable coexistence of agriculture with bees and other pollinators.	Associated.



	Partner Mission	Relationship status
	Encourage research and development of work with phytosanitary products, in addition to participating in the main strategic discussions on fungi resistance management to fungicides in the country.	Associated.
	Promote the correct use of agricultural pesticides in Brazilian agriculture to protect crops and contribute to ensuring the basic right of food to people, respecting beekeeping, protecting bees and the environment.	Associated.
	Seek continuous organizational improvement, the modernization of the sector, with active participation in the construction of regulatory frameworks. Associated.	
	Promote research, training, dissemination and development of work in the area of weed resistance to herbicides, in addition to supporting good agricultural practices for prevention and mitigation of herbicide-resistant weed problems in different crops.	Associated.

	Partner Mission	Relationship status
	Encourage research and development of work with phytosanitary products, in addition to participating in the main strategic discussions on pest resistance management to insecticides and acaricides in the country.	Associated.
	Stimulate corporate culture for the preparation and publication of greenhouse gas (GHG) emission inventories, providing participants with access to international quality instruments and standards.	Adept and follower of the guidelines.
	Develop a database (scientific) and exposure data of rural workers who handle crop protection products in Brazil.	Associated.
	Assist companies and governments to understand and communicate their impacts on critical sustainability issues such as climate change, human rights, governance and social welfare.	Adept and follower of the guidelines.



# Materiality

GRI 103-1, 102-42, 102-43

We are in constant evolution and maturation in relation to the topics recommended by our sustainability management. We have been striving to improve understanding of how our stakeholders see the impacts and the Company's management as well as addressing important issues, which should be managed by our leaders and disclosed in a transparent manner to society.

**In this last fiscal year, we conducted a new cycle of re-viewing our materiality, which included the Company's internal vision and direct consultation with stakeholders of Ourofino Agrociência.**

The work lasted three months and considered a universe of consultation with more than 90 professionals categorized into groups,

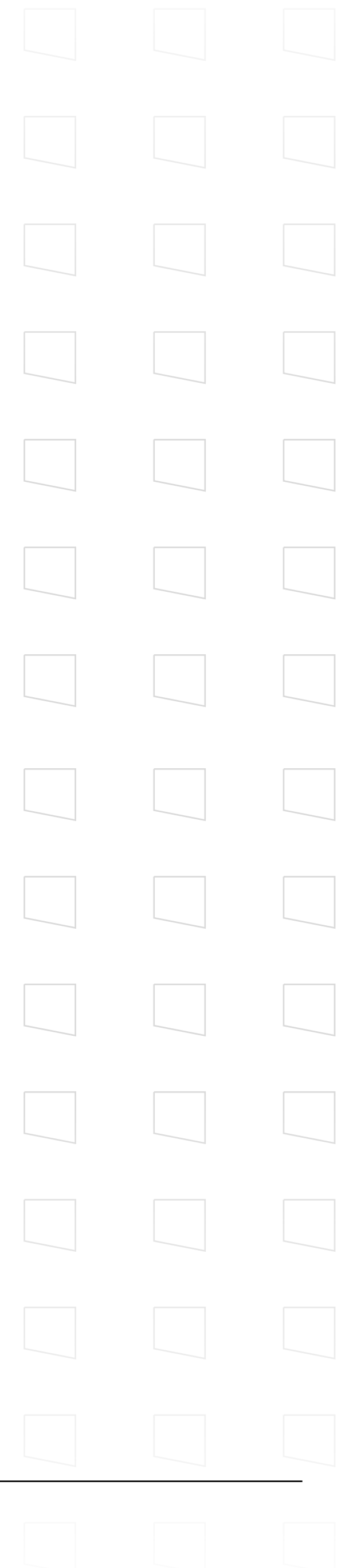
being collaborators, society, suppliers, public authorities, producers, distributors and cooperatives, clients, funding and research and development entities. The consultations were conducted via questionnaire, sent by e-mail and presented a rate of return of 21%. Despite low return, we managed to have a good picture of the reality and longings of these parts.

Then, we consolidated the answers and obtained a final ranking, which was addressed to representatives of some specific areas, who returned with their considerations. Finally, we made an internal alignment with the main leaders, including the Vice-Presidency, where we were able to define the final list of material themes to be considered for the basis of the Sustainability Report. After this round, we compared in conjunction with the Risks and Compliance team the material themes defined and the risk factors already raised by the Company. This comparison allowed us to

amplify the understanding for each of the themes defined and thus better address the texts of this report. **GRI 102-21**

As a final statement, we got to seven central themes, which make up the new materiality of Ourofino Agrociência: innovation, research and knowledge; quality and safety of the product; Business integrity; compliance and certification; long-term partnerships; business strategy.

We note this new list as a coherent evolution of the last process of materiality, held in 2014. We obviously had specific revisions over time, but not a complete process conducted from scratch. It was clear that most of the central themes were maintained, but with novelties, greatly influenced by the events of recent years experienced by the Company in its value chain and crop protection market.





# Material themes and limits

GRI 103-1, 102-42, 102-43

Material Theme	Correlation ODS	Capital Correlation	GRI	Related public
<p><b>Innovation, research and knowledge</b> Developing innovative solutions adapted to the reality of Brazilian agriculture, which can generate positive impacts on society, as well as to growers.</p>	3 9 11 12	Finance Intellectual Human Natural Social and relationship	102-11 Precautionary approach 102-15 Risks and Opportunities 404 Training and Education 415 Public Policies	Employees Suppliers Government Society Customers Financing Bodies
<p><b>Quality and safety of the product</b> Maintaining the highest standard of quality and safety for the solutions developed by the company, including compliance with regulatory, legal and other organizational standards.</p>	3 12	Finance Manufactured Human Social and relationship	102-11 Precautionary approach 102-15 Strategy 404 Training and Education 416 Health and safety of the client 417 Marketing and labeling	Employees Suppliers Government Society Customers
<p><b>Long-term Partnerships</b> Establishing lasting relationships with different sectors present in our value chain, highlighting common principles and thus ensuring a positive interdependence based on respect, trust and operational excellence.</p>	9 12 16	Human Social and relationship	102-9 Supply Chain 102-15 Risks and Opportunities 202 Presence in the Market 203 Indirect Economic Impacts 204 Purchasing Practices 401 Employment 408 Child labor 409 Forced Labor or Similar to slave labor 412 Human rights 413 Local community 414 Social Assessment of suppliers	Employees Suppliers Society Customers Financing Bodies
<p><b>Business Integrity</b> Meeting the requirements set out in our policies and commitments, protecting the Company's values and keeping us aligned to honest and transparent performance expectations of our stakeholders.</p>	8 16	Finance Manufactured Natural Human Intellectual Social and relationship	102-16 Ethics and integrity 205 Combating Corruption 206 Unfair Competition 308 Environmental Assessment of suppliers 405 Diversity and Equal Opportunities 406 Non-discrimination 408 Child labor	All public



<p><b>Compliance and Certification</b>          Keep the Integrated Management System (IMS) of the Company updated and aligned with the concept of continuous improvement, ensuring the certifications and brand reputation.</p>		<p>Manufactured          Natural          Human          Intellectual</p>	<p>409 Forced Labor or Similar to Slave Labor          412 Human rights          415 Public Policies          419 Socioeconomic compliance</p> <p>102-11 Precautionary approach          302 Energy          303 Water          304 Biodiversity          305 Emissions          306 Effluents and waste          307 Environmental Compliance          403 Occupational Health and safety          404 Training and Education</p>	<p>Employees          Suppliers          Government          Producers / distributors and cooperatives / clients</p>
<p><b>Commercial strategy</b>          Maintain strategic actions in the commercial field aligned to the Company's personality and thus differentiate ourselves in the crop protection market.</p>		<p>Finance          Social and relationship</p>	<p>102-15 Risks and opportunities          201 Economic development</p>	<p>Employees          Suppliers          Producers / distributors and cooperatives / clients          Financing Bodies</p>





# Integrity, value creation and partnerships

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# Conduct Ourofino Agrociência

GRI 103-1 | 205, 103-2 | 205, 103-3 | 205, 103-1 | 206, 103-2 | 206, 103-3 | 206, 103-1 | 412, 103-2 | 412, 103-3 | 412

We constantly seek to improve management conduct through honest, ethical and transparent relationships throughout the value chain. Conducting responsible business has always been a trademark of Ourofino Agrociência that makes us proud. This safe and principled environment ensures the ideal conditions for the company to keep growing and contributing further to generate value to society.

## Our Business Code of Conduct is made available to all stakeholders.

The document, which is available externally via our website and internally through intranet, marks ethical and moral principles recommended by Ourofino Agrociência in conducting its relations through the value chain. GRI 102-16

Over the past few years, we have consistently revised the Code to incorporate relevant and current topics. It covers sensitive issues such as human rights, respect for law, responsible practices and corruption fighting. All professionals who enter the Company have their first contact with the Code during the integration phase, where they receive the material for reading and reference and training on its contents. We also adopt a rule for major trading partners, incorporating contractual clauses of accession to the Code of Conduct.

In our last fiscal year with the structuring of the area of Risk and Compliance, we had significant progress in building policies and robust definitions to issues addressed in our Code. Various procedures were approved for release in 2020, which address issues such as combating corrup-

tion and bribery, conflict of interest, donations, among others. All this progress is reflected in higher corporate security and strengthening the brand.





# Ethics channel

GRI 102-17

We had a major change in our Reporting Channel related to the fight against illicit acts and related topics. In April 2019, a third party and independent company started to operate the channel reporting the information to the area of Risk and Compliance, responsible for investigation and referral of cases.

In addition to structural changes, the channel has a new name and is now called Ethical Channel but maintains its scope, including the Company's professionals, suppliers and customers, including national and international operations. The focus of the Ethical Channel continues to be the investigation of reports related to ethical misconduct, conduct and acts of corrup-

tion (including bribery practices, facilitation payments, extortion, fraud, conspiracy and money laundering).

An independent team registers all complaints and reports received and report to the team of Risk and Compliance, which guarantees the secrecy and confidentiality of the process. For cases of greater impact or which represent potential financial, image or reputation damage, the higher levels of management of the Company may be engaged for the adoption of mitigation measures. Last year, we recorded 16 complaints, which were investigated and treated. Of this total, only three proved founded and had subsequent actions to correct the identified deviations.



**The Ethical Channel is available 24 hours a day and seven days a week to receive complaints. The service is available in three languages (Portuguese, Spanish and English), in the following numbers and addresses:**

- ☎ 0800-981-4636 (Brazil)
- ☎ 01-800-752-2222 (China)
- 📍 [resguarda.com/denunciaourofinoagro](https://resguarda.com/denunciaourofinoagro)
- ✉ [etica.ourofinoagro@resguarda.com](mailto:etica.ourofinoagro@resguarda.com)



# Incentives

GRI 103-1 | 415, 103-2 | 415, 103-3 | 415

We are committed to combating illegal conduct within the Ourofino Agrociência operations and influence the market to adopt wholesome practices throughout the value chain. We guide our relationship with government officials or even agents by the Company's Code of Conduct and repress any acts of active or passive corruption, either directly or indirectly. Thus, we do not support representatives or political activists and do not perform donations to parties or government entities.

As an agrochemical company, we enjoy state and federal tax incentives, which are related to the field of activity and nature of some of the activities developed in our production scope, such as research, development and innovation (RD & I). The incentives are targeted to produce significant socio-economic impacts in the regions where the company is most influential and at the same time, it produces significant scientific development to the country, since most of the incentives are linked to RD & I.

**By 2020, we aim to maximize our use of tax incentives, with a view to the launch of specific regulations, scheduled for the second half of this year.**



# Contact us and social networks

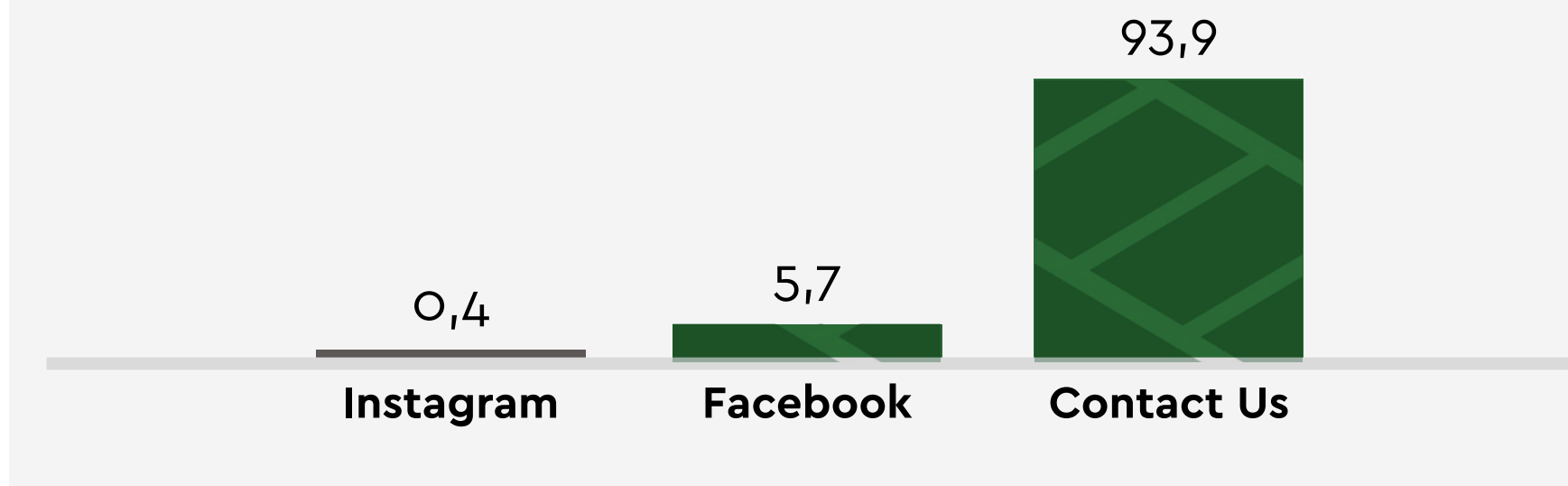
Our center to serve various stakeholders gained further importance in 2019/20. It has been redesigned and now operates in a more consultative and comprehensive manner. It is named Contact Us being available on our website; this communication channel appears as the main tool to capture Ourofino Agrociência demands of various stakeholders. Among the issues addressed and received by the Contact Us staff are commercial requests, technical questions and use of products, among others.

The team was strengthened in the second half of 2019 with the arrival of new professionals dedicated to managing requests and monitoring the referral of the demands from the Contact Us channel and social networks. This more comprehensive work aims to reduce and mitigate potential impacts, strengthening the credibility and proactive culture of

the Company. The new management format also allows us to identify deviation patterns and thus prevent recurrence and implement preventive procedures, independent of the subject. This analysis is done through a continuously generated database, where we can perform time analysis for greater effectiveness in mitigating actions.

We cannot fail to mention our social networks, which have grown much in access and engagement in recent years. In addition to being important sources of information and perceptions, social networks allow us to be closer to the public in general. This interaction is essential to maintain the youthfulness of the Company and its agility toward society, be it to promote advances, product launch or even to give explanations.

Origin of requests received in the last year via communication channels (%)



**Relationship Channels Ourofino Agrociência**

☎ 0800-941-5508    🗨 16-99975-0892

📍 [ourofinoagro.com.br/contato](http://ourofinoagro.com.br/contato)

📺 [ourofinoagrociencia](https://www.youtube.com/ourofinoagrociencia)

📷 [ourofino.agro](http://ourofino.agro)



# Quality first

GRI 103-1 | 416, 103-2 | 416, 103-3 | 416, 403-7

We have a responsibility to bring the highest quality and safety to various audiences who daily use our solutions. Whether clients are Brazilian producers or even large multinational companies, we always have a duty to deliver quality products aligned to Brazilian reality and that exceed their expectations. The reliance on our brand was gradually built and certainly being one of the most important values we carry.

We adopted continuous improvement of our processes as a general premise to evolve the level of quality and product safety. This is possible only by continued investment in production lines, training teams and permanent critical analysis processes. We also have strengthened the risk management culture, which together with the concepts of sustainability and quality, have improved the controls and bring a more holistic view of the business.

Our Integrated Management System (IMS) requires standards, which are followed, and establish the guidelines in various production processes. The system is integrated with environmental and health and safety system, being structured by policies and procedures, which are widespread and trained in various areas of the Company. Its scope was established based on specific legislation, regulations and national and international industry standards in the sector.

SGI also has a wide range of indicators, which appear as important management and risk control tools. **GRI 102-11**

We apply care with quality standards in an integrated manner to security concepts in all phases of the product life cycle. Everything starts in the development of formulations, when analysis of health impacts and safety of







users are carried out; it involves the assessment of potential risks during the product formulation stage and ends with the process of labeling and shipping of Material safety Data Sheet (MSDS) for registration of products in our distribution centers. For all situations of potential impacts to health and safety of users and consumers, we provide our communication channels for guidance. **GRI 416-1**

**As featured in our last year, we had an important advance in our Quality Assurance Project, with more approved and audited suppliers.**

The project brings strategic partnerships to the company, which generate value, productivity gains and result in greater integration throughout the chain. Requirement levels of the project vary according to the maturity of trading partners, thus establishing a learning

curve and continuous improvement. The main benefit is the agility brought by the new process, since the materials received by the industrial complex team are ready to enter the line, that is to say, they already have the due certificates of quality and other documentation, previously prepared by trading partners. In 2020, the program follows its expansion plan, incorporating more and more suppliers.





# Audit

GRI 102-11

Every year, we receive a great deal of internal and external audits carried out by clients, certifying bodies / accreditors and regulatory agencies. Our quality management team is responsible for this process mainly aimed to certify our compliance level in relation to legal, regulatory and contractual requirements, noting the potential risks involved with trading partners and other stakeholders.

External audits, for the most part, are carried out by regulatory bodies such as the National Institute of Metrology, Standardization and Industrial Quality (Inmetro), Ministry of Agriculture, Livestock and Supply (MAPA) and the National Health Surveillance Agency (Anvisa). We also receive audits from customers and business partners, whose focus

is on outsourced production lines set up in the industrial complex to serve them. In this last cycle, we received the audit of recertification of the quality standard ABNT NBR ISO/IEC 17025 and maintenance of the standards ABNT NBR ISO 14001, ISO 9001 and OHSAS 18001.

**Together with these audits, we maintain a program of visits for business partners and other interested parties in knowing our operation in Uberaba (MG).**

The program, which seeks to show the differentials and safety of Ourofino Agrociência production, received more than 100 visits over the period 2019/20. We make a point of keeping the program very active and thus expanding our credibility and brand strength in the market.

We also carry out internal audits to keep the quality system in constant process of improvement, and thus reduce risks and act preventively. The process has a specific calendar and a comprehensive scope in all operations of the Company.



# Product labeling

GRI 103-1 | 417, 103-2 | 417, 103-3 | 417

All of Ourofino Agrociência products follow strict labeling standards set by Brazilian regulatory agencies such as the National Health Surveillance Agency (Anvisa), the Ministry of Agriculture, Livestock and Supply (MAPA) and the Brazilian Institute of Environment and Natural Renewable Resources (IBAMA).

**The labeling information is prepared according to NBR 14.725 by the Regulatory Affairs Department and aligned to road, water and air transportation requirements.**

The preparation of labels follows a long process, from the design phase to its registration with the involvement of the areas of Research, Development and Innovation

(RD & I), Procurement, Marketing, Health, Safety and Environment (HSE).

The package leaflet and product label also have information referring to the reverse logistics program managed by the National Institute of Empty Packaging Processing (Inpev), of which we are part. This set of information ensures a higher degree of compliance and safety in the application, storage and handling of products by Ourofino Agrociência professionals and business partners.





## Mandatory labeling requirements for Ourofino Agrociência products

GRI 417-1

- Brand
- Composition of the product
- Company logo
- Class and type of formulation
- Company (address, CNPJ (Corporate Taxpayer's ID), registry No.)
- Manufacturer
- Número de lote ou partida
- Manufacturing and Expiration date
- Toxicological class
- Potential environmental hazard classification
- Safety Measures
- Manipulator and importer
- Formulator
- Recommendations of first aid
- Phone for emergencies





# Reimagine Protection Field Program

Aligned to the pillars that form the purpose of Ourofino Agrociência, we created in 2019 our first stewardship program, called Reimagine Protection in the Field. The program's mission is to promote the correct and safe use of crop protection products, ensuring the sustainability of products throughout their life cycle, from conception to disposal of packaging, as well as their impact on human health and the environment.

Over the years, the Company has worked out many joint activities with clients and producers, but in 2019, the project was organized in a structured manner and the company created a formal area of Stewardship, linked to the Marketing Board. The strategic plan for the coming years includes a series of structural and operational actions, including market access, campaigning and events and meeting the demands

of regulatory bodies such as the safe use of crop protection products. The stewardship area also started to manage in a centralized manner, partnerships and associations with external initiatives in which Ourofino Agrociência participates.

As the main advantages for the Company, the implementation of Reimagine Protection in the Field translates into better conditions for operating in the agrochemical market, brand protection, mitigation of exposure to risks and greater engagement of internal and external relationship audiences in relation to the protection of people and the environment.





# Innovation

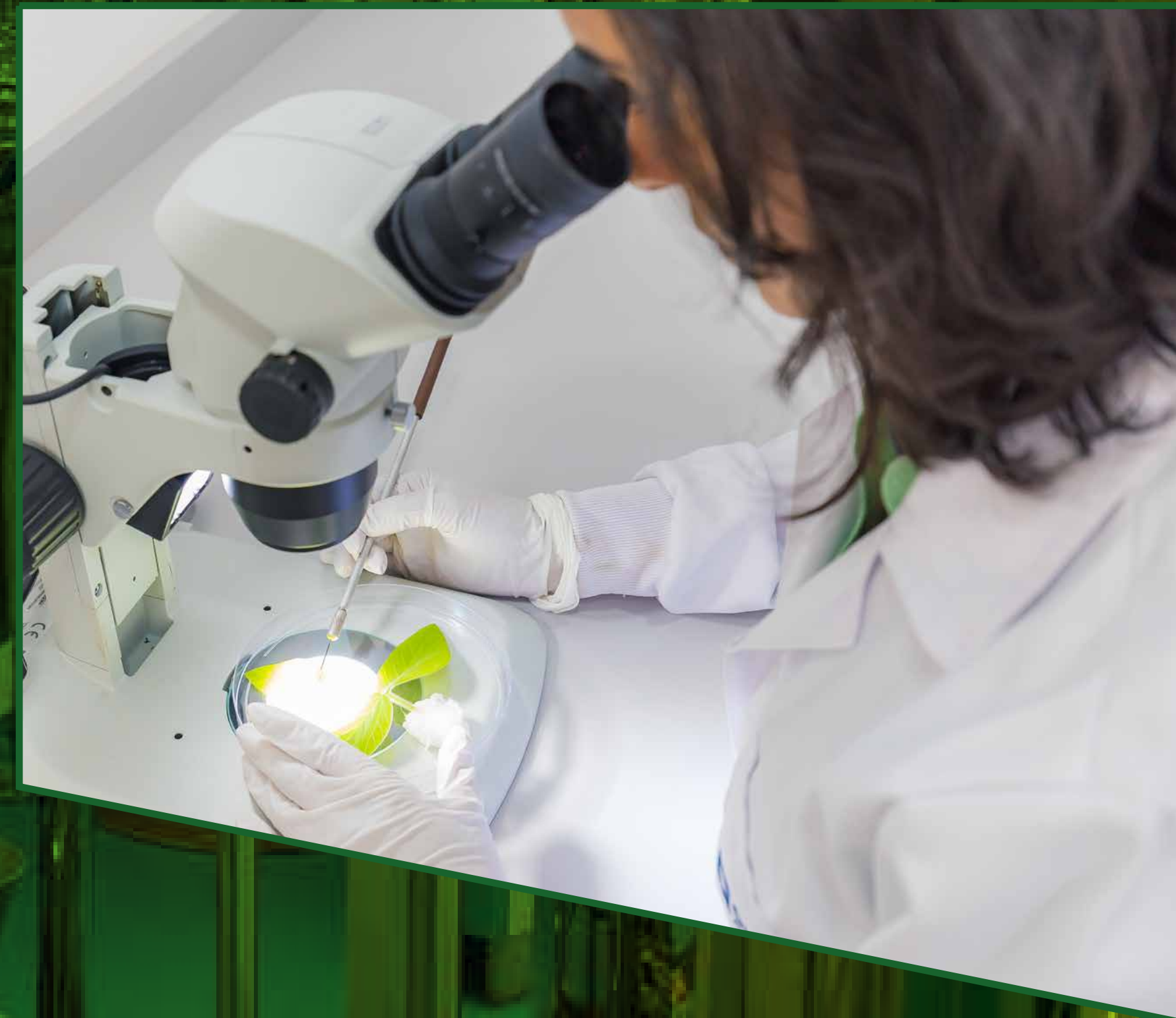
Innovation is part of our purpose and is a strategic theme for our future ambitions. Anticipating trends, making products more adapted to the Brazilian reality and having less impact, undoubtedly form the basis of the Company's innovation pillar. We believe in the ability of our team of professionals to reimagine the current agriculture model, which associated with modern structures and inspiring leadership, can transform the reality of thousands of producers and customers throughout Brazil.

The Research, Development and Innovation (PD&I) team is responsible for product validation tests and assays, carried out in four experimental stations (distributed in strategic regions of Brazil) and a laboratory within the Uberaba industrial complex (MG). The entire operation conducted in the experimental stations follows strict national and international market guides, in addition to national laws. The Ministry of Agriculture, Livestock and Supply (MAPA) accredit our field-testing models and the protocols conducted assess in 100% of cases, the impacts on the health

and safety of users and professionals involved in the management of solutions. In addition to accreditation by MAPA, the stations meet the requirements of Good Laboratory Practices (GLP). **GRI 416-1**

**The experimental station in Guatapar (SP) has an area of more than a thousand hectares, with complete structure for the study of innovative solutions, development of projects and partnerships, training professionals, in addition to conducting research and other agricultural activities.**

The structure accommodates the most professionals of the RD&I department and has been developed to meet all the needs of the formulas' experimental work, counting on the laboratory, office, room for manipulation and calibration of spraying equipment, location for storage of commercial and experimental products and six greenhouses for evaluation.





Our complete structure makes the experimental farm a benchmark among all similar structures in Brazil and enables Ourofino Agrociência to perform over 500 studies annually. The other experimental stations are located in the States of Paraná and Goiás, also dedicated to conduct field tests, but on a smaller scale, with a leaner structure, aiming to simulate different climatic conditions in the country.

We also have a focused team working and improving the formulations of the products. The Regulatory Board works closely with the RD&I area to monitor the entire legal process and reduce, where possible, the time for the launch of new products in the market.

As part of the Company's strategy, besides performing ongoing investments in infrastructure and training of professionals, we have the support of renowned research centers and universities in the country in the form of strategic partnerships, such as the Paulista State University (Unesp) in Jaboticabal and Botucatu, the Higher School of Agriculture (ESALQ), the State University of Campinas (Unicamp), Agronomic Institute (IAC) in Ribeirão Preto and the Brazilian agricultural Research Corporation (Embrapa).

**These investments and partnerships are directed largely to the research and development area, forming the basis to develop the company from strictly generic operation to a developer of molecules and patents.**

From January 2019 to March 2020, we kept our policy of investing in research, development and innovation, reaching the mark of BRL 38.4 million, representing 2.8% of revenues in the last fiscal year. These resources represent the development and testing of new products to the construction and refurbishment of laboratory facilities.

For the coming years, our expectations were recalibrated with the entry of Japanese partners Mitsui and ISK. Mitsui has a stake in several businesses around the world and this can bring us important bridges in the development of innovative solutions and at the same time procedural increments by the exchange made with

other companies. At the same time, ISK has great expertise in the development of molecules, which will bring us competitive advantages in the near future. In the last year, we have carried out strategic mapping with both partners, identifying opportunities for us to work together in the medium and long term.





# Thinking and acting locally

GRI 103-2 | 202, 103-3 | 202, 103-1 | 203, 103-2 | 203, 103-3 | 203, 103-1 | 204, 103-2 | 204, 103-3 | 204, 103-1 | 413, 103-2 | 413, 103-3 | 413

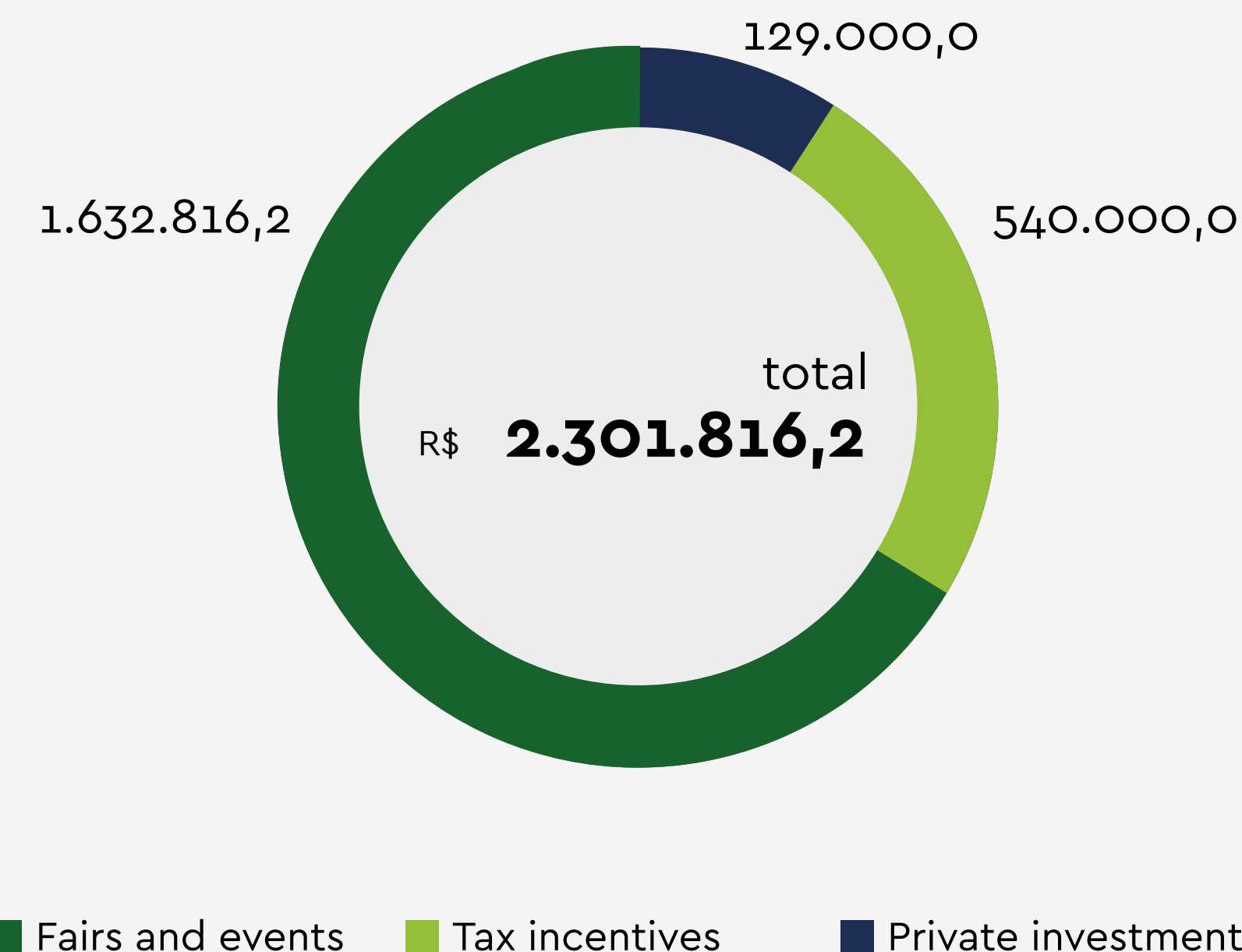
We believe in the transformative power of private enterprises when engaged to local communities. Understanding their needs and aligning the Company's corporate strategy to positively impact society is paramount. We understand the impacts of our activities as a great opportunity to contribute and establish lasting bonds with people and communities.

The actions are carried out by the Company in the main areas of influence of the business, that is, primarily in Ribeirão Preto (SP) or neighboring cities and key places of relevant agricultural crops throughout Brazil, where we have experimental stations or even commercial ac-

tivity. The actions are structured under the responsibilities of the Marketing and People Management Areas, and in the last year, it covered distinct segments of society. In the process, tax incentives and regional programs were used, in addition to the Company's own investment in the case of donations or sponsorships. We were also present at fairs and technical events throughout Brazil linked to agribusiness, where our participation generates a series of indirect benefits for local producers and professionals in the segment, such as the improvement of knowledge and technical training. **GRI 413-1**

## Investments, projects and supported beneficiaries (BRL)

GRI 203-1

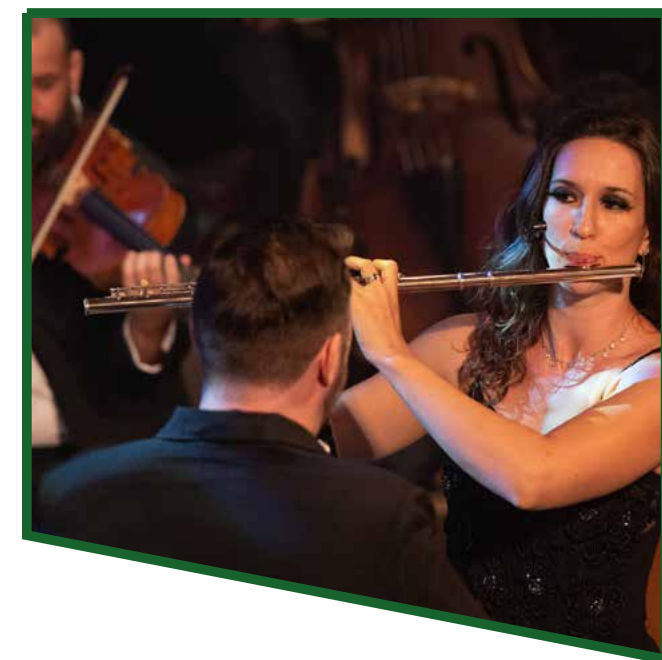




Together with the aforementioned actions, we believe that encouraging local purchases and consequent generation of income is an important social impact tool in our value chain. As we have a well spread activity in Brazil and with great dependence on suppliers concentrated in China and India, we have adopted as a premise for local purchases those carried out on national territory. We prioritize the acquisitions made near the industrial complex in Uberaba (MG) and headquarters of Ribeirão Preto (SP), but it is not always possible, due to the specificity of certain production items. We performed BRL 84,463.20 million in local purchases during the last fiscal year, of which 17.4% were indirect, and 82.6% in direct ma-

terials and services purchases. Associated with income generation, local purchases help us reduce logistical, productive and environmental impacts. **GRI 204-1**

We prioritize local hiring of professionals for the Company's main operations and thus contribute to the generation of local income. The hiring contracts are made largely within the states of São Paulo and Minas Gerais, due to the location of the administrative office and industrial complex. In the top leadership (President, Vice President and Directors) of the Company, we have 84.6% of representatives considered local and, for the remainder of the team 86.3%. **GRI 202-2**





# Supplier chain

GRI 103-1 | 308, 103-2 | 308, 103-3 | 308, 103-1 | 408, 103-2 | 408, 103-3 | 408, 103-1 | 409, 103-2 | 409, 103-3 | 409, 103-1 | 414, 103-2 | 414, 103-3 | 414, 102-9

The management of the supply chain is certainly a priority and most strategic issue for the activities of Ourofino Agrociência. Raw materials acquired are a relevant part when we talk about the price composition of solutions, ranging from 70% to 90% of the final cost of the finished product. The chain consists of more than 1,000 trading partners, with many of the inputs purchased internationally, which requires a comprehensive management with understanding of international law, validation of long quotation processes, exchange rates and complex logistical variations.

To organize the entire process of supplies and negotiations, we have a dedicated and experienced team, linked to the Procurement Board. This department is responsible for the exploration and development of suppliers and trade negotiations of direct and indirect inputs, equipment and services to meet the

business demands and internal areas. To support the Procurement structure, we have an international office in Shanghai (China) composed of Ourofino Agrociência professionals, who help us manage critical suppliers and recently a hybrid sourcing structure was composed in India, within the Mitsui office in New Delhi. This advanced team allows us greater proximity to the supply chain, since most of the supply of production inputs, come from China, India and neighboring regions.

We divide our chain into two main groups of suppliers, where the first covers the direct materials and, second, the indirect. By definition, direct materials are those applied in the formulation and packaging of solutions and indirect materials are those used in the maintenance or the Company's facilities.







We conduct all purchases of the Company based on criteria established in policies, procedures and regulations specific of our management system.

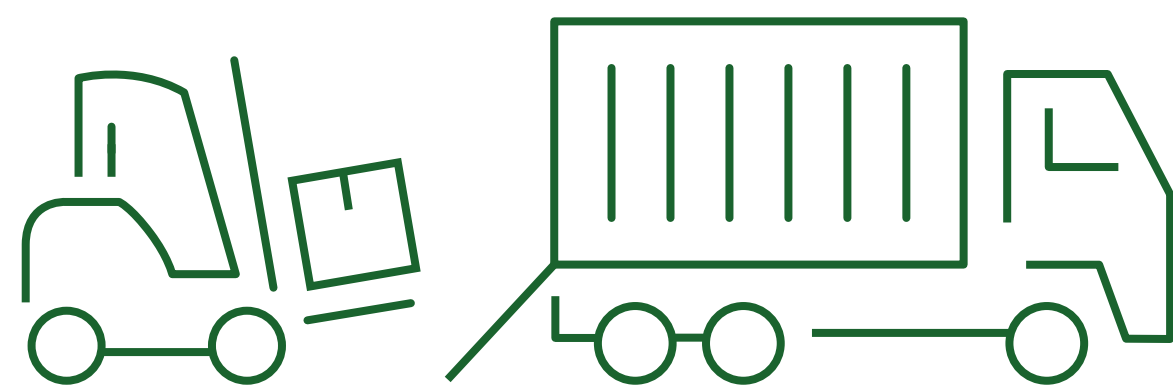
**The whole process follows the applicable national and international laws, ensuring healthy conditions and transparent relationships throughout the supply chain.**

Thus, we include clauses of Commitment to the compliance with the Code of Conduct Ourofino Agrociência in all signed contracts, marking out the conduct expected during the business relationship, which includes knowledge and compliance with ethical, environmental, anti-corruption, data protection and human rights standards. **GRI 412-3**

One of the most important processes conducted by the Procurement team is the Supplier Qualification Program. The program includes

previous and periodic evaluations and audits of the partners in loco and aims to ensure appropriate conditions and low risk for the entire chain. The process analyzes the main market, labor, financial and legal risks applied to all providers of productive and non-productive items typified as chemicals.

The Program audits are focused on key suppliers and the results form the basis of evaluations, i.e. best rated partners are prioritized in future purchases and the worst performers may even be inactivated, based on contractual criteria. In this last fiscal year, we had 38 audits, five of them in domestic suppliers, nine Indians, 3 in China and one in Indonesia, 33 Active Ingredients and their respective suppliers.





# Social performance

 ourofino  
agrobiência

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# Our people

Above all, we believe and value people! The success path of Ourofino Agrociência was only possible because we have always had amazing people working hard for the business. We believe in human development as a fundamental tool to achieve our strategic objectives, understanding the needs of our stakeholders and at the same time, working in a transparent manner to generate value to society.

**We seek results that go beyond the financial aspect aligned to the purpose of Ourofino Agrociência. In order to do so, we associate our actions to Sustainable Development Goals (SDGs) of the United Nations and so we can understand the impacts of the activities and operations of the Company more holistically.**

We have an amazing group of 422 professionals distributed throughout Brazil, with a small portion allocated in China. This group is made up of people from diverse backgrounds, faiths and worldviews, keeping engaged to the strategic objectives of Ourofino Agrociência.





## Professionals by employment contract and gender

GRI 102-8

	2017	2018	2019/20		
			Men	Women	Total
Effective professionals (Brazil)	410	397	311	104	415
Effective professional (China)	6	6	6	1	7
Temporary workers (Brazil)	7	20	41	1	42
Effective professionals (Brazil)	68	84	89	28	117

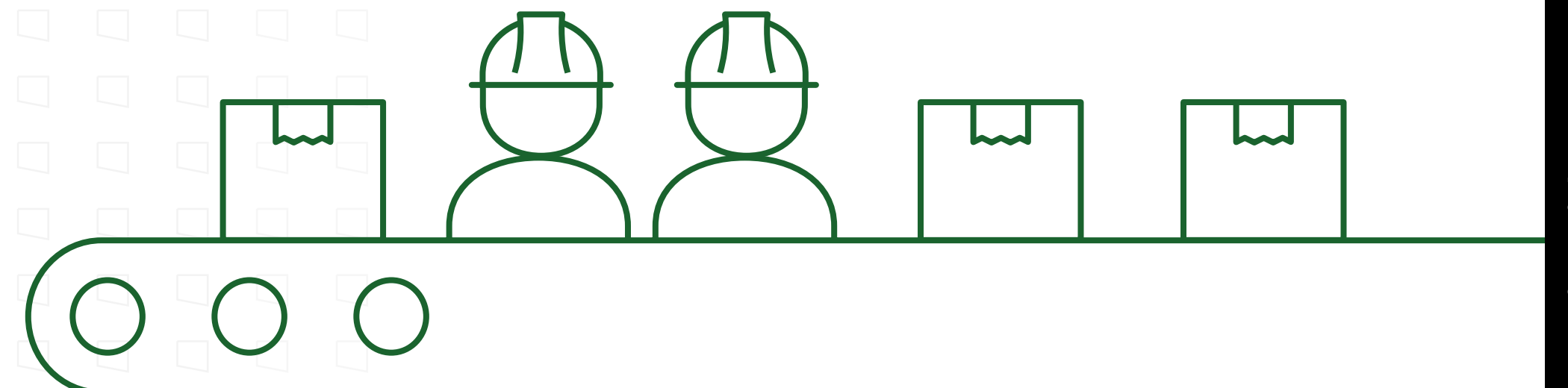
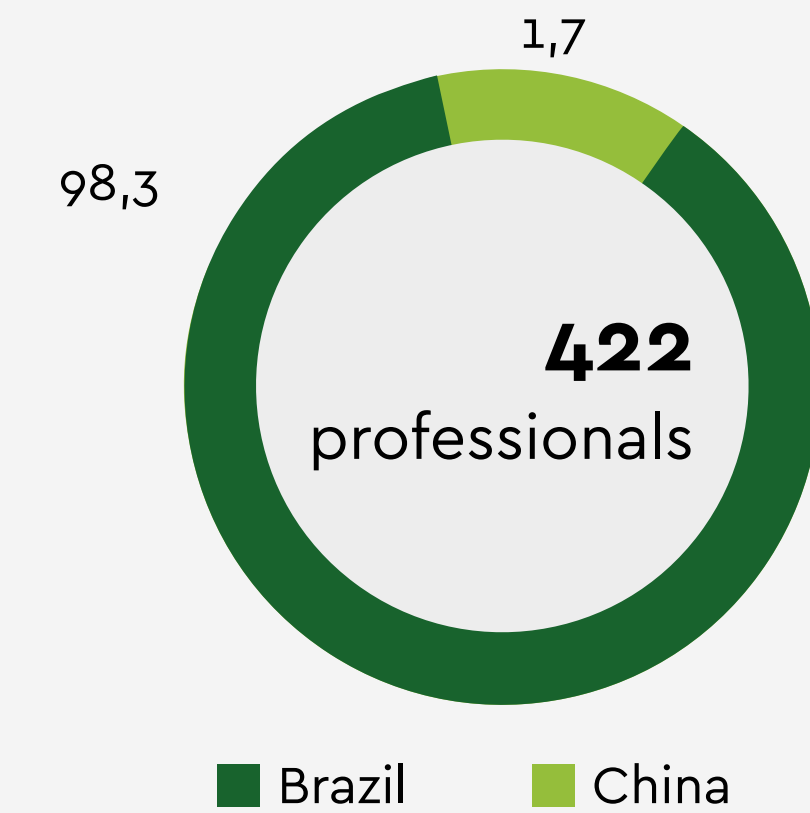
**Note 1:** We consider as permanent all the professionals listed on our payroll, including apprentices.

**Note 2:** All data is compiled by payroll.

**Note 3:** The data presented do not consider trainees.

**Note 4:** In Brazil, our distribution of permanent professionals is performed as follows: 361 in the Southeast, 27 in the Midwest, 15 in the South, 10 in the Northeast and two in the north.

## Representativeness of professionals by region (%)





# Difference is strength

GRI 103-1 | 401, 103-2 | 401, 103-3 | 401, 103-1 | 405, 103-2 | 405, 103-3 | 405, 103-1 | 406, 103-2 | 406, 103-3 | 406

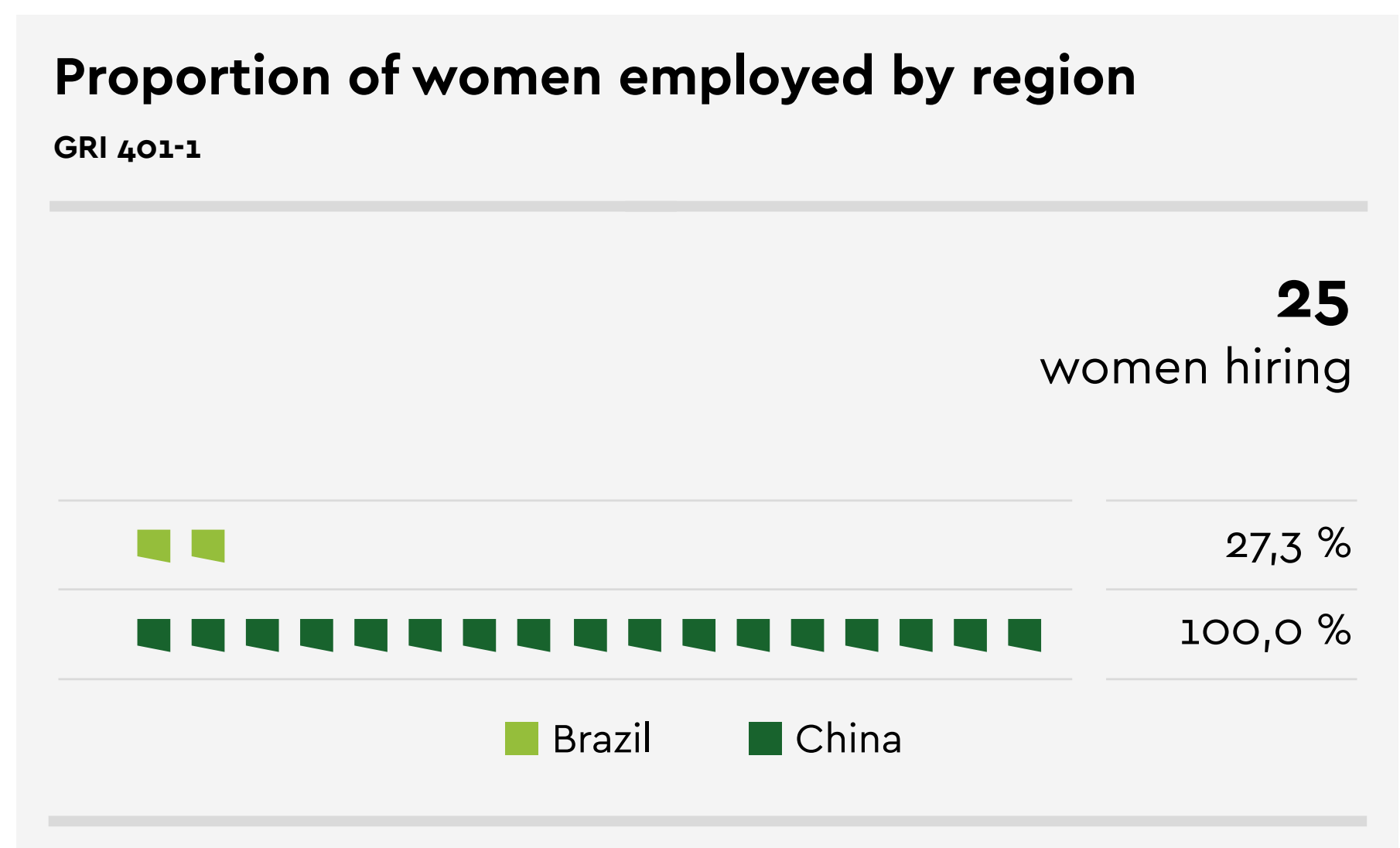
Here, as a rule, we value differences and understand their power in building and developing successful teams. We seek balanced and diverse environments, where the focus is common and the potential of all is operated on behalf of the Company.

Our workforce is heterogeneous and formed by people from different regions, genders, beliefs, thoughts, ages, customs and principles. We are proud of the team we form and do not accept any form of discrimination. Our Code of Conduct supports such behavior and offers professionals the security needed to perform smoothly.

We know our responsibility in maintaining fair processes such as hiring and determination of remuneration free from unhealthy behaviors. We seek transparent

processes that enhance technical criteria, regardless of who performs the process or perform the function.

For the determination of remuneration, including awards and bonus, we also follow strict technical criteria associated with market references. In general and independently of the employed functional category, no significant differences between the salaries of men and women are observed in Ourofino Agrociência, a result of our balanced dynamic that values expertise above all. The remuneration of the highest decision-making level executives is up to the shareholders in conjunction with the area of Personnel Management, always based on market practice.





# New winds in people management

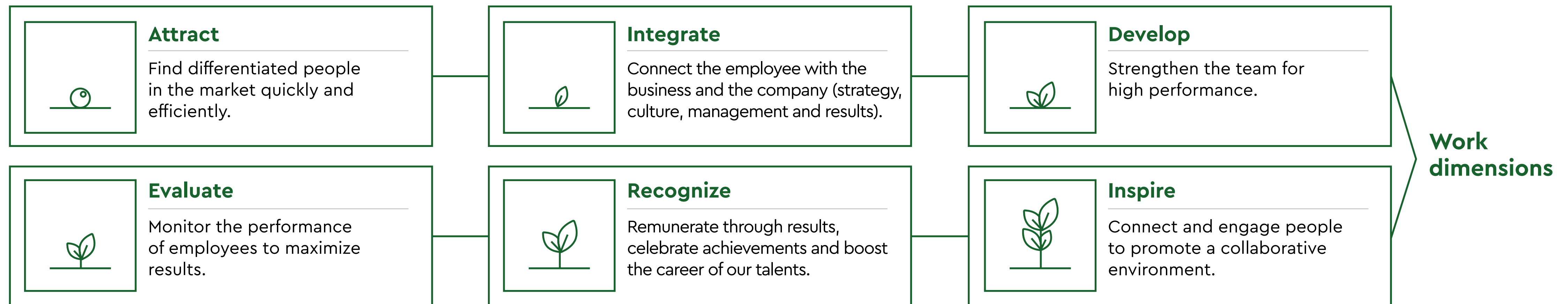
The People Management area structured over the last fiscal year, a master plan whose main objective is to provide interventions that enhance organizational culture, ensure a favorable climate and boost the company's productivity. Called Grow, the new plan is born from the aspirations identified in our main public relations and team.

Growth is driven by six dimensions defined based on the journey of the professional, so that the department's contribution to the Company is the strategic management

of people, valuing the teams not only in the professional sphere, but also in a more human approach. These dimensions talk to the main ideas and trends that will guide or already guide the organizations to manage their human capital and allow flexibility and agility in decision-making.

It took months of work to get to the final shape of the plan and start of its implementation, which occurred still in 2019. The structure of the material is based on issues identified during the phase of interviews,

which were conducted with leading public relations and professionals of Ourofino Agrociência. The material was used for the redefinition of the area strategy, setting goals and objectives in the short, medium and long term, in a horizon of two years.





# Training

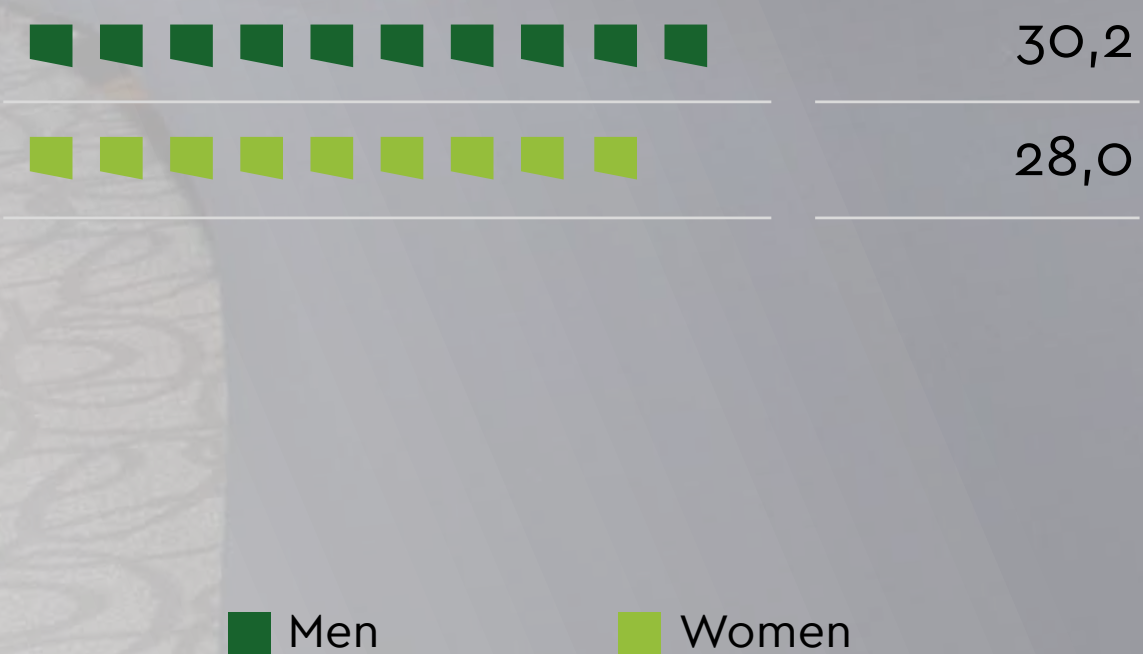
GRI 103-1 | 404, 103-2 | 404, 103-3 | 404

We believe in the educational development of the teams as a crucial factor in achieving our strategic objectives. The People Management area is responsible, along with the leaders of each sector, to identify and map the specific training needs of each professional of the company.

Based on identified training needs, an annual training plan for each professional is prepared additionally considering in its design, legal and regulatory capabilities required, as well as the results of individual annual performance evaluations. In our last fiscal year, we conducted a few professional assessments, being restricted to specific areas or even pending issues. For the new fiscal year and continued implementation of the new Master Plan of the People Management area, we will have 100% of the assessed professionals already considering the new Performance Management Program. **GRI 404-3**

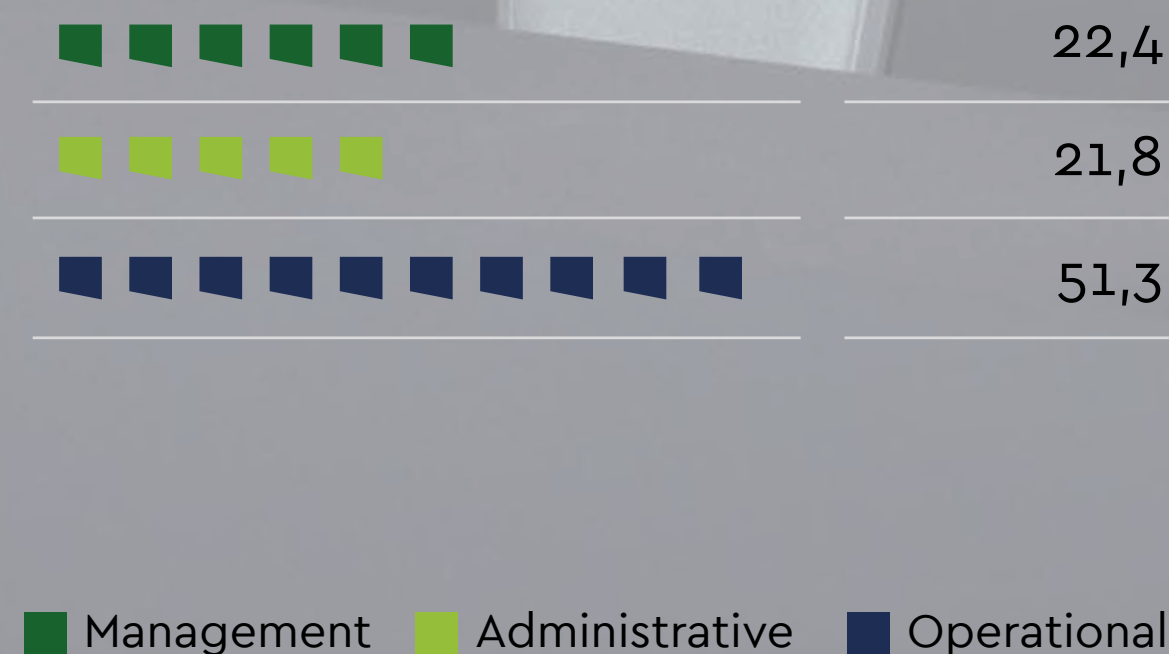
## Average hours of training per gender

GRI 404-1



**Note 1:** Average calculated considering the number of permanent employees on March 31, 2020.  
**Note 2:** The present calculations consider only effective professionals working in Brazil.

## Average hours of training per functional category



**Note 1:** Average calculated considering the number of permanent employees on March 31, 2020.  
**Note 2:** The present calculations consider only effective professionals working in Brazil.



# Well-being, quality of life and benefits

We consider the quality of life of our employees as one of the Company's priorities. A healthy, pleasant and inclusive environment allows keeping talents and at the same time, developing the full potential of teams.

For this, we continually strive to evolve the benefits of portfolio offered to Ourofino Agrociência professionals, aligned to their needs, union deliberations and desires. Our benefits scope covers the actual, interns and temporary professionals. We also dedicate special care in granting maternity and paternity leaves. Last year, 10 licenses were granted among our 422 effective professionals, three for dads and seven for new moms. After 12 months from the return of these parents, we had no cases of dismissal and all of them are still in our team, which leads us to a rate of 100% retention.

**GRI 401-3**

## Benefits of portfolio by type of contract

**GRI 401-2, 403-6**

	Cash	Trainees	Temporary staff	Extensible for dependents
Life insurance*	■	■	-	■
Medical Assistance	■	-	-	■
Dental Assistance	■	-	-	■
Private Pension Plan	■	-	-	-
Profit sharing (PSP)	■	-	-	-
Food voucher/ Meal vouchers	■	■	■	-
Meal voucher/ meal on site	■	■	■	-
Transport/ Parking	■	■	■	-
Gympass	■	■	-	■
Labor gymnastics	■	■	■	-
Childcare Assistance	■	-	-	-
Christmas Basket or Voucher	■	■	■	-
Birthday present	■	■	-	-
Baby Kit	■	■	-	-
Dinner celebration for time of employment (every 5 years)	■	-	-	-
Employment time bonus (10, 15, 20 and 25 years)	■	-	-	-
Afternoon Snack	■	■	■	-
Wedding gift	■	-	-	-
School Supplies	■	-	-	-
Reimbursement for children with special needs	■	-	-	-
Educational grant	■	-	-	-
Presents in celebration occasions	■	■	-	-

**Note:** (\*) Life insurance has 50% coverage for spouse and 10% for children.



# Trade union negotiations

GRI 102-41

We have a good relationship with the unions that represent our workforce and maintain annual agendas to discuss important topics such as social aspects, pay and working conditions. This channel with the unions is critical so that collective agreements are aligned to the market, and especially to the needs of stakeholders.

The professionals working in Uberaba (MG) are represented by the Union of Workers in Ethanol Manufacturing, Plastics, Cosmetics, Fertilizers, Chemical and Pharmaceutical (Stiquifar) Industries and other professionals by Autonomous Trading Agents Employees' Union and Consult-

ing, Inspection, Information and Research Companies and Financial Services Companies (SEAAC) in Ribeirão Preto (SP).

**Currently, we have two signed collective agreements covering all Ourofino Agrociência professionals in Brazil.**

As for the professionals working in China, we follow the local labor laws, and when there is a workers' representative body, the coverage of collective agreements reaches 100%.



# Health and safety

GRI 103-1 | 403, 103-2 | 403, 103-3 | 403, 403-6, 403-7

For Ourofino Agrociência, life always comes first. We value the health and well-being of all professionals, independent of their role and place of activity. We want people to be healthy physically and mentally to work together and for the same purpose.

Health and safety management is in the hands of the health, safety and environment (HSE) team. The team consists of experienced professionals, including engineers and field technicians, who organize the entire process based on the Integrated Management System (IMS). Our Integrated Management System (SGI) covers direct and outsourced professionals (106 professionals), which represent 33% of the population. The SGI is based on market regulations following national and international legal requirements, through the implementation of indicators, goals and programs focused on continuous im-

provement. SGI's scope covers domestic and international operations. GRI 403-1, 403-8

**We are certified in NBR OHSAS 18001 and have a series of instructions, documents and support programs to manage the aspects of health and safety at work, always aligned with the SGI Policy.**

As a master line, we maintain a program of Environmental Risk Prevention Program (PPRA) where the main physical, chemical and biological threats in operations are identified, which together with the Control Plan for Occupational Health (PCMSO), form the foundations of health and safety management of the Company's work. Additionally, we structured other information sources that contribute in view of risks and





controls, such as the Hearing Conservation Program (PCA), the Respiratory Protection Program (RPP), the Ergonomic Work Analysis (AET), Survey of Occupational Hazards and Risks (LPRO) Preliminary Risk Analysis (RPA), Hazard and Operability Study (Hazop), among others. **GRI 403-2**

Annually, we train professionals in the related to legal aspects (Regulatory Standards in most cases), procedures and normative instructions related to the functions performed. Last fiscal year, we reached a total of 7618.2 hours trained by our own professionals and 89.4 by third parties. **GRI 403-5**

In relation to health services, we work based on the prevention of diseases and structuring of appropriate conditions for the activities of professionals. We have an ambulatory with dedicated staff, open and available during working hours to receive all professionals of the industrial complex in Uberaba (MG). In the ambulatory, we perform periodic reviews and assistance in addition to emergency calls in the event of incidents or accidents. In this case, depending on the severity of the event, we send professional

to private hospitals in the region. For professionals out of the Uberaba operation, insured hospitals and medical centers perform the treatments in any cases. **GRI 403-3**

In addition, we monitor the activities with higher risk of potential occupational diseases and carry out specific actions to ensure the well-being of workers. Among them, we highlight the rotation of roles, installation of collective protections and ergonomic adjustments.

## **All this care has maintained Ourofino Agrocência with no records of occupational diseases along the years, and 2019/20 was no different.**

**GRI 403-10**

We value forums of participation, consultation and communication of workers on occupational health and safety. Last year, we kept the Emergency Brigade and the Internal Accident Prevention Commission (CIPA) formed by Ourofino Agrocência professionals and fixed third parties, with



the participation of different hierarchical and functional levels. The Brigade gathers monthly and promotes the prevention of occurrence of emergencies through inspection of emergency equipment, training and simulations of emergency scenarios. The team has 51 brigadiers distributed in Uberaba (MG), Ribeirão Preto (SP) and Guatapar (SP). The internal commission for the prevention of accidents was conducted by a team of 23 members distributed by the Company's main operations. In these monthly meetings, the team promoted the prevention of accidents and diseases resulting from work by identifying and implementing measures to mitigate risks.

**GRI 403-4**

We annually conduct several actions to increase engagement and awareness of the Company's professionals on issues involving health and safety aspects. In 2019/20, we had the Internal Week of Occupational Accident Prevention and Environment (SIPATMA), vaccination campaigns, deworming and awareness of issues such as Pink October (prevention of breast cancer), Blue October (prevention of prostate cancer ), among others.

**Major health and safety rates**

**GRI 403-9, 403-10**

	2017	2018	2019/20
<b>Professionals Ourofino Agrocincia</b>			
Injury resulting in medical leave	0	0	0
Injury rate resulting in medical leave	0,0	0,0	0,0
Injuries not resulting in medical leave	3	3	2
Injury rate not resulting in medical leave	4,6	7,0	2,3
Rate of Missed Working Days	0,0	0,0	0,0
Rate of Occupational Diseases (ROD)	0,0	0,0	0,0
Number of deaths	0	0	0
Total Worked hours (TWH)	652.173	428.302	881.893
Average workers per period	375	396	434
<b>Fixed outsourced professionals</b>			
Injury resulting in medical leave	3	0	1
Injury rate resulting in medical leave	37,3	0,0	3,9
Injuries not resulting in medical leave	0	1	1
Injury rate not resulting in medical leave	0,0	4,3	3,9
Rate of Missed Working Days	821,0	0,0	27,3
Rate of Occupational Diseases (ROD)	0,0	0,0	0,0
Number of deaths	0	0	0
Total Worked hours (TWH)	80.354	229.680	256.080
Average workers per period	40	87	97

**Note 1:** The accidents that occurred with their own team relate to limb trauma. Accidents with outsourced professionals relate to limb trauma and venomous animal's stings.  
**Note 2:** Data from direct professionals show a fall in the comparison of the last three years in relation to the number of work-related accidents resulting in medical leave. This is the result of a coordinated and integrated effort focused on continuous improvement, together with the adoption of tools that enhance the efficiency of the management of safety and occupational health risks (SST), related to all activities of the organization.  
**Note 3:** For all accidents that occurred in the operations and calculation of frequency rates, we use as parameter the Brazilian Standard (NBR) 14280 of The Occupational Accident Registry (CAT) together with the Technical Social Security Link (NTEP). The calculation is based on the number of accidents per man / hour worked multiplied by 1,000,000.  
**Note 4:** The Company's SST management base is responsible for Regulatory Standard 4 (NR4) of Specialized Services in Safety Engineering and Occupational Medicine.



# Environmental performance

## In this chapter

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# Environmental responsibility

We are committed to promoting the responsible use of natural resources throughout our value chain, and thus we continually seek to identify and mitigate the main environmental impacts related to the Company's activities. We apply environmental care from the choice of suppliers and raw materials, through the production process, to the delivery of goods and return of the packages via reverse logistics. We believe in incorporating more efficient, innovative technologies in all the Company's processes that coupled with good operational controls, and management indicators can effectively reduce environmental impacts of our activities.

In order to sort all the necessary controls and maintain the active processes, we have an area that integrates environmental issues and health and safety under the same scope, called Health, Safety and Environment (HSE). This area acts as responsible for the environmental management system and conducts its activities guided by compliance and legal compliance, risk management, market practices, regulatory requirements (ISO 14001) and contract. The

environmental management system has robust procedures, policies and indicators and covers the processes that are critical to our business, always seeking to reduce potential risks and meet the conditions of the operating license.

In order to improve the knowledge of professionals and meet mandatory requirements, a schedule of training sessions is established annually, where we revisit important concepts and at the same time, enable teams to work in potential risk cases. Last fiscal year, we got 450 hours of training, where the main explored themes were: Industrial waste management, waste collection, environmental goals related to the reduction of water consumption, electricity and particularly hazardous waste generation, monitoring conducted to maintain the environmental management system, such as operational controls, administrative controls, systematic external and internal communication of environmental events, in addition to environmental aspects and impacts inherent to the activities.



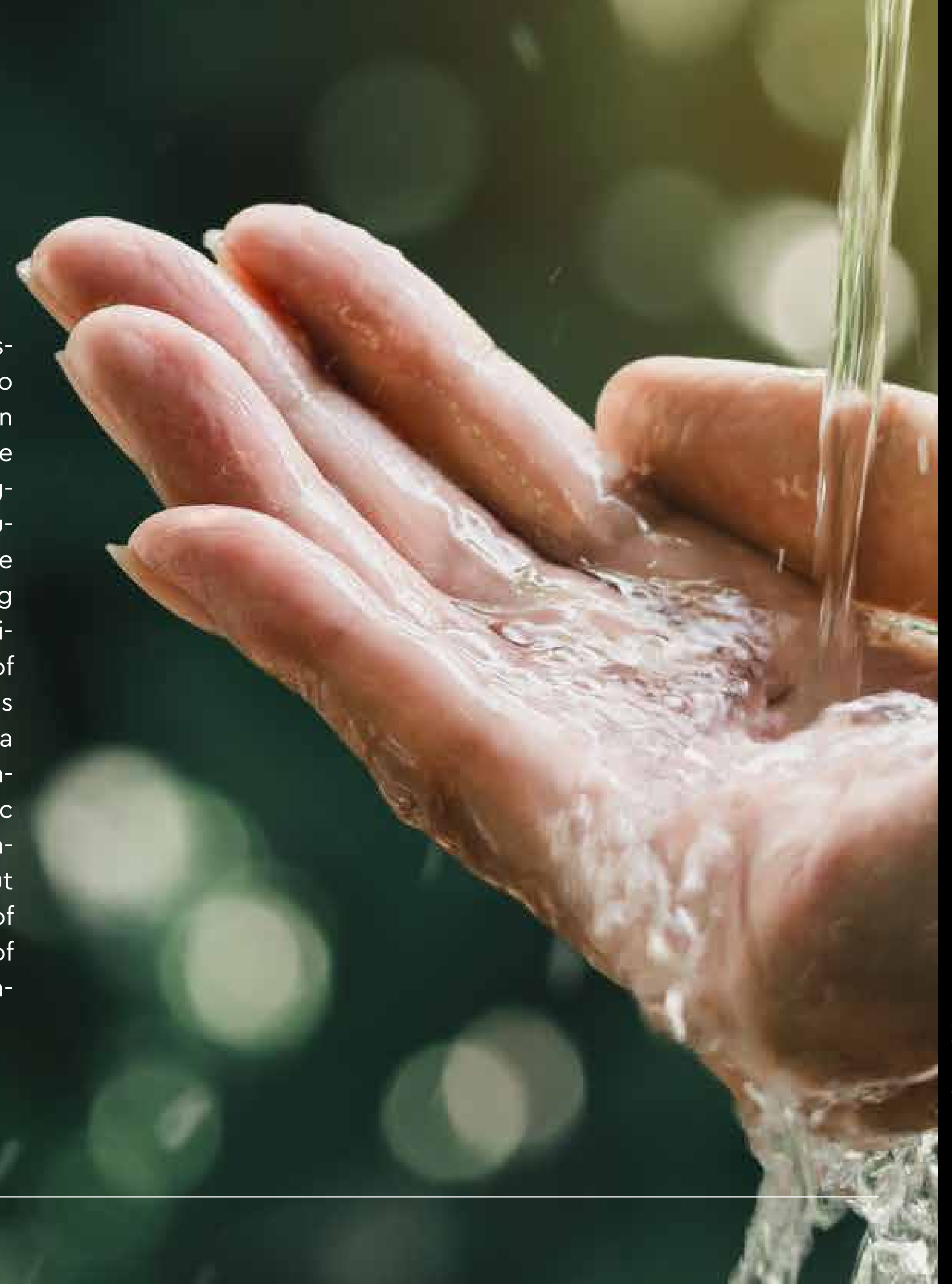
# Water resources

GRI 103-1 | 303, 103-2 | 303, 103-3 | 303, 303-1

Water resources are vital to the entire production process of Ourofino Agrociência and considered as strategic by the Company. Thus, we conducted a responsible management of the resource including rationalization programs, efficiency, and treatment and monitoring. We keep focused on regional and national discussions related to water, since the scarcity of the resource, not only compromises our industrial activity and production process of clients, but the entire supply chain that surrounds us.

The HSE department is responsible for managing water resources and adopting risk management as the main tool to measure potential damage generated by its unavailability. Therefore, we focus on studies published and discussed in the Water Basin Committees related to the area of our industrial complex, which indicate potential changes and threats. The industrial complex of Uberaba (MG) is our operation with the highest demand for

water resources. Located in a strictly industrial district, the operation is supplied by two tubular wells with an authorized abstraction volume of 227,105 m<sup>3</sup>/year, coming from the Rio Grande Hydrographic Basin (not designated as a protected area). This Basin occupies 143,400 km<sup>2</sup> and is located between the states of Minas Gerais and São Paulo, being 60% of its area present in Minas Gerais territory. Rio Grande, which names the Basin, is of fundamental importance in the communities close to the industrial operation of Uberaba (MG), as well as being used as a source of consumption, it is essential for regional economic activities involving agriculture, livestock, industrial production and tourism. Throughout 2019 and early 2020, we had no evidence of impact or evidence of change in the quality of the resource produced by the industrial consumption of Ourofino Agrociência. **GRI 303-1**





**The main environmental impacts caused by the production process of the industrial complex in Uberaba (MG), including the use of water resources are analyzed and monitored based on our array of environmental aspects and impacts.**

The monitoring occurs in activity level and follows the criteria established by the Integrated Management System (IMS). The system was established to meet legal, contractual and regulatory requirements. All deviations identified with significant potential are monitored by indicators and treated with specific action plans, which limit possible negative impacts. **GRI 303-2**

### Water volume withdrawn by source (m<sup>3</sup>)

GRI 303-3, 303-5

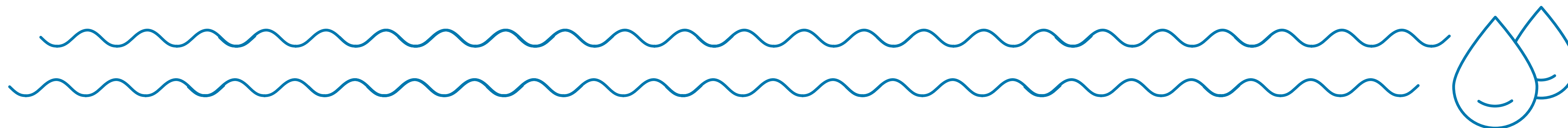
	2017	2018	2019/20
Groundwater (wells)	49.962,0	56.297,0	60.162,0

**Nota:** Data for the industrial complex in Uberaba (MG). Data reported were obtained by measurement of hydrometers and hour meters installed in wells and measured daily by the HSE staff.

### Recycled and Reused Water (m<sup>3</sup>)

	2017	2018	2019/20
Total recycled/reused water (m <sup>3</sup> )	16.383,0	15.097,0	14.696,2
Total Withdrawn (m <sup>3</sup> )	49.962,0	56.297,0	63.402,9
Ratio of reused and recycled water by total volume of new water removal (%)	32,8	26,8	23,1

**Nota:** The volume of recycled water refers to the effluent treated by the Station of Treatment of Effluents (ETE) and to the station of industrial water treatment, both located in our plant in Uberaba (MG).





# Effluents

GRI 103-1 | 306, 103-2 | 306, 103-3 | 306

We have a responsibility to protect the surface and deep waters, which are an important part in our production and their use is routine in many neighboring communities to the Uberaba operation (MG). Thus, we strive to monitor continually the generation and disposal of waste, mitigating potential risks and environmental damage.

The effluents generated in the operation pass through three different types of treatment according to the existing contaminant. For effluents with the presence of industrial contaminants and without solvents or dyes, we use the vacuum / evaporation concentrator followed by reverse osmosis. The effluents considered domestic, from toilets, kitchens and cafeteria are referred to our biological treatment plant, consisting of three ponds and a filter, plus the chlorination system. Finally, we sent the concentrated effluents contaminated with solvents

and dyes among others of higher environmental impact to incineration. **GRI 303-2**

**Ourofino Agrociência does not dispose of treated water or effluents into similar hydric bodies, but as good practice, it uses the water from the biological treatment station for the irrigation of green areas in the Ecological Park, in the industrial complex in Uberaba (MG).** **GRI 303-4, 303-5**

For this disposal, we adopted the parameters required in the Joint Normative Resolution Copam / CERH-MG # 1 from May 05 2008, which provides for the conditions and effluent discharge standards. HSE staff monthly measure compliance with parameters. In addition to the



disposal of water from the biological station, we also direct our rainwater drainage network to the Ecological Park, after storage in a containment dike. It is noteworthy that the park is not designated as a protected area and does not have any protected species. **GRI 303-2**

## Disposal of waste by type, source and destination (Kg)

**GRI 306-1**

	Origin	Treatment type	2019/20
Industrial	<b>Tank Cleaning</b>	Evaporator /reverse osmosis and external incineration	927.614,0
	Cleaning tanks contaminated with solvents, colorants and others	External incineration	433.975,4
Domestic	Use of bathrooms, kitchen and dining room	Biological Treatment plant	14.696,2
<b>Total</b>			<b>1.376.285,6</b>

**Note 1:** Data for the industrial complex in Uberaba (MG).

**Note 2:** No re-use of wastewater and / or sewage.



# Waste

GRI 103-1 | 306, 103-2 | 306, 103-3 | 306

We understand waste management as a complex process of more efficient choices involving the entire value chain, from the selection of raw materials, to post-consumption.

**The HSE department is responsible for managing all treatment, storage and disposal of waste in the Company's operations, working with the different players of the chain and observing opportunities for gains in operational efficiency.**

In 2019 we had a significant advance in the production process where we started to reincorporate 100% of the water processed originated from various product campaigns. This improvement enabled us to reduce the generation of waste coming from the manufacturing process, which would be conveyed to evaporation by about 455,000.0 Kg / L.



## Waste by disposal method (t)

GRI 306-2

		2017	2018	2019/20
Hazardous waste	Evaporation	1.111,4	1.914,1	927,6
	Recovery	131,3	299,2	327,8
	Incineration	843,9	911,2	1.1014,6
<b>Total</b>		<b>2.086,6</b>	<b>3.124,5</b>	<b>2.270,0</b>
Non-hazardous	Recycling	196,2	183,7	219,3
	Recovery	580,4	489,3	724,8
	Industrial landfill	293,1	213,5	218,2
<b>Total</b>		<b>1.069,7</b>	<b>886,5</b>	<b>1.162,3</b>

**Note 1:** Data for the industrial complex in Uberaba (MG).

**Note 2:** For hazardous waste, the mentioned treatment (made by a specialized company) is linked to materials such as industrial sludge; recovery (made by a specialized company) is linked to materials such as empty drums of hazardous products; incineration (made by specialized company) is linked to materials such as Class I solid and liquid waste.

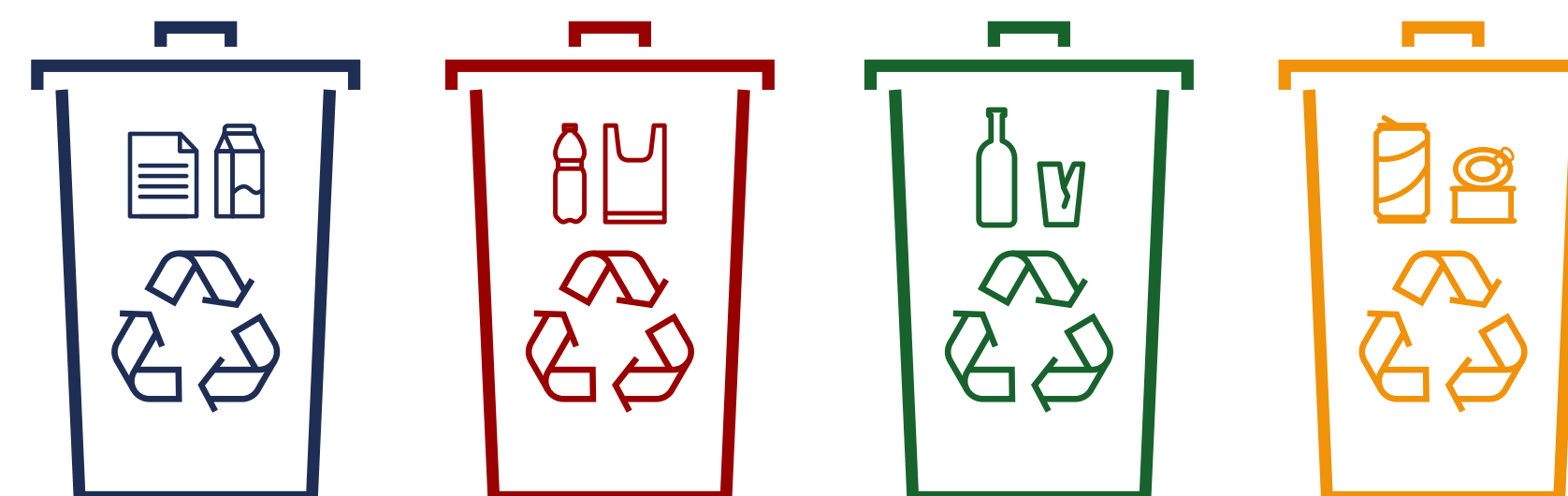
**Note 3:** For non-hazardous waste, the mentioned recycling is linked to materials such as plastics, cardboard, paper and metals; recovery is linked to materials such as pallets, drums and pails; landfill is connected to non-recyclable and non-contaminated residues, organic waste and construction debris.

## Hazardous waste transported and treated (t)

GRI 306-4

	2017	2018	2019/20
Transported	975,2	2.315,2	2.270,0
Imports	0,0	0,0	0,0
Exports	0,0	0,0	0,0
Treated	2.086,6	3.124,5	2.270,0

**Note:** Data for the industrial complex in Uberaba (MG).





# Ecological Park

GRI 103-1 | 304, 103-2 | 304, 103-3 | 304

The main operation of Ourofino Agrociência is located in a dedicated industrial area of Uberaba (MG) and remote communities. Isolation is purposeful, far from protected areas considered of great value to local or national biodiversity and ensures a strategic position in relation to logistics. **GRI 304-1, 304-2**

The park is located within the industrial perimeter, has a total area of 3.15 hectares and its vegetation formation is characterized by a residue of cerradão (inland vegetation), it is likely that, initially, it was characterized by a Deciduous State Forest (Dry Forest) on basalt outcrop. With the fragmentation process of the Deciduous Forest, there was favoring Brachiaria grass invasion as dominant substrate of the coppices and the subsequent establishment of a Cerradão (inland vegetation).

As one of the conditions of our Operating License, we have the commitment to ensure the condition and evolution of the Park. For this, we have our own internal team that performs, quarterly, activities of mowing, pruning, and fertilizing and pest control. In December 2012, the Park received the

planting of 1,000 seedlings of endemic species of the Cerrado and, since then, the evolution of the area has been monitored. The latest studies have recorded 65 species of wild birds, distributed in 15 orders and 3 families.

The most representative family, in terms of number of plant species, is Tyrannidae, followed by Columbidae and Furnariidae and Emberizidae with four species each. Among the bird species recorded, we have 29% insectivorous and 29% omnivorous, followed by grain eating and carnivorous, both with 10 species and 15% of representativeness each. Over the last few years, we have recorded the presence of reptiles, such as Jararaca and rattlesnakes, and amphibians such as the Cururu Toad, as well as nine-banded armadillo footprints. **GRI 304-3**

All records mentioned point to a gradual recovery of the Ecological Park and makes us believe that soon we will have its coverage close to the original, with its biodiversity reestablished. The work will be maintained and we expect even better environmental indicators in the future.





# Energy

GRI 103-1 | 302, 103-2 | 302, 103-3 | 302

Power management in the Ourofino Agrociência operations is considered strategic and its unavailability can significantly affect our operation. The vulnerability scenarios because of the lack of resources are numerous and closely monitored by the Company's leadership.

For the effective management of resources and improvement of the processes, we have a dedicated management unit to oversee the energy theme, located in the industrial complex in Uberaba (MG). Maintenance management is responsible for monitoring a series of performance indicators, in addition to devoting much of its time to find solutions that allow us to reduce energy consumption and thus evolve in the energy efficiency of the production of our solutions.

We have invested in effective solutions to generate savings in energy use. We continue to use translucent roof tiles for natural lighting and at the same time, we increased solar heating of water for bathing in the changing rooms.

**With these investments, we reached 1184.92 GJ savings generated in the last fiscal year, representing a 34.3% increase compared to 2018.**

In this calculation, we take into account how much we avoided using normal electric power, considering the lighting generated by the translucent tiles in various areas, plus the savings generated by the use of solar heating in showers. **GRI 302-4**



## Energy consumed internally by source type (Gj)

GRI 302-1

		2017	2018	2019/20
Non-renewable sources	Liquefied petroleum gas (LPG)	2.601,0	2.001,0	3.167,7
	Diesel Oil	1.669,9	328,0	697,5
Renewable	Electricity	16.378,0	18.601,2	21.542,4
	Solar energy	119,8	101,7	151,6
Total		20.768,7	21.031,9	25.559,2

Note: Data for the industrial complex in Uberaba (MG).

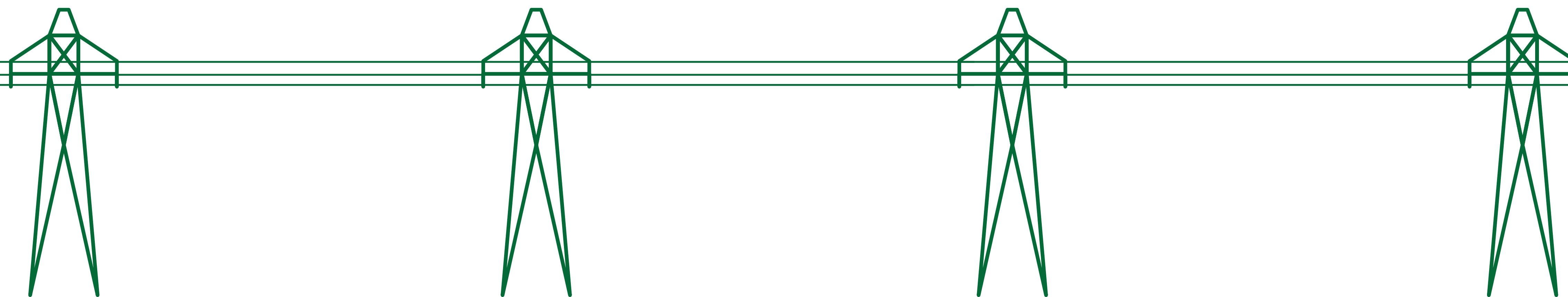
## Energy intensity

GRI 302-3

	2017	2018	2019/20
Total energy consumed (Gj)	20.768,7	21.031,9	25.559,2
Annual production volume (Kg / L*)	27.302.397,4	29.477.431,2	50.527.316,8
Energy intensity (GJ per kg / L produced)	0,0008	0,0007	0,0005

Note 1: Data for the industrial complex in Uberaba (MG).

Note 2: (\*) Unit of measurement, which represents the produced volume for liquid and solid solutions, combined, regardless of form. This unit is usually used in the crop protection market to express volume.





# Emissions

GRI 103-1 | 305, 103-2 | 305, 103-3 | 305

We keep on storing our greenhouse gases (GHGs) emissions and maturing priority scope one and 2 measurements. We know the importance of contributing to the theme of climate change, especially by potential impacts related to agribusiness. GRI 201-2

**This year and despite all the productivity growth achieved in relation to 2018, we maintained our proportional emissions and managed to reduce their intensity when comparing numbers.**

Our strategy remains focused on investments of more efficient equipment, adoption of more sustainable measures such as the use of LED lamps for the operation and use of ethanol fuel in the cars of the fleet.

Our emissions grew more in scope 1, due to the significant increase of production of the industrial complex in Uberaba (MG), scope 2 remained close to last year for emissions and because of the already installed productive structure.

Scope 3 emissions related to travel also did not have a lot of growth, but increased mainly the expansion of business activities and linked to international suppliers.

## Green House Gas Emissions (GHG)

GRI 305-1, 305-2

	2018	2019/20
Direct Scope Emissions 1 (tCO <sub>2</sub> equivalent)	430,2	711,9
Indirect scope emissions 2 (tCO <sub>2</sub> equivalent)	429,1	516,0
Biogenic scope emissions 1 + 2 (tCO <sub>2</sub> )	60,7	100,1

## Other Green House Gas Emissions (GHG)

GRI 305-3

	2018	2019/20
Business trips at scope 3 (tCO <sub>2</sub> equivalent)	228,8	262,8

## Green House Gas Emissions Intensity (GHG)

GRI 305-4

	2018	2019/20
Total greenhouse gas emissions GHG (equivalent tCO <sub>2</sub> )	859,3	1.227,9
Annual production volume (Kg / L *)	29.477.431,2	50.527.316,8
Intensity of emissions (tCO <sub>2</sub> per kg / L produced)	0,000029	0,000024

**Note 1:** Data for the industrial complex in Uberaba (MG).

**Note 2:** (\*) Unit of measurement, which represents the produced volume for liquid and solid solutions, combined, regardless of form. This unit is usually used in the crop protection market to express volume.



# Financial Performance

A person's hand is pointing at a large monitor displaying financial charts and data. The monitor shows a line graph with a significant upward trend, and a numerical value '200.91' is visible. The background is a dimly lit office with another monitor and a window.

## In this chapter

Result of the last fiscal year



# Result of the last fiscal year

GRI 103-1 | 201, 103-2 | 201, 103-3 | 201

We believe our last fiscal year was one of the most challenging and at the same time, one of the most important in the company's history. We reached the mark of R \$ 1 billion in revenues and made important adjustments throughout the operation, building a solid foundation for the projected growth in the coming years.

Throughout the year, we found adverse scenarios, such as the constant threat of lack of supplies from China, altered climatic cycles and strong exchange rate variation. At the same time, we had managers engaged and who knew how to circumvent the difficult situations. In addition to the outstanding dedication of professionals, we established an even more agile management with quick decision-making. We had no time to lose and we kept monitoring the planning and goals, even more constantly and thorough. **GRI 201-2**

In this chapter, all comparisons and variations presented for indicators are already adapted to the new Company's fiscal period, i.e., the year corresponds to the period from April 1 to March 31 of the following year.

As a result, net revenue increased 49.2% over the previous fiscal year, reaching the BRL 1.214,5 million mark. Our EBITDA was BRL 175.7 million and net profit reached BRL 87.3 million, representing a 1-percent-age point improvement compared to the previous period.

## Main Financial indicators (BRL million)

	Mar/2019	Mar/2020	Variation (%)
Net Revenue	813,9	1.214,5	49,2
Sales Cost	(573,8)	(905,0)	(57,7)
Gross profit	240,1	309,6	28,9
Net expenses	(130,8)	(147,8)	13,0
Operational Profit	109,3	161,8	48,0
Operational Margin (%)	13,4	13,3	- 0,1 p.p.
Net Financial Result	(42,7)	(43,1)	0,9
Income Tax and Social Contribution	(15,8)	(31,4)	98,7
Profit	50,8	87,3	71,9
Operational Margin (%)	6,2	7,2	1,0 p.p.
Ebitda	122,1	175,7	43,9
Ebitda margin (%)	15,0	14,5	0,5 p.p.



The segment of sugarcane presented an important increase of 41.3% when compared to the previous period, with net revenue of BRL 476.9 million. The great performance of FortalezaBR, Velpar K, MegaBR, SingularBR and Advance formulations drove these results. In cereals / grains, we had net income of BRL 658.2 million and growth of 50.8% compared to last fiscal year.

It is noteworthy that the portfolio of sugarcane has an advanced level of maturity when compared to other segments, since the company has operated with it for longer. The segment of cereals / grains is booming and with good prospects for the coming years, considering the addition of new records and the launch of solutions.

Finally, we had significant growth in the segments of large accounts and B2B services / products. Although they present smaller revenues, they already show great potential for expansion.

### Net Revenue by Segment (BRL million)

	Mar/2019	Mar/2020	Variation (%)
Sugar cane	337,6	476,9	41,3
Cereals/Grains	436,4	658,2	50,8
Outsourcing (products)	23,8	43,2	81,6
Outsourcing (services)	16,1	36,2	124,8





## Gross Profit (BRL million)

	Mar/2019	Mar/2020	Variation (%)
Gross profit	240,1	309,6	28,9
Gross profit for sugarcane	81,8	123,5	51,0
Gross profit for cereal/ grains	146,8	124,1	(15,5)
Gross profit for B2B (products)	8,6	13,2	53,5
Gross profit for B2B (services)	2,9	10,9	275,9

Last fiscal year, general and administrative expenditures totaled BRL 147.8 million, representing an increase of 13.0%. This growth is explained by the investments made by the Company aligned with the growth strategy and restructuring of areas and processes.

## Sales, General and Administrative Expenses (BRL Million)

	Mar/2019	Mar/2020	Variation (%)
Sales, General, Administrative Expenses and others	130,9	147,8	13,0
Percentage of net revenue (%)	16,1	12,2	- 3,9 p.p.



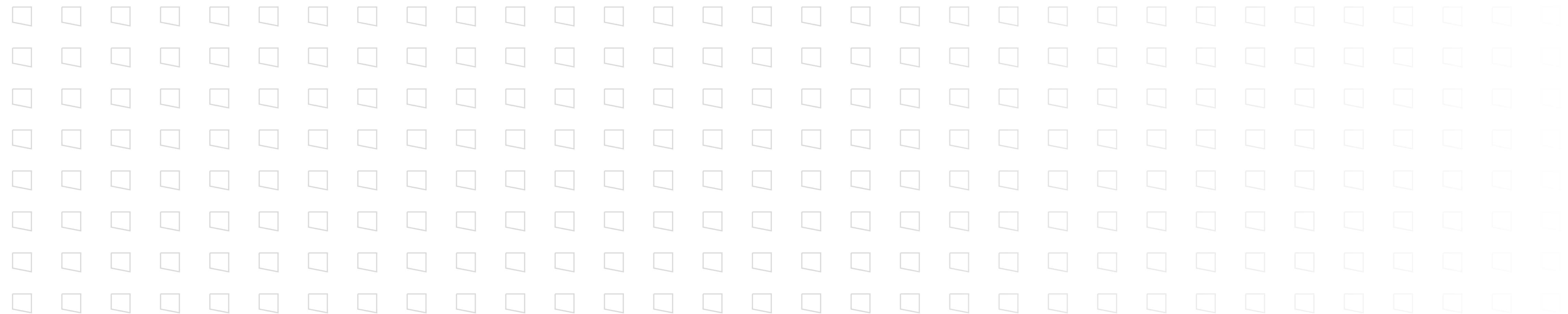


Our EBITDA was BRL 175.7 million, with margin of 14.5% and a decrease of 0.5 percentage points over the previous year.

The reduction was due to the direct impact of lower gross margins, assigned to the factors already mentioned as strong competition, product mix and unfavorable exchange rate.

### Ebitda & ebitda margin (BRL million)

	Mar/2019	Mar/2020	Variation (%)
Net Profit	50,8	87,3	71,9
Net Margin (%)	6,2	7,2	1,0 p.p.
Net Financial Result	42,7	43,1	0,9
Income Tax and Social Contribution	15,8	31,4	98,7
Depreciation and amortization	12,8	13,8	7,8
Ebitda	122,1	175,7	43,9
Ebitda margin (%)	15,0	14,5	(0,5 p.p.)





The financial result was almost the same as last year, with a slight positive variation of 0.9%.

The adopted management with closer proximity to managers and agility in defining actions has made this result possible. Constant adjustments in operational strategy marked this year, due to the uncertainties scenario presented. We also maintained our hedge protection policy, which mitigated the large foreign exchange variation in the period.

### Financial result (BRL million)

	Mar/2019	Mar/2020	Variation (%)
Net Financial Result	(42,7)	(43,1)	0,9

**Net income was BRL 87.3 million with a net margin of 7.2%, reflecting an increase of 1.0 pp compared to the previous year.**

These results reflect the loss of margin for the previously mentioned factors.

### Net Profit (BRL million)

	Mar/2019	Mar/2020	Variation (%)
Profit	50,8	87,3	71,9
Profit Margin (%)	6,2	7,2	1,0 p.p.



The bank debt (net from derivatives) of the Company at the end of last year presented a reduction of BRL 51.4 million or 28.1%. Net debt had an increase of BRL 94.9 million or 169.2% influenced by many factors; among them, we may mention the short-term sales dynamic for the expansion of cash.



### Indebtedness (BRL million)

	Mar/2019	Mar/2020	Variation (%)
Bank debt and derivatives	182,7	131,3	(28,1)
Cash and Equivalents/Net Financial Investments	238,8	282,3	18,2
Net Debt	56,1	151,0	169,2

### Aging in bank indebtedness (BRL million)

2020		16,4
2021		93,0
2022		8,6
2023		3,5
2024		3,2
2025		3,1
2026		3,1
2027		0,4



## Economic added value (BRL)

GRI 201-1

	2018	2019/20
<b>Revenue</b>		
Gross Sales of products and services	842.181.151	1.274.534.763
Other revenues	351.509	251.513
Revenue relating to the construction of own assets	17.588.735	196.659.953
Estimated losses in doubtful debts credits	(1.648.221)	(2.577.458)
	<b>858.473.174</b>	<b>1.291.868.771</b>
<b>Supplies purchased from third parties</b>		
Cost of goods, goods and services provided	(487.258.887)	(834.667.390)
Materials, energy, B2B and other	(103.080.789)	(128.615.823)
Loss/Recovery of active values	(977.894)	(3.167.071)
Others	-	-
	<b>(591.317.571)</b>	<b>(966.450.284)</b>
<b>Value added gross</b>	<b>267.155.604</b>	<b>325.418.487</b>
<b>Depreciation and amortization</b>	<b>(12.601.463)</b>	<b>(325.418.487)</b>
<b>Net value added produced by entity</b>	<b>254.554.141</b>	<b>311.616.634</b>
<b>Value added received in transfer</b>		
Equity equivalence Result	-	-
Financial Revenues	119.677.229	247.185.581
Others	112.149	84.397
<b>Value added total to distribute</b>	<b>374.343.519</b>	<b>558.886.611</b>

## Economic added value distribution (BRL)

	2018	2019/20
<b>Staff</b>		
Direct Remuneration	61.913.187	68.683.890
Benefits	13.477.585	14.363.418
Severance Indemnity Fund for Employees (FGTS)	4.127.500	4.636.377
<b>Taxes, fees and contributions</b>		
Federal	37.028.100	47.582.804
State	23.485.980	27.843.030
Municipal	63.964	120.878
<b>Remuneration of capital to third parties</b>		
Interest	161.698.117	302.754.654
Rentals	2.252.862	2.884.802
Others	2.261.680	2.741.984
<b>Remuneration of own capita</b>		
Interest over own capital	19.757.409	20.000.000
Dividends	214.839	2.477.733
Retained profits/ Exercise Loss	48.062.297	64.797.042
Participation of the non-controllers in Retained Earn-	214.839	2.477.733
<b>Distributed Value added</b>	<b>374.343.519</b>	<b>558.886.612</b>



# About the report

## In this chapter

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# Understanding the report

The Sustainability Report of Ourofino Agrociência aims mainly to demonstrate to stakeholders the main results and progress achieved over the company's last fiscal year. We adopted as the basis for reporting a new fiscal period. Thus, the data present in this material reflect our management in social, environmental and financial spheres in the period between April 1, 2019 and March 31, 2020. The disclosed information includes financial and non-financial data and has its annual disclosure guaranteed by our integrity and transparency policies. **GRI 102-49, 102-50, 102-52**

The material structure follows the topics determined as priority by the materiality process and consider the views of key stakeholders added to the perception of the company's leaders. For another year, we adopted the guidelines of the Global Reporting Initiative (GRI) in its Standards version and essential option

as a basis for reporting. The material also partially incorporates the guidelines of the International Integrated Reporting Council (IIRC), increasing the dissemination and integration of financial, social and environmental data. **GRI 102-46, 102-54**

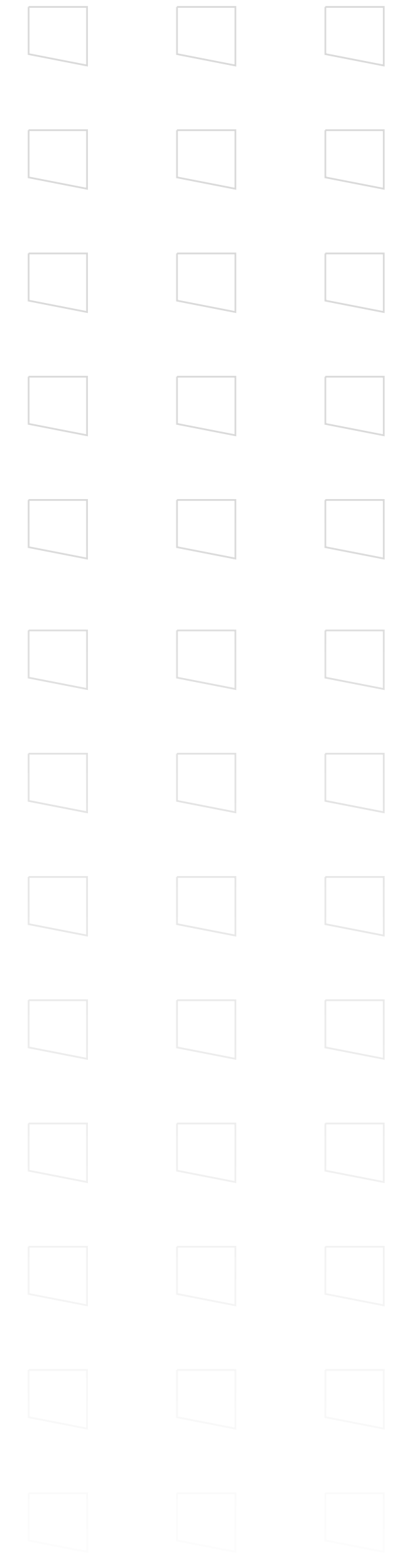
For the first time and aligned with global trends, we established links between the actions and data reported, and the Sustainable Development Goals of the United Nations (SDG). These interrelationships allow stakeholders to broaden their critical look and observe the different fronts of Ourofino Agrociência operations.

All outstanding financial data in the material were externally audited and follow the Brazilian regulations and the International Financial Reporting Standards (IFRS). The scope of the data reported for the most part, represents all the Company's operations, but for cases where

there are restrictions or even update information for prior years, we have added notes in the texts and graphics. **GRI 102-48, 102-49**

Yet for another year, we submitted the Sustainability Report to external assurance by Hirschman & Associados Independent Auditors. The inventory of greenhouse gases (GHG) was not submitted to assurance by a third party. **GRI 102-56**

For any suggestions, questions and comments about the content of this report, please contact us via Contact Us on our website: **[ourofinoagro.com.br/contato](https://ourofinoagro.com.br/contato)**. **GRI 102-53**





# Letter of assurance



Independent Auditors' Limited Assurance Report of 2019/20 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 the Ourofino Agrociência, composed by the following companies: Ouro Fino Química S.A. (holding), Ouro Fino Hong Kong Ltd. (controlled company) and Shanghai Ouro Fino Trading Co. (controlled company), regarding the period from April 1st, 2019 to March 31th, 2020, 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 Ourofino Agrociência is responsible for the preparation and presentation of the 2019/20 Annual Sustainability Report, following the criteria and guidelines on sustainability reports of the Global Reporting Initiative, version GRI Standards - Essential. Such responsibility includes the design, implementation, and maintenance of internal controls for an adequate preparation and presentation of the 2019/20 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 2019/20 Annual Sustainability Report does not comply with the criteria and guidelines for sustainability reports of the Global Reporting Initiative, version GRI Standards - Essential, in all relevant respects.

In a limited assurance service, the procedures to obtain evidence are more limited than in a reasonable assurance service, therefore, a lower level of assurance is obtained than would be obtained in a reasonable assurance service. The selected procedures depend on the independent auditor's judgment, including the risk assessment of the 2019/20 Annual Sustainability Report does not significantly comply with the criteria and guidelines for sustainability report of the Global Reporting Initiative, version GRI Standards - Essential. Within the scope of our work we conducted the following procedures, among others: (i) planning the work;

(ii) the understanding of internal controls; (iii) check, on a sampling basis, of evidences which supports the quantitative and qualitative data included in the 2019/20 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 2019/20 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 - Essential.


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 2019/20 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 the Ourofino Agrociência, regarding the period from April 1st, 2019 to March 31th, 2020, for such report to be prepared in compliance with the criteria and guidelines for sustainability reports of the Global Reporting Initiative, version GRI Standards - Essential.

São Paulo, September 15th, 2020.

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

  
Poliana de O. Hespanhol de Andrade  
Accountant - CRC-1SP258022/O-1

Rua: Cardeal Arcoverde, 2450 - 11º Andar | São Paulo SP | Pabx: (55-11) 5102.0007



# Summarized content

GRI 102-55

## General Disclosures

### Organizational profile

GRI Standard	Promotion	Page/ Reason for Omission	SDG
GRI 102: General Disclosures 2016	102-1 Name of the organization	11	
	102-2 Activities, brands, products and services	11	
	102-3 Headquarters address	11	
	102-4 Location of operations	11	
	102-5 Nature of ownership and legal form	12	
	102-6 Markets Served	12	
	102-7 Size of the organization	14, 9, 10	
	102-8 Information on employees and workers	49	8
	102-9 Supply Chain	45, 46	
	102-10 Significant changes in the organization and its supply chain	Opening a distribution center in Uberaba (MG) and the adoption of new capital structure with the entry of Japanese investors Mitsui & Co. and Ishihara Sangyo Kaisha Ltd. ISK	



	102-11 Precautionary approach or principle	21, 35, 37	
	102-12 externally developed initiatives	25, 26	
	102-13 Membership in associations	25, 26	

### Strategy

GRI Standard	Promotion	Page/ Reason for Omission	SDG
GRI 102: General Disclosures 2016	102-14 Declaration from the senior decision maker	7, 8	
	102-15 Key impacts, risks and opportunities	21, 22	

### Ethics and Integrity

GRI Standard	Promotion	Page/ Reason for Omission	SDG
GRI 102: General Disclosures 2016	102-16 Values, principles, standards and norms of behavior	2, 3, 4, 31	16
	102-17 Mechanisms of counseling and concerns about ethics	32	16



## Governance

GRI Standard	Promotion	Page/ Reason for Omission	SDG
GRI 102: General Disclosures 2016	102-18 structure of governance	16	
	102-19 Delegation of authority	17	
	102-20 Responsible executive level for economic, environmental and social topics	17	
	102-21 Consultation with stakeholders on economic, environmental and social topics	27	16
	102-22 Composition of the highest organ of governance and of its committees	17	5 16
	102-23 President of the highest organ of governance	17	16
	102-24 Selecting and appointing the highest governance body and its committees	17	5 16
	102-25 Conflicts of interest	We cherish the best corporate governance practices and all decisions about the operations are submitted to the shareholders, according to the competencies set by the Bylaws. In the event of possible conflict of interest, the member may abstain from voting, or the other members of the governing bodies may suggest abstention regarding the subject matter or focus.	16



102-26 Role of the highest governance body in the definition of the purpose, values and strategies 17

102-27 Collective knowledge of the highest organ of governance

We do not have a formal process established to develop and improve the collective knowledge of the Board of Directors. Everyone is aware of the main policies of the Group and Code of Conduct.

4

102-28 Assessment of the performance of the highest organ of governance

We do not have a formal process set up to evaluate the performance of the Board of Directors.

16

102-29 Identifying and managing economic, environmental and social impacts

The Board of Directors does not perform the identification and management of environmental and social impacts. This role is delegated to Directors who perform specific work by dedicated teams. In cases where the risk to the business is very high or in extreme situations, the Council is engaged to assist in decision-making.

102-30 Effectiveness of risk management processes

The Board of Directors does not perform the assessment of efficacy for environmental and social risks. This role is delegated to Directors who perform specific work by dedicated teams.

102-31 Review of economic, environmental and social topics

The Board of Directors does not perform the assessment of efficacy for environmental and social risks. This role is delegated to Directors who perform specific work by dedicated teams.



102-32 Role of the highest governance body in the process of reporting	The Vice President of the Company approves our Sustainability Report.
102-33 Communicating critical concerns	The critical concerns first pass through the evaluation of the responsible Board and if necessary, they are presented in regular meetings of the Administrative Council. The definition and the review of the strategic planning, expansion projects and investment programs also go through the Administrative Council's assessment.
102-34 Nature and total number of critical concerns	17, 21, 22
102-35 Remuneration policies	The remuneration of the Administrative Council is set based on market research conducted and the company does not perform payment of variable compensation for this category. The Board also has its remuneration based on market research and CLT regime. The Directors are eligible for Profit and Results Sharing (PSP) as provided for in the Collective Labor Agreement of the category. In general, all the Company's positions are eligible for participation in profit-sharing (PSP) as approved by the Collective Labor Agreement, considering the following rule for the bonus: Directors (5 salaries), Managers (4 salaries), Coordinators and Specialists (3 salaries), Consultants (up to 12 salaries), Sales Manager (up to 8 salaries), other Operational and Managerial positions (1 to 2 salaries). Wages follow



a global market approach, through a points system that takes into account the sample of wages within the same segment as well as size, turnover, number of employees, size of business, scope, complexity and business diversity in addition to other job evaluation factors.

102-36 Processes for determining remuneration

The ranges and wage dynamics come from internal analysis made by a consultant based at the Company's remuneration policy and structure of positions and salaries set. In addition, an independent global market methodology together with a research of the agro segment is used as a complement. The entire methodology and structure of roles and salaries was revised together with external market specialist consultants.

102-37 Involvement of stakeholders in remuneration

The Company has a Remuneration Policy published based on business and market practices strategy. This policy was developed by the area of remuneration and brought for approval at a meeting with executives of the company, where interactions, contributions and revisions are performed.

16

102-38 Proportion of total annual remuneration

We choose not to disclose this information since we consider it confidential.

102-39 Percentage increase of the proportion of total annual remuneration

We choose not to disclose this information since we consider it confidential.



## Engagement with stakeholders

GRI Standard	Promotion	Page/ Reason for Omission	SDG
GRI 102: General Disclosures 2016	102-40 Stakeholders List	28, 29	
	102-41 Collective negotiation agreements	54	8
	102-42 Identification and selection of stakeholders	27	
	102-43 Approach to stakeholders engagement	27	
	102-44 Key topics and concerns	28, 29	

## Reporting practices

GRI Standard	Promotion	Page/ Reason for Omission	SDG
GRI 102: General Disclosures 2016	102-45 Entities included in the consolidated financial statements	Ouro Fino Química S.A. (Controller) Ouro Fino Hong Kong Ltd. (Controlled) and Ouro Fino Shanghai Trading Co. (controlled).	
	102-46 Defining report content and limits of the topic	79	
	102-47 List of material topics	28, 29	
	102-48 Restatements of information	79	
	102-49 Changes in the report	79	



102-50 Period of the report	79
102-51 Date of most recent report	The latest Sustainability Report is on our website and refers to the year 2018.
102-52 Cycle of the report	The Sustainability Report is prepared and published annually.
102-53 Contact point for questions regarding the report	79
102-54 Option of agreement in accordance with the GRI Standards	79
102-55 Summary of GRI Contents	81 - 107
102-56 External assurance	80

## Economic Development

GRI Standard	Promotion	Page/ Reason for Omission	SDG
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its limits	28, 29, 71	
	103-2 Management approach and its components	71 - 77	1 5 8 16
	103-3 Evolution of management approach	71 - 77	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	77	2 5 7 8 9



201-2 Financial implications and other risks and opportunities due to climate change 24, 69, 71

13

201-3 Defined benefit plan obligations set and other retirement plans

The liabilities of the pension plans are covered by the resources already invested by the organization and participating employees in their pension plans. A possible coverage of liabilities by the organization can be performed only in case of deficit caused by externalities. Today, plans are made available to all permanent employees and counts on salary contribution ranging from 2% to 6% (complementary pension); in contrast, the Company's contributes 100% to 200% of the amount invested by the employee ranging according to his time with the company. In 2019/20, Ourofino Agrociência made a total of BRL 1,207,167.96 in contributions and participants contributed a total of BRL 1,448,224.35. The variation of the values of contributions from 2018 and 2019/20 was linked mainly to the increase in the number of participants.

201-4 Financial assistance received from Government

In addition to participating in the Financing Agency for Studies and Projects (Finep), we have some incentives on government tax that are granted generically to all companies in the segment. Regarding the Finep, there was no contribution in the last fiscal year and the other values are not disclosed because we consider it sensitive information.



## Presence in the Market

GRI Standard	Promotion	Page/ Reason for Omission	SDG
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its limits	28, 29, 43, 44	
	103-2 Management approach and its components	43, 44	
	103-3 Evolution of management approach	43, 44	
GRI 202: Presence in the Market	202-2 Proportion of members of senior management hired from the local community	44	1 8 17

## Indirect Economic Impacts

GRI Standard	Promotion	Page/ Reason for Omission	SDG
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its limits	28, 29	
	103-2 Management approach and its components	43, 44	
	103-3 Evolution of management approach	43, 44	
GRI 203: Indirect Economic Impacts 2016	203-1 Development and impact of infrastructure investments and services offered	43, 113	2 5 7 9 11
	203-2 Significant Indirect Economic Impacts	We do not assess significant indirect economic impacts generated by our presence effectively.	1 2 3 8 10 17



## Purchasing Practices

GRI Standard	Promotion	Page/ Reason for Omission	SDG
GRI 102: General Disclosures 2016	103-1 Explanation of the material topic and its limits	28, 29, 43, 44	
	103-2 Management approach and its components	43, 44	
	103-3 Evolution of management approach	43, 44	
GRI 204: Purchasing Practices 2016	204-1 Proportion of Spending on local suppliers in important operational units	44, 114	12

## Combate à corrupção

GRI Standard	Promotion	Page/ Reason for Omission	SDG
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its limits	28, 29, 31	
	103-2 Management approach and its components	31	
	103-3 Evolution of management approach	31	
GRI 205: Combating Corruption 2016	205-1 Operations subjected to corruption risk assessments	We do not have a formal and set up process to evaluate specifically risks related to corruption operations.	16
	205-2 Communication and training on policies and procedures to fight corruption	108	16



205-3 confirmed cases of corruption and measures taken	We have not recorded cases of corruption in the last fiscal year.	16
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## Unfair Competition

GRI Standard	Promotion	Page/ Reason for Omission	SDG
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its limits	28, 29, 31	
	103-2 Management approach and its components	31	
	103-3 Evolution of management approach	31	
GRI 206: Unfair Competition 2016	206-1 Lawsuits for unfair competition, anti-trust and monopoly practices	We have not recorded legal actions for anticompetitive behavior, antitrust and / or monopoly practices in the last fiscal year.	16

## Energy

GRI Standard	Promotion	Page/ Reason for Omission	SDG
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its limits	28, 29, 67	
	103-2 Management approach and its components	67	1 5 8 16
	103-3 Evolution of management approach	67	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	68	7 12 13
	302-2 Energy consumption out of the organization	There is no use outside the organization.	7 12 13



	302-3 Energy Intensity	68	7 12 13
	302-4 Reduction of energy consumption	67	7 12 13

## Water

GRI Standard	Promotion	Page/ Reason for Omission	SDG
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its limits	28, 29, 60	
	103-2 Management approach and its components	60	
	103-3 Evolution of management approach	60	
GRI 303: Water 2018	303-1 Interaction with water as a shared resource	60, 61	3 6 12 14
	303-2 Management of impacts related to water discharge	62, 63	3 6 12 14
	303-3 Water Removal	61	6 12 14
	303-4 Disposal of water	62	6 12 14
	303-5 Water consumption	61	3 6 12 14



## Biodiversity

GRI Standard	Promotion	Page/ Reason for Omission	SDG
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its limits	28, 29, 66	
	103-2 Management approach and its components	66	
	103-3 Evolution of management approach	66	
GRI 304: Biodiversity 2016	304-1 Own operational units, leased or managed in or adjacent to protected areas and areas of high biodiversity located outside protected areas	66	12 14 15
	304-2 Significant impacts of activities, products and services on biodiversity	66	12 14 15
	304-3 Protected or restored habitats	66	14 15
	304-4 Species included in the IUCN Red List and national conservation lists with habitats located in areas affected by the organization's operations	In operational areas, including the Ecological Park, we have no records of species listed in the Red List of Threatened Species of the International Union for Conservation of Nature (IUCN) or national conservation lists.	14 15

## Emissions

GRI Standard	Promotion	Page/ Reason for Omission	SDG
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its limits	28, 29, 69	



	103-2 Management approach and its components	69	
	103-3 Evolution of management approach	69	
GRI 305: Emissions 2016	305-1 Direct emissions of greenhouse gases (Scope 1)	69	3 12 13 14 15
	305-2 indirect emissions of greenhouse gas (Scope 2)	69	3 12 13 14 15
	305-3 Other indirect greenhouse gas emissions (Scope 3)	69	3 12 13 14 15
	305-4 Green House Gas Emissions (GHG) rate	69	13 14 15
	305-5 Total GHG emission reduction	We did not record GHG emission reductions achieved because of emissions reduction initiatives or from compensation for our last fiscal year.	13 14 15

## Effluents and residues

GRI Standard	Promotion	Page/ Reason for Omission	SDG
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its limits	28, 29, 62, 64	
	103-2 Management approach and its components	62, 64	
	103-3 Evolution of management approach	62, 64	
GRI 306: Effluents and residues 2016	306-1 Water disposal by quality and destination	62	3 6 12 14
	306-2 Waste by type and arrangement method	65	3 6 12



306-3 Significant Leaks	We have not recorded significant leaks in the last fiscal year.	3 6 12 14 15
306-4 Transportation of hazardous waste	65	3 12
306-5 Water bodies affected by discharges and / or water drainage	62, 63	6 15

## Environmental Compliance

GRI Standard	Promotion	Page/ Reason for Omission	SDG
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its limits	21, 28, 29	16
	103-2 Management approach and its components	21	16
	103-3 Evolution of management approach	21	16
GRI 307: Environmental Compliance 2016	307-1 Compliance with environmental laws and regulations	We did not record non-compliance with environmental laws and regulations that resulted in significant fines or sanctions during the last fiscal year. We have a legal management software that allows us to demonstrate the fulfillment of mandatory requirements and others related to environment.	12 13 14 15 16



## Environmental Assessment of suppliers

GRI Standard	Promotion	Page/ Reason for Omission	SDG
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its limits	28, 29, 45	
	103-2 Management approach and its components	45	
	103-3 Evolution of management approach	45	
GRI 308: Environmental Assessment of suppliers 2016	308-1 New suppliers selected using environmental criteria	We do not have a process for selecting new suppliers based on environmental criteria, however we assess whether the suppliers of our base and new ones present lawsuits or environmental sanctions. In case a situation is identified, we do not recommend the registration or revision thereof, with the possibility of inactivation.	3 6 12 14
	308-2 Negative environmental impacts in the supply chain and measures taken	We do not have a formal process to evaluate negative environmental impacts in the supply chain.	12 13 14 15 16

## Employment

GRI Standard	Promotion	Page/ Reason for Omission	SDG
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its limits	28, 29, 50	
	103-2 Management approach and its components	50	
	103-3 Evolution of management approach	50	



GRI 401: Employment 2016	401-1 Rate of new hires and turnover of employees	50, 109, 110, 111	5 8
	401-2 Benefits granted to full-time employees that are not offered to temporary employees or part-time employees	53	8
	401-3 Maternity/paternity leave	53	

## Occupational Health and safety

GRI Standard	Promotion	Page/ Reason for Omission	SDG
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its limits	28, 29, 55, 56, 57	
	103-2 Management approach and its components	55, 56, 57	
	103-3 Evolution of management approach	55, 56, 57	
GRI 403: Occupational Health and safety 2018	403-1 occupational health and safety management system	55	3 8
	403-2 Hazard identification, risk assessment and incident investigation	55, 56	3 8
	403-3 Occupational health services	56	3 8
	403-4 Participation, consultation and communication of workers on occupational health and safety.	56, 57	8



403-5 Training of employees in occupational health and safety	56	3 4 8
403-6 Promotion of workers' health	55, 56, 57	3 8
403-7 Prevention and mitigation of impacts on occupational health and safety directly linked by trade relations	35, 36, 55, 56, 57	3 8
403-8 Workers covered by health management and occupational safety system	55	8
403-9 injuries related to work	57	3 8
403-10 Labor related illness	56, 57	3 8

### Training and Education

GRI Standard	Promotion	Page/ Reason for Omission	SDG
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its limits	28, 29, 52	16
	103-2 Management approach and its components	52	16
	103-3 Evolution of management approach	52	16
GRI 404: Training and Education 2016	404-1 Average hours of training per employee	52	4 5 8
	404-2 Continuous learning programs for employees and preparation for retirement	Currently we do not have specific continuous learning programs for professionals and preparation for retirement.	8



404-3 Percentage of employees receiving regular performance and career development 52

5 8

## Diversity and equal opportunities

GRI Standard	Promotion	Page/ Reason for Omission	SDG
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its limits	28, 29, 50	
	103-2 Management approach and its components	50	
	103-3 Evolution of management approach	50	
GRI 405: Diversity and equal opportunities 2016	405-1 Diversity in governance bodies and employees	111	5 8
	405-2 Mathematical ratio of salary and remuneration between women and men	112	5 8 10

## Non-discrimination

GRI Standard	Promotion	Page/ Reason for Omission	SDG
GRI 103: Management Approach 2019	103-1 Explanation of the material topic and its limits	28, 29, 50	
	103-2 Management approach and its components	50	



	103-3 Evolution of management approach	50	
GRI 406: Non-discrimination 2019	406-1 incidents of discrimination and corrective actions taken	We have not recorded cases of discrimination in our operation in the last fiscal year.	5 8 16

## Child labor

GRI Standard	Promotion	Page/ Reason for Omission	SDG
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its limits	28, 29, 45	
	103-2 Management approach and its components	45	
	103-3 Evolution of management approach	45	
GRI 408: Child labor 2016	408-1 Operations and suppliers with significant risk of child labor incidents	In addition to the suppliers' approval process, we annually conduct audits on selected suppliers as a sample form. This process aims to assess compliance to the mandatory contractual, environmental and labor practices requirements (including human rights violations). In 2019/20, we established 60 new contracts and carried out 26 inspections in suppliers that were considered critical. We visited suppliers in China, India, Malaysia, Indonesia and Hungary, in which no significant situations in the above highlighted issues were identified.	8 16



## Forced Labor or Similar to Slave Labor

GRI Standard	Promotion	Page/ Reason for Omission	SDG
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its limits	28, 29, 45	
	103-2 Management approach and its components	45	
	103-3 Evolution of management approach	45	
GRI 409: Forced Labor or Similar to Slave Labor 2016	409-1 operations and suppliers identified as significant risk to the occurrence of forced or slave analogous Labor.	In addition to the suppliers' approval process, we annually conduct audits on selected suppliers as a sample form. This process aims to assess compliance to the mandatory contractual, environmental and labor practices requirements (including human rights violations). In 2019/20, we established 60 new contracts and carried out 26 inspections in suppliers that were considered critical. We visited suppliers in China, India, Malaysia, Indonesia and Hungary, in which no significant situations in the above highlighted issues were identified.	8



## Human Rights

GRI Standard	Promotion	Page/ Reason for Omission	SDG
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its limits	28, 29, 31	
	103-2 Management approach and its components	31	
	103-3 Evolution of management approach	31	
GRI 412: Human Rights 2016	412-1 Operations that have been subjected to human rights reviews or impact assessments	In addition to the suppliers' approval process, we annually conduct audits on selected suppliers as a sample. This process aims to assess compliance to the mandatory contractual, environmental and labor practices requirements (including human rights violations). In 2019/20, we established 60 new contracts and carried out 26 inspections in suppliers that were considered critical. We visited suppliers in China, India, Malaysia, Indonesia and Hungary, in which no significant situations in the above highlighted issues were identified.	8
	412-2 Employee training on human rights policies or procedures	108	4 5 8
	412-3 Agreements and significant investment contracts that include human rights clauses or that have undergone assessments related to human rights	46	5 8 16



## Local Communities

GRI Standard	Promotion	Page/ Reason for Omission	SDG
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its limits	28, 29, 43, 44	
	103-2 Management approach and its components	43, 44	
	103-3 Evolution of management approach	43, 44	
GRI 413: Local Communities 2016	413-1 Operations with implemented programs of engagement of the local community, assessment of impacts and local development	43	
	413-2 Operations with significant potential impacts or actual negative impacts on local communities	We did not record actual or significant negative impacts on local communities near the main operations in the last fiscal year.	1 2

## Social Assessment of suppliers

GRI Standard	Promotion	Page/ Reason for Omission	SDG
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its limits	28, 29, 45	16
	103-2 Management approach and its components	45	
	103-3 Evolution of management approach	45	



GRI 414: Social Assessment of suppliers 2016	414-1 New Suppliers selected based on social criteria	We do not have a process for selecting new suppliers based on social criteria, however we assess whether the suppliers on our base and new ones, are involved in lawsuits or environmental sanctions. In case a situation is identified, we do not recommend the registration or revision thereof, with the possibility of inactivation.	
	414-2 Negative social impacts in the supply chain and measures taken	We do not have a formal process to evaluate negative social impacts in the supply chain.	5 8 16

## Public Policies

GRI Standard	Promotion	Page/ Reason for Omission	SDG
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its limits	28, 29, 33	
	103-2 Management approach and its components	33	
	103-3 Evolution of management approach	33	
GRI 415: Public Policies 2016	415-1 Political contributions	We have not registered any contributions to campaigns, parties and / or candidates for public office in the last fiscal year.	16



## Health and safety of the consumer

GRI Standard	Promotion	Page/ Reason for Omission	SDG
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its limits	28, 29, 35, 36	
	103-2 Management approach and its components	35, 36	
	103-3 Evolution of management approach	35, 36	
GRI 416: Health and safety of the consumer 2016	416-1 Products and services that have impacts assessed on health and safety	36	
	416-2 Non-compliances concerning impacts of products and services on health and safety	We did not register non-conformities related to impacts of products and services on health and safety in the last fiscal year.	16

## Marketing and labeling

GRI Standard	Promotion	Page/ Reason for Omission	SDG
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its limits	28, 29, 38	
	103-2 Management approach and its components	38	
	103-3 Evolution of management approach	38	
GRI 417: Marketing and labeling 2016	417-1 Requirements for information and labeling of products and services	39	12 16



417-2 Non-compliances related to information and labeling of products and services

We did not register non-conformities related to labeling of products and services in the last fiscal year.

16

417-3 Non-compliances related to marketing communications

We did not register non-compliances related to marketing communications in the last fiscal year.

## Socioeconomic Compliance

GRI Standard	Promotion	Page/ Reason for Omission	SDG
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its limits	21, 28, 29	
	103-2 Management approach and its components	21	
	103-3 Evolution of management approach	21	
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and social and economic regulations	We did not register non-compliances with laws and social and economic regulations in the last fiscal year.	16



# Indicators and Additional Information

Complementary to the chapter - Conduct Ourofino Agrociência  
Indicators GRI 205-2 and 412-2

## Professionals who were informed and trained in anti-corruption themes by region

	2019/20
Number of reported and trained professionals	312
Total number of professionals	415
Percentage of professionals who were trained and informed (%)	75,2

**Nota 1:** All trained professionals were previously informed and thus the number of trained and informed people is the same.  
**Nota 2:** The data present on the indicator are related to the training event "Let's Talk Compliance?" held in 2019 for effective professionals in Brazil.  
**Nota 3:** The data presented do not consider trainees and the operation in China.

## Professionals trained and informed in anti-corruption themes by employee category

	2019/20
Management	39
Administrative	184
Operational	89
Number of reported and trained professionals	312
Total number of professionals	415
Percentage of professionals who were trained and informed (%)	75,2

**Nota 1:** Note 1: All trained personnel were informed previously and thus the number of trained and notified professionals is the same.  
**Nota 2:** Data present in the indicator are related to the training "Let's Talk Compliance?", held in 2019.  
**Nota 3:** The data presented do not consider trainees and the operation in China.



## Professionals trained in human rights policies or procedures

	<b>2019/20</b>
Training hours (h)	358
Number of trained professionals	403
Total number of professionals	415
Percentage of Trained professionals (%)	97,1

**Note 1:** The data present in the indicator are related to training in the Code of Conduct, carried out during the integration of new professionals.

**Note 2:** The Code of Conduct addresses elements related to the theme of human rights.

**Note 3:** The data presented do not consider trainees and the operation in China.

## Complementary to the chapter - The difference is strength Indicators GRI 401-1, 405-1 and 405-2

### Hiring professionals by gender

	<b>2017</b>		<b>2018</b>		<b>2019/20</b>	
	Quantity	Representation (%)	Quantity	Representation (%)	Quantity	Representation (%)
Men	93	82,3	30	48,4	63	71,6
Women	20	17,7	32	51,6	25	28,4
Total	113	100,0	62	100,0	88	100,0

**Note:** The data presented do not consider trainees and the operation in China.



## Output of professionals by gender

	2017		2018		2019/20	
	Quantity	Representation (%)	Quantity	Representation (%)	Quantity	Representation (%)
Men	28	75,7	49	77,8	50	67,6
Women	9	24,3	14	22,2	24	32,4
Total	37	100,0	63	100,0	74	100,0

**Note:** The data presented do not consider trainees and the operation in China.

## Hiring professionals by age

	2017		2018		2019/20	
	Quantity	Representation (%)	Quantity	Representation (%)	Quantity	Representation (%)
Under 30	36	31,9	32	51,6	30	34,1
Between 30 and 50	73	64,6	23	37,1	51	58,0
Above 50 years old	4	3,5	1	11,3	4	7,9
Total	113	100,0	62	100,0	88	100,0

**Note:** The data presented do not consider trainees and the operation in China.



## Leaving of professionals by age

	2017		2018		2019/20	
	Quantity	Representation (%)	Quantity	Representation (%)	Quantity	Representation (%)
Under 30	8	21,6	15	23,8	<b>15</b>	20,3
Between 30 and 50	24	64,9	44	69,8	<b>52</b>	70,3
Above 50	5	13,5	4	6,4	<b>7</b>	9,4
<b>Total</b>	<b>37</b>	<b>100,0</b>	<b>63</b>	<b>100,0</b>	<b>74</b>	<b>100,0</b>

**Note:** The data presented do not consider trainees and the operation in China.

## Professional distribution by gender in governance positions (%)

	Men	Women	<b>Total</b>
Administrative Council	100,0	0,0	100,0
Supervisory Board	100,0	0,0	100,0
Board	80,0	20,0	100,0

**Note:** The data presented do not consider trainees and the operation in China.

## Professional distribution by age into functional categories (%)

	Up to 30	Between 30 and 50	Above 50	<b>Total</b>
Management	0,0	76,9	23,1	100,0
Administrative	28,6	62,2	9,2	100,0
Operational	24,6	71,5	3,9	100,0

**Note:** The data presented do not consider trainees and the operation in China.



## Professional distribution by gender into functional categories (%)

	Men	Women	Total
Management	76,9	23,1	100,0
Administrative	64,5	35,5	100,0
Operational	97,7	2,3	100,0

**Note:** The data presented do not consider trainees and the operation in China.

## Diversity by functional categories (%)

	DP*
Management	3,8
Administrative	0,4
Operational	2,3

**Note 1: (\*)** DP - Person with disability or permanent limitations (visual, auditory, physical or intellectual).

**Note 2:** The data presented do not consider trainees and the operation in China.

## Relationship between wages between men and women by employee category

	2017	2018	2019/20
Management	0,7	0,8	0,8
Specialist	0,8	0,8	0,8
Comercial*	-	-	-
Administrative	1,1	1,0	1,0
Apprentice	1,0	1,0	1,0
Technical	1,4	1,4	1,4
Operational*	-	-	-

**Note 1: (\*)** For these categories, we have only male representatives acting and therefore the relationship between wages does not appear.

**Note 2:** The data presented do not consider trainees and the operation in China.

**Note 3:** For this indicator, the data is separated into various functional categories to reduce possible distortions linked to salary ranges.



## Complementary to the chapter - Thinking and acting locally

### Indications GRI 203-1

#### Details of Investments, projects and supported beneficiaries (BRL)

	Location	Funding instrument	Value
<b>Tax incentives</b>			
Companhia Minaz	Ribeirão Preto (SP)	Federal Cultural Incentive Law - Rouanet	200.000,0
Projeto Fundação Cultural Suábio Brasileira	Guarapuava (PR)	Federal Cultural Incentive Law - Rouanet	40.000,0
Hemocentro	Ribeirão Preto (SP)	National Support Program to Oncology Care - PRONON	60.000,0
Cantinho do Céu	Ribeirão Preto (SP)	Statute of the Federal Law of Children and Adolescents	20.000,0
Associação dos Deficientes Visuais de Ribeirão Preto (Adevirp)	Ribeirão Preto (SP)	Statute of the Federal Law of Children and Adolescents	20.000,0
Sociedade Beneficente Evangélica de Ribeirão Preto (Soberp)	Ribeirão Preto (SP)	Statute of the Federal Law of Children and Adolescents	20.000,0
Lar Padre Euclides	Ribeirão Preto (SP)	National Fund for the Elderly	30.000,0
Casa do Vovô	Ribeirão Preto (SP)	National Fund for the Elderly	30.000,0
Projeto A-COR-DAR	Ribeirão Preto (SP)	Federal Sports Incentive Law	30.000,0
Judô Corpore Sano	Ribeirão Preto (SP)	Federal Sports Incentive Law	30.000,0
Associação de Pais e Amigos dos Excepcionais (Apae)	Jardinópolis (SP)	National Support Program for the Health of the Person with Disabilities (Pronas/PCD)	60.000,0
<b>Private investment</b>			
Associação dos Deficientes Visuais de Ribeirão Preto (Adevirp)	Ribeirão Preto (SP)	Analysis or internal indication	48.000,0
Mosteiro Imaculada Conceição	Uberaba (MG)	Analysis or internal indication	1.000,0
Associação Projete	Ribeirão Preto (SP)	Analysis or internal indication	10.000,0
Sponsored athlete (karate)	Ribeirão Preto (SP)	Analysis or internal indication	58.000,0
Hospital do Amor	Barretos (SP)	Analysis or internal indication	12.000,0
<b>Fairs and events*</b>			
Miscellaneous	Miscellaneous	Analysis or internal indication	1.632.816,2
<b>Total</b>			<b>2.301.816,2</b>

**Note:** (\*) Due to distribution and influence of commercial fronts of Ourofino Agrociência, we consider the trade shows and events as local contributions / impacts due to our strong commercial presence in most Brazilian states. It is noteworthy that the fairs and events are mostly technical in nature and are important for the training and skilling of professionals in the field, having a positive impact.



## Supplement to Chapter - Supply Chain Indications GRI 204-1

### Distribution of national purchase type (BRL)

	Value	Representativeness (%)
Local	102.212.799,1	65,6
Not local	53.688.256,7	34,4
Total	155.901.055,8	100,0

**Note:** We consider local purchases those carried out within 500 km from our industrial complex in Uberaba (MG).

### Purchase distribution by location (BRL)

	Value	Representativeness (%)
National	155.901.055,8	16,8
International	772.120.000,0	83,2
Total	928.021.055,8	100,0

**Note:** The calculations consider the average dollar at BRL 3,98.

### Distribution of national purchase by type of material (BRL)

	Direct materials		Indirect Materials and services	
	Value	Representativeness (%)	Value	Representativeness (%)
Local	84.463.165,2	63,2	17.749.633,9	79,6
Not local	49.126.624,8	36,8	4.561.631,9	20,4
Total	133.589.790,1	100,0	22.311.265,8	100,0

**Note:** We consider local purchases those carried out within 500 km from our industrial complex in Uberaba (MG).



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