



SABARÁ

participações

COP
2020



Communication on Progress (COP)

Sabar Participaes Ltda

Statement of continued support by the Presidents of the Sabar Group

We are pleased to participate in the UN Global Compact since 2007, a program so comprehensive in terms of integration between companies seeking to move forward and build a differentiated future, based on respect, welfare, development, equality, justice, ethics and morals as their supreme values, capable of transforming daily actions into a commitment to a better world and a harmonious, fair and supportive society.

In our corporate practices, we adopt the principles of the Global Compact and the Sustainable Development Goals (SDG) as part of the strategy, culture and daily operations of our organization, undertaking efforts to publicly disclose this commitment in all media we use and in our multi-stakeholder relationship, promoting the principles of the initiatives.

Seeking to meet the principles of the Global Compact and the SDG, we support local governments in the development and implementation of legal practices and public policies.

We use the most advanced technologies in terms of management, standardizing our mechanisms, processes, postures and actions throughout the territory in which we operate, making the local workforce operating in our factories (priority for the human resources development program) use appropriate tools to ensure the development of the company.

The Global Compact program has contributed to improving our governance practices, strengthening our performance under the pillars of ethics and transparency.

We highlight the important recognition received by our CEO Ulisses Matiulli Sabar, during the United Nations Global Compact Leaders Summit 2016 in New York, as SDG Pioneer and the request for his presence since 2018 for analysis and appointment of new Pionners.

The central axis of SDG Pioneer is to inspire business and recognize professionals from Global Compact signatory organizations that promote Sustainable Development Goals (SDGs) in countries around the world.

Ulisses Matiulli Sabar has transformed Beraca Ingredientes Naturais' approach to drive its business success. He sought economic development and social inclusion opportunities for thousands of families while working to ensure the environmental integrity of the regions where the company operates, after an inspiring journey through the Amazon Rainforest.

After the successful construction of the ingredients business unit for the cosmetics industry, Beraca Naturais, Mr. Ulisses turns his attention to Concepta Ingredients, an ingredients business unit for the food and veterinary industry, where the attributes of ethical sourcing, social inclusion and environmental conservation are maintained and adapted to the reality of the new market.

In 2019, the Sabar Group once again demonstrates its pioneering spirit, being the first industry in the chemical sector in Latin America to issue Green Bonds.

We will be facing a new milestone for building an inclusive and shared economy with the elimination of poverty and a new institutional framework for sustainable development. Our commitment is to strengthen our practices in business, in the internal environment and in the multiple relationships, in order to guarantee a perspective of inclusion, equity and sustainability for current and future generations.

Marco Antonio Sabar and Ulisses Matiulli Sabar
Presidents of the Sabar Group

Overview

Period covered by the Communication on Progress (COP):

January 1, 2019 to December 31, 2019

Sabar Participaes Ltda., parent company of Sabar Qumicos e Ingredientes S/A and Beraca Ingredientes Naturais S/A, companies specialized in the development of high-performance technologies, solutions and raw materials for the water treatment, cosmetics, nutrition and animal health markets and for the food and beverage industry.

Their commitment to the welfare of people around the world goes beyond offering innovative products and services. Its activities take future generations into consideration, focusing on solutions that ensure sustainability.

The company is committed to the UN Global Compact, which aims to align business policies and practices with universally agreed values in the areas of human rights, labor, environmental protection and anti-corruption, as well as with 2030 Agenda, including the Sustainable Development Goals in our Strategic Plan.

We publish our actions and results annually at the COP (Communication on Progress).

Corporate Structure



The Company

Sabar Group's presence in Brazil and the world



The Sabar Group, for over 60 years of history, is genuinely Brazilian, recognized for its capacity for innovation and adaptation. For three generations, the Group has overcome challenges and stood out in its markets of operation. Its commitment to the well-being of people around the world goes beyond offering innovative products and services. Its activities take future generations into consideration, focusing on solutions that ensure sustainability.

The entire national territory is served by the Sabar Group, being five operational units, three offices and a future unit in an expansion project in the city of Uberaba - MG, distributed in six Brazilian states, in order to obtain the maximum use of transport and logistics facilities.

So Paulo

So Paulo: The company's headquarters, located in the capital of the state, houses the corporate and commercial areas.

Santa Barbara d'Oeste: The unit operates with development and distribution of products for the BioE and Concepta Ingredients divisions.

Gois

Anpolis: Unit with focus in the activities of Sabar Qumicos e Ingredientes.

Pernambuco

Itapissuma: Manufacturing and distribution of products, provision of services of Sabará Químicos e Ingredientes, in addition to the Technology and Innovation Center.

Ceará

Pacatuba: Manufacture and distribution of Sabará Químicos e Ingredientes products and services.

Minas Gerais

Uberaba: Place for future expansion.

Pará

Ananindeua: Manufacture and distribution of Beraca Ingredientes Naturais products.

The development of its products relies on 100% national knowledge and technology, a factor that contributes to Brazil becoming a reference in product research for a sustainable world.



VISION

To be a reference in technology, innovative and sustainable products and differentiated services for Nutrition, Health, Beauty and Bioenergy.



MISSION

To deliver innovative and sustainable products and services, ensuring traceability, safety and quality in all processes, generating value to our customers, suppliers, communities, employees and shareholders.



VALUES

- ↪ **Éthics and transparency** in the relationship with all audiences.
- ↪ **Respect** for the human being and the environment.
- ↪ **Excellence** in people development, customer service, and shareholder results.
- ↪ **Confidence** in the company, in people, in processes.
- ↪ **Sabará Style** in the creation and maintenance of sustainable relationships, flexibility and personality to understand and serve our customers and employees in their needs.

Business Units

Beraca

Health & Personal Care

A business unit of the Sabará Group and also part of the Clariant company, Beraca is a leading supplier of natural and organic ingredients extracted ethically and sustainably from the Amazon Rainforest and other Brazilian biomes, including oils, butters, clays and multifunctional actives with proven efficacy.

Beraca's high performance assets add value to a large number of brands in the cosmetic, pharmaceutical and personal care industries around the world.



Concepta Ingredients

Food, beverage, nutrition and animal health industry

Focusing on the food, beverage, animal nutrition, veterinary pharmaceutical and food service industries, Concepta Ingredients is specialized in developing natural and technological solutions.

Its vast portfolio ranges from ingredients from the Brazilian biodiversity to inputs with aggregate technology, capable of meeting the most specific demands of the industries in which it is present.



Sabar Qumicos e Ingredientes

Water treatment and sanitation

Sabar Qumicos e Ingredientes is currently one of the largest distributors of chlorine in Latin America.

For over 60 years, this Sabar Group business unit has offered the market integrated solutions for industrial water treatment and basic sanitation.



BioE

Leather, Sugar/Ethanol, Beverages and Energy

BioE is the business unit of the Sabará Group that operates in the leather, sugar/ethanol, textile, beverage and energy industries.

In its portfolio are solutions that help in all stages of the production process, such as the suitability of water used in beverages - a factor considered determinant to ensure the quality of the final product.



Stakeholders Matrix

The Sabará Group's stakeholders are defined according to the company's interest in the specific stakeholder or its power to influence the company. They are classified into four categories within an engagement matrix, as shown below:



Material subjects:

- Commitment to human rights compliance in our business units and the supplychain;
- Commitment to human rights compliance in our business units and the supply chain;
- Commitment to water conservation and biodiversity;
- Efficient use of water resources and reuse of water in business units;
- Commitment to meeting delivery deadlines and quality assurance;
- Have actions to mitigate negative environmental impacts and increase positive impacts;
- Safety practices in transportation, handling and storage of dangerous products;
- Actions to promote health and safety at work;
- Increase the eco-efficiency of business units;
- Management and audit of the supply and distribution chain;
- Development of innovative water solutions;
- Development of new products from the Brazilian biodiversity;
- Ensure traceability in the chain of custody;
- Offer customized products and solutions to the customer;
- Development of communities supplying biodiversity inputs;
- Report social and environmental benefits generated by the company;
- Innovation projects in health, nutrition and beauty.

HUMAN RIGHTS – SDG 1, 4, 8



Goal 1

End poverty in all its forms everywhere.

Principle 1: Companies should support and respect the protection of internationally proclaimed human rights;

Principle 2: Make sure they are not complicit in human rights abuses.

Goal 4

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Goal 8

Promote inclusive and sustainable economic growth, employment and decent work for all.

The company maintains its commitment to respect the individuality and dignity of people and is committed to avoiding complicity and abuse of human rights in all its business units. In order to firm its commitment to respect and maintain human rights in the relations and business of the Sabará Group companies, we have policies and practices to value its suppliers, employees and the surrounding community coordinated by the People Management Department.

The Sabará Group is not tolerant of any attitude that could be understood as disrespect or violation of labor standards, whether taken by its employees or other parties with whom it relates.

The diversity of the Sabará Group's employees is a advantage. The Group is committed to providing equal opportunities in all aspects of employment and will not tolerate any discrimination, harassment or derogatory comments.

We maintain a working environment where relationships are based on professionalism, trust, cooperation, integration, respect for individual differences and urbanity.

In addition, we recognize and value the Company's intellectual capital and the encouragement of new leaderships, valuing the encouragement of individual and collective ethical conduct.

Policies, programs and actions:

- Programa Na Mão Certa (On the Right Track Program) - Initiative of Childhood Brasil (entity that promotes human rights), a business commitment against the sexual exploitation of children and adolescents on Brazilian roadways. The Sabará Group joined the program in 2009

- Internal and external disclosure of the Social Responsibility Policy
- Support for social institutions, among them:

-NCCEV (Núcleo Cristão e Cidadania para o Vale) was created in 2011 as a way to promote hope and dignity to children in the rural area of the municipality of Apiaí, which is located in Alto Vale do Ribeira, the region with the lowest HDI (Human Development Index) in the State of São Paulo. The harsh reality of children leaving school to accompany their parents to work in the plantations and all the misery has moved a group of people from the Capital to develop the project. In 2019, Núcleo grew in its partnerships and changed its name to SALVAR I Social. It is part of the SALVAR (Sustainability for Alto Vale do Ribeira) institution on the social development front. Currently, 125 children between the ages of 4 and 11 are assisted with arts, information technology, learning and culture workshops after school activities. All of them receive meals every day, totaling 4,700 meals per month. In addition to the children, SALVAR I Social is concerned with adults who had to leave school in childhood to work, offering literacy classes in the institution in surrounding neighborhoods. These students have been transformed by the possibility of knowing the world through the letters. All the work has contributed to the rescue of the human dignity of the region.

- Casa Mariás - Núcleo Cristão Cidadania e Vida (NCCV) - Center for the Defense and Coexistence of Women, is a place to exchange experiences, talk about emotions, acquire information and knowledge of women's rights in the path and struggle before society and culture, in addition to care with sensitivity, dignity, respect and confidentiality. The institution has a multidisciplinary team to help in the fight against domestic and intrafamily violence. Everything has been thought out and prepared so that women can discover their strengths and thus develop their self-esteem and autonomy, and be able to make decisions and acquire control of their financial and family lives.

- Sponsorship Campaign - Held in partnership between the Sabará Group, Lamb Watchers Foundation and ChildFund Brasil, the goal of the campaign is to bring, through the sponsorship of a child, access to educational and cultural projects of high quality, development of citizen awareness through actions to community coexistence, restructuring of their homes, as parents also receive advice on family skills, and promotion of sustainability and respect for the environment for children living in the region of Curimatá - PI, which is severely affected by droughts, through the Projeto Água, Cidadania e Ensino (Water, Citizenship and Education Project, PACE), an institution created in 2015 that serves the urban and rural areas of Curimatá, Piauí. The institution promotes access to drinking water, food production, basic education, cultural interactions and income generation opportunities for families who suffer from the scarcity of these resources because they live in the semi-arid region of Brazil. To this end, an agroecological system, based on the concept of mandala permaculture for organic food cultivation, was implemented in the communities served. In addition, the initiative seeks to ensure that all residents have access to what it calls the "100% Kit", which includes: a source of drinking water and renovation or construction of a municipal school, including a kitchen, cafeteria, toilets, desks and quality slates. In the urban area of the municipality, PACE gives life to the Centro da Criança e do Adolescente (Child and Adolescent Center, CCA), a space that houses socio-educational and cultural activities, such as English, computer, music,

dance, school tutoring, among others, and preparation for the National High School Exam (ENEM). Currently, the institution has a register of approximately 550 children and adolescents

- Hospital Colônia Prof. Alcides Codeceira - Donation of Sodium Hypochlorite - The institution has been operating since 1950, serving women with psychic disorders, who find a specialized support in this renowned hospital, located in Mata Norte, in the municipality of Igarassu, about 35 kilometers from Recife. Focused on the rehabilitation of long-stay patients, the health unit seeks to improve the quality of life of these people

- CRDD - Casa de Recuperação de Dependentes de Drogas [Drug Addicts Recovery Home], Religious Center - Non-Governmental Organization (NGO) located in Itapissuma-PE. With the objective of rehabilitating and reintegrating the individual into social and family life, CRDD promotes such a situation through a six-month internment program. During this period, the individual is re-educated with the program of 12 Adapted Steps and studies about the problems that drugs cause. Short intervention tools and religious intervention are also applied in the recovery program

- Encouragement of volunteering and solidarity with campaigns to collect food, clothing and toys for distribution to the communities around the units

Results:

- Commercialization to our internal public of craft products produced by NCCEV Apiaí, directly benefiting 150 families in a social vulnerability situation, promoting the increase of family income, the generation of new job opportunities and the expansion of professional workshops, which represented 0.02% of its sales in a single place
- Internal campaign to promote handicraft products made exclusively by women victims of violence and mistreatment attended by Casa Mariás, thus contributing to the social Project
- Sending of announcements of the Sponsorship Campaign via e-mail “Acontece na Sabará” and also available on the Intranet and corporate TV. As a result of the campaign, we obtained 205 sponsorships
- Average donation of 120 kg of Sodium Hypochlorite per year from the Pernambuco unit to the Hospital Colônia Prof. Alcides Codeceira
- Average donation of 120 kg of Sodium Hypochlorite per year from the Pernambuco unit to the CRDD - Casa de Recuperação de Dependentes de Drogas, Religious Center - Non-Governmental Organization (NGO)
- Social investment in 2019 of around R\$ 130,061.50, in addition to donations of household products manufactured by our company, actions of volunteers and internal campaigns of social promotion
- Product donations (Santa Barbara unit) - Sodium Hypochlorite
 - The City Hall of Santa Bárbara D’Oeste (Zoonosis) - 180 kg to sanitize the kennel
 - Associação Barbarense Damas de Caridades (São Vicente de Paula Asylum) - 240 kg to sanitize the place
 - Casa de Recuperação Sopro Divino de Nova Odessa - 120 kg to sanitize the place

WORK – SDG 3, 5, 10



Goal 3

Ensure healthy lives and promote well-being for all at all ages

Goal 5

Achieve gender equality and empower all women and girls

Goal 10

Reduce inequality within and among countries

Principle 3: Companies should uphold freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: The elimination of all forms of forced and compulsory labor;

Principle 5: The effective abolition of child labor;

Principle 6: The elimination of discrimination in respect of employment and occupation.

The Sabará Group assumes the commitment to respect the individuality and dignity of people, not tolerating in its work environment any form of discrimination, defending the freedom of union association of its employees.

In 2019, our staff shows the diversity that exists in the Group, as well as the opportunity for employees over 45 years old and with special needs, aiming to reduce the differences every year.

Policies, programs and actions related to the working principles are coordinated by the Human Resources Department.

SABARÁ GROUP						
DATA	SABARÁ QUÍMICOS		BERACA INGREDIENTES		TOTAL	
	AMOUNT	PERCENTAGE	AMOUNT	PERCENTAGE	AMOUNT	PERCENTAGE
TOTAL STAFF ON 12/31/2019	215	100%	86	100%	301	100%
WHITE	134	62.33%	46	53.49%	180	59.80%
YELLOW	2	0.93%	0	0.00%	2	0.66%
BLACK	10	4.65%	9	10.47%	19	6.31%
BROWN	69	32.09%	31	36.05%	100	33.22%
TOTAL MEN	156	72.56%	47	54.65%	203	67.44%
TOTAL WOMEN	59	27.44%	39	45.35%	98	32.56%
MEN OVER 45 YEARS	31	14.42%	9	10.47%	40	13.29%
WOMEN OVER 45 YEARS	5	2.33%	6	6.98%	11	3.65%
PEOPLE WITH SPECIAL NEEDS	8	3.72%	0	0.00%	8	2.66%
HIRING APPRENTICES IN 2019	9	4.19%	1	1.16%	10	3.32%

Policies, programs and actions:

- Anti-discrimination policy consolidated in the Integration Manual, excluding of the Sabará Group's working environment:
 - Any attitude of discrimination by age, race, social class, nationality, caste, birth, origin, religion, disability, gender, sexual orientation, family responsibility, marital status, union membership and political parties, or any condition which may give rise to discrimination
 - The practice of any type of action that harms a candidate for a job, an employee or a collaborator in the aspects of selection, hiring, compensation, promotion, access to training and dismissal from the company; provided that this practice was motivated by reasons not other than discrimination by the characteristics cited in the previous item
 - Interference in the exercise of the rights of people to follow beliefs or practices, or to meet their needs related to race, social class, nationality, caste, religion, disability, gender, sexual orientation, family responsibility, marital status, union membership and political parties, provided that these practices do not interfere with the employee's work performance or infringe on the rights of other employees and the company
- An integration manual that aims to be a reference document for all those who, for the first time, come into contact with the Sabará Group, helping in their integration and professional performance, also aiming at the consolidation of the policy for freedom of association and right to collective negotiation, defining that the Sabará Group respects the right of its employees to join the union, as well as to collectively negotiate their claims, respecting the limitations imposed by Brazilian law. In other words, the worker may join the union of his professional category, or the union with which the organization is associated

- Full adoption of the agreements entered into between trade unions representing employers (economic category) and employees (professional category) established in the Collective Agreement
- Lectures, health tips, gymnastics at work and encouragement of physical activities and wellness actions, as well as preventive treatment of cases that required medical care
- Internal Commission for Accident Prevention (CIPA)
- Occupational Health and Medicine Control Program
- Employee Health and Safety Program
- Internal and external disclosure of social responsibility policy
- Menor Aprendiz (Junior Apprentice) Program
- Jovem Aprendiz (Young Apprentice) Program
- Disabled Person Inclusion (PCD)
- Hiring and promotions based on professional performance, through the Performance Evaluation System
- Care of pregnant and breastfeeding mothers by evaluating all the risks that may eventually affect these people in situations where they are under the influence or direct control of the organization. In accordance with the legislation, the assessments are made through the preparation and implementation of PPRA and PCMSO reports applicable to all units (parent company and subsidiaries) of the company
- Benefits: group life insurance, funeral assistance
- Partnerships with gyms, restaurants and language schools. Actions with low financial investment, but with positive impact to employees
- Day OFF: every employee is released from work on their birthday or any other date within the month
- Vaccination campaign against the flu virus: offered to all employees of the Group
- Measles vaccination campaign: immunization in SP - Anália Franco unit to contain an outbreak in the city
- Flexible Timetable
- Leaders Workshop: leadership update, continuity and follow-up of the Leadership Academy. Fundamental for growth and increased productivity, it enables the leader to review his priorities, skills and way of acting so that he can contribute more effectively in team leadership and achieving results
- Performance Evaluation: to have data necessary to broaden the perception of the superior and the individual about himself, to facilitate the identification of improvement opportunities and to guide the development of action plans at various levels, both individual and organizational (general, management, area, department, sector, branch etc.).
- Volunteer compensation: Structuring the project for an institution and giving guidelines

for the work to be done. Encourage social action to employees, since they have realized that they can provide society with a greater contribution than just donating money. Encourage believing that they are thus increasing team spirit and giving more motivation and confidence to solve the company's problems - which generates more respect and admiration for the company in which they work, among other factors

- Training and Development: one of the objectives is to prepare people (team) for greater challenges in the future by increasing their skills. Development of collaborators, search for courses to empower the team, in terms of updating and technical training; Job Rotation: Develop collaborators in other functions for backup. E-learning Training
- Language Academy: develop the collaborator and increase the intellectual capital of the team

Results:

- 100% of the employees are represented by chemical union entities, guaranteeing a 44-hour working week, an increase of 50 to 110% for additional hours, benefits for additional sick pay, work accident or occupational disease, child care, exceptional child care, assistance in contract termination, unemployment insurance, maternity insurance, stability in military service, stability for employees on retirement, stability in case of involuntary abortion, guarantee of precision tools and instruments to perform the work, agreement with pharmacies, paid weekly rest, paid vacation, Christmas bonus, paid absences, unpaid leave, adoption leave, risk and prevention warning signs, individual protection equipment, safety training, among them firefighting, health education campaigns and environmental protection
- 100% of employees benefit from the Profit-Sharing Program - PLR, which is carried out through collective bargaining with the category's employee committee and union, with financial indicators and targets, production management targets, environmental management targets, team and individual targets
- Subsidy of 90% of meals to 100% of employees
- 100% of the employees have extensive medical and dental assistance available to dependents
- Guarantee of transport for all employees using chartered buses, municipal buses and fuel assistance
- Performing Medical and Laboratory Examinations for employees, as directed by the occupational physician
- Carrying out the internal accident prevention at work week (SIPAT) in the company units, focused on reducing accidents and occupational diseases, sexually transmitted diseases, financial education, smoking, illegal drugs and ergonomics, food safety
- Menor Aprendiz Program: hiring of 9 (nine) young people aged between 15 and 18 years. The program includes students from the public-school system who are attending elementary or high school and who belong to low-income families and residents of socially vulnerable regions, with the preference of hiring communities around the units. 100% attended in all units of the Group, according to the inclusion plan and labor standards

- Flu vaccination campaign: held on May 10, 2019, immunizing 203 employees, in all units
- Measles vaccination campaign: held on May 14, 2019, immunizing more than 80% of the employees of the SP unit - Anália Franco
- Campanha do Agasalho e Brinquedos [Clothing and Toys Campaign]: held in May 2019, in São Paulo and Santa Bárbara D'oeste. The collected clothes were donated to the institution Núcleo Cristão Cidadania e Vida (NCCV) in Apiaí, countryside of São Paulo. The donation was made in person by the collaborators of the Anália Franco unit, who during 03 (three) days had the opportunity to participate actively in all the activities of the institution
- Jovem Aprendiz Program: The Sabará Group offers the opportunity of the first job. For young people between the ages of 14 and 24, who must be in regular school or have completed high school. It is also necessary to attend an apprenticeship course, as it is understood that the development of the young person is one of the main factors for the economic and cultural growth of the country. The young people are hired and have a beautiful journey within Sabará. Today, we have professionals who started as young apprentices and have an established career
- Disabled Person Inclusion (PCD) - 100% of the objective met
- Flexible hours - increased employee satisfaction, productivity and motivation and reduced operationalization of adjustments to the electrical timecard system, providing autonomy to adapt the work routine to the needs of each one

ENVIRONMENT – SDG 6, 7, 9, 11, 12, 15



Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility;

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

Goal 6

Ensure availability and sustainable management of water and sanitation for all

Item 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing the release of chemicals and hazardous materials, halving the proportion of untreated wastewater, and substantially increasing recycling and safe reuse globally

Item 6.b. Support and strengthen the participation of local communities to improve water and sanitation management

Goal 7

Ensure access to affordable, reliable, sustainable and modern energy for all

Goal 9

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Item 9.4 By 2030, modernize infrastructure and rehabilitate industries to make them sustainable, with increased resource efficiency and increased adoption of clean and environmentally sound industrial technologies and processes; with all countries acting in accordance with their respective capabilities

Goal 11

Make cities and human settlements inclusive, safe, resilient and sustainable

Goal 12

Ensure sustainable consumption and production patterns

Item 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

Goal 15

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

For the Sabará Group, offering quality products in line with sustainable practices is a challenge and a commitment. The company works with a focus on innovation and sustainability and defends the achievement of profit through practices that value social development and the intelligent use of natural resources, thus contributing to sustainable development. From this perspective, the environment increasingly occupies a special place in the company's projects, from the planning stage to execution.

The Sabará Group reinforces its corporate responsibility through several institutional, environmental, free competition, respect for consumers, the fight against corruption and respect for human rights commitments.

In addition, the company seeks to be in full compliance with the National Policy on Solid Waste, National Policy on Climate Change and the Anti-Corruption Law, keeping all its licenses and authorizations for operation up to date, taking into account its activity of producing chemicals for various sectors, as well as applying reverse logistics to reuse packaging and chlorine cylinders, which, in addition to mitigating environmental impacts, reduces costs and use of raw materials by the company. In the same sense, the Sabará Group has a management of energy, water and carbon efficiency, establishing targets for water and energy consumption and recycling, as well as the implementation of new production and transportation systems that cause lower emissions of greenhouse gases.

The business unit Concepta Ingredients encourages agroforestry and extractivist chains that value standing forests and provide viable alternatives for production and income for producing communities, by working with products of sociobiodiversity origin, thus avoiding deforestation and the consequent emission of greenhouse gases.

Concepta Ingredients' product pipeline combines innovation and development with socio-environmental responsibility, considering the use of biodiversity inputs, with traceability, certifications of origin, correct management of natural resources and adequate and fair remuneration to the chains involved.

Regarding actions to combat climate change, the first step is to diagnose the 2019 result through the emissions inventory. A significant drop in emissions is expected in scope 2, even with additional industrial operations implemented. This occurs due to the source of electricity from the Mercado Livre de Energia (Free Energy Market) that the company has chosen to use. The Beraca business unit was awarded 2nd place in the Profit Organization Category, for its work in the Sociobiodiversity Enhancement Program, in the first edition of the ODS Brasil Award, an initiative of the Federal Government.

The Sabará Group, through the Issue of Debentures and Green Bonds Certification, promotes sustainable investment and consumption with the allocation of resources for the implementation of the new Sodium Chlorite plant in Santa Bárbara D'Oeste - SP and also investment in new projects. The title in the amount of R\$ 20,000,000.00 was used as follows:

Distribution of resources obtained from the issue of the debenture

USE OF RESOURCES	ESTIMATED VALUE (R\$)	DISTRIBUTION (%)
ENGINEERING AND PROJECTS	1,340,327.55	7%
FACILITIES AND CIVIL WORKS	6,082,209.71	30
MACHINERY AND EQUIPMENT	2,041,745.28	10
PRE-OPERATIONAL INPUTS	1,740,312.31	9%
DIRECT LABOR	1,353,460.76	7%
OPERATIONAL INPUTS	2,802,430.49	16%
WORKING CAPITAL RELATED TO THE NEW PLANT	3,139,513.90	14%
DEBENTURE RESERVE FUND	1,500,000.00	8%
TOTAL	20,000,000.00	100%

Policies, programs and actions:

- Caring for Climate: platform of the UN Global Compact, created in 2007. The signatory companies consider the “Climate” theme fundamental and wish to take the lead in the discussions and in the search for solutions related to climate change
- FSSC 22000 (Food Safety Policy): Concepta Ingredients is committed and engaged in providing safe and quality products that meet company, customer and national and international legal requirements. The intention is to expand the certification to new product lines
- Organic certifications: Beraca and Concepta Ingredients units have products certified according to the Brazilian, European and North American organic certification regulations, thus guaranteeing that the products are free from chemical and synthetic inputs and genetically modified organisms
- Partners for the Amazon: Beraca unit joined in 2019 as a space for companies and other organizations to debate good practices related to Amazon conservation, encouraging projects and investments that promote entrepreneurship and innovation in the region
- Adherence to Origens Brasil®: aims to attest the transparency and traceability of the production chain of the Beraca unit. Through the partnership, it will be possible to identify which community is responsible for the input, the location and even the number of people benefited and the percentage paid for the product above the local price
- Partner of the Programa Mundo Limpo Vida Melhor [Clean World Better Life Program], a project that has existed in the state of Pernambuco for 11 years and aims to collect used frying oil for reuse in the bar soap manufacturing process. Its benefits are the reduction in the consumption of natural resources, avoiding the inappropriate disposal of waste in the environment and also contributing with financial resources to the local Public Hospital

- Prodir (Associquim): Responsible Distribution Process based on NACD's (National Association of Chemicals Distributors) RDP (Responsible Distribution Process)
- ISO 14001:2015
- ISO 9001:2015
- Atuação Responsável [Responsible Care] - AR (Abiquim)
- Reuse of solid waste
- Implementation of Telemetry in the Pacatuba- CE Unit
- Dialogue with the surrounding communities to raise awareness and present good environmental practices.
- Dialogues and interaction with other governmental, public policy and regulatory bodies:
 - **IBAMA** - Brazilian Institute of Environment
 - **CGEN** - National Council for the Management of the Genetic Heritage and Associated Traditional Knowledge: follow-up of necessary measures for the regularization and adequacy of the activities of access to the genetic heritage and associated traditional knowledge
- Global Compact - Participation in the strategic plan of the Brazilian Global Compact Committee, providing for the implementation of SDG in business strategy
- Dialogues with class associations and research and innovation promotion bodies:
 - **ABIHPEC** - Brazilian Association of Personal Hygiene, Perfumery and Cosmetics Industry
 - **ABNT** - Commission for the Study of Chemicals for Basic Sanitation, Water and Sewage
 - **ABICLOR** - Active participation in the Chlorine Handling and Transport Commission (CMT) and Working Group Project for standard valves for chlorine cylinders (GT)
 - As representative of Associquim, the Sabará Group also participated of monthly meetings in the Sub-Commission of Studies and Prevention of Accidents in the Transport of Dangerous Products of the region of Paulínia, of the State Secretariat of Transport Business of São Paulo. There, accidents and preventive measures are evaluated and analyzed, as well as suggestions for road and signaling improvements. Organizations such as Cetesb, Highway Police, ABNT, Civil Defense, ANVISA, highway concessionaires, among others, participate in these meetings
- Association with CEO Water Mandate - A platform that brings together business leaders to address global water challenges through corporate water management, in partnership with the United Nations (UN), governments and civil society organizations. By participating in the initiative, companies connect with key trends in corporate water management and innovative best practices in the area, strengthening their commitment to sustainable practices and commitment to investors, customers, employees, communities and other stakeholders. Endorsed companies commit to acting on six key elements and report progress annually

- Representative collaborator in the Food and Agriculture Working Group of the Global Compact Brazil Network
- Representative employee in the Water Working Group of the Global Compact Brazil Network

Results:

- Indicators of energy consumption, volume of water collected and waste generated by the Sabará Group's operations (consolidated data from the Santa Bárbara D'Oeste, Goiás, Ceará and Pernambuco units):

ITEM	CALCULO1	CALCULO2	INDICATOR	UOM	2015	2016	2017	2018	2019
1	= 7.1 / 6.1	= 23	ELECTRIC POWER CONSUMPTION (KWH/TON)	KWH/TL	14.58	14.60	11.86	11.27	69.69
2	= 7.2 / 6.1	= 24	VOLUME OF WATER COLLECTED (M3/TON)	M ³ /TL	0.44	0.32	0.30	0.30	0.54
3	= 2.C.2 + 2.C.3	NI	HAZARDOUS WASTE GENERATED	KG	8,673.00	12,434.00	0.00	0.00	2,074,600.45
4	= 2.C.5	= 17	HAZARDOUS WASTE PRODUCED/GENERATED BY THE CUSTOMER AND DISCARDED BY THE COMPANY	KG	0.00	0.00	0.00	0.00	0.00
5	= 2.C.4	= 16	GENERATED NON-HAZARDOUS SOLID WASTE (RECYCLABLE/ REUSABLE MATERIAL)	KG	57,386.00	63,170.00	42,473.00	51,625.85	36,358.14
6	= 2.C.1	= 13	DISPOSABLE NON-HAZARDOUS SOLID WASTE GENERATED	KG	36,240.00	23,520.00	10,530.00	10,003.50	22,167.02
7	= 2.C.3	= 15	DISPOSABLE HAZARDOUS SOLID WASTE	KG	2,115.00	10,742.00	1,693.00	1,625.28	0.00
8	= 2.C.2	= 14	GENERATED RECYCLABLE/ REUSABLE HAZARDOUS SOLID WASTE	KG	6,558.00	1,692.00	0.00	0.00	5,244.00
9		= 25	VOLUME OF LIQUID EFFLUENT DISCARDED	M ³	0.00	0.00	524.75	401.75	524.99
10		= 26	AVERAGE USE OF BIODIESEL IN THE FLEET OF PARTNER COMPANIES	%	8%	8%	10%	10%	10%

Item 1: Electricity consumption in 2019 was driven by the start of operation of Chlorite at the unit in Santa Bárbara d'Oeste

Item 2: The increase in the volume of water collected in 2019 was motivated by the start of the Chlorite operation in Santa Bárbara d'Oeste

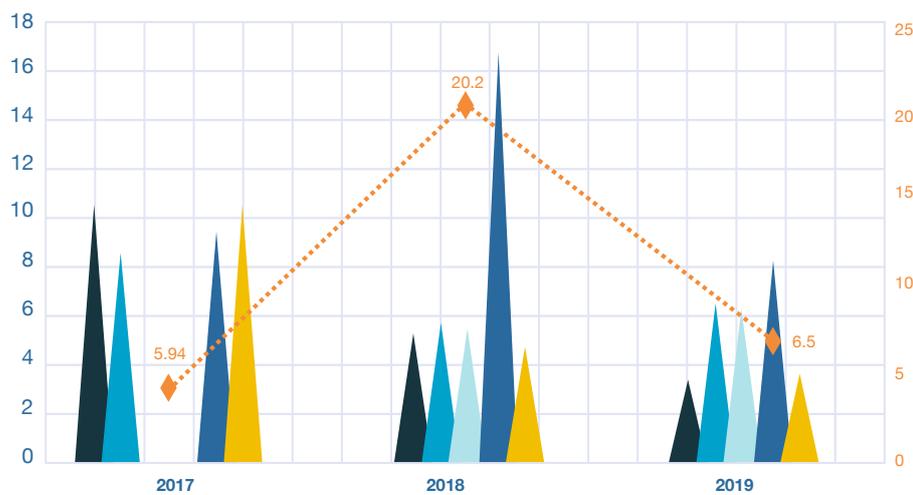
Item 3: The increase in the volume of hazardous waste generated was motivated by the start of the Chlorite operation in Santa Bárbara d'Oeste (Sodium Sulphate)

Item 7: This indicator is consolidated in item 3, according to the changes promoted in the Prodir indicators

- Electricity: Economy in the last 12 Months
 - The accumulated CO₂ emission avoided with the purchase of electricity on the free market is approximately 114 tons, which represents about 137 soccer fields of planted trees
- PRODIR - The certification achieved by the Sabará Group consists of a set of principles and practices to ensure the correct distribution of chemicals, aiming at process improvements in relation to health, safety and environment
- The Sabará Group obtained great benefits through ISO 9001:2015, improving cost savings and efficiency gains, increasing the credibility and image of the organization, obtaining greater employee involvement, as well as increasing customer satisfaction, among others
- ISO 14001:2015 goes beyond ecological positioning. The group sees environmental management in a strategic way, which influences the quality of the product, preservation of the environment, process agility and, consequently, cost reduction for the company
- Responsible Care - AR (Abiquim): Voluntary process in the initiative of the chemical industries to demonstrate their commitment to continuous improvement, ensuring safety in the use of chemicals throughout the life cycle of the product and preserving the environment
- Evidence of the work presented in 2019 at the Itapissuma - PE unit, reuse/recycling of wastewater and waste management. Dialogue with members of the surrounding area, such as Petrópolis brewery, SETRANS carrier, Lida carrier, Itapissuma City Hall inspection agency and the CRDD - center for the rehabilitation of chemical dependents, achieving the objective regarding the dissemination of good safety practices, environmental and productive practices presented to the inspection agency, community, neighboring companies and carriers
- Through Telemetry, 2160km of road routes were reduced every month, reducing environmental impacts. On average, the reduction of 216 liters of fossil fuel per month / 2,600 liters per year
- 75% of the suppliers of the Concepta Ingredients Exotic Oils line are organic certified
- 237 hectares of certified organic native forest by direct incentive of Concepta, which represent about 256 soccer fields of preserved area
- 295 rural producers directly involved in processing and collecting Concepta value chains in 2019
- Through Valorização da Sociobiodiversidade® [Sociobiodiversity Enhancement] program, we are proud to present the Beraca unit, the promotion of the four pillars of the platform: Human development in a balanced manner, Conservation of water and biodiversity through the sustainable use of resources, Profitability appropriate to the entire value chain and Ethics and transparency with:
 - Investment of R\$ 8.6 million to maintain the program
 - Activities conducted in 12 states of the country
 - 2,500 directly benefited families
 - Direct engagement with organic certification of approximately 255,000 hectares
- The regulatory sector of the Sabará Group has been developing, together with the employees of the Itapissuma unit, good practices and improvements in the unit, where they have been taken into consideration variables such as:
 - Awareness of employees in the reduction and reuse of waste
 - Lecture and training in environmental education for employees
 - Waste management in a comprehensive manner of all aspects and likely impacts on the SGI - Itapissuma Unit

- The reuse of waste (wood) has brought us three benefits:
 - Cost reduction (with waste management, collection, transportation and proper final disposal). The waste will become biomass for boiler heating
 - Acquisition of assets (reduction in the purchase of shelves to archive documents)
 - Organization of the place with the custody of the documents, facilitating the search and identification of them
- The reuse of the Tank provided a suitable place for:
 - Training in attendance to NR-33
 - Conducting emergency drills
 - Training the operators to wash and decontaminate the trailers with chlorine
 - Compliance with ISO 14001:2015
- Partner of the Programa Mundo Limpo Vida Melhor - According to the CONAMA resolution no. 430/11, 1 (one) liter of improperly discarded oil contaminates 20,000 liters of water. In 03 (three) months, around 8 liters of oil were collected, thus avoiding the contamination of 160,000 liters of water. We are planning to expand this partnership with neighboring companies and restaurants, partners of the Sabará Group. Thus, we will achieve a greater awareness and correct disposal of this waste
 - Reduction and reuse of solid waste Itapissuma unit

Wastes – 2017 – 2018 – 2019 (in tonnes)



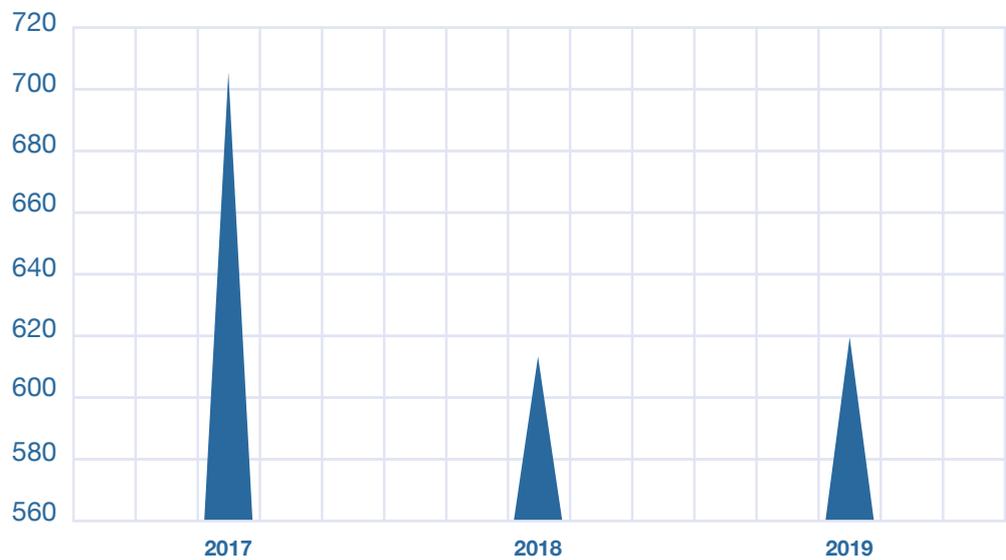
◆ Sum of Common Waste	10.71	5.2	3.76
◆ Sum of Hazardous Waste	8.39	5.96	6.52
◆ Sum of Organic Waste	0	5.66	6.555
◆ Sum of Recyclable Waste	8.7	16.3	8.19
◆ Sum of Common Waste	10.71	5.2	3.76
◆ Sum of Industrial Sludge Waste	5.94	20.2	6.5

- Reduction: common garbage (reduction in landfill occupation)
- Recycling: wood, plastic, cardboard, metal scrap, tires (returns to life cycle)
- Reuse: organic waste (composting)

Note: In the year 2017, there was no practice of segregation of organic waste and common garbage. The waste was being sent to landfill characterized as ordinary waste.

The water recycled in sewage treatment plant in DESO is used in the process of decontamination/cleaning of cylinders. The circuit is closed allowing the total reuse of water.

Recycled Water – 2017 – 2018 - 2019 (in liters)



◆ Sum of Recycled Water	704	612	624
-------------------------	-----	-----	-----

Against Corruption – SDG 16



Goal 16

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Principle 10: Companies should work against corruption in all its forms, including extortion and bribery.

The Sabará Group continues to make annual advances in company structuring and corporate governance practices, with the aim of improving the decision-making process and ensuring long-term business growth, always committed to fighting corruption in all its forms, including extortion and bribery.

Any attempt to fraud or to obtain undue advantage for private purposes or which go beyond the legal limits and the Mission and Values of the Sabará Group are corrupt practices and are prohibited for all employees and collaborators of the company.

The Sabará Group's accountability does not exclude the individual responsibility of its directors, officers or of any natural person, author, co-author or participant in the practice.

The company has a Compliance Committee, composed of two members of the company's Board of Directors and two employees, appointed by the directors and chosen by the presidents.

Policies, programs and actions:

- Corporate Governance Plan
- Annual review of internal policies as a basis for building the Integration Manual and Compliance Manual, which confirms our commitment to upholding what we believe, following a responsible, ethical, transparent and mutually respectful stance. It applies to everyone without exception. It contains the main behaviors that guide our day-to-day life and relationships in the company
- The Sabará Group Compliance Manual consolidates the Group's way of acting to date, bringing all corporate policies and forms of internal control of conduct and integrity. Thus, the company brings together in a single document the existing internal policies, national and international standards, guidelines for conduct, updates of internal policies in relation to future laws to protect intellectual integrity and anti-corruption, consolidating a Sabará Group style of conduct
- Representative employee in the Global Compact Anti-Corruption Working Group
- Compliance training directed to the internal public
- Disclosure of the Compliance Manual on the company's website
- Creation of the Reporting Channel for the internal and external public, available via BPM (Business Process Management System) and Sabará Group website

Partnerships For the Goals - SDG 17



Goal 17

Strengthen the means of implementation and revitalize the global partnership for sustainable development

- SDG Campaign and the Business Sector - UN Global Compact Brazil Network

The objective of the campaign is to engage internal and external audiences and mobilize the Sabará Group's relationship network for the 2030 Agenda in adhering to the ODS in their actions. All the content and layout of the materials were developed by the Global Compact Brazil Network and the campaign is being carried out simultaneously by several companies that are part of the Brazil Network. Each material discloses one of the SDG.

Sending communications, through "Acontece na Sabará" to the Group's employees and also made available on the intranet, in addition to dissemination on the social networks Facebook and LinkedIn.

In the social networks it was possible to reach around 10 thousand people via LinkedIn and 2773 views through Facebook, in a total of 11 publications.

SDG also continues to be disseminated through Internal communication channels.

- Campaign o Futuro que a gente quer [the Future we want] - UN Global Compact Brazil Network

The aim of the campaign is to engage more companies and organizations for Agenda 2030, showing the impact of SDG on people's lives and highlighting the key role of the business sector in this process. It has been featured in videos, emphasizing SDG 6 and 17.

In social networks it was possible to reach around 622 people via LinkedIn and 142 views through Facebook, in only 02 (two) posts.

Next Steps

- Admission of independent member to the Board of Directors
- Structuring the family holding and assets
- Succession Plan
- Committees supporting the Board of Directors
- Extension and dissemination of the Compliance Manual to the network of suppliers, starting with carriers - 2020/2021
- ISO 45001:2018 Certification - Occupational Health and Safety