

2019-2020 SUSTAINABILITY REPORT



·G·R·U·P·O·
SABARÁ

SUMMARY

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WORD

FROM THE COMPANY OWNERS



This is a special year for the Sabará Group, as we will complete 65 years of history and, in a moment of reflection, we can see several situations of battles, achievements and joys. We are a family business that emerged from our father Ubirajara Sabará's hands, with the objective of distributing chemical products. Currently, we are diversified, firm and leaders in the markets in which we operate, in a continuous search for sustainable development that adds value not only to our main stakeholders – business partners and employees –, but also to society and our beloved and only planet.

In the last Sabará report, released in 2016, we mentioned the search for a composition that would allow the continuous growth and evolution of our activities. Today, in 2021, upon the launch of our 6th Sustainability Report, in spite of all the pandemic setbacks that we all had to go through, we can attest that the planning and efforts carried out have borne plenty of fruits in all of our business units.

Starting with **Sabará Químicos e Ingredientes**, with its innovative products and solutions for water treatment. The company acted promptly in helping civil society to combat the Covid-19 pandemic, including actions in partnership with our customers.

Concepta Ingredientes continues to connect socio-biodiversity to global consumers by offering ingredients that value our biodiversity. In this portfolio, we highlight from traditional dyes and sugars to its recently launched "Plant Based" line of healthy and innovative organic ingredients.

Our subsidiary **Beraca Ingredientes Naturais** has been doing great in terms of innovation by introducing, for instance, our Beracare CBA, a balanced Amazonian blend of fruit compounds, resins and nuts as a legal and safe alternative to cannabidiol oil, for cosmetic use.

For us, **sustainability** is a **business premise**, not just a management approach



BioE, in turn, has also showed innovation and a pioneering spirit with the inauguration of our sodium chlorite plant in Santa Bárbara d'Oeste (SP), the only one of its kind in Latin America and thought to be 100% sustainable since its conception. Part of the resources for this great achievement was obtained with the first emission of Green Bonds in the Latin American chemical sector, in 2019.

We are proud to say that we are among the pioneers in working with sustainability inside Brazil. We have been signatories to the Global Compact of the United Nations (UN) since 2007, and we use these guidelines as an important lever in the search for the best standards and improvements in our sustainable agenda. For us, sustainability is a business assumption, not just a management approach.

For more than 20 years, we have faced the challenge of working with non-timber products from the Amazon biome, currently consolidating business in more than 40 countries. We value Brazilian biodiversity in the Concepta and Beraca portfolio. In the chemical business, we mainly serve water treatment activities, contributing to the provision of quality water both in the sanitation of municipalities and in industrial activities.

In 2020, we were also pioneers in the country by becoming the first Brazilian company to have science-based greenhouse gas (GHG) emissions targets, recognized by the Science Based Targets Initiative (SBTi). This means that our ambition to reduce 30% of our absolute GHG emissions by 2030 is scientifically aligned with the global purpose of avoiding the warming of the planet's average temperature by up to 2 °C.

Last but not least, we know that there is no perfection in the journey towards sustainability. The intention of this report is to share this path that we have taken in a transparent manner, to clearly point out the direction we are heading towards and to stress our mistakes, difficulties, successes and achievements. Our aim is to continuously be part of a virtuous global chain in favor of sustainable development, generating purpose and always seeking to deliver something more positive for our future generations.

We hope you enjoy your reading.

**Marco Antônio Matioli Sabará and
Ulisses Matioli Sabará**
Executive Owners for the Sabará Group



ABOUT THE REPORT

This Sustainability Report marks a new moment in the Sabará Group's accountability, on its work in favor of sustainable development. This is the first document of its kind released by us since 2016, when we launched our last report, referring to the 2013-2015 three-year period. This publication covers data from the last biennium (2019 and 2020) regarding the economic, social and environmental impacts of the Group and its 100% controlled business units (Sabará Químicos e Ingredientes, BioE and Concepta Ingredientes). From now onwards, our report will be prepared and released every two years.

Beraca is not part of the scope of this document, as the company is jointly controlled with Clariant, which holds 30% of its capital. Information on Beraca's sustainability management can be referred in its own Sustainability report, available on its institutional website.

This report was prepared in accordance with the GRI Standards: Essential option. The information was approved by the Group's senior leadership, but has not been subject to an independent audit. External verification is a practice that we adopt only for the financial statements, which cover, in addition to the scope of this report, the income of our interest in Beraca. No data has been re-presented.

Our team is always available to answer any questions or receive contributions from our stakeholders.

If you wish to talk to us about this report or any corporate sustainability issue, please contact us via sustentabilidade@gruposabara.com.



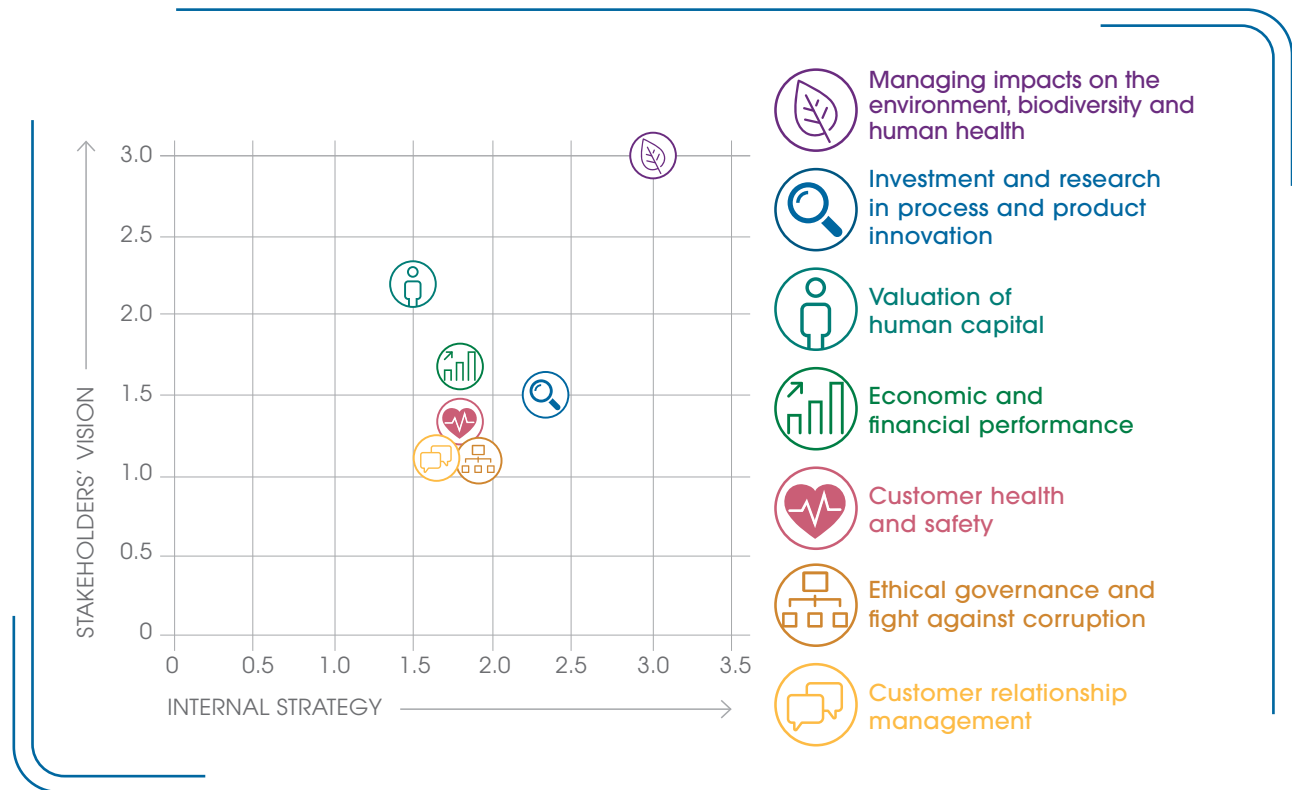
Materiality matrix

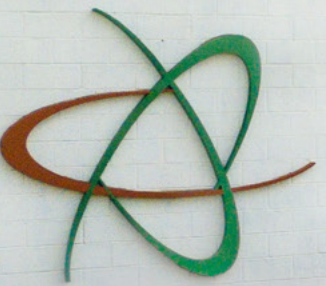
In 2020, we reviewed the Sabará Group’s materiality in order to guide this report by the demands and interests of our stakeholders and reflect the current challenges present in the context of sustainability along its preparation. Considering the relevance of each of our stakeholders in our business model, the maturity of our relationship with them and the communication channels available to each stakeholder, we have identified a list of six stakeholders to be engaged in the materiality process: top leadership; contributors; suppliers of raw materials, goods and services; public and private customers; supported non-governmental organizations (NGOs); and associations and unions.

For the senior leadership, we conducted qualitative individual interviews. The other stakeholders were invited to join a quantitative online survey, to which we obtained 135 responses, of which: 111 employees; 18 suppliers; 3 customers; 1 NGO representative and 2 identified as “other”. We also conducted three individual qualitative interviews with external audiences – one with an NGO, one with a client and one with a sectorial association – which contributed to the data consolidation and analysis.

As a result, we could identify seven material themes, which guided the content of this

report and will be further developed in the coming years throughout our sustainability management, as follows: managing impacts on the environment, biodiversity and human health; investment and research in process and product innovation; valuation of human capital; economic and financial performance; customer health and safety; ethical governance and fight against corruption; and customer relationship management.





CONCEPTA
ingredients



OUR
SABARÁ

OUR SABARÁ

The Sabará Group, about to complete 65 years of history in 2021, is a 100% Brazilian company specialized in providing customers and society with the best sustainable technologies available for the most assorted purposes. During this period, we followed a path of expansion and innovation, diversifying business and expanding the offer of technologies, solutions and high-performance raw materials for the water treatment, food and beverage, nourishment and animal health and cosmetics markets.

We are currently structured in four business units: Sabará Químicos e Ingredientes, BioE, Concepta Ingredients and Beraca (jointly controlled with Clariant). Considering the first three companies – as Beraca is not part of the scope of this Report (learn more on page 14) – we ended the year 2020 with 230 employees, four industrial plants, two administrative offices and a portfolio of more than 300 products and services.



We have moved forward on several fronts of our business, combining **economic results** with the **value generation** in our multiple relationships



The financial results are independently audited by BDO Brasil, and the financial statements of the subsidiaries are published in a widely circulated newspaper at the companies' headquarters and in the respective state Official Gazettes. Moreover, Sabará Químicos, since its first debenture (Green Bond) issuance in 2019, has been showing the audited financial statements at B3 and disclosing data related to economic-financial performance on national and international rating platforms.

The Sabará Group financial strength is driven by the structured growth in net sales, in the order of 28% and 8% respectively, in 2019 and 2020, combined with austerity measures that prioritized the strengthening of its cash position. We have moved forward on several fronts of our business, combining economic results with the value generation in our multiple relationships. We serve around 800 customers in more than 40 different market segments, covering all Brazilian states and over 40 countries.

Well-treated water

In 2020, we reached approximately 46 million people*, making access to quality water easier. Our products based on chlorine and chlorine dioxide have been used for the proper treatment of 7.6 billion liters of water on a daily basis. This volume is equivalent to more than 3 thousand Olympic swimming pools.

*Estimate based on data from the Trata Brasil Institute, considering the average per capita consumption of 165 liters per day.



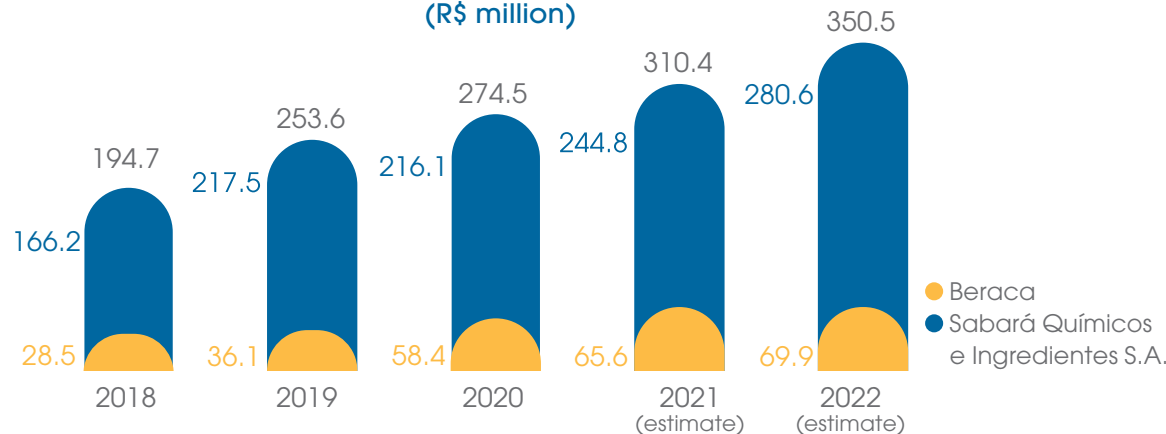
We achieved a historic result in 2020, reaching the highest annual turn-over of our 64 years, registering the milestone of R\$ 274.4 million, and the highest level of profitability in the history of the Sabará Group, namely 11% in 2019 and 21% in 2020. We highlight in this context, the increased demand for sustainable products and technologies in basic sanitation, the new sodium chlorite plant in São Paulo scale-up and the strong traction in the cosmetic market, in natural active ingredient specialties from the Brazilian biodiversity. The debt x Ebitda ratio reached 1.3 times in 2020, strongly reducing the 3.2 times in 2019, reinforcing the deleveraging strategy, raising the cash position and preparing the Group for a new and virtuous cycle investment in production and sustainable technologies in order to develop our country.

As pioneers in the chemical sector when we emitted the Green Bond in 2019, we noticed an increasing appetite for investors in the so-called Sustainability-Linked Bonds (SLB) or Loans. The instrument is a fundraising option with a sustainability label for those issuers who do not wish to restrict their allocation to specific projects or uses, but rather to environmental, social or governance goals and purposeful, resilient and perennial businesses. Our efforts along our trajectory have prepared us for this moment of convergence. Our investments in technological and disruptive innovation represented around 8.8% of net revenue in the last year, while actions related to our sustainability management reached 3.2% of the net revenue. This profile positions the Group in a differentiated way for the allocation of capital in ESG metrics, contributing to a relevant impact and a sustainable future.

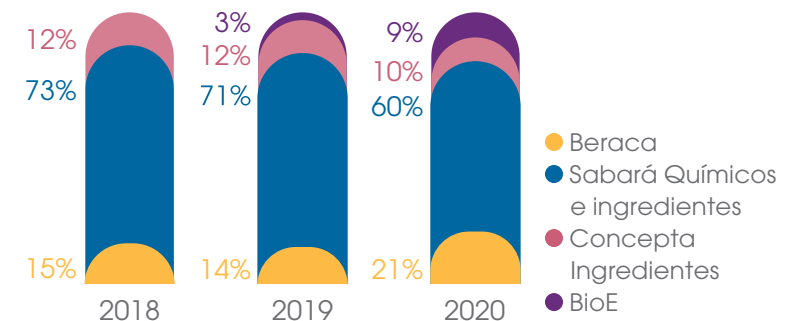
Sectorial activity

The main entities which we are part of are the Brazilian Association of Chemicals and Petrochemicals Distributors (Associquim), the Brazilian Chemical Industry Association (Abiquim) and the Brazilian Association for the Alkali, Chlorine and Derivatives Industry (Abiclor).

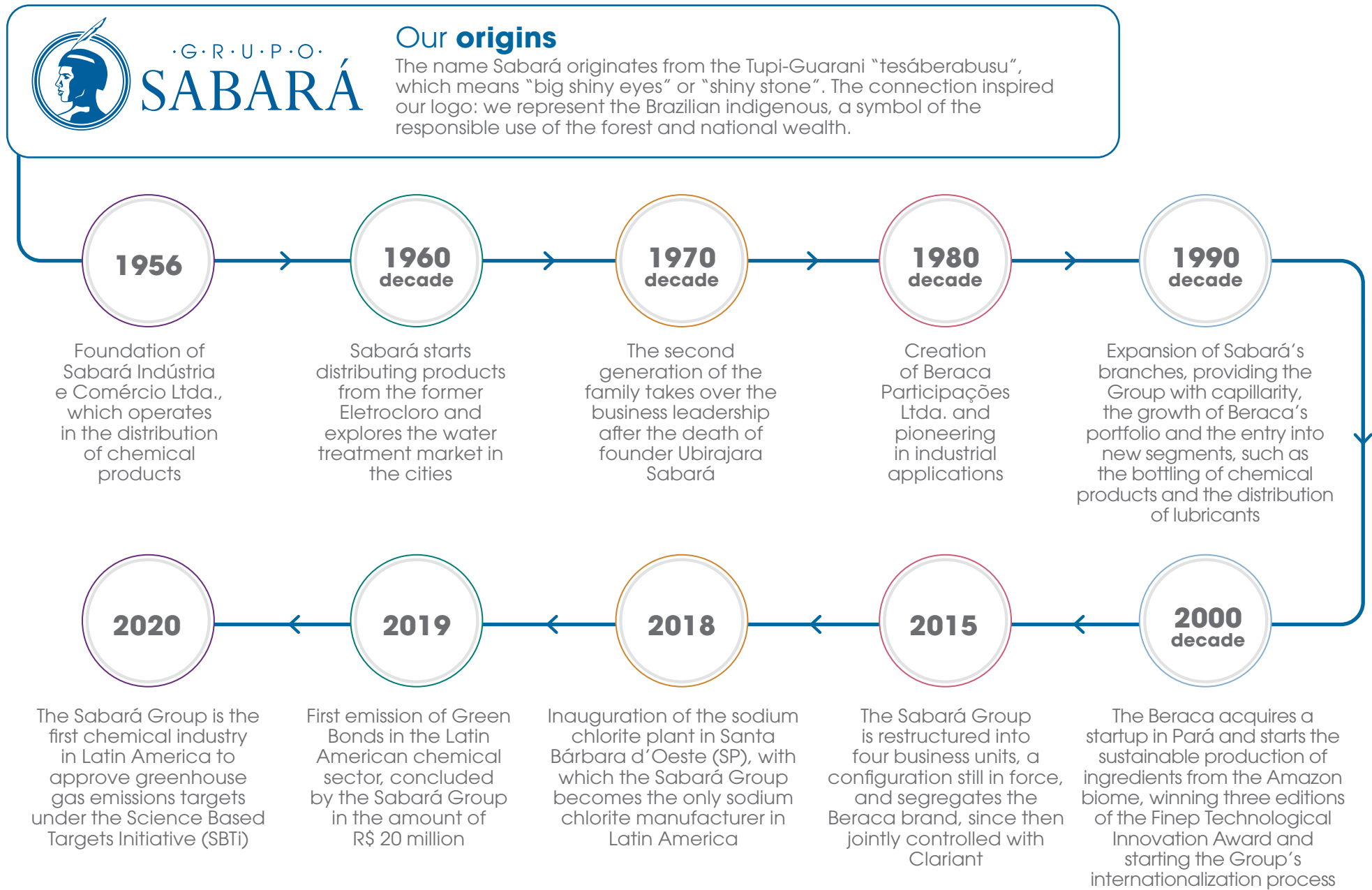
Sabará Group's turn-over (R\$ million)



Billing breakdown by business unit



Sabará Group's trajectory



Sabará Químicos e Ingredientes

Focused on the treatment of water for human, animal and industrial consumption, it produces, sells and distributes chemical products and equipment, mainly serving the sanitation, sugar and alcohol, tannery, textile, pulp and paper, hydroelectric plants, households, petrochemicals, agriculture, beverages, mining and steel markets. With customers in Brazil and South America, it offers a complete service for treatments based on chlorine and chlorine dioxide, the so-called Global Service. The solution includes equipment, supplies and technical assistance 24 hours a day for maintenance and emergency actions.

To learn + [Click here and learn more about Sabará Químicos e Ingredientes](#)



BioE

Created in 2018, it serves sectors such as sugar and alcohol, basic sanitation, food, beverages, personal hygiene, energy, leather, textiles, metal mechanics and paper and cellulose, in Brazil and South America, with solutions to increase efficiency in production processes. Its main product is sodium chlorite used, for example, in the alcoholic fermentation process of the sugar and alcohol industry, in which it replaces antibiotics, and as a precursor in the generation of chlorine dioxide - Diox® to be applied in the water treatment for industrial and drinking purposes in basic sanitation. This business unit has a production plant in the industrial complex of Santa Bárbara d'Oeste (SP), whose construction took into account sustainability aspects since the beginning, allowing the issuance of green bonds associated with the project.

Para saber + [Click here and learn more about BioE](#)

Concepta Ingredients

The company owns a line with more than 100 ingredients for the food, beverage, animal nourishment, veterinary pharmaceutical, flavor and chemical and nutraceutical industries (natural products for people's well-being and health). Its portfolio is supported by Brazilian biodiversity and inputs with aggregated technology, and the company's operating philosophy goes beyond the supply of these raw materials: it customizes and develops tailor-made solutions so that

our industrial customers bring even more quality and exclusivity to their consumers. Through Concepta, we serve companies in Brazil, with an emphasis on the South and Southeast regions, and the international market, mainly in Germany, Mexico, Paraguay and the United States.

To learn + [Click here and learn more about Concepta Ingredients](#)



Beraca

As a reference in the supply of ingredients for the cosmetic and pharmaceutical products markets, it emerged in 1988 with the second generation of the Sabará Group's shareholders. Beraca is differentiated by the development of high-performance technologies, solutions and raw materials based on Brazilian biodiversity. Its portfolio serves the cosmetics, personal care and pharmaceutical industries, with emphasis on vegetable oils, clays and butters from the Rainforest Specialties line, cosmetic specialties from the Active Performance Systems line, organic extracts from the BioFunctional Extracts line and natural exfoliants from the BioScrubs line.

Beraca (whose name means blessing, in Hebrew), is considered one of the main suppliers of natural and organic ingredients from the Amazon. Its ingredients transform elements of nature into high-yielding active ingredients, and its production process also adds value to the communities that supply these inputs, which sustainably extract these natural resources.

Beraca stands out by developing **high-performance technologies, solutions** and raw materials from the Brazilian **biodiversity**





Since 2000, Beraca has developed the Sociobiodiversity Enhancement Program®, connecting Brazilian socio-biodiversity to global consumers. The engagement with supplier communities is guided by four pillars, promoting respect, dignity and socioeconomic inclusion. Since 2016, with the creation of the Beraca Institute, this performance has been strengthened in favor of the development of productive chains in traditional communities located in threatened biomes. With this

approach, standing forests are valued for generating income from non-timber products.

In 2015, we sold 30% of the company's shares to Clariant, a Swiss multinational in the chemical industry. Since then, we share control of Beraca through a Board of Directors, totally independent on the executive structures.



Our units



Click   to find out where we are

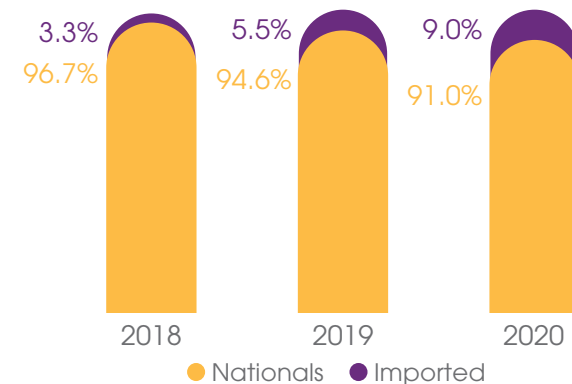


Supplier's chain

We prioritize the purchase of national raw materials, which accounted for more than 90% of the total inputs acquired in the last three years. This is a way of valuing our biodiversity and boosting the Brazilian value chain. More than that, we know the development potential of small businesses, especially those close to our units. Among national suppliers, 92% are classified as individual microentrepreneurs, microenterprises or medium and small companies.

Regarding international purchases, our main suppliers are located in South America (Peru, Uruguay, Chile and Mexico), Europe (Germany, France and the United Kingdom) and Asia (China and Malaysia). The share of this group in the total volume purchased has been growing in the last biennium, mainly because in 2019 the sodium chlorite plant began its operations in our industrial complex in Santa Bárbara d'Oeste (SP).

Input volume purchased by region of origin



Impacts in the supply chain

Sabará Químicos e Ingredientes e BioE

Relevant supply categories:
chemical inputs (essentially chlorine Alkalis) and equipment and accessories for applying chemicals (driven mainly by the Global Service)

Expenditure representativeness on Group's suppliers:
57% in 2019 and 59% in 2020

Concepta

Relevant supply categories:
natural inputs, such as sugar and derivatives, oleochemicals and plant extracts

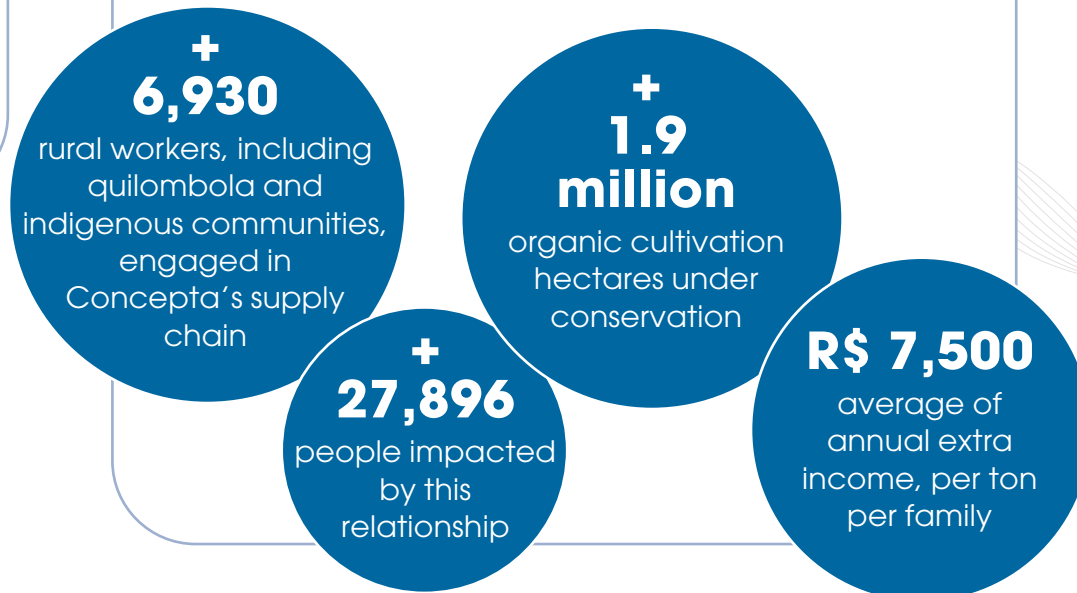
Expenditure representativeness on Group's suppliers:
19% in 2019 and 11% in 2020

Significant potential impacts:
the manufacture of plant products acquired by Concepta can be more labor intensive, even with the high degree of mechanization of the crops. Furthermore, we are always attentive to the management conditions of extractive activities, since biodiversity is the starting point of our products and its conservation is one of our strategic drivers.

All operations

Relevant supply categories:
inbound logistics and packaging chain

Expenditure representativeness on Group's suppliers:
10% in the last two years



Sustainability management

Sustainability is a premise of our business and goes far beyond the explicit statement of this commitment in our Mission, Vision and Values. It is present in the way we relate to our value chain and differentiates our brands in the market, in addition to guiding each activity of our employees on a daily basis.

Since 2007, we have been signatories to the UN Global Compact. In 2016, one of our two presidents, Ulisses Sabará, was recognized as a Local SDG Pioneer, by the Global Compact Leaders Conference, for his work on behalf of the Sustainable Development Goal (SDG) 15: Life on Land. In the last year, the executive became an official spokesperson for this SDG when he was named in the Líderes com ImPacto initiative. Still in the context of the Global Compact's actions, we have joined the **Call to Action: Anti-Corruption and the Post-2015 Development Agenda, Caring For Climate and, since 2019, the CEO Water Mandate**, which seeks to bring awareness about water quality and preservation water resources. We also promote actions within the Working Groups on the themes of water and climate change.

In 2016, one of our two chairmen, **Ulisses Sabará**, was recognized as **Local SDG Pioneer** of SDG 15: Life on Land



We are also part of the Biodiversity in Good Company, a global initiative for the protection and sustainable use of biomes that brings together companies from different countries and articulates the discussion of issues relevant to biodiversity with other political and social actors. On top of that, we are part of Childhood Brasil’s Na Mão Certa (“On the Right Lane”) Program, which has as main objective to promote a broad union of efforts to end the sexual exploitation of children and adolescents on Brazilian highways.

In 2020, we strengthened the Group’s sustainability management by creating a corporate ESG (environmental, social and governance) area. This structure consolidates the former area of the Group’s Corporate Social Responsibility and the team hitherto allocated at Concepta, which was responsible for the biodiversity theme. The structuring of this area in the Sabará Group boosted our participation in other commitments, such as approaching the Brazilian Business Council for Sustainable Development (CEBDS) and the involvement in the Carbon Disclosure Project (CDP) Benchmark Club on Climate Change and Water Safety. In the last year, we also became part of the Science Based Targets (SBTi) initiative, jointly conducted by CDP, UN, World Wide Fund for Nature (WWF) and World Resources Institute, with the definition and approval of a climate goal aligned with the global warming targets set out in the Paris Agreement (learn more on page 39).

ESG
 (environmental,
 social and
 governance)
 deployment of the
 corporate area
 in 2020



MISSION

Delivering innovative and sustainable products and services, ensuring traceability, safety and quality in all processes, thus generating value for our customers, suppliers, communities, employees and shareholders.

VISION

Being a reference in technology, innovative and sustainable products and differentiated services for nourishment, health and beauty

VALUES

Respect

- For human beings
- For the environment

Ethics and transparency

- In the relationship with all audiences

Trust

- In the company
- In people
- In the processes

Excellence

- In people development
- In serving customers
- In the result shown to shareholders

Our Style

- In creating and maintaining sustainable relationships
- Flexibility and personality to understand and serve our customers and employees in their needs.



OUR GOVERNANCE

SABARÁ
QUÍMICOS E INGREDIENTES

 **SABARÁ**
QUÍMICOS E INGREDIENTES

NÃO PISE
NA GRAMA

GOVERNANCE STRUCTURE

The Sabará Group is a privately held corporation, controlled by brothers Marco Antônio Mاتيوللي Sabará and Ulisses Mاتيوللي Sabará, sons of our founder, Ubirajara Sabará. The holding company Sabará Participações S.A. has a 70% interest in Beraca Ingredientes Naturais S.A. (jointly controlled with Clariant, which holds 30% of the capital) and 100% of the capital of Sabará Químicos e Ingredientes S.A., which includes three business units: Sabará Químicos e Ingredientes, BioE and Concepta Ingredients.

Within the scope of Sabará Participações S.A., the controllers are advised by three forums:

- **Legal expert board**

Formed by a group of law firms, it advises on the assessment of relevant and corporate issues.

- **External audit**

Currently carried out by BDO Auditores, it covers the Group's administrative processes and results in an independent verification report on the financial statements, made available to partners and, on demand, to entities in the financial sector.

- **Compliance Committee**

Made up of four members, two of whom are members of the Group's Executive Board and two other employees appointed by the Board and approved by the chairmen, whose main task is to ensure compliance with legal and regulatory requirements, internal policies and the Compliance Manual. Its participants' term of office is four years, with one reelection permitted.



The Group's Executive Board is made up of the chairmen Marco Antônio and Ulisses, assisted by five other corporate directors. The executives are appointed by the shareholders and are responsible for the strategic direction of the management and monitoring of economic, environmental and social topics that affect the business. We also have supporting committees, such as the Management Committee, which advise the Group's directors, chairmen and shareholders. In this specific case, the group is responsible for defining and executing strategic actions that require quick measures, whether specific or of medium impact within the organization. The Management Committee is also responsible for monitoring the relationship with critical stakeholders, risk management mechanisms, business performance and the economic, environmental and social impacts related to our activities and products, reporting to the senior management on a quarterly basis.



Corporate structure



Composition of the Sabará Group's Executive Board

Marco Antônio Sabará	Chairman of Sabará Químicos e Ingredientes and BioE
Ulisses Sabará	Chairman of Beraca and Concepta
André Sabará	ESG, Marketing and Supply Chain Director
Davi Sabará	Administrative, People Management and Information Technology Director
Elias Oliveira	Institutional Director
Jefferson Texeira	Business Director of Sabará Químicos e Ingredientes (WT)
José Eduardo Donato	Business Director of BioE
Wellington Rodgério	Chief Financial Officer



Ethical **conduct**

Our Integrity Program is guided by the Sabará Group's Compliance Manual. This document contains the conduct guidelines for our activities and relationships. Prepared in 2014 and periodically updated, the Manual explicitly and objectively sets forth what is expected from employees in carrying out their roles and how we interact with members of our value chain, such as suppliers, customers, associations, competitors, public authorities and the market in general.

The document also identifies non-tolerated attitudes, such as any form of harassment, discrimination or disrespect, corruption or improper processing through fraud, kickbacks, bribes etc., non-compliance with laws and violation of human rights, such as conditions of child, forced or compulsory labor

Publicly available on our institutional website, the Manual is delivered to all employees upon admission via digital file (PDF), when they sign and state to be aware of the guidelines contained therein. Moreover, it is included as an attachment in all contracting processes for suppliers and service providers.



The governance of the Compliance Manual, as well as the promotion of the Integrity Program and the investigation of complaints, is the responsibility of the Compliance Committee, installed within the scope of the holding company and reporting directly to the chairmen.

All employees and governance members are trained in corporate ethical and anti-corruption guidelines. These training sessions are organized by the Compliance Committee and, in many cases, combined with other qualifying events, such as the Internal Accident Prevention Week (SIPAT). The Manual is widely disclosed through internal communication channels and at the Group's website.

Reports of deviations from the guidelines in the Compliance Manual are received by the internal BPM system, by e-mail etica@groupsabara.com or by the institutional website (<https://gruposabara.com/canal-de-denuncia/>). They are responsible for conducting the internal investigation process and, if

applicable, adopting the disciplinary measures provided for in the document. Complaints can be made confidentially and we do not allow any form of retaliation to protesters. These channels are also open to situations in which the professionals have questions about what conduct to adopt and wish to receive guidance.

In the last biennium, we have not registered any cases of corruption, or non-compliance with environmental laws and regulations. Neither have we received any infraction notices drawn up by environmental authorities or other public spheres. In 2019, we signed a Term of Commitment with the Ministry of the Environment, which remains in force and in which we have moved forward to comply with the signed obligations. We are dependent on an update from the National System for the Management of Genetic Heritage and Associated Traditional Knowledge (SisGen), by the Ministry itself, to go on and complete the process.

All employees and members of governance are **trained** in the **ethical** and **anti-corruption guidelines**

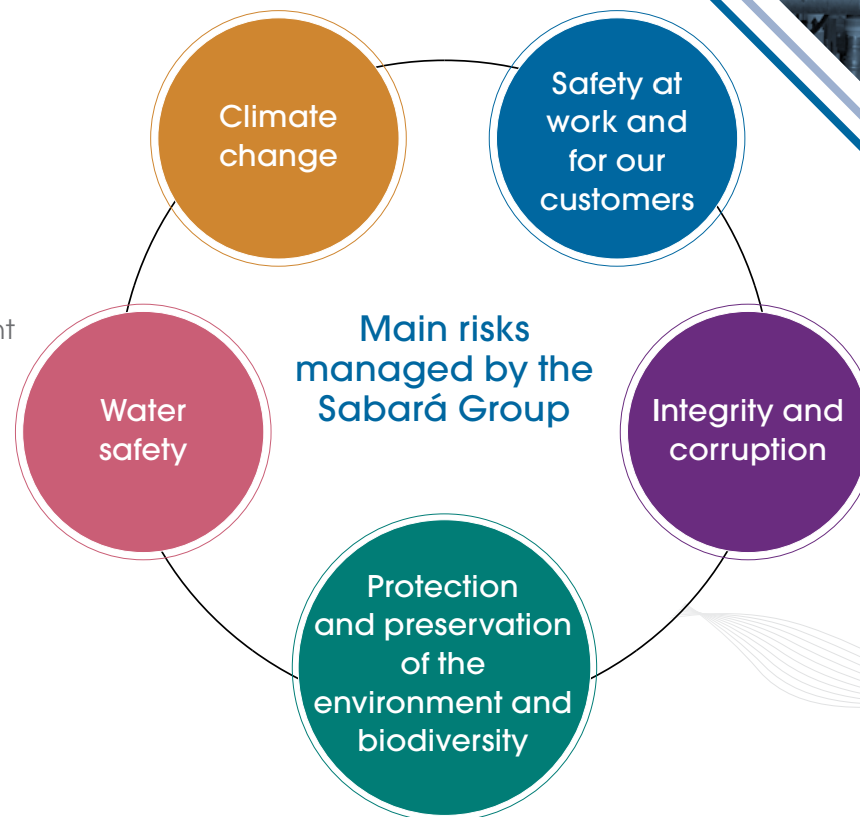


Risk management

Our Strategic Plan, which is annually updated, guides the Sabará Group’s risk and opportunity management. We believe that being clear about external challenges and opportunities for internal improvement is essential to outline effective risk mitigation and value protection measures. More than that, we see in the definition of our strategy alternatives to leverage opportunities based on our commitment towards sustainability, transforming potential risks into fields in order to explore opportunities for the generation of sustainable value.

The Group’s prioritization of risks is supported by the Swot analysis methodology, in which we identify strengths, weaknesses, opportunities and threats. This assessment, which takes place as part of the development of the Strategic Plan, involves several areas, such as Logistics, Business, Production, Supply Chain, Financial and Administrative.

Currently, five risks stand out in this management (see diagram). For each of them, we adopt measures in the different business units, monitoring their effectiveness and minimizing events with the potential to affect the Group’s ability to generate value.



Labor safety

In the chemical chains, there is a great concern regarding the safety of all those involved and close communities, since in all the Group’s manufacturing units we work with chlorine-based products. For chains linked to extractivism and commercial cultures, we are mainly concerned about small producers, who

often lack training or knowledge of work safety, organized in small communities and cooperatives.

To mitigate these risks, we have PRODIR, ISO 9001 (quality) and 14001 (environment) certifications at the Itapissuma, Pacatuba and Anápolis plants and, in 2021, we are finishing the certification of the Santa

Bárbara d’Oeste unit to ISO 45001 (health and safety) and in the other two standards already implemented in the other factories. We continuously monitor our industrial processes and promote preventive maintenance of our equipment, in addition to adopting high-quality materials in the facilities. We also train employees and third parties to operate within the safety protocols and we operate only with capable and approved carriers for handling chemicals. We also have the Health, Safety, Environment and Quality Assessment System (SASSMAQ). In relation to extractive chains, we conduct social work and follow-up with these suppliers, guiding and qualifying them in aspects such as safety and quality.



Integrity and corruption

For us, corruption is the enemy of sustainability. Therefore, any risk of fraud, bribery, kickbacks or other unlawful practices must be eliminated. We publicly assume the commitment to fight corruption, as signatories to the Global Compact and internally promote the Integrity Program, based on the Compliance Manual, with mechanisms for training, promoting a culture of compliance and investigating complaints and deviations (learn more on page 25).

Protection and preservation of the environment and biodiversity

In the chemical chains, especially chlorine-alkali, the issue of environmental safety is a crucial point, since the sanitizing effect is linked to the high reactivity of the product, which if treated in an inadequate manner can generate risks to people and the environment. For our Concepta Ingredients business unit, one of greatest risks involves the predatory use of forest resources, in extractive activities, and the absence of responsible management practices in agribusiness crops. Without a proper planning, these activities can lead to ecosystem imbalances, species extinction and soil depletion. Further, in all of our industrial activities, we must mitigate environmental impacts, optimizing the consumption of energy, water and inputs and improving waste disposal methods.

We are part of in the Brazilian Association of Chlorine Alkali (Abiclor) in order to contribute to the establishment of sectorial safety parameters in the handling of this substance and to keep our teams and procedures updated in relation to the best practices. On top of that, we preventively act to reduce the generation of residues and waste, offering reverse logistics to almost 100% of our customers in Brazil and the recyclability of cylinders after the use and development of biodegradable packages. Especially at Concepta, this action also includes an approach with suppliers for the sustainable management when extracting natural substances from the Brazilian biodiversity (learn more on page 36).



Click here and learn more about Abiclor



Water safety

In sanitizing businesses, water safety is directly related to the delivery of quality water and investment in sanitation. According to the World Health Organization (WHO), for every US\$ 1 invested in the area, US\$ 4.3 in healthcare is saved. In the Concepta Ingredients value chain, the scarcity of water resources can have deep impacts on the prices of business crops, lead to social disputes over the use of territories and limit the ability of ecosystems to regenerate.

We operate in partnership with the value chain, articulating suppliers and customers to expand sodium chlorite and other environmentally safe sanitizers, in order to build long-term relationships that allow greater reliability and predictability of demand – and consequently of the Group’s revenue. We are also part of the CEO Water Mandate and have adopted internal measures for greater efficiency

in own water consumption. In the management of Concepta’s suppliers, we act preventively, guiding them and monitoring practices that guarantee the balance of microclimates and preserve the biomes that are the source of the biodiversity that so abundantly provides us with solutions (learn more on page 36).



We operate in **partnership** with the **value chain**, articulating suppliers and customers for the expansion of sodium chlorite and other **environmentally safe** sanitizers



Climate change

The risks associated with climate change are transversal to the themes of water safety, environmental safety and protection of our forests and biodiversity. Natural systems work in cycles, and we take their totality into account when carrying out our risk analysis.

One of our biggest concerns today is greenhouse gas (GHG) emissions from the logistics of our three business units. Even if we search for suppliers within Brazil for less carbon-intensive alternatives, the distances are still very long until the products' final destination, which proves to be a challenge.

Another risk identified is that the energy consumption for compressing gases in the production of chlorine gas is very high. Thus, we understand that the energy matrix used by the Group must be taken into account more and more, seeking to expand the presence of renewable sources, thus reducing our carbon footprint. A recent breakthrough was the certification of 100% of the energy that supplies the Santa Bárbara d'Oeste plant as renewable. The opening of the sodium chlorite plant in this unit also reduced the need to import this product in Brazil, avoiding logistical displacements.



Our work with the Brazilian biodiversity indirectly contributes to the fight against global warming, as we encourage the sustainable use of standing forests, valuing non-timber products and avoiding deforestation. In addition, we have annually carried out our GHG inventory since 2018 and approved, in 2020, a climate target aligned with the SBTi (learn more on page 40).

100%
certification of the
power supplying
the Santa Bárbara
d'Oeste plant as
renewable

ENVIRONMENTAL



CHANGE MANAGEMENT

Our management systems promote, in an integrated manner, the environment protection, the preservation of life and the guaranteed quality of our products. All of our units have the Prodir – Responsible Distribution Process certificate. Promoted by the Brazilian Association of Chemical and Petrochemical Products Distributors (Associquim), this certification consists of a set of principles for a continuous improvement, with a systematic approach to aspects of quality, health, safety and protection for man and the environment.

In three manufacturing units (Anápolis, Itapissuma and Pacatuba), we also have ISO 9001 and ISO 14001 certifications, related to quality and the environment, respectively. The Santa Bárbara d’ Oeste unit, with manufacturing facilities for the three business units, would have these standards audited in 2020, but due to the Covid-19 pandemic, the verification had to be postponed and is expected to be completed in 2021, including ISO 45001 (health and safety), in addition to the two standards already adopted in other units.

All the projects developed by the Group are carried out with planning and a systematic approach to change management, in line with the assumptions established by ISO standards. This means considering, since the beginning:



Water resources

Fresh, abundant and good quality water is essential for our activities and our value chain. It is consumed by suppliers and customers in their production processes, specifically in the case of Concepta for the production and processing of foods. In our five production units, water intake is essential for producing sodium hypochlorite. Annually, these two universes of impact on water resources are discussed by our leaders in the context of defining the business strategy.

We monitor water abstraction on a monthly basis, both in relation to the volumes obtained from artesian wells and supply concessionaires and in relation to the water quality and physical-chemical analysis. All conditions are

suitable for operational parameters and safe for human consumption.

The volume raised increased in 2020 as it was the first full year of operations at the Santa Barbara d’Oeste chlorite plant (SP) and, above all, due to the increased demand for sanitizing agents to combat the Covid-19 pandemic. In 2019, there was a 41.55% drop in consumption, totaling 15.48 million liters. This drop occurred mainly due to maintenance carried out this year. In the last year, we registered another increase, this time of 26%, totaling 19.56 million liters captured in the year. In the biennium, about 19% of the volumes were captured in units located in regions with high water stress.

Water intake (millions of liters)*

	2020		2019		2018	
	Total	In areas with high water stress	Total	In areas with high water stress	Total	In areas with high water stress
Underground water	16.56	3.07	14.93	3.35	24.91	16.72
Third-party water	3	0.23	0.55	0.08	1.58	0.27
Total	19.56	3.3	15.48	3.43	26.49	16.99

*Data refer to Sabará Group units, except the management headquarters in São Paulo (SP). All collected volumes have a total concentration of dissolved solids below 1,000 mg.





The water used in the cleaning machines, packaging and sanitizing activities in the industrial site is sent to the plants' Effluent Treatment Stations, which treat and store this resource for reuse. The discharges, mainly composed of sanitary (i.e. non-industrial) effluents, mostly occur through the local sanitation networks and, exceptionally at the Itapissuma unit, by being disposed into a septic tank. In Santa Bárbara d'Oeste, in 2020 we installed a water meter to monitor the disposed volumes. In other situations, monitoring is only performed when applicable and based on the local sewage concessionaire invoice.

In 2019, we disposed 1.37 million liters of effluents, an increase of 62.38% in the annual comparison, due to the start of

operations at the Santa Bárbara d'Oeste chlorite plant. In the last period, the water discharge was 9.60% lower, totaling 1.24 million liters, mainly due to the decreased number of employees in the units in 2020, one of the measures to favor social distancing.

We use the World Resources Institute's WRI Aqueduct tool to assess the level of water stress in locations where we have factories and offices. Three Sabará Group units are located in high-risk regions, according to the platform: Itapissuma (PE), Pacatuba (CE) and São Paulo (SP). Of these, only the first collects water for industrial processes, as in Pacatuba we do not use water for production activities and in São Paulo we only have our administrative office.

Water discharge (millions of liters)*

	2020		2019		2018	
	Total	In areas with high water stress	Total	In areas with high water stress	Total	In areas with high water stress
Underground water	0.64	0.64	0.67	0.67	0.62	0.62
Third-party water	0.6	0	0.7	0	0.22	0
Total	1.24	0.64	1.37	0.67	0.84	0.62

* Data refer to Sabará Group units, except the administrative headquarters in São Paulo (SP). All disposed volumes have a total concentration of dissolved solids lower than 1,000 mg/l.



+ 2 million
hectares of native
vegetation conserved
by the sustainable
management

- **97%** of this area in the Amazon biome
- **2%** in the Cerrado
 - **1%** in the Caatinga

Biodiversity

Our units are located in urban and industrial areas, with no interference in regions with high biodiversity value or in relation to conservation units. Even so, committed to our DNA with environmental preservation, we maintain an area of 6 hectares of conservation at the Itapissuma plant. Besides, in all plants we have green areas that allow soil permeability, cared for by our teams and gifted with native trees that receive proper management and seedlings planted by our own employees. We also have emergency action plans to act in the event of leaks and avoid the soil and atmosphere contamination.

The potential for interference with biodiversity is found in our supply chain, especially small extractive producers that serve Concepta with natural ingredients and extracts. In this context, our approach to the relationship with these partners is based on the sociobiodiversity concept, which encompasses not only the preservation of species in the biome, but also an understanding of the relationships between local communities, their ways of working and these ecosystems. We also recognize the cyclical dynamics of nature in restoring its resources and we take the sustainable use and the preservation of this biodiversity as a flag on our corporate sustainability agenda.

The chairman of Concepta, Ulisses Sabará, is personally involved in disclosing information and promoting good practices for the conservation of life on land, a topic addressed by the Sustainable Development Objective (SDG) 15. He was recognized in 2016 at the Conference of Leaders for the Global Compact as a Local SDG Pioneer and, in the last year, became an official spokesperson for this SDG by being named in the Líderes com ImPacto initiative. We also made several voluntary commitments related to the topic (learn more on page 39).

This commitment is reflected in a structured manner in the management practices we adopt to engage Concepta’s suppliers. The Sociobiodiversity Valuation Program® engages communities, cooperatives and associations that supply biodiversity inputs through initiatives in four pillars, promoting respect, dignity and socioeconomic inclusion.

Sociobiodiversity Valuation Program® Pillars



We encourage our partners to adopt good practices, closely monitoring the activities of producers, through visits, guidance and monitoring of documents. We also prioritize the hiring of suppliers with organic certifications and assist small social organizations, so that they may obtain or renew their certificates. With this approach, we contribute to the valorization of the standing forest, to generating local income from the sustainable use of biodiversity, avoiding the invasion of loggers in the territories and combating deforestation.

Of the species from Brazilian biodiversity present in the Concepta portfolio, only one is currently classified as vulnerable by the International Union for Conserving the Nature (IUCN), the Brazil nut (*Bertholletia excelsa*). The extraction of this and other species is carried out in a sustainable manner, ensuring adequate levels so that nature can recover.



In the last biennium, we financially supported the renewal of organic certificates from one of our suppliers, in partnership with the Institute of Solidary Socioeconomics (ISES)



CLIMATE CHANGE

In October 2020, we became the first Brazilian company and the first chemical industry in Latin America to approve an emission reduction target under the Science Based Targets initiative (SBTi), a global initiative coordinated in partnership by CDP, UN, WRI and WWF. SBTi determines a scientific methodology for organizations to set ambitious targets in order to reduce greenhouse gas (GHG) emissions in line with the objectives of the Paris Agreement, the main framework for combating climate change, signed in 2015 in the United Nations Framework Convention on Climate Change (COP 21).

The Sabará Group committed to a 30% reduction in our absolute GHG emissions by 2030. This objective was deployed in a 2.5% annual goal of linear reduction, taking 2018 as the accounting start, in which we did our first GHG inventory.

We were the **first chemical industry** in Latin America to **approve** a GHG **emissions target** at SBTi



Our journey at SBTi



In 2019, we carried out our first internally developed GHG inventory (base year of 2018). We followed this practice in 2020, in order to better understand the main sources of emissions in our business and improve monitoring and data measurements. The information for this biennium has not been released and is still undergoing a second review, as we registered significant changes with the entry into operation of the Santa Bárbara d'Oeste chlorite plant, which turned 2019 into an atypical year and one that is very different from the scenario recorded in the previous period. In 2021, we will publish the inventory for the year 2020 on our institutional website, with information and analysis of scopes 1 (direct emissions), 2 (indirect emissions from the acquisition of electricity) and 3 (other indirect emissions).

Adherence to SBTi represented a milestone in the process of restructuring the corporate ESG area and creating a process focused on reporting and analyzing ESG data. This process, which covers representatives from different areas in all units, monitors aspects of our corporate sustainability management on a monthly basis in order to include them in an agile and structured manner in the decision-making process and to improve the management of risks and opportunities associated with social and environmental topics.

Approval of the global target of a **30% reduction** in emissions by 2030, in line with the climate scenario so as to prevent the global warming at 2°C



In the governance of socio-environmental aspects, we were able to more assertively identify risks associated with climate change. In this diagnosis, we saw two main fronts of impacts related to global warming. The first one brings together the effects of this scenario on biodiversity and the availability of natural resources. The danger of impoverishing the Brazilian biodiversity is critical not only for our business, but for the whole society. It can lead, for example, to the scarcity of products, the increase in inputs and raw materials and social disputes related to the lack of work for small producers. In order to mitigate these risks, we operate in the communities with which we relate, valuing cooperatives, traditional communities and local extractive groups, contributing to the safety of biomes and territories.

The second front deals with the impacts of climate change on water resources, from the possibility of desertification to the occurrence of floods and extreme events. As in the first case, these conditions can lead to raw materials shortages, increased transportation and restrictions in the water treatment market that we serve with Sabará Químicos e Ingredientes and BioE. In order to combat these effects, we conducted environmental education projects, internal projects to optimize water consumption and biodiversity conservation initiatives.



We operate in the **communities** which we relate with, **valuing** cooperatives, traditional communities and local extractive groups, **contributing** to the safety of biomes and territories

SOCIAL

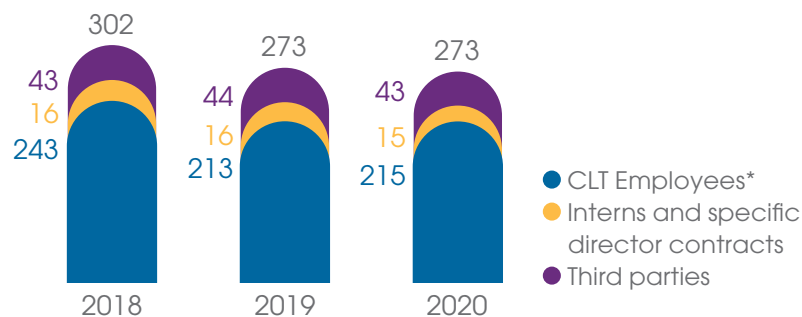


OUR EMPLOYEES

Our workforce, at the end of 2020, had 215 employees, under the CLT regime, all working full-time, in addition to 2 interns, 13 executives with specific contracts and 43 third parties. This team dimension is practically the same as the previous year, when we did an administrative restructuring, concentrating the Tax, Controllership and Administrative areas in the new office in Santa Bárbara d'Oeste, optimizing the service to the new plant and automating some operational processes. These actions resulted in a reduction of approximately 10% in our headcount.



Our workforce



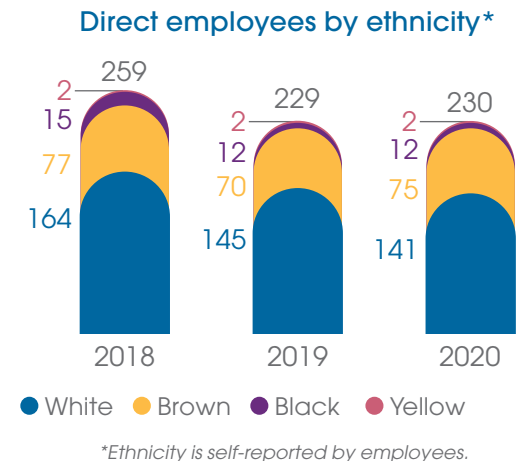
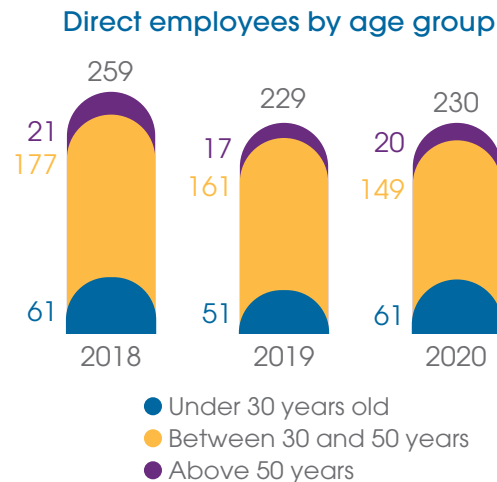
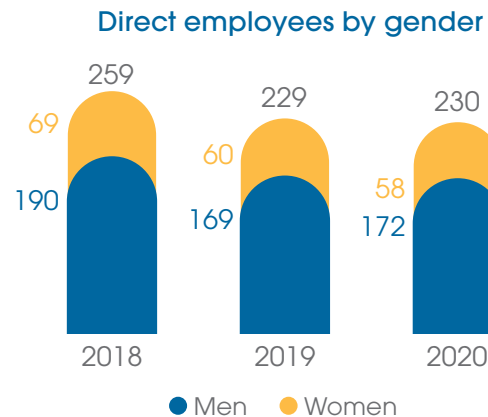
**In 2020, five employees (all male, two at the Santa Bárbara d'Oeste unit and three at the Anápolis unit) were hired for a fixed period of time - in the other years, there was no such hiring modality.*

All of our employees are covered by collective bargaining agreements, whose negotiations are coordinated by the People Management area and follow all the standards and limits determined by local laws. Approximately 26% of the total employees are women, but at the headquarters in São Paulo, this proportion reaches the level of 48%. Third parties, who represent 15% of our total workforce, work mainly in cleaning, security and concierge activities.

Aiming at inclusion, at the end of 2020 we had six people with disabilities (PCDs) in management positions (one woman and five men). We always act in accordance with the number of PCDs required by law and, in the years 2018 and 2019, we had eight people with disabilities in our teams.

Direct employees by unit and gender

	São Paulo	Santa Bárbara d'Oeste	Pacatuba	Itapissuma	Anápolis	Total
Year of 2020						
Men	27	55	11	49	30	172
Women	24	17	2	10	5	58
Total	51	72	13	59	35	230
Year of 2019						
Men	26	56	10	49	28	169
Women	28	14	3	10	5	60
Total	54	70	13	59	33	229
Year of 2018						
Men	37	53	11	58	31	190
Women	35	14	3	12	5	69
Total	72	67	14	70	36	259



Diversity by functional level

		Executive Board	Managerial	Administrative	Operational
By gender					
2020	Men	8	12	52	97
	Women	0	5	51	5
2019	Men	8	16	51	96
	Women	0	5	46	7
2018	Men	8	13	68	103
	Women	0	4	55	8
By age group					
2020	<30	0	1	39	21
	30 - 50	3	14	60	72
	>50	5	2	4	9
2019	<30	0	1	32	20
	30 - 50	4	18	60	75
	>50	4	2	5	8
2018	<30	1	1	40	22
	30 - 50	3	14	75	80
	>50	4	2	8	9
By ethnicity*					
2020	White	8	10	70	53
	Brown	0	4	30	41
	Black	0	2	2	8
2019	White	8	13	69	55
	Brown	0	5	25	40
	Black	0	2	2	8
2018	White	8	11	83	62
	Brown	0	4	31	42
	Black	0	1	8	7

*The two employees who declared themselves to be yellow occupied positions at the administrative and managerial levels, for the three years.

100%

of our employees
are covered
by collective
bargaining
agreements

The 2019 restructuring increased the turn-over rate, but allowed for an adequate and optimized workforce, which has changed little last year. In the face of the Covid-19 pandemic, we only had dismissals due to performance issues, and not due to cost impacts. The Sabará Group's overall turn-over rate was 20% and 11%, respectively, in 2019 and 2020.



Hiring and turn-over

	2018		2019		2020	
	Number of hires	Turn-over rate	Number of hires	Turn-over rate	Number of hires	Turn-over rate
By gender						
Women	13	11%	13	31%	14	18%
Men	35	12%	16	21%	16	12%
By age group						
Under 30 years of age	22	4%	18	9%	19	3%
Between 30 and 50 years	25	6%	11	17%	10	10%
Above 50 years of age	1	1%	0	2%	1	1%
Per unit						
São Paulo	13	10%	4	30%	6	15%
Santa Bárbara d'Oeste	19	7%	17	20%	12	20%
Pacatuba	3	14%	1	7%	3	21%
Itapissuma	10	12%	5	23%	6	4%
Anápolis	3	20%	2	11%	3	13%

Social performance

We are partners of the Christian Citizenship and Life Center (NCCV), an organization that promotes the development of children, adolescents and adults through social projects. Currently, the NCCV has eight projects aimed at early childhood and elementary education, shelter for children during school hours, care for women victims of domestic violence and technical training for the labor world. Through our partnership, we count on NCCV to select apprentices for our staff, in addition to contributing to various campaigns, such as clothing, and promoting fairs to sell products made by the entity's beneficiaries.

We also support SALVAR | Social, an initiative originating from the Christian and Citizenship Center for the Valley (NCCEV), which emerged in 2011 as a way of promoting hope and dignity to children in the rural area of the municipality of Apiaí, which is located in Alto Vale do Ribeira, a region with the lowest Human Development Index (HDI) of the state of São Paulo. The program serves 125 children aged 4 to 11 years with workshops on arts, computers, learning and culture in school hours. All of them receive meals every day, totaling 4,700 meals per month. On top of that, it offers literacy classes for adults.



“Sabar is part of my history. When I think about my trajectory, I think about Sabar and all the people who joined this process.”

*Priscila Batista de Castro,
hired as an apprentice
ten years ago and currently
a Financial Specialist*

“The Group and the people here really care about the others and sustainability. I was impressed with the community box and the engagement of people to join the tin ring project to be exchanged for the wheelchair.”

*Vitor Santos Rodrigues da Silva,
hired as an apprentice
two years ago and currently
an IT assistant*

Training and development

The Leadership Academy is our program for training leaders. In partnership with reference institutions in business education, the program offers an immersion for the development of skills such as leadership, teamwork, communication, interpersonal relationships, feedback and building high-performance teams. Among the themes worked by the Academy of Leaders are the role of the leader and leadership styles, communication, interpersonal relationships and feedback, building high-performance teams, managing for results and strategic planning.

For operational levels, training is provided by the training area and is provided by the People Management and Workplace Safety areas, focused on ISOs and regulatory standards applicable to each activity. We also count on the Language Academy, which offers language scholarships – currently for the São Paulo and Santa Bárbara D’Oeste branches, but with the expansion prospect for the entire Group.



In the last biennium, training was impacted by the administrative restructuring in 2019 and by the Covid-19 pandemic in 2020. Therefore, the average number of hours of training per employee in those years was lower than in 2018.

Average hours of training per employee

	2020			2019			2018		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executive Board	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Managerial	4.0	0.0	2.0	2.0	2.0	2.0	3.8	39.0	21.4
Administrative	4.0	15.5	9.8	12.8	16.5	14.7	19.6	17.5	18.6
Operational	0.0	0.0	0.0	8.0	0.0	4.0	22.5	0.0	11.3
Interns	0.0	0.0	0.0	10.0	0.0	5.0	40.0	0.0	20.0
Apprentices	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0



The annual performance assessment is another tool for the development of the internal audience. Applicable to all employees with at least 6 months of experience in the Group, it follows the 90° methodology, in which professionals self-evaluate and also have their performance analyzed by the managers. In a feedback session, the leader and team member discuss the evaluations, exchange perceptions and develop the Individual Development Plan. In this Plan, the manager indicates at least one training to develop skills in the next year, which is monitored by the People Management area and considered as a requirement for the ISO certifications we hold.

The percentage of evaluated professionals, shown in the table, does not consider the third parties allocated in our units and is also impacted by retired professionals, who are not qualified for the performance evaluation cycle. Our goal is to have 100% of the employees evaluated (except on leave and third parties), and our indicator for the theme in ISO certifications is 80% of this audience engaged in the evaluation process.

Percentage of professionals who underwent a performance evaluation

	2020			2019			2018		
	Men	Women	Total average	Men	Women	Total average	Men	Women	Total average
Intern	1%	0%	1%	0%	1%	1%	1%	0%	0%
Young apprentice	0%	1%	1%	1%	1%	1%	1%	1%	1%
Operational	24%	0%	12%	29%	0%	15%	36%	0%	18%
Administrative	38%	38%	38%	35%	22%	38%	24%	12%	18%
Management	4%	1%	3%	2%	1%	2%	3%	1%	2%
Executive Board	0%	0%	0%	0%	0%	0%	0%	0%	0%

Benefits

Fostering a motivating work environment involves offering adequate benefits and valuing our employees. All of them have the following benefits: health and dental plans, life insurance, meal vouchers, food vouchers, transportation vouchers, profit sharing and results, according to the Collective Labor Agreement, and a fuel aid offered to the leaders. We also offer scholarships for language courses. A corporate practice is the so-called Day-Off: in the month of their birthday, employees get a day-off to do the best out the date. We also have an awards program, which recognizes the performance and time spent by professionals, providing a voucher for employees to enjoy it the way they prefer. Additionally, in the cases of dismissal, Vale-Catho is available to assist the professional reallocation of these people – and in the case of employees with more than five years of experience in the Group and over 40 years of age in the São Paulo and Santa Bárbara d’Oeste units, an additional wage is paid as a form of indemnity, in accordance with the collective agreement signed in these locations.

“In 2020, already retired from the INSS for three years, I chose to stay in the company. I really like Sabará. It’s not mine, but I work as if it were. I have affection for Sabará, as everything I have today was the result of my work here.”

*Clodomir Agostinho,
employee at the Itapissuma
unit since 1988*



Health and Safety

The maintenance of our Safety Programs is essential to preserve life and ensure a safe work environment, especially due to the chemical industry condition and the fact that we work with chlorine and its derivatives in all plants.

The Internal Commission for Accident Prevention (CIPA), instituted in accordance with the Regulatory Standard - RS, is continuously referred to by the technical Occupational Health and Safety areas so as to develop actions that strengthen the safety culture. CIPA also monitors accident investigations, which are formalized in a specific form.

Safety training takes place from the hiring moment, in the integration of new employees, and throughout the entire work period, according to the requirements of ISO certifications and RSs. The training evaluation is carried out by the respective managers up to 90 days after the course is applied.

The continuous improvement of **Safety Programs** is promoted by means of periodic internal audits





As for occupational health, the PCMSO systematizes the monitoring process of each professional's condition, with complete confidentiality regarding medical data. Outsourced companies carry out periodic health examinations and are responsible for managing the documentation pertaining to these examinations.

The continuous improvement of the Safety Programs is promoted by means of periodic internal audits. They are a condition for ISO 9001 and 14001 certifications and include, at the Sabará Group's discretion, health and safety aspects, as we have not yet certified the standard for this theme, namely ISO 45001.

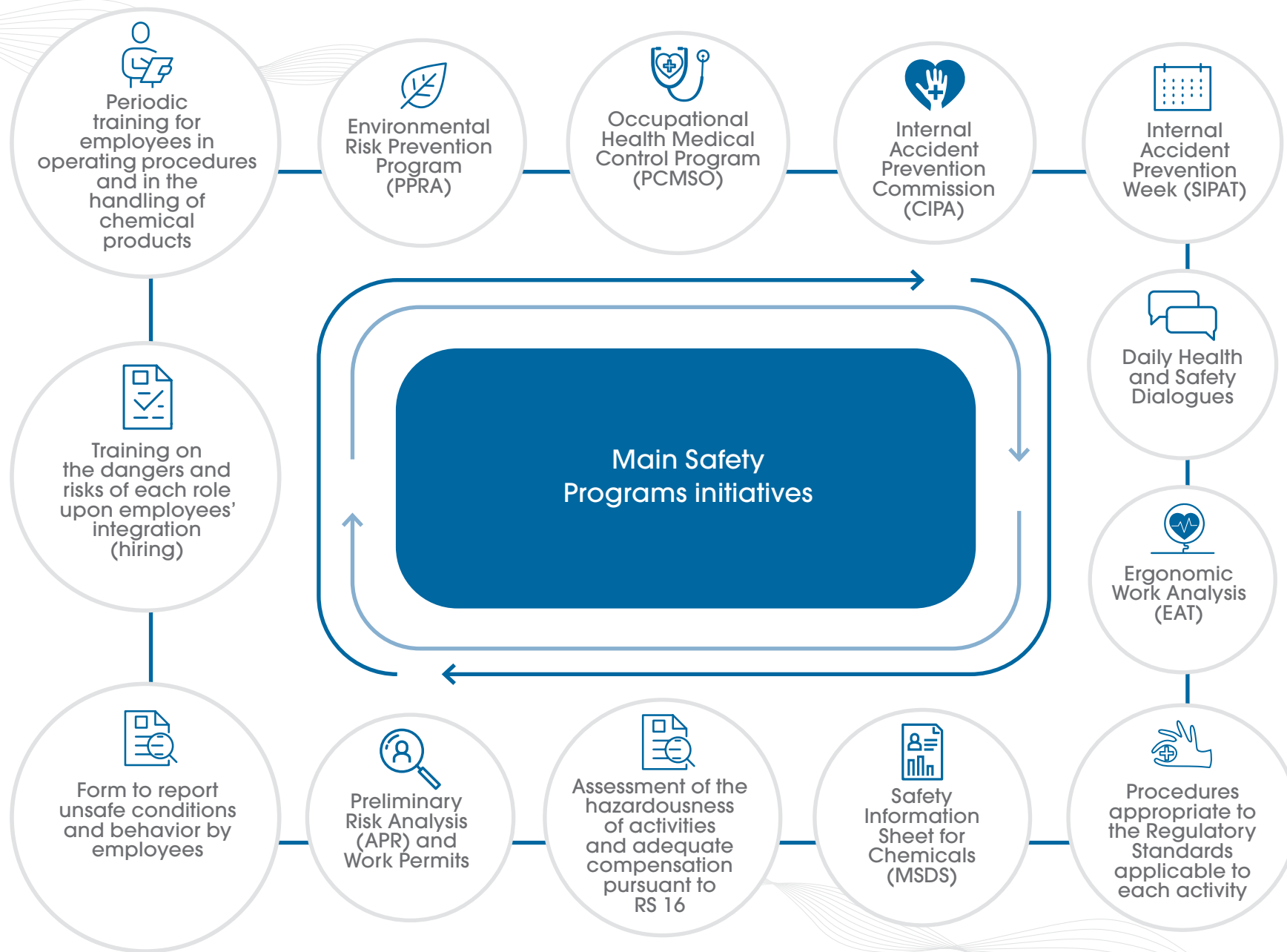
In the last biennium, we recorded five accidents involving leaves and minor injuries, three in 2019 and two in 2020. All occurrences are recorded by the Work Accident Communication (CAT) and investigated, so that

their causes may be determined. These investigations result in improvement plans, which help to avoid the repetition of this type of events. One of the challenges in the coming years is to strengthen our internal culture for measuring near misses, occurrences that could have caused damage to our employees and which were luckily avoided. In the period, we did not record deaths related to accidents at work, nor cases of occupational diseases.

Accident indicators per manufacturing plant

	2020	2019	2019
Santa Bárbara d'Oeste			
MHW*	74,466	95,118	68,227
Accidents	1	0	1
Frequency rate	13.43	0.00	14.65
Pacatuba			
MHW*	28,188	27,547	28,111
Accidents	0	0	0
Frequency rate	0.00	0.00	0.00
Itapissuma			
MHW*	98,064	127,475	137,461
Accidents	1	1	0
Frequency rate	10.20	7.84	0.00
Anápolis			
MHW*	53,461	64,364	75,599
Accidents	0	2	0
Frequency rate	0.00	31.07	0.00

*Man hours worked.



Action against Covid-19



In 2020, we took actions in an agile manner to preserve the health of our employees and combat the spread of the new coronavirus. All professionals in the administrative areas were directed to work in a remote work regime, supported by the Information Technology area. The leadership was engaged from the onset, being present in the disclosure of the Action Plan and Procedures for Prevention, and in constant contact via the WhatsApp group. The leaders also reinforced with their teams the participation at SIPAT, entirely promoted in a virtual environment in the last year and addressing issues related to the pandemic. Among other actions taken in this context, the following stand out:

- Follow-up of procedures with the National Supplementary Health Agency (ANS)
- Awareness of the health plan offered as a benefit by the Group
- Suspension of the electronic clocking-in system to avoid surface contact
- Mandatory use of masks and provision of hygiene kit to employees in the units
- Application of tests and monitoring performed by CIPA and the Workplace Safety area
- Employees and third parties' temperatures measured at the units' entrances
- Alcohol gel totems availability on the facilities
- Use of provisional FGTS and INSS measures and vacation days balance
- Disclosure of essential services (in March) and acknowledgment videos (in June) to employees

Our customers

Our business units continuously seek to engage customers through day-to-day contacts and in a structured manner, with satisfaction surveys. We also promote, according to the demand and the context of each business, workshops to promote knowledge and training.

At Sabará Químicos e Ingredientes and at BioE, satisfaction surveys take place every six months, with criteria related to product quality, service and delivery/logistics that are assessed on a four-level scale (bad, regular, good or excellent). Internally, we work with the goal of obtaining the “great” rating in 90% of the survey items, and when we receive a “bad” rating, we get in touch with the customer to better understand the feedback and promote improvements, whenever possible. In recent editions, we have identified a drop in customer adherence to respond and have been studying the reasons for this decline in order to foster a change in this process that raises the response rate.

Value offer

Sabará Químicos e Ingredientes and BioE offer our customers even more safety to apply our products in water treatment. The solution was designed to serve concessionaires in the sanitation sector in the Northeast, who were looking for partners to invest in treatment plants, and from then on it gained space on the national scene.

In this model, we assume the responsibility for assembling the stations equipment, supplying the treatment products and all the application technology, managing the stock and logistics flows and training the teams in the safe handling of the products. We also guarantee customers 24/7 technical support and assistance, in case of emergency.



965
systems
applied

3
benefited
sectors (sanitation,
beverages and
sugar and
alcohol plants)

220
municipalities
served

At Concepta, the main demands from our customers are related to product quality, mainly because they are applied in the food industry. To answer this, we keep our certifications in force – both for product (organic, kosher and FSSC 22000) and management system (Prodir, ISO 9001 and ISO 14001). We also regularly provide information about the Sabará Group on the Sedex and Ecovadis assessment platforms, which also address sustainability aspects. In 2020, we were awarded by Ecovadis with a gold medal for our performance in the items assessed by the initiative.

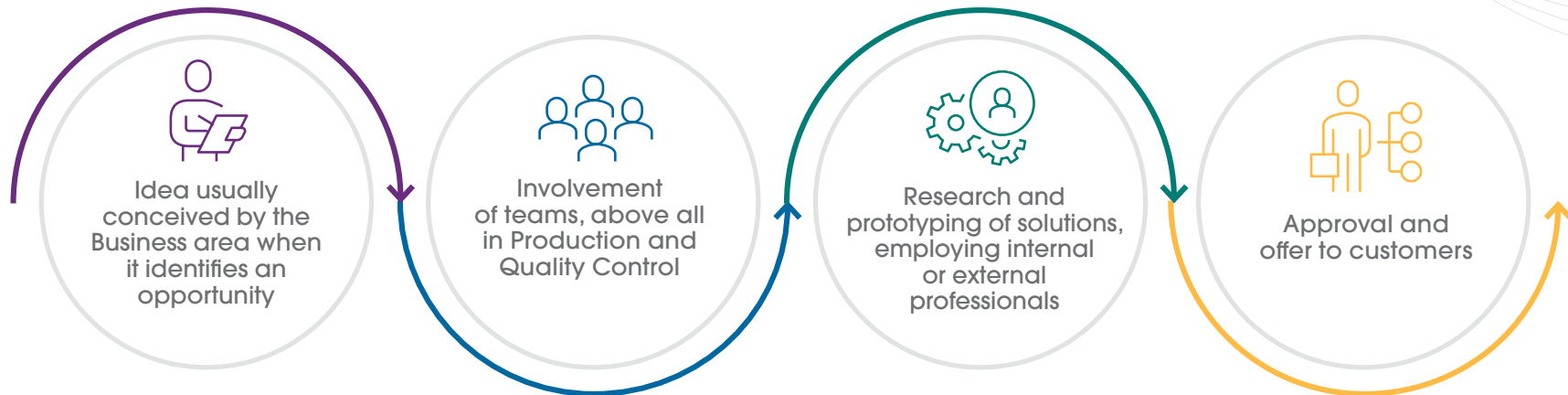
Our radar for trends is always accurate. Our employees are continuously qualified in the new technologies available, joining

fairs and sectorial events and promoting market research. Product development is also guided by our customers' demands. We seek to bring news to the market, with more quality and efficiency, through a dynamic process and the application of 100% Brazilian knowledge and technologies. At Concepta, we have periodic meetings to discuss these opportunities for innovation.

Due to the Sabará Group's restructuring process in 2019 and the large investment in the Santa Bárbara d'Oeste plant, some investments from the other business units were postponed at that time and scheduled in our strategic plan for a few years.



How we develop new products



Safety and labeling

We assess 100% of our portfolio in terms of health and safety, aiming to mitigate impacts not only for our employees, but also for customers and consumers. We strictly follow all the criteria and standards relevant to the markets in which we operate, ensuring the application, on a daily basis, of our commitment to excellence and safety.

When delivering products, we also provide customers with all important information on composition and specification, in addition to that required by law. At Sabará Químicos e Ingredientes and at BioE, this is done through the Safety Information Sheet for Chemical Products (MSDS), delivered on the first purchase and whenever requested by the customer, and the analysis report and emergency form, submitted together with each invoice. At Concepta, the batches labeling includes all the product parameters, list of allergens and instructions for storage, among other aspects.

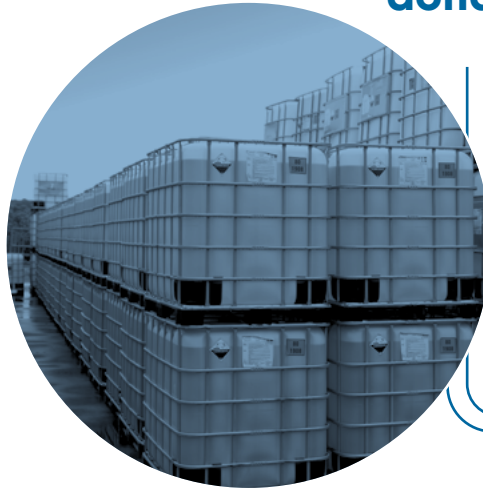
With this management approach, in the last three years we have not received any non-compliance in terms of safety and labeling of our products.

We strictly follow all the **criteria** and **standards** pertaining to the **markets** in which we operate



Society

Committed to preserving life and health, we have acted quickly to respond to the Covid-19 pandemic in the past year. In addition to the measures internally taken and aimed at our employees (learn more on page 54), we have donated to the communities in which we are present, so as to contribute to the broader fight against the spread of the new coronavirus.



Sodium hypochlorite donation

Sabará Químicos e Ingredientes also donated, in May, 1,000 liters of this product to the Environmental Company Operating with Hazardous Products in Goiás. Sodium hypochlorite was applied in the disinfection of terminals and platforms on the Anhanguera Axis, which connects the capital named Goiânia and municipalities in its metropolitan region.

Masks Save Lives Project

In May, we joined the initiative of Companhia de Saneamento de Sergipe – DESO, which delivered masks to DESO professionals in exchange for donating non-perishable food. Sabará Químicos e Ingredientes participated in the action by donating 1,000 masks, which generated a double impact: they helped those who received them to prevent contagion and benefited those who profited with the donated food in exchange. The initiative was important to bring more safety to sanitation activities in the region, which were not interrupted by its essential service character.



Donation of water tanks

In June, Sabará Químicos e Ingredientes partnered with Companhia Pernambucana de Saneamento (Compesa) and donated 100 water tanks with 500 liters of capacity each to the Pernambuco Government's emergency plan, in order to combat the pandemic. These water tanks were distributed to the population in areas with a higher incidence of cases in the Metropolitan Region of Recife. Through this action, low-income and socially vulnerable families were better able to clean hands and objects, preventing the virus from spreading.

GRI CONTENT INDEX



MATERIALITY
DISCLOSURES SERVICE

2021

GRI Standard	Disclosure	Page	Omissions	Global Compact	SDG
GRI 101 Foundation 2016					
General disclosures					
Organizational profile					
	102-1 Name of the organization	8	-	-	-
	102-2 Activities, brands, products, and services	8,12,13,14 and 15	-	-	-
	102-3 Location of headquarters	16	-	-	-
	102-4 Location of operations	16	-	-	-
	102-5 Ownership and legal form	23	-	-	-
	102-6 Markets served	8,9,12,13,14 and 15	-	-	-
	102-7 Scale of the organization	8 and 10	-	-	-
GRI 102 General disclosures 2016	102-8 Information on employees and other workers	8, 43 and 44	-	6	8 and 10
	102-9 Supply chain	17 and 18	-	-	-
	102-10 Significant changes to the organization and its supply chain	3 and 11	-	-	-
	102-11 Precautionary Principle or approach	33	-	-	-
	102-12 External initiatives	19 and 20	-	-	-
	102-13 Membership of associations	10	-	-	-
	Strategy				
	102-14 Statement from senior decision-maker	3 and 4	-	-	-
	102-15 Key impacts, risks, and opportunities	27, 28, 29, 30 and 31	-	-	-

For the Materiality Disclosures Service, the GRI services revised so that the GRI content index clearly presented and that references to disclosure items 102-40 to 102-49 are aligned with the respective sections throughout the Report. The service was provided in the Portuguese version of the Report.

GRI Standard	Disclosure	Page	Omissions	Global Compact	SDG
Ethics and integrity					
	102-16 Values, principles, standards, and norms of behavior	21, 25, 26	-	10	16
Governance					
	102-18 Governance structure	24	-	-	-
	102-20 Executive-level responsibility for economic, environmental, and social topics	19 and 20	-	-	-
	102-24 Nominating and selecting the highest governance body	24	-	-	5 and 16
Stakeholder engagement					
	102-40 List of stakeholder groups	6	-	-	-
	102-41 Collective bargaining agreements	44 and 45	-	3	8
	102-42 Identifying and selecting stakeholders	6	-	-	-
	102-43 Approach to stakeholder engagement	6, 17, 18, 25, 26, 36, 37, 38, 47, 48, 49, 50 and 55	-	-	-
	102-44 Key topics and concerns raised	6, 55 and 56	-	-	-
Reporting practice					
	102-45 Entities included in the consolidated financial statements	5	-	-	-
	102-46 Defining report content and topic Boundaries	6	-	-	-
	102-47 List of material topics	6	-	-	-
	102-48 Restatements of information	5	-	-	-
	102-49 Changes in reporting	6	-	-	-
	102-50 Reporting period	5	-	-	-
	102-51 Date of most recent report	5	-	-	-
	102-52 Reporting cycle	5	-	-	-
	102-53 Contact point for questions regarding the report	5	-	-	-
	102-54 Claims of reporting in accordance with the GRI Standards	5	-	-	-
	102-55 GRI content index	59, 60, 61, 62 and 63	-	-	-
	102-56 External assurance	5	-	-	-

**GRI 102 |
General
disclosures
2016**

GRI Standard	Disclosure	Page	Omissions	Global Compact	SDG
Material topic Management of impacts on the environment, biodiversity and human health					
GRI 103 Management approach 2016	103-1 Explanation of the material topic and its Boundary	6, 19, 27, 28, 29, 30, 31, 33, 34, 39 and 40	-	-	-
	103-2 The management approach and its components	19, 27, 28, 29, 30, 31, 33, 34, 39 and 40	-	-	-
	103-3 Evaluation of the management approach	19, 27, 28, 29, 30, 31, 33, 34, 39 and 40	-	-	-
GRI 201 Economic performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	31, 39, 40 and 41	-	7	13
GRI 303 Water and effluents 2018	303-1 Interactions with water as a shared resource	34 and 35	-	8	6 and 12
	303-2 Management of water discharge-related impacts	34 and 35	-	8	6
	303-3 Water withdrawal	34	-	7 and 8	6
	303-4 Water discharge	35	-	7 and 8	6
GRI 304 Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	36, 37 and 38	-	8	6, 14 and 15
	304-2 Significant impacts of activities, products, and services on biodiversity	36, 37 and 38	-	8	6, 14 and 15
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	38	-	8	6, 14 and 15
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Content omitted because it is under review by the company and will be published in 2021.		7 and 8	3, 12, 13, 14 and 15
	305-2 Energy indirect (Scope 2) GHG emissions			7 and 8	3, 12, 13, 14 and 15
	305-3 Other indirect (Scope 3) GHG emissions			7 and 8	3, 12, 13, 14 and 15
	305-4 GHG emissions intensity			8	13, 14 and 15
	305-5 Reduction of GHG emissions			8 and 9	13, 14 and 15
GRI 307 Environmental compliance 2016	307-1 Non-compliance with environmental laws and regulations	26	-	8	16
GRI 419 Socioeconomic compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	26	-	-	16

GRI Standard	Disclosure	Page	Omissions	Global Compact	SDG
Material topic Investment and research in process and product innovation					
GRI 103 Management approach 2016	103-1 Explanation of the material topic and its Boundary	6, 55 and 56	-	-	-
	103-2 The management approach and its components	55 and 56	-	-	-
	103-3 Evaluation of the management approach	55 and 56	-	-	-
Material topic Valorization of human capital					
GRI 103 Forma de gestão 2016	103-1 Explanation of the material topic and its Boundary	6, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52 and 58	-	-	-
	103-2 The management approach and its components	43, 44, 45, 46, 47, 48, 49, 50, 51, 52 and 58	-	-	-
	103-3 Evaluation of the management approach	43, 44, 45, 46, 47, 48, 49, 50, 51, 52 and 58	-	-	-
GRI 401 Employment 2016	401-1 New employee hires and employee turnover	46	-	6	5, 8 and 10
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	50	-	-	3, 5 and 8
GRI 403 Occupational health and safety 2018	403-1 Occupational health and safety management system	52 and 53	-	-	8
	403-2 Hazard identification, risk assessment, and incident investigation	52 and 53	-	-	8
	403-3 Occupational health services	52 and 53	-	-	8
	403-4 Worker participation, consultation, and communication on occupational health and safety	51, 52 and 53	-	-	8 and 16
	403-5 Worker training on occupational health and safety	51, 52 and 53	-	-	8
	403-6 Promotion of worker health	50 and 54	-	-	3
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	52	-	-	8
	403-8 Workers covered by an occupational health and safety management system	52	-	-	8
	403-9 Work-related injuries	52	-	-	3, 8 and 16
	403-10 Work-related ill health	52	-	-	3, 8 and 16
GRI 404 Training and education 2016	404-1 Average hours of training per year per employee	48	-	6	4, 5, 8 and 10
	404-2 Programs for upgrading employee skills and transition assistance programs	50	-	-	8
	404-3 Percentage of employees receiving regular performance and career development reviews	49	-	6	5, 8 and 10
GRI 405 Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	44 and 45	-	6	5 and 8

GRI Standard	Disclosure	Page	Omissions	Global Compact	SDG
Material topic Economic and financial performance					
GRI 103 Management approach 2016	103-1 Explanation of the material topic and its Boundary	6 and 10	-	-	-
	103-2 The management approach and its components	10	-	-	-
	103-3 Evaluation of the management approach	10	-	-	-
GRI 201 Economic performance 2016	201-1 Direct economic value generated and distributed	Content omitted because it is confidential information, being a privately held company.		-	8 and 9
Material topic Customer health and safety					
GRI 103 Management approach 2016	103-1 Explanation of the material topic and its Boundary	6, 55 and 56	-	-	-
	103-2 The management approach and its components	55 and 56	-	-	-
	103-3 Evaluation of the management approach	55 and 56	-	-	-
GRI 416 Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	57	-	-	-
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	57	-	-	16
GRI 417 Marketing and labeling 2016	417-1 Requirements for product and service information and labeling	57	-	-	12
	417-2 Incidents of non-compliance concerning product and service information and labeling	57	-	-	16
Material topic Ethical governance and combating corruption					
GRI 103 Management approach 2016	103-1 Explanation of the material topic and its Boundary	6, 25, 26, 27 and 28	-	-	-
	103-2 The management approach and its components	25, 26, 27 and 28	-	-	-
	103-3 Evaluation of the management approach	25, 26, 27 and 28	-	-	-
GRI 205 Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	26	-	10	16
	205-2 Communication and training about anti-corruption policies and procedures	26	-	10	16
	205-3 Confirmed incidents of corruption and actions taken	26	-	10	16
Material topic Customer relationship management					
GRI 103 Management approach 2016	103-1 Explanation of the material topic and its Boundary	6, 55 and 56	-	-	-
	103-2 The management approach and its components	6, 55 and 56	-	-	-
	103-3 Evaluation of the management approach	6, 55 and 56	-	-	-

Credits

Coordination

Sabará Group's ESG and Marketing Teams

Content, consultancy and design

usina82

Photography

Sabará Group's image bank

We would like to thank all of the Sabará Group's areas for the survey and consolidation of economic, social and environmental indicators shown in this report.

