inpev

2020 Sustainability Report



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Introduction

GRI 102-54

he 2020 Sustainability Report of inpEV (National Institute for Processing Empty Packages) compiles the main results for the year of the Campo Limpo System and the Institute, the managing entity of the System. This publication once again adopts the GRI (Global Reporting Initiative) guidelines, Essential option, and covers the period between January 1 and December 31 of 2020.

After discussing the Campo Limpo System and inpEV, the following chapters are organized based on eight topics identified as material in the last materiality matrix, which was developed in 2017. The financial statements audited by PwC can be found in the last section of this publication.

The indicators cover our headquarters and the central stations managed directly by inpEV. Since the incorporation process is still underway, some indicators do not account for all central stations under inpEV management on December 31, 2020. In such cases, the text always points out the coverage scope of the indicator.

Besides reporting to our main stakeholders, this report is also intended to be used as inpEV's Communication on Engagement (COE) to the UN (United Nations) Global Compact, which the Institute adhered to in 2019. This publication also demonstrates how the inpEV material topics are related to the Sustainable Development Goals (SDGs) and their objectives (*read further on pages 26 & 27*).

CREDITS

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The 2020 Sustainability Report is the responsibility of inpEV.

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O instagram.com/inpev

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Message from the president

GRI 102-14

The Covid-19 pandemic resulted in 2020 being one of the most challenging years in the History of humanity. Already in March, we mobilized an emergency committee to follow the pandemic impacts on the Campo Limpo System and, above all, ensure that everyone was protected. We quickly implemented a home office model for all inpEV headquarter employees and, with the support of Mapa (Ministry of Agriculture, Livestock and Food Supply) and the state secretaries of Agriculture, recommended all System receiving stations to operate at half their capacity. After a detailed analysis of the safety level at all central stations and outposts, 100% of our operations were resumed after 30 days. We defined new protocols, intensified communication about the disease and forms of prevention and also monitored closely the psychological impact of the pandemic on people, by providing a support channel for all System workers and their families.

The Campo Limpo System did not stop because Brazilian agriculture did not stop. Considered as an essential activity, it was in fact one of the pillars that sustained the country amidst the economic crisis intensified by the pandemic. The sector records reflected on our operation and required us to revise twice the annual disposal goal, an unprecedented fact for the System. In annually consolidated terms, our result exceeded the most up-to-date goal, set at disposing 49,500 tons. During the 12 months of 2020, we provided the environmentally proper disposal of almost 50,000 tons of empty postconsumption recipients.

Despite facing an atypical situation, we moved forward with strategic projects. This was the case of our integrated management model for the receiving stations, a widely discussed project that was approved by our Board of Directors, consisting of manufacturers and entities that represent all links of the agricultural chain. Started in 2019, this project gained momentum in 2020 - we reached 45 central stations managed by inpEV. During this period it was already possible to confirm the assertiveness of this model, calling attention to the gains in efficiency and process and health and safety programs standardization. In 2020, 30 central stations managed by the Institute were ISO 9001 certified, relative to quality management. This model benefits all links of the chain: farmers, distributors and cooperatives. Regarding distributors and cooperatives, for example, they are able to prioritize their businesses and still benefit from reducing their participation costs in the System.

Another highlight was the Improved Model for handling remains (empty packaging) becoming official, result of the work developed along several years by the Institute's team and third-party tax consultants. Implemented in January, 2021, the Improved Model allows remains handling to be quicker and without undue bureaucracy by substituting bills of sale by the SST document (Removal and Transportation Request). Our expectation is that the Improved Model be used by other sectors committed to reverse logistics within the country. We also advanced regarding traceability, which will allow us in the future to monitor the entire trajectory of a given empty container, starting from its delivery at a central station or outpost up to the manufacturing of a new item using this packaging, in accordance with the circularity precept.

In 2020, we reviewed inpEV's strategic planning for the next five years, with guidelines that will support us in achieving our vision, which is to be acknowledged worldwide as a center of excellence in the reverse logistics of empty plant health containers and in the area of agricultural solid waste, thereby becoming a reference in providing services and making the Campo Limpo System self-sustainable. All initiatives executed along the year address our vision. We continue to pursue self-sufficiency for the entire System and were able to generate resources that corresponded to around 65% of the Campo Limpo System cost in 2020. We also continue to showcase the success of our reverse logistics program in Brazil and across the globe.

As part of the DNCL (National Clean Field Day) celebrations, we collected more than 150 tons of food from our "Celebrate Achievements and Multiply solidarity" campaign, which were distributed to families and entities living close to the receiving stations. The Campo Limpo PEA (Environmental Educational Program) was adapted for a virtual environment and offered to 253,500 students. Furthermore, we trained teachers of the municipal schooling network of the city of São Paulo, which will allow us to contribute towards the environmental education of an even more significant numbers of students.

I would like to cease this opportunity to reiterate our support to the United Nations Global Compact, which inpEV has been a part of since 2019, and our commitment towards disseminating good practices in the areas of human rights, labor relations, environment, governance and the fight against corruption among all links of the agricultural productive chain and other stakeholders with whom we interact.

Finally, I would like to thank all farmers, distributors, cooperatives, manufacturers, recyclers, incinerators, authorities and all professionals that give life to the Campo Limpo System for their commitment and dedication. We reinvented ourselves in 2020 and undoubtedly our resilience was key for the System results.

João César M. Rando inpEV CEO

ATTENTION TO COVID-19

Care for people

s soon as the first Covid-19 cases were confirmed in Brazil, inpEV created an emergency committee to follow the pandemic effects in the country and in the Campo Limpo System. This committee met around 70 times until December. All suspected and confirmed Covid-19 cases were monitored on a daily basis.

A home office model was established for all headquarter workers in São Paulo (SP). Starting in October, there was a gradual process of resuming in-office work, with all offices being adapted to ensure distancing among people, distribution of 70% alcohol hand sanitizers and masks, home office clearance twice a week and commuting support in private vehicles. In order to clarify worker doubts, a pamphlet containing health authority recommendations was distributed. Risk group workers continued working remotely. At the end of the year, due to the new increase in Covid-19 cases, the presence of workers in the office was authorized by demand and only twice a week.

At the central stations, all teams received frequent instructions concerning the need to use masks, sanitize hands and keep a safe distance from colleagues and farmers returning packaging material, among other measures. Daily Safety Dialogs were one of the moments to share recommendations on how to protect against the coronavirus. During the period in which the System's operations were only partial, team rotation was adopted at the central stations to reduce the circulation of people.

Physical and psychological health

To ensure adequate ergonomic conditions, all headquarter workers took chairs, keyboards and computer peripherals to their homes. Workplace exercise was adapted to an on-line format and was done twice a day so that the highest number of workers at the central stations and at headquarters and even their family members could participate.



inpEV intensified team awareness actions, with communication materials at all central stations and at its headquarters and offered periodic distribution of leaflets and other guidelines on Covid-19.

The Count on Me program, a telephone channel for psycho-emotional support, was also created. The tool was available to all inpEV workers, all central station and partnering outpost professionals as well as their families.

Ensure what is essential

The disposal of empty packaging or post-consumption leftovers ensures field protection by preventing incorrect disposal and soil and water contamination risks. Thus, it was fundamental to ensure that activities were carried out without submitting workers to any risk.

At the beginning of the pandemic, when little was known about effective means of protection and the speed of contamination, the central stations and outposts reduced by half their work capacity. With the implementation of health protocols, unit risk mapping and team training, the units were able to resume full operations after one month.

Among the actions, a separate flow was created to receive farmers that arrived to return their packaging. By working with gates closed, only one farmer at a time was authorized to access the unit for delivery purposes. The adEV electronic system (Scheduled Return of Empty Packages) also contributed to improve farmer flow at the units. The itinerant collection stations were reduced and suspended in some cases, according to the contamination curve of the new coronavirus. inpEV also offered notices and guidelines to all central stations and outposts.

Among these measures, the following are highlighted:

- > Mandatory mask use;
- > Installation of lavatories and readily available hand sanitizer;
- > Individual entry at the units;
- > Safe distancing between workers and farmers; and
- > Delivery receipts sent by e-mail.

Highlights of the year

RECORD VOLUME

Almost **50,000 tons** of disposed packaging along the year + 9.4% of disposal

17 central stations included under inpEV managementTotal of **45 central stations** under the new administration model





SELF-FUNDING

Around 65% of the Campo Limpo System costs are funded by its own activities

EDUCATION

253,500 students received material on mindful consumption, waste management and the SDGs (Sustainable Development Goals), in **346 cities**



ACKNOWLEDGMENT

The speed with which inpEV adopted measures to maintain the operation of the Campo Limpo System and prevent the coronavirus propagation was acknowledged in the 2020 Agrow Awards prize, one of the most important in agribusiness worldwide, promoted by British magazine Agrow. inpEV was one of the five finalists in the Best Management Program category.

The Campo Limpo Plastic Recycling and Transformation was also ranked among the five best in the Best Sustainable Products category, the ICIS (Independent Commodity Intelligence Services) Innovation Award.





CELEBRATION IN THE FIELD

During the DNCL (National Clean Field Day), 97 central stations of the Campo Limpo System rallied to donate 9,800 baskets of essential goods, equivalent to more than 150 tons of food. This celebration was totally digital in 2020, with thousands of people following the activities on-line

Campo Limpo System

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

99 Receiving central offices

312 Outposts

3,900 Itinerant collection stations in 2020



he Campo Limpo System is the Brazilian reverse logistics program for empty crop protection packaging or that containing post-consumption leftovers and assembles the manufacturing industry, the distribution channel, farmers and government. Each one of these links has its own role and responsibilities defined by legislation to promote the reverse logistics and provide adequate eco-friendly disposal to these packages.

inpEV (National Institute for Processing Empty Packages) is the entity that manages the System, and the entire process is regulated by Law 9.074/00 and its regulatory decree 4.074/02.

The Campo Limpo System is responsible for correctly disposing of 94% of all primary plastic¹ crop protection packages placed in the market. Besides this, of every 100 containers, 93 return to the productive process in the form of new safe and certified agri-chemical packaging, or artifacts employed in civil construction and in the automotive, energy and other industries. The remaining 7% that cannot be reinserted in the productive process are incinerated in an adequate eco-friendly disposal process. GRI 301-3

These numbers place the System as a global reference in reverse logistics and an example of circular economy (*read more on page 12*). In order to maintain this track record, the System is present in all Brazilian states and in the Federal District, having 410 fixed units (outposts and central stations), besides itinerant collection stations in order to be close to rural producers. GRI 102-6

1 Primary packages are those that are in contact with the product.

Campo Limpo System

The Campo Limpo System is a Brazilian reverse logistics program for empty packaging or post consumption leftovers of crop protection products.

It consists of different links of the agricultural chain which jointly perform the shared responsibilities defined by Law 9.974/00 and its regulatory decree 4.074/02.

+ 100 manufacturers and registrants associated to inpEV.

4,500 points of sale

inpEV

The National Institute for Processing Empty Packages (inpEV) is the industry representative of the Campo Limpo System and disseminates environmental awareness and educational concepts to all of society.

The System ensures the correct disposal of 94% of all primary plastic packages of crop protection products sold in the country.

This means:

+ 600,000 t

of empty packages (2002-2020)

+ **400 t** of packaging with leftovers (2015–2020) The **industry** manufactures and registers the crop protection products, which are sold by retail stores or cooperatives.



Farmers return the empty packaging or the post-consumption leftovers to **central receiving stations** and **outposts** or during itinerant receiving events.

+ 400 fixed receiving units.

CENTRAL

1.8 million agricultural properties¹ serviced by the System.



3,900 itinerant collection stations/year.

70 trucks = **945 t** of packaging transported each day between the receiving units and their final destination.

The System is present in all 26 states

and in the Federal District.



Besides being a global reference in reverse logistics, the System is also an example of circular economy. This term is opposite to linear processes of extraction > production > consumption > disposal, and is applied to systems that allow materials to return to the productive cycle.

The **Ecoplástica®** packaging and the **Ecocap®** sealing system, also produced from recycling, stand out due to their innovative nature. These were the first in the world to use post-consumption resin from crop protection packaging to supply the same sector, in a circular process that prevents waste and saves non-renewable natural resources.

At recyclers that partner with the System, the packages become inputs for producing various artifacts such as cardboard drums, electrical conduits and lubricant oil packaging.



inpEV, responsible for the packaging reverse logistics, carries out eco-friendly disposal by means of partnerships with recycling companies and incinerators.

93% of packaging is recycled.

What cannot be recycled is incinerated.

1 IBGE: 2017 Agribusiness Census.

A REFERENCE IN THE CIRCULAR PROCESS GRI 103-2, 103-3 & 306-2

The receipt of empty crop protection packaging and its transformation into a new, safe and efficient container reinserted into the market is a virtuous cycle promoted by the Campo Limpo System that sets it as a reference in circularity.

Besides material reinsertion, mainly plastic, in the industry, this cycle prevents these components from inadequately remaining in nature and thus contaminating the soil and water, besides reducing the demand to extract fresh materials for production purposes.

Ecoplástica[®], an international reference regarding performance and safety for the agro-chemical

segment, is made by Campo Limpo Plastic Transformation and Recycling S.A. Its high performance sealing system, Ecocap[®], is manufactured by Campo Limpo Tampas e Resinas Plásticas Ltda. Both companies were conceived by inpEV and their profit is reinvested to cover the System's costs.

Product development was a milestone in the System's history and, besides closing the productive cycle, is a market innovation that demonstrates the feasibility of producing crop protection packaging using recycled resins with high performance, safety and certification for ground and maritime transportation.

CIRCULAR ECONOMY

A new way of designing, producing and consuming that respects the limits of our planet. Its residue becomes raw material once again for the same production (closed cycle) or its components are sent to other industry segments (second life).

RECEIVING NETWORK

The receiving structure for empty packaging or that containing post-consumption leftovers is capillary, present throughout the national territory, and planned to be near farmers. It is operated based on robust planning that ensures maximum efficiency of the process and stays in pace with the dynamics of the Brazilian agribusiness.

The post-consumption packaging receiving stations are divided into outposts and central stations, classified according to material volume and processing needs (done only at central stations).

In 2020, the System had 99 central stations and 312 outposts. As part of a continuous efficiency development process and resulting from a negotiated process, since 2019 the central stations are transferring their administration to inpEV - until then, most central stations and outposts were managed by the distribution channel. Until now, 45 have already been incorporated under the Institute's management, 17 in 2020 alone. GRI 102-10



The direct central station management process was recommended, after thorough analyses, by the inpEV Board of Directors, the body formed by representatives of all links of the Campo Limpo System. The purpose is to advance under an integrated management of these units, which may result in benefits to the System, including cost reductions for all links of the chain. As the managing entity, inpEV has knowledge of the entire packaging disposal process and disseminates good practices on topics such as environmental management, promotion of a safe and efficient working environment.

Even with the new coronavirus pandemic and the mobilization to ensure worker safety, the plan to change the central stations continued on schedule until the end of the year. Team integration processes, trainings and operator hiring, whenever necessary, were done in a virtual fashion in order to guarantee the health of those involved (*read more starting on page 35*). Another concern of the process is to maintain proximity among the central station, the distribution channel and the farmers in each region, thus ensuring a good relationship and communication between these strategic links of the System.

Another benefit of the integrated management was to expedite and make decision-making more efficient along the year, mainly with regard to the strong demand for receiving packaging without any bottlenecks in the System.

FORMS OF DISPOSAL GRI 306-2

All types of regularly commercialized crop protection packaging are disposed of by the Campo Limpo System, including the plastic and metal packaging, lids and cardboard boxes used during transportation.

Packaging that has not been submitted to a triple wash in the field, under the responsibility of farmers, or containing crop protection post-consumption leftovers - around 7% of the total disposed volume - is incinerated by specialized companies. This includes products that farmers did not use until the end, overdue or presenting damaged packaging the prevents its commercialization. Discontinued products that had their registry canceled, but are not prohibited, are also incinerated.

Co-processing brings forth an environmentally more interesting alternative than incineration. inpEV conducted studies on this procedure between 2014 and 2016, including tests in partnership with Cetesb (Environmental Agency of the State of São Paulo), which demonstrated efficiency and safety. This procedure, which only includes empty packaging, is more efficient than traditional incineration and can become a substitute for fossil fuels in these furnaces. This is also in agreement with international regulations such as the Stockholm Convention. inpEV is still assessing the impacts of this option and continues to recycle and incinerate as a means of final packaging disposal.



DISPOSED PACKAGING GBI 301-3, 306-3, 306-4 & 306-5

In line with the expansion of the Brazilian agribusiness, the packaging volume received and disposed of by the Campo Limpo System broke a new record in 2020. With 49,980 tons of empty packaging or that containing post-consumption leftovers, the System increased by 9.4% the disposed volume when compared to 2019 and the accumulated total since 2018 by 21.9%. Of this total, 93% were recycled and the remaining 7% incinerated.

Along the year the goal was revised twice in order to adjust to the pace in the field and, even so, the estimated volume of 49,500 tons was surpassed. With the pandemic, processes were adjusted by adopting safety and protection protocols for all those involved in the chain. such as outpost and central station workers, haulers and all other links of the System (read *more on page 4*). With a quick adjustment in this process, the disposed volume was intense throughout the year. The 2021 forecast is to maintain the disposal growth rate, with a goal of reaching 53,000 tons.

RESIDUE MANAGEMENT1¹ (t) GRI 306-3, 306-4 & 306-5

	TOTAL GE	TOTAL GENERATED		RECYCLED		RATED ⁴
	2019	2020	2019	2020	2019	2020
Non hazardous ²	42,528.2	45,676.2	42,528.2	45,676.2	0.0	0.0
Hazardous ³	3,165.7	4,303.5	362.7	850.6	2,803.0	3,453.0
Total	45,693.9	49,979.8	42,890.9	46,526.8	2,803.0	3,453.0

1 All residue processing is done externally, by partnering recyclers and incinerators.

2 Steel, aluminum (IBC container cage and packaging), washed plastic packaging of co-extruded polyethylene (COEX) and high density polyethylene (HDPE), cardboard and lids.

3 Rigid unwashed packaging, flexible unwashed plastic packaging, IBC container bag, aluminum hydroxide, glass packaging and packaging containing liquid and solid post-consumption leftovers.

4 Includes the packaging received with post-consumption leftovers (131 tons in 2019 and 99 tons in 2020).

DISPOSED PACKAGING (t) PER STATE - 2020

Mato Grosso	12,872.5		
Paraná	6,507.9	13%	
São Paulo	5,434.4	11%	
Rio Grande do Sul	5,296.3	11%	
Goiás	4,709.6	9%	
Mato Grosso do Sul	3,674.9	7%	

Total ¹	49,881.1	100%
Others	2,817.4	6%
Tocantins	751.6	2%
Maranhão	925.0	2%
Minas Gerais	3,222.5	6%
Bahia	3,669.1	7%

1 Does not include received post-consumption leftovers.

Disposed packages, according to destination (t)



SHARED RESPONSIBILITY

- Farmers: after consumption, they must wash, void and temporarily store the containers, by following technical guidelines; return them to the receiving station indicated on the purchase bill of sale and store the proof of return.
- Distribution channels (wholesalers and cooperatives): they must maintain the proper return locations to receive and store the empty packaging and indicate them on the bill of sale; together with the other links, they must educate farmers and develop their awareness on the importance of following the correct procedures and participate in reverse logistics.
- Manufacturing industry (represented by inpEV): it is responsible for transporting the packaging received at the units and guarantee the most adequate environmental disposal; in conjunction with the other links, it must educate farmers and develop their awareness on the importance of following the correct procedures and participate in reverse logistics.
- > Government: it is responsible for licensing the receiving units and ensuring fulfillment of the legal attributions of different agents; in conjunction with the other links, it must educate farmers and develop their awareness on the importance of following the correct procedures and participate in reverse logistics.

FLOW OF THE CAMPO LIMPO SYSTEM







he National Institute for Processing Empty Packages (inpEV) represents the industry in the Campo Limpo System, and its mission is to promote the self-sustainable management of the final disposal of empty plant health packaging, environmental and System conservancy with the involvement and integration of all links of the agricultural productive chain.

In order to guarantee this role, inpEV seeks efficiency in all its processes, invests in research, development, awareness and environmental education. The acquired knowledge also paves the road to provide services in the solid waste area as well as partnerships to share experiences. inpEV's integrated management vision allows tackling improvement opportunities within the System itself, which translates into efficiency gains and maximized reuse of disposed packaging. Currently, recycling corresponds to 93% of the entire received volume.

The inpEV headquarters are in São Paulo (SP) and manage 45 of the 411 packaging receiving stations across Brazil. Altogether, the Institute employs 273 professionals. Its member roster is formed by more than 100 crop protection manufacturing companies and entities that represent the sector, distributors and farmers.

MISSION, VISION, AND VALUES

GRI 102-16

MISSION

Contribute towards conservation of the environment and the Campo Limpo System by means of self-sustainable management of the final disposal of empty packages of plant health products and by providing services in the solid waste area, with the involvement and integration of all links of the agricultural productive chain.

VISION

Be acknowledged worldwide as a center of excellence in the reverse logistics of empty plant health packaging and in the area of agricultural solid waste, thereby becoming a reference in providing services and making the Campo Limpo System self-sustainable.

VALUES

> Integrating attitude: this is the leadership characteristic of the Institute, by valuing team work, integrating the links in the chain and disseminating knowledge.

Innovation: it is our dynamics, entrepreneurship, creativity and ability to overcome challenges that position inpEV as a global reference in the reverse logistics of empty crop protection packaging.

> **Integrity**: this means behavior based on ethics, respect for differences, transparency in all actions performed and providing accurate information.

> Social and environmental responsibility: it is the raison d'être of the Institute, which acts as the intelligence center of the Campo Limpo System.

> **Safety**: it is the care for the well-being and physical integrity of our employees and all those involved in the Campo Limpo System, as well as the protection of information and assets.

SUPPLY CHAIN GRI 102-9

In 2020, 1,700 suppliers formed the inpEV supply chain. Of this total, 30 are direct suppliers, responsible for inputs, productive equipment and logistical services, transportation and final residue disposal, and 1,670 are indirect suppliers, from which inpEV acquires equipment and machinery, information technology services and support to communication and engagement activities. The most significant category in procurement volume was Logistics, accounting for 35% of the total.

Corporate governance

GRI 102-18

o uphold an integrating attitude is one of the inpEV values and is guaranteed by means of the Institute's corporate governance. The administrative and management structure follows good market practices and reflects the principles agreed upon in its by-laws: legality, impersonality, morality and equality.

The Members General Assembly, the Board of Directors, the Board of Auditors and Executive Board are part of its governance. The importance of the Campo Limpo System, of which inpEV is the managing entity, is also reflected in its structure, with representatives from various decision-making bodies.

The General Assembly is the highest body of decision and integrates the Institute's members, crop protection manufacturers and entities that represent the various links of the agricultural chain. Two annual assemblies are held each year to validate inpEV's strategy and assess its performance.

The Board of Directors consists of five representatives of contributing member companies (elected during the General Assembly), ten representatives of member entities (other links of the agricultural chain) and the Institute's CEO. To ensure fulfillment of the by-laws and guarantee asset protection, compliance with the laws in effect and a close relationship among the links of the chain are part of its obligations. The entities that represent the distribution channel and rural producers on the Board of Directors participate in the decisions and are responsible for replicating the information and deliberations within the Campo Limpo System.

The Executive Board is responsible for the general management and strategy implementation. It is chaired by the CEO, an independent hired professional (with no bond to the member companies), appointed by the Board of Directors.

COMMITMENT TOWARDS TRANSPARENCY

The members of the Board of Auditors are elected during the General Assembly and its role is primarily to oversee the inpEV decision-making instances. Their terms are annual and, in 2020, the Board was formed by representatives from the companies UPL, Sipcam Nichino and Adama.

The Institute's management model is structured based on rigid audit and control norms. Once a year, inpEV reports the results of its activities and its financial performance according to the Brazilian accounting standards, under the guidance of external auditors and the opinion of the Board of Auditors.

BOARD OF DIRECTORS – COMPANIES

IHARABRÁS

Arnaldo José Menezes Dos Santos Gustavo Urdan

FMC Marcelo Okamura Zotico Silva

SUMITOMO S.A.

Fernando Henrique Bordoni Manzeppi Luis Henrique Sanfelice Rahmeier

DOW Adriano Pescarmona Felipe Bissoli

BAYER Schirley Wirtti Andres Jaramillo

BOARD OF DIRECTORS - ENTITIES

Abag – Associação Brasileira do Agronegócio Abisolo – Associação Brasileira das Indústrias de Tecnologia em Nutrição Vegetal

Aenda – Associação Brasileira dos Defensivos Genéricos

Andav – Associação Nacional dos Distribuidores de Defensivos Agrícolas e Veterinários

APPS – Associação Paulista dos Produtores de Sementes e Mudas

Aprosoja – Associação Brasileira dos Produtores de Soja

CNA – Confederação Nacional da Agricultura e Pecuária do Brasil

CropLife Brasil

OCB – Organização das Cooperativas Brasileiras Sindiveg – Sindicato Nacional da Indústria de Produtos para Defesa Vegetal

BOARD OF AUDITORS

UPL

Ezio da Silva Costa Ellery Roger Goldman **Sipcam Nichino** Alexandre Gobbi Adilson da Cruz **ADAMA** Guilherme Ruiz Fernanda Calazans Nasrau

SUPPORT STRUCTURE

Leadership support committees congregate inpEV professionals and specialists to add knowledge and continuously improve management:

- > Tax Committee: with the assistance of external consultants, this group facilitates compliance of participants of the Campo Limpo System regarding tax, fiscal and corporate issues.
- Logistics Committee: discusses measures to improve reverse logistics processes and technologies under the scope of the Campo Limpo System.
- > Labor Committee: it debates issues relative to the inpEV professionals. The committee also supports the other receiving units of the Campo Limpo System.
- > National Central Stations Council: this cross-functional group is formed by managers of the central stations and its roles include general demands of the System and disseminating the best practices to the regional councils, acting to support inpEV's administration.
- > Artifact Approval Committee Work Group (WG): assesses, controls and approves the manufacturing of artifacts using empty packages from the Campo Limpo System.
- > Packaging Committee WG: evaluates new trends, packaging life-cycle and sector innovations.

CODE OF CONDUCT GRI 102-16 & 205-2

A public document that explains the inpEV principles, values and mission, the Code of Conduct defines the expected posture of employees concerning their relationship with different stakeholders.

Revised in 2017, this material deals with topics such as conflict of interest, respect towards differences, information security, relationship with the public sector and emphasizes inpEV's and its employees' commitment towards social-environmental accountability. The code also defines principles focusing on disseminating knowledge and sponsoring cooperation among all links of the agricultural chain that comprise the Campo Limpo System. The Anti-corruption and Competition policies are also set forth in this code, which explicit the relationship practices with public agents, define rules for donations, which must be approved by the Institute's collegial organ. Other documents such as the inpEV Management Manual and finance and controllership rules also reinforce the commitment with ethical business practices. All 127 workers hired in 2020 were informed and trained on the Code of Conduct, including the topic on the fight against corruption. The seven third-party professionals contracted along the year were also informed about the topic. inpEV also carries out periodical training for the entire staff. The e-learning scheduled to be applied in 2020 was postponed and will take place in 2021.

Besides this, inpEV elaborated a code in 2020 focusing on suppliers in order to indicate its expectations and anticipated good practices from these business partners, including respect to human rights, ethics and integrity.

Learn more about the Code of Conduct at: www.inpev.org.br

		2020			2020		
COMMUNICATION		_	Informed people per region				
CONCERNING THE FIGHT AGAINST CORRUPTION GRI 205-2	%	Informed people	South	Southeast	North	Northeast	Midwest
Workers (total)	46.5%	127	20	40	6	5	56
Directors	0.0%	0	0	0	0	0	0
Managers	12.5%	1	0	1	0	0	0
Coordinators	10.0%	2	0	2	0	0	0
Receiving station Coordinators/Supervisors	44.2%	19	4	3	2	2	8
Administrative	34.1%	14	4	8	0	0	2
Operational	56.9%	91	25	26	4	3	33
Third-parties	70.0%	7	1	3	1	0	2
TRAINING ON THE FIGHT			People trained per region				
AGAINST CORRUPTION GRI 205-2	%	People trained	South	Southeast	North	Northeast	Midwest
Workers (total)	46.5%	127	20	40	6	5	56
Directors	0.0%	0	0	0	0	0	0
Managers	12.5%	1	0	1	0	0	0
Coordinators	10.0%	2	0	2	0	0	0
Receiving station Coordinators/Supervisors	44.2%	19	4	3	2	2	8
Administrative	34.1%	14	4	8	0	0	2
Operational	56.9%	91	25	26	4	3	33





• npEV considers material topics eight issues involving the different dimensions of its activities, defined based on a materiality process conducted in 2017, elaborated with the assistance of the stakeholders with which it interacts and submitted to management analysis.

These topics summarize the key areas in which the Institute has an impact and the potential to increase its positive influence. In 2020, the Institute conducted an internal assessment on how these priorities could contribute to achieve the SDGs (Sustainable Development Goals) of the UN, thus reinforcing its engagement towards this strategic agenda for global society. The charts below show in a more straight-forward manner the Institute's relationship with its impacts and how this occurs within its chain, and offers indicators that show its performance for each one of them.

See below a detailed description of each material topic, its relevance to inpEV, as well as an indication of where it might occur.

MATERIAL TOPIC GRI 102-44, 102-46, 102-47, 103-1 & 103-2	ASPECTS CONSIDERED BY inpEV	IMPACT ORIGIN AND RELATIONSHIP	INDICATORS
OPERATIONAL EXPANSION The System contributes towards responsible agribusiness by avoiding that agrichemical residue be improperly disposed, thereby causing damage to the soil and water bodies, and deals with these materials through recycling and incineration. To maintain an adequate structure is important to meet the growing demand of agricultural production, proximity with farmers and maximum logistic efficiency.	Geographical expansion; packaging processing of other agricultural products.	The main impacts are related to the activities managed by inpEV.	nr. of central stations and outposts; disposed volume and type of disposal
OPERATIONAL ECO-EFFICIENCY The System allows a significant volume of raw materials to be reinserted in the productive system, thus avoiding natural resources and extending the life cycle of input materials, especially plastic. It also prevents improper disposal, which causes risks to biodiversity and to the soil.	Natural resource management; use of materials, water and energy; reduction and recycling of materials arising from operations; sustainable facilities and emissions.	The main impacts result from activities managed by inpEV itself.	GRI 301-3, 302-1, 303-1, 305-5, 306-1, 306-2, 306-3, 306-4, 306-5, 307-1 and System impact study
LOGISTICS The return shipment reduces the impact of transporting such residue. 98% of transportation from the central stations to the final destination is done in this fashion.	Reverse logistics; safe routes; logistics infrastructure; ease to return packaging and transportation conditions.	The impacts are mainly caused by the inpEV supply chain.	Nr. of trucks and kilometers traveled, safety processes and information integration
INNOVATION AND TECHNOLOGY The Institute seeks more efficient means in processes and products that allow materials to be reused, and pioneered the development of the first crop protection packaging produced using recycled resin from the same type of product. This systemic outlook has made the Campo Limpo System a reference in circular economy.	Innovation and technology in operations.	The main impacts result from the activities managed by inpEV.	Qualitative information on the adoption of new processes and solutions

MATERIAL TOPIC GRI 102-44, 102-46, 102-47, 103-1 & 103-2

HUMAN DEVELOPMENT

The Institute develops competencies to stimulate continuous improvement and innovation, besides its technical specialization in packaging reverse logistics and circular economy.

EDUCATION AND ENGAGEMENT

inpEV promotes farmer awareness and also uses the Campo Limpo System capillarity to promote environmental education for students and communities. It develops topics on mindful consumption and shared responsibility in various contexts.

MULTI-STAKEHOLDER DIALOG AND COOPERATION

Valuing dialog and cooperation is part of inpEV's essence. One of its values is an integrating spirit, which reflects the Institute's leadership characteristic, teamwork, integration among chain links and knowledge dissemination.

ECONOMIC FEASIBILITY

As a non-profit organization, inpEV's activities are for the most part funded by its members and, to a lesser extent, by revenue generated by the System itself. The Institute is committed to pursuing economic self-sufficiency for the Campo Limpo System. For this, it focuses on cost reductions, gains in efficiency and productivity, increase in recycling and it assesses opportunities to contribute with waste management from other agricultural sectors as well as consultancy.

Career management; The main impacts are GRI 403-9. emplovee training and related to the activities 404-1.404-3 development: internal career managed by inpEV. planning: talent attraction and retention Education and awareness The impacts derive Nr. of cities. raising in communities close from activities schools and to the receiving stations or in managed by inpEV. students in the regions considered as critical PEA. trained for the correct disposal of teachers. nr. packaging; environmental of people who education for students: participated in the FaD. DNCL actions targeted at farmers. participants Multi-stakeholder engagement The impacts derive GRI 413-1. processes: dialog and from activities 205-2 partnerships; interaction with managed by inpEV. government and influence on the public power: sector articulation with a positive influence upon the regulatory environment. Economic and financial The main impacts GRI 102-7, result from the performance; growth; new 201-1, 201-4, businesses; shared value activities managed 419-1 by inpEV. generation. Value invested in the System and cost distribution among links. economic performance

IMPACT ORIGIN

AND RELATIONSHIP

INDICATORS

ASPECTS CONSIDERED

BY inpEV

The topics summarize the inpEV impacts and their potential to expand positive influence. Hereafter is an explanation of how they can contribute towards the priorities set forth by the SDGs.

MATERIAL TOPIC	SUSTAINABLE DEVELOPMENT GOALS (SDGS)
OPERATIONAL EXPANSION	2 ZERO HUNGER SSSS AND PRODUCTION
OPERATIONAL ECO-EFFICIENCY	13 CLIMATE 15 LIFE 15 LIFE 15 CIFE
LOGISTICS	13 CLIMATE
INNOVATION & TECHNOLOGY	-
HUMAN DEVELOPMENT	-
EDUCATION AND ENGAGEMENT	4 QUALITY EDUCATION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
MULTI-STAKEHOLDER DIALOG AND COOPERATION	17 PARTNERSHIPS FOR THE GOALS
ECONOMIC FEASIBILITY	-





SDG GOAL¹

- 2.4. Search for sustainable and resilient food production systems.
- 12.4. Responsible management of chemical and residual products.
- **12.5.** Reduce residue generation by means of prevention, reduction, recycling and reuse.
- **13.1.** Action against global climate change for the resilience and adaptation capacity goals.
- **15.1.** Terrestrial life for the conservancy goals, recovery and sustainable use of terrestrial and fresh water ecosystems.
- **13.2.** Problem integration in the corporate strategy.

4.7. Education for sustainable development and healthier lifestyles.

- **12.8.** Inform and develop awareness of people on sustainable development and harmony with nature.
- **13.3**. Education and awareness development on climate change.
- 17.16. Partnerships that mobilize and share knowledge, experience, technology and financial resources to support the execution of the SDGs.

1. The wording of the goals was summarized to facilitate understanding. Check the complete content at <u>https://www.un.org/</u> <u>sustainabledevelopment/sustainabledevelopment-goals/.</u>

Operational expansion

GRI 102-10, 103-2 & 103-3

he presence of the Campo Limpo System across the country ensures the effectiveness of the reverse logistics of empty crop protection packaging or that containing post-consumption leftovers. The opening of new receiving stations keeps pace with the dynamics of Brazilian agribusiness and the agricultural frontier expansion.

In July of 2020, inpEV inaugurated one central station in Teotônio Vilela, in Alagoas, which replaced the former Alagoas station of Marechal Deodoro. Another advancement was the adaptation of the old Vicentinópolis outpost, in Goiás, to become a central station. During the year, inpEV obtained the permit to start construction of a new central station in the city of Querência, in Mato Grosso.

In the outpost balance, there was an increase of 14 new ones and five units were decommissioned. Thus, the Campo Limpo System finished the year with 411 receiving stations (99 central stations and 312 outposts). Of the 99 central stations, 45 were directly managed by inpEV in December of 2020 (*see map*).

In 2020, the Teotônio Vilela (AL) central station and 14 outposts started their operations. The former Vicentinópolis (GO) outpost was also transformed into a central station.

CENTRAL STATIONS MANAGED BY inpEV GRI 102-4 & 102-7



OUTPOST MANAGEMENT SUPPORT

Outpost management is done by the distribution channel (cooperatives and retail channels). In 2020, inpEV formated the Outpost PQA (Outpost Operational Procedure Standardization) in order to ensure uniform processes at these units, and disseminated a leaflet with good management practices. There is also a program that guarantees interaction and support of the central station closest to the outposts, including training sessions for operators.

inpEV continued to implement the SIP (Outpost Information System), which allows management of the received packaging volumes and inventory control at the units, which contributes towards operational planning. The system is similar to SIC (Central Offices Information System) and is integrated to it. In December of 2020, 145 outposts already had SIP, which was equivalent to 72% of the volume transported from outposts to the central stations.

ITINERANT COLLECTION STATIONS

With the itinerant collection stations, the Campo Limpo System ensures that small farmers, who live in locations far from the fixed receiving stations, are able to correctly return the empty packaging. In 2020, 3,946 events took place.

At the beginning of the pandemic, some itinerant collection stations were canceled. Once activities were resumed, a specific protocol was set up to prevent agglomerations during such events and ensure the use of PPEs (personal protection equipment).

POST-CONSUMPTION LEFTOVERS

The Campo Limpo System is prepared to receive packaging regularly manufactured and sold containing crop protection leftovers, as set forth by Conama Resolution nr. 465/2014. 99 tons of such post-consumption residue were disposed in 2020.

inpEV also supports the authorities in the disposal of obsolete crop protection and/or illegal products, i.e., those prohibited by law since 1985 (Ordinance nr. 329 of the Ministry of Agriculture) that may still be in the field. In 2020, an articulation carried out by inpEV, Mapa (Ministry of Agriculture, Livestock and Food Supply), Sindiveg (National Union of Plant Health Products Industry), CropLife and the Internal Revenue Service ensured the proper disposal of more than 60 tons of illegal products.



Logistics

GRI 103-2 & 103-3

The Campo Limpo System uses the logistics model known as return shipment, in which the same vehicle that delivers crop protection products from manufacturers to farmers, wholesalers and cooperatives transports the empty packaging from the receiving stations to recyclers and incinerators. One advantage of this model is the avoidance of GHG (greenhouse gas) emissions. The transportation from outposts to central stations, that involves smaller distances and meets specific logistic needs, does not adopt this model.

IMPROVED MODEL

During 2020, inpEV concluded the studies that made possible the elaboration of the Improved Model, which deals with transporting residual material (empty crop protection packaging). Until then, in order to ship - from farmers to the outposts and central stations, from outposts to the central stations and from the central stations to the disposal units -, bills of sales with a symbolic value used to be issued, since the empty packaging had no commercial value and are not taxed, according to legislation.

The issuance of bills of sales, however, is not a legal requirement. With the new model, which became effective at the beginning of 2021, farmers and those responsible for outposts and central stations fill out the SST (Removal and Transportation Request), a document elaborated by inpEV that accompanies the residual material during all shipment stages. This change should decrease the paperwork and result in greater shipping speed for the System.

Representatives of the chain links were introduced to the Improved Model prior to its implementation. Explanatory material is available on the inpEV website and was communicated via WhatsApp and other channels. 13,715 trucks

displaced in 2020:

9,702 vehicles

displaced from the
outposts to the central
stations and

4,013 vehicles

from the central
stations to recyclers
and incinerators.

HIGHWAY SAFETY

inpEV acts in a preventive fashion to avoid the occurrence of incidents and accidents during shipments. All trucks that arrive at the central stations and outposts undergo inspection, which analyzes the documentation, driver and vehicle conditions, including tires, lights, brakes and tie-down straps. It is worth stressing that drivers are specialized, which increases hauling safety.

In order to contain coronavirus propagation, besides the instructions on using masks and sanitizing hands, the protocol established by inpEV foresees that drivers should avoid getting out of their trucks while at the receiving station premises.

In April, inpEV held a driver gratefulness campaign, since their work was essential to continue the Campo Limpo System operations and the agribusiness during the pandemic.



Operational eco-efficiency

GRI 103-2 & 103-3

• npEV is committed to continuously improving the processes and facilities of the Campo Limpo System to make its operations more and more environmentally friendly. There is even a model architectural plan containing guidelines on the adoption of technologies and good environmental practices at the central stations under construction or those to be submitted to revamps and refurbishments. These recommendations consider issues related to thermal comfort and lighting, energy and water consumption and residue management, among others. The new Araçatuba (SP) central station was built according to the sustainability principles and the Teotônio Vilela (AL) unit also incorporated some of these recommendations.

All receiving stations have operational and environmental licenses and a work permit issued by the Fire Department. In 2020, 30 central stations under inpEV's management were certified according to ISO 9001:2015 standard, on quality management, attesting processes conformity with the best international practices. In 2019, this certification covered seven central stations. This certification also covers the inpEV processes of central station management, from the logistics phase to the final disposal of packaging.

PROVEN ENVIRONMENTAL BENEFITS GRI 305-5

Every year, the Espaço Eco Foundation, specializing in impact and life cycle analyses, conducts an eco-efficiency study to measure the environmental benefits of the Campo Limpo System. Every four years, the methodology is revisited to assure alignment with international packaging life cycle assessment standards.

This evaluation compares the current real scenario with a hypothetical circumstance, which disregards the existence of the System. The most recent study confirmed that the Campo Limpo System activities avoided the emission of 823,167 tons of CO₂e into the atmosphere between 2002 (year of its incorporation) and 2020. In case the System did not exist, it would be necessary to plant around 5.9 million trees to offset these emissions. In 2020 alone, the existence of the Campo Limpo System avoided the emission of 70,509 tons of CO₂e and the consumption of 3 billion mega Joules of power and over 80 million liters of water.

The Campo Limpo System helped avoid:

823,167 tons of CO e from 2002 to 2020, equivalent to 15,557 truck trips around the earth.

36 billion

mega Joules of energy, equivalent to the power consumption of 5.2 million homes during one year. Besides considering the environmental benefits of the proper disposal of packaging and their reinsertion into the economy, thereby avoiding the use of fresh raw materials, this calculation includes the impact of the Campo Limpo System operations, such as GHG (greenhouse gas) emissions from the logistics phase and water and energy consumption of the receiving stations.

ENERGY AND WATER CONSUMPTION GRI 302-1 & 303-3

The total energy consumption in 2020 corresponded to 1,136.5 GJ. Of these, 1,095.6 GJ were purchased from energy concessionaires. At headquarters, as a reflex of home office practices, electric power consumption dropped from 200 GJ in 2019 to 156.6 GJ in 2020. Consumption at the central stations jumped from 169 GJ in 2019 to 939 GJ in 2020. This significant increase is due to the variation of the indicator coverage scope during the period, from seven to 29 central stations. The remainder (40.9 GJ) was generated at the Unaí (MG) central station, which has a photovoltaic system since the end of 2018. During 2020, 82% of the electricity consumed at this unit came from self-generation.

The activities executed at the central stations consume a low amount of water. The increase observed in 2020 is also explained by the expansion of the indicator coverage scope. It is worth recalling that it is not possible to monitor water consumption at the inpEV headquarters, located in an office complex without individual meters.

ENERGY CONSUMPTION (GJ) GRI 302-1	2018	2019 ¹	2020 ²
Electricity purchase	NA	369.0	1,095.6
Administrative office	NA	200.0	156.6
Receiving central offices	NA	169.0	939.0
Electricity self-generation - solar energy ³	NA	41.2	40.9
Total	NA	410.2	1,136.5

NA: data not available.

1 Based on the consumption of seven central stations that were under inpEV management during most of the year.

2 Based on the consumption of 29 central stations that were under inpEV management during the entire year of 2020.

3 Power self-generation at the Unaí (MG) central station. The 2019 data were recalculated and differ from that published in the RS 2019. The previous information was based on estimates and now is verified based on a meter at the unit.

WATER UPTAKE ¹ (m ³) GRI 303-3	2018	2019 ²	2020 ³
Artesian well	NA	NA	1,239.00
Sanitation companies	NA	494.00	1,455.00
Total	NA	494.00	2,694.00

NA: data not available.

1 The informed data are partial, limited to the units managed by inpEV and with consumption monitoring via water meters in artesian wells or serviced by supply concessionaires.

2 Consumption of the Rondonópolis (MT) central station.

3 Besides Rondonópolis, this indicator considers the central stations located in Placas (BA); Alto Parnaíba (MA); Ponta Porã (MS); Montes Claros, São Sebastião do Paraíso and Uberaba (MG); Contenda and Guarapuava (PR); Uruçuí (PI) and Boa Vista do Incra (RS).
Human development



GRI 102-8 & 102-10

npEV ended 2020 with 273 workers, an increase of almost 50% when
compared to 2019. This growth is due to the process of incorporating the central stations, which continued in 2020. Most of the new workers already acted at the central stations, formerly managed by wholesale associations and cooperatives, and became part of the inpEV employee roster - the Institute prioritizes in-house re-management as a way of valuing the specialization of these professionals and the knowledge they have regarding the Campo Limpo System.



Once the incorporation process of a central station has been concluded, the workers participate in an orientation training in which they share a bit about their experience regarding the System and go through complete training on the inpEV mission, vision and values, how the management systems work as well as safety rules, among other topics. With the pandemic, these orientation classes were offered in a virtual environment.

Another initiative that ensures the orientation of new workers, valid for those already working at the incorporated central stations and for those arriving now at the Institute, is the Sponsorship Program. Each new professional can rely on the support of a more experienced worker, who commits to following them during a certain time and is ready to clarify doubts on the work routine.



THF TFAM

Number of collaborators



TOTAL WORKERS ¹² GRI 102-8	2018	2019	2020	2020	2020
				Permanent	Temporary
Per gender					
Males	50	125	213	208	5
Females	33	60	60	59	1
Per region					
Midwest	9	34	69	66	3
Northeast	0	15	17	17	0
North	5	0	6	6	0
Southeast	63	104	122	119	3
South	6	32	59	59	0
Total	83	185	273	267	6

1 Most workers (98%) work full time.

2 Besides employees, three apprentices, two interns and ten third-party workers comprised the inpEV workforce. Five outsourced workers act at the administrative headquarters in the Information Technology, courier transportation and kitchen areas and five have been hired through an agency for operational activities of the Institute.

All workers are covered by collective bargaining agreements. GRI 102-41

DEVELOPMENT CYCLE GRI 103-2, 103-3, 404-1 & 404-3

One of the main directives of the inpEV people management model is to guarantee continuous worker development. Based on this strategy, the Human Resources area develops a series of initiatives.

Under the ADCR (Results Contract and Performance Assessment) program, workers from the administrative area and those in supervisory, coordination, management, and directorship roles define on an annual basis, in conjunction with their manager, their individual goals. There are also performance assessments, consisting of a self-assessment and a leader-based assessment. In 2020, 80 professionals (29% of the total) were eligible (more than one year in the aforementioned roles) and 78 were assessed. For operators at the central stations, there is a potential assessment.

Goal achievement and the performance analyses guide the PDI (Individual Development Plan), which defines which training each professional needs to undergo. Under the PDI scope, all central station supervisors - first level leaders - received leadership training. Along the year, the PDL (Leadership Development Program) was also developed, focusing on coordinators, managers and directors. Both were carried out in partnership with ICI (International Coaching Institute) and provided tools to assist leaders in their different roles (feedback techniques, team maturity assessment and emotions management, among others).

Training was also given to workers in the administrative area, mapped based on the 2019 performance assessment, as well as the orientation training for new workers. In total, 14,114 hours of training were given, 33% more than that of the previous year. The increase in the number of Institute workers impacted the average training hours per worker, which reached 51.7 hours/worker in 2020 versus 57.3 hours/worker in 2019.

PERFORMANCE ASSESSMENT ¹ GRI 404-3	2020
Per gender	
Males	100.0%
Females	94.6%
Per functional category	
Managers	85.7%
Coordinators	100.0%
Receiving station Coordinators/Supervisors	100.0%
Administrative	96.4%
Total	97.5%

1 The calculation uses the following formula: Number of assessed workers/Total eligible workers x 100 (for each analyzed segment).

Training **increased 33%** in comparison to 2019. Many of the trainings in 2020 occurred in a virtual environment.

AVERAGE TRAINING (h/worker) GRI 404-1	2018	2019	2020
Per gender			
Males	10.5	67.6	53.7
Females	20.6	35.8	44.6
Per functional category			
Directors	0.0	1.5	19.0
Managers	19.1	5.4	24.0
Coordinators	21.5	11.8	31.3
Receiving station Coordinators/Supervisors	0.0	35.1	89.7
Administrative	24.1	35.9	47.4
Operational	0.3	49.8	46.3
Total	14.5	57.3	51.7

WORK ENVIRONMENT DIAGNOSIS

With the recent increase in its headcount, inpEV identified the need of surveying the perception of professionals regarding the organization. In partnership with GPTW (Great Place to Work), the first diagnosis of the Institute's work environment was conducted, which had a response rate of 78% of the workers invited to answer the questionnaire. The survey indicated a favorableness of 83%. Now, the Human Resources areas must fathom some topics identified as relevant in the diagnosis. A new round of this survey is scheduled to happen in 2023.

HEALTH AND SAFETY GRI 103-2 & 103-3

The commitment towards the safety of all workers and those involved in the Campo Limpo System is one of inpEV's values. Since 2018, the Institute relies on a Health and Safety Management System, which assures process standardization in order to prevent accidents and occupational diseases and monitor and mitigate risks. Examples of these procedures include: the existence of a risk map at the units, safety signposting on all equipment, promotion of the use and preservation of personal protection equipment (PPEs), DDS (Daily Safety Dialog) meetings, ergonomic assessment of workstations, specific processes to operate presses and for work at heights and periodic noise measurements. The second SIPAT (Internal Work Accident Prevention Week) edition of the Campo Limpo System was held in the month of October in a remote fashion. Having as its topic "I care for myself, I care for you, we care for each other", the agenda included presentations, special Daily Safety Dialogs and educational activities. Each day, two central stations were raffled to conduct a virtual tour, thereby showing the units to all other participants. 98 central stations from all regions of the country participated in SIPAT.

Lectures were also organized on key dates: Yellow September (suicide prevention), Pink October (breast cancer prevention) and Blue November (prostate cancer prevention). There was also a lecture on eating habits and individual nutritional guidance.

Another highlighted action, which directly impacted worker well-being, was the approval of the short Friday policy at headquarters, which finishes working hours at 1 p.m. on the last day of the week, with compensation of this difference between Monday and Thursday. Adherence to this model is at the discretion of each worker.

LABOR SAFETY AND HEALTH¹ GRI 403-9

Total hours worked	597,600.0
Accident frequency rate ²	30.12
Deaths related to work accidents (total)	0
Deaths related to work accidents (rate)	0.00
Serious work accidents (total) ³	0
Serious work accidents (rate)	0.00
Mandatory reported work accidents (total) ⁴	12
Mandatory reported work accidents (rate)	20.80

Obs.: all rates calculated using this formula: number of incidents/total hours worked X 1,000,000.

1 Based on inpEV's total operations in 2020, including its administrative office and 45 managed central stations. The calculations considered an average headcount of 249 people.

2 This includes low severity incidents attended on site. Total: 18 accidents (12 with lost time and 6 without).

3 Accidents resulting in injury or worker capacity limitation for a period greater than six months.

4 This considers lost time accidents.

2020

Innovation & technology

GRI 103-2 & 103-3

nnovation and technological development are key to inpEV's activities in its effort to improve processes and increase the efficiency of the Campo Limpo System.

In 2020, inpEV started to use a BI (business intelligence) tool, which improves management and leverages decision-making. This tool collects data and generates reports to analyze specific indicators, based on customized sets. Coordinated by the Information Technology area, the project was concluded for the financial and Procurement areas in 2020. This tool is being implemented in the Operations and Final Disposal areas and, until the end of 2021, will be extended to all other areas of inpEV. The BI tool was also integrated with adEV (Scheduled Return of Empty Packages), an electronic system in which farmers can schedule the return dates at the units. The reports generated based on this tool contribute to improve inbound management and the operation of the units.

The project that guarantees traceability of empty packaging was also continued. At the central stations of Araraquara (SP) and Pouso Alegre (MG), the compacted packaging bales receive a bar code, which contains data created by the SIC (Central Offices Information System), such as the type of material and its total weight. This project facilitates control at the central stations and during subsequent phases, when the volumes are transported to recyclers and incinerators partnering with the System. With the results obtained during the pilot stage, the project will start to be extended to all other central stations in 2021.

ECOCAP® SMART

Another recent innovation example comes from Campo Limpo Plastic Lids and Resins. In 2020, the recycler developed a new Ecocap[®] model for a specific client, which is a sealing system produced from 100% recycled resin. Ecocap[®] Smart comes with a QR Code, which allows the inclusion of technical information on the product and expands the traceability and authenticity possibilities. This is an item with greater added value, which contributes towards the System's sustainability, since the profit of Campo Limpo Plastic Lids and Resins and Campo Limpo Plastic Recycling and Transformation is reverted to fund the System. inpEV invests in technology projects to improve its management and ensure traceability of all reverse logistics phases of empty packaging.

Education and awareness

GRI 103-2 & 103-3

In 2020, PEA created a web version of The Planet Guardians and the SDGs game. In a pedagogical and interactive way, the game steps through the **17 goals** of the 2030 Agenda. Access: http://game.ods. inpevcampolimpo. org.br/ • npEV takes advantage of the Campo Limpo System capillarity to develop different education and awareness initiatives, which include raising awareness of farmers in order to guarantee the correct disposal of empty crop protection packaging and environmental education for students and members of communities surrounding the receiving stations.

MORE DIGITAL PEA GRI 413-1

"On the path towards a circular economy" was the topic of the Campo Limpo PEA (Environmental Educational Program) in 2020, which target audience were 4th and 5th grade Elementary School students. The objective was to disseminate among students the concept of circular economy, by demonstrating the different stages of the product life cycle and the opportunities to expand it based on the correct solid residue management. Once again, the pedagogical syllabus bet on the connection with the 17 SDGs (Sustainable Development Goals) of the UN (United Nations).

With the interruption of in-class schooling during most of the educational year due to the pandemic, the program was adapted to a digital format: the teacher's book was digitized and the SDG board game received an on-line version on the PEA website.

Along the year, 253,500 students from 2,562 schools in 346 Brazilian cities were impacted by PEA. The program relied on the participation of 97 central stations, located in 20 states.



In order to take the PEA syllabus to students of the São Paulo (SP) municipal system, **439 teachers** concluded the EAD formation course in 2020.

2018	2019	2020
298	324	346
2,462	2,571	2,562
9,722	10,154	10,651
230,857	240,622	253,513
	2018 298 2,462 9,722 230,857	201820192983242,4622,5719,72210,154230,857240,622



By means of PEA, students learn about product life-cycle phases and how it is possible to expand them based on correct solid residue management.

TEACHER FORMATION

One of the 2020 improvements was the PEA expansion in municipal schools of the city of São Paulo, which started in 2019 and seeks to contribute towards student environmental education and disseminate the reverse logistics and circular economy model of the Campo Limpo System. With the pandemic, the formation course for teachers of the municipal education system was adapted to a virtual environment and occurred between October and December. In all, 530 teachers from 355 municipal schools enrolled - 439 teachers (83% of the total) concluded the training.

The EAD education for São Paulo capital teachers proved so effective that, starting in 2021, it will be extended to educators engaged with the PEA in all other regions of the country.

SOLIDARITY IS THE HIGHLIGHT AT THE DNCL GRI 413-1

The 16th DNCL (National Clean Field Day) edition, celebrated on August 18 and which mobilizes all links of the agricultural chain, was also different in 2020. With the theme "Celebrating achievements and multiplying solidarity", the DNCL used the strength and capillarity of the Campo Limpo System to help families in a vulnerable situation, intensified due to the pandemic reflexes. Altogether, 97 receiving stations from 20 states raised 9,800 baskets of essential goods, donated to local institutions responsible for distributing them to families.

PEA BENEFICIARIES

253,513 students 10,651 classrooms 2,562 schools 346 cities



97 central stations engaged in collecting baskets of essential goods during the 2020 DNCL edition. This was also the first virtual edition of the event. The official celebration ceremony for the date was held during the Agro 360 Special National Clean Field Day program, broadcast live on the Terra Viva channel. The minister of Agriculture, Livestock and Food Supply, Tereza Cristina, the president of the Agriculture and Cattle Raising Parliamentary Front, federal congressman Alceu Moreira, the president of the OCB (Brazilian Cooperatives Organization) System, Márcio Lopes de Freitas, the executive president of Andav (National Association of Agricultural and Veterinary Input Distributors), Paulo Tiburcio, and the former minister of Agriculture and coordinator of the Agribusiness Center of the Getulio Vargas Foundation, Roberto Rodrigues, participated in the ceremony.

The program also included:

- **DNCL Open Doors**: participants were able to learn about how a central station of the Campo Limpo System works by means of a virtual tour. The video was viewed more than 260,000 times.
- **Theater skit**: aimed at children, this video presented in a pedagogical fashion the concepts of circular economy and mindful consumption.

ON-LINE COURSE ABOUT THE CAMPO LIMPO SYSTEM

In 2020, the on-line course about the Campo Limpo System was taken by more than 2,000 people. Open to all (workers at member companies and wholesalers and cooperatives, farmers, students and logistic professionals from other sectors, among others), the course uses appealing and user-friendly language to present how the System works, the responsibilities of each chain link and the applicable legislation.

FARMER AWARENESS

inpEV is committed to guiding farmers on the return of empty packaging and proper storage procedures. Along the year Return of Packaging containing Leftovers, Return of Lids and Wash & Return campaigns were conducted, with materials distributed at the receiving stations and wholesalers and communicated via social networks.

inpEV also shared materials with farmers on coronavirus prevention and disseminated new protocols in order to assure that packaging was received in a safe manner at central stations, outposts and itinerant collection stations. On the inpEV institutional website, an exclusive page was created to inform all measures adopted to fight Covid-19. **154 tons** of food were collected and distributed to families in a vulnerable situation during the 2020 DNCL edition.

The virtual DNCL edition reached 600,000 views on the inpEV YouTube channel. The event also had a robust repercussion on Facebook by reaching more than **4.8 million people.**

In 2020, the posts on the inpEV Facebook page reached **25 million people**. Altogether there were **719,000 interactions**, among likes, comments and sharing.



Multi-stakeholder dialog and cooperation

GRI 102-12, 103-2 & 103-3

• npEV's participation in different initiatives and multilateral groups allows the very successful reverse logistics and circular model of the Campo Limpo System to be shared, which positively influences other sectors. This interaction also guarantees that inpEV follows important sector discussions, including topics related to the global sustainability agenda.

Since 2019, inpEV is a member of the Global Compact Brazilian Network (Rede Brasil), a UN (United Nations) initiative that leverages good practices among organizations concerning the topics of human rights, labor relations, environment and anti-corruption practices. There are around 14,000 members across 160 countries - only in Brazil there are over 950 members. inpEV participates in the Food and Agriculture Theme Group of Rede Brasil and seeks to disseminate the ten principles of the Global Compact to member companies. Another Institute commitment is to disseminate the SDGs (Sustainable Development Goals), which have been inserted into the Campo Limpo PEA syllabus (Environmental Educational Program) (*read more on page 42*).

inpEV also leverages its representativeness in different sector forums and the industry to reaffirm the importance of these agendas and its commitment towards responsible resource management, such as the Members Assembly, which includes agrichemical manufacturing companies, Abag (Brazilian Agribusiness Association) Inputs Committee and CNI (National Industry Confederation) Residue Committee, which it coordinates. These themes are also present in different meetings to which inpEV is invited to lecture at (see below a list of the main 2020 events).

The Institute also participated in Proclima (Climate Change Statewide Program of the State of São Paulo), which encourages the adoption of strategies to reduce GHG (greenhouse gas) emissions from organizations.

ENEB 2020

Once again inpEV supported ENEB (Enactus Brasil National Event), of the Enactus global organization, which encourages universities to develop entrepreneurial and sustainable projects. In an unprecedented fashion, Brazil, represented by the ENEB winning team, was one of the four finalist countries in the Enactus World Cup 2020 in which 37 countries participated.

CAMPO LIMPO SYSTEM: A GLOBAL REFERENCE

In 2020, the inpEV presiding director presented the Brazilian empty crop protection packaging reverse logistics model at an on-line seminar promoted by Cleanfarms Inc., a Canadian environmental management organization. He also started a knowledge transfer process with Argentina and the United States.

The Campo Limpo System was the highlight of the 2020 Field Day - SP Agro Paths edition of the Secretary of Agriculture and Food Supply of the State of São Paulo. A live transmission with the presence of the Institute's presiding director was held on August 17, and was integrated to the DNCL (National Clean Field Day) activities. The presiding director also participated during the opening and closing live transmissions of the Citizenship in the Field: SP Agro Paths project, of the State Secretary of Agriculture and Food Supply. This project presented 10 episodes on the initiatives that promote more efficient and sustainable agriculture - the Campo Limpo System was shown in one of them.

In November, the presiding director celebrated one year of inpEV joining Proclima during a live transmission promoted by Cetesb (Environmental Agency of the State of São Paulo).

Check out other 2020 events in which inpEV participated:

- Coopavel Rural Show, in Cascavel (PR)
- ShowTech 2020, in Maracaju (MS)
- The challenges of Leading in a Virtual World live transmission, by GS1 Brasil
- Live transmission promoted by ThinkBrasil to celebrate the Environment Week
- 8th Mato Grosso State Solid Residue Plan Webinar (PERS-MT), held by the Uniselva Foundation
- Environment Week, of Chapadão do Sul (MS) City Hall



inpEV was present at the Coopavel Rural Show, which took place in February in the city of Cascavel (PR).

The Institute also supported the 19th edition of the Brazilian Agribusiness Congress, of Abag (Brazilian Agribusiness Association).

RENEGOTIATED COMMITMENT GRI 102-12

In 2020, inpEV reconfirmed its adherence to the Term of Commitment for the Reverse Logistics of Empty Crop Protection Packaging of the State of Ceará. Besides this state, the Institute continues committed to the terms of commitment of São Paulo and Paraná. It reports compliance to the disposal goals and geographical coverage to the three states on an annual basis.

At the beginning of 2020, inpEV organized a lecture on tax reform for member companies, and shared updates on the topic. Over 50 people attended.

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Economic feasibility

GRI 103-2, 103-3 & 201-4

he inpEV revenues result from contributions of the crop protection manufacturing industry, from affiliation fees to cover the costs of the receiving stations, from recycler accreditation fees and the lease of the Campo Limpo Plastic Recycling and Transformation, where the revenues arising from recycling are the main source to cover operational costs of the receiving stations. There is no financial transfer from the government or from credit agencies.

System self-sufficiency is one of the explicit objectives of the inpEV vision and guides different initiatives that seek to increase productivity and efficiency and reduce costs. In 2020, for example, a new press project was approved, to be used at the central stations, which will increase productivity at these units by around 60%. In the administrative scope, inpEV structured the GED (Document Electronic Management) project, which will become effective in 2021 and will result in productivity gains and cost reductions.

In 2020, the generated resources corresponded to around 65% of the System costs - it is expected that this percentage increase gradually until achieving self-funding. To ensure transparent management, the budget is followed in monthly managerial and Board of Directors meetings.

inpEV has been consulted and has been negotiating with other sectors to help them find alternatives to structure and manage their waste. This may contribute to reduce the costs of the Campo Limpo System.

Since 2002, all the chain links have invested around **R\$ 1.4 billion** in funding the Campo Limpo System operations.

System funding in 2020 (%)



ECONOMIC-FINANCIAL PERFORMANCE GRI 102-7 & 201-1

R\$ million	2018	2019	2020
Total assets	108.8	136.7	165.3
Total resources that finance the program (inpEV + chain links) accumulated since 2002	1,253	1,380	1,399
Net revenue of the activities	135.4	139.2	146.0
Member contributions	72	72	69.2
Accreditation fee ¹	15	16.5	17.6
Campo Limpo Property Lease ²	8	10	11.2
Net equity	98	113.2	112.4
Net indebtedness ³	2	2	2.6

1 Paid by recyclers for shipment of the packaging sent by inpEV and for the Institute's technical cooperation.

2 Rent paid by Campo Limpo Plastic Transformation and Recycling S.A. to inpEV. 3 Only considers obligations with suppliers, excluding obligations with central stations and outposts.

> Other information about the economic performance of inpEV is available in the financial statements, presented herein starting on page 57.

How to join inpEV

o become a member of inpEV, manufacturing industries or importers that are registrants of crop protection products according to Federal Law nr. 7802/89 must adhere to the following circumstances: manufacture (directly or indirectly by means of a tolling contract), formulate or import at least one crop protection product already commercialized in the Brazilian market and be the titleholders of the manufacturing, formulation or import rights relating to the registration of said product before the competent agency, thus demonstrating that they are part of the product custody chain.

The initial contact with inpEV is done via e-mail or telephone. After this, a meeting is held with the company's legal representative, at which time more information is provided about the Campo Limpo System, the membership procedures, the inpEV internal processes and costs. The membership proposal is submitted to the Board of Directors once a month for final approval.

inpEV ended the year with 131 members.

ASSOCIATED ENTITIES

- ADAMA BRASIL S.A.
- ADM DO BRASIL LTDA.
- AGBITECH CONTROLES BIOLÓGICOS LTDA.
- AGRIVALLE BRASIL INDÚSTRIA E COMÉRCIO DE PRODUTOS AGRÍCOLAS LTDA.
- AGRO IMPORT DO BRASIL LTDA.
- AGROCETE INDÚSTRIA DE FERTILIZANTES LTDA.
- AGROFRESH BRASIL LTDA.
- AGROVANT COMÉRCIO DE PRODUTOS AGRÍCOLAS LTDA.
- ALAMOS DO BRASIL LTDA.
- ALBAUGH AGRO BRASIL LTDA.
- ALLIERBRASIL AGRONOMIA LTDA.
- ALTA AMÉRICA LATINA TECNOLOGIA AGRÍCOLA LTDA.
- AMERIBRÁS INDÚSTRIA E COMÉRCIO LTDA.
- AMVAC DO BRASIL IMPORTAÇÃO E COMÉRCIO DE INSUMOS AGRÍCOLAS LTDA.
- ANASAC BRASIL COMÉRCIO E LOCAÇÃO DE MÁQUINAS LTDA.
- ANDERMATT DO BRASIL SOLUÇÕES BIOLÓGICAS LTDA.
- ATTA-KILL INDÚSTRIA E COMÉRCIO DE DEFENSIVOS AGRÍCOLAS LTDA.
- AVGUST CROP PROTECTION IMPORTAÇÃO E EXPORTAÇÃO LTDA.
- BALLAGRO AGRO TECNOLOGIA LTDA.
- BASF S.A.
- BAYER S.A.
- BEQUISA INDÚSTRIA QUÍMICA DO BRASIL LTDA.
- BIO CONTROLE MÉTODOS DE CONTROLE DE PRAGAS LTDA.
- BIO SPRINGER DO BRASIL INDÚSTRIA DE ALIMENTOS S.A.
- BIOCONTROL SISTEMA DE CONTROLE BIOLÓGICO LTDA.
- BIOMA INDÚSTRIA E COMÉRCIO E DISTRIBUIÇÃO EIRELI
- BIONAT SOLUÇÕES BIOLÓGICAS LTDA.
- BIORISK ASSESSORIA E COMÉRCIO DE PRODUTOS AGRÍCOLAS LTDA.

- BIOTROP SOLUÇÕES BIOLÓGIÇAS LTDA.
- BIOVALENS LTDA.
- BRA DEFENSIVOS AGRÍCOLAS LTDA.
- CCAB AGRO S.A.
- CHDS DO BRASIL COMÉRCIO DE INSUMOS AGRÍCOLAS LTDA.
- CHEMITEC AGRO-VETERINÁRIA LTDA.
- COMDEAGRO COOPERATIVA MISTA DE DESENVOLVIMENTO DO AGRONEGÓCIO
- COPALLIANCE COOPERATIVA DE CONSUMO DE PRODUTOS AGROPECUÁRIOS, IMPORTAÇÃO, EXPORTAÇÃO E COMÉRCIO LTDA.
- CP 2 LTDA.
- CROPCHEM LTDA.
- CROSS LINK CONSULTORIA E COMÉRCIO LTDA.
- DALNEEM BRASIL COMÉRCIO DE PRODUTOS AGROPECUÁRIOS LTDA.
- DE SANGOSSE AGROQUÍMICA LTDA.
- DEGESCH DO BRASIL INDÚSTRIA E COMÉRCIO LTDA.
- DILLON BIOTECNOLOGIA LTDA.
- DINAGRO AGROPECUÁRIA LTDA.
- DOMINUS QUÍMICA LTDA.
- DOW AGROSCIENCES INDUSTRIAL LTDA.
- DU PONT DO BRASIL S.A.
- ENERGIS 8 AGROQUÍMICA LTDA.
- FÊNIX AGRO PECUS INDUSTRIAL LTDA.
- FMC QUÍMICA DO BRASIL LTDA.
- FORQUÍMICA AGROCIÊNCIA LTDA.
- GÊNICA INOVAÇÃO BIOTECNOLÓGICA LTDA.
- GREEN PLACE COMÉRCIO E DISTRIBUIÇÃO LTDA.
- HELM DO BRASIL MERCANTIL LTDA.
- IHARABRÁS S.A. INDÚSTRIAS QUÍMICAS
- INDOFIL INDUSTRIES DO BRASIL LTDA.
- INDÚSTRIA QUÍMICA DIPIL LTDA.
- INNOVA LTDA.
- INQUIMA LTDA.
- IRRIGAÇÃO DIAS CRUZ LTDA.
- ISAGRO BRASIL COMÉRCIO DE PRODUTOS AGROQUÍMICOS LTDA.
- ISCA TECNOLOGIAS LTDA.
- KOPPERT DO BRASIL HOLDING LTDA
- LALLEMAND SOLUÇÕES AGROBIOLÓGICAS LTDA.
- LANDEVO QUÍMICA DO BRASIL LTDA.
- LUXEMBOURG BRASIL COMÉRCIO DE PRODUTOS QUÍMICOS LTDA.
- MANEOGENE AGROCIÊNCIAS S.A.
- MASTERBOR INDÚSTRIA E COMÉRCIO DE PRODUTOS QUÍMICOS LTDA.
- MEZFER BR SOLUÇÕES AGRÍCOLAS LTDA.
- MICROBIO SOLUÇÕES AMBIENTAIS LTDA.
- MICROSAL INDÚŠTRIA E COMÉRCIO LTDA.
- MINERAÇÃO E PESQUISA BRASILEIRA LTDA.
- MITSUI & CO (BRASIL) S.A.
- MOMENTIVE PERFORMANCE MATERIALS INDÚSTRIA DE SILICONES LTDA.
- MONSANTO DO BRASIL LTDA.
- MORSOLETTO & VICENTE CANO LTDA.
- NICHINO DO BRASIL AGROQUÍMICOS LTDA.
- NOOA CIÊNCIA E TECNOLOGIA AGRÍCOLA LTDA.
- NORTOX S.A.
- NOVOZYMES BIOAG PRODUTOS PARA AGRICULTURA

LTDA.

- OLIGOS BIOTECNOLOGIA FABRICAÇÃO DE DEFENSIVOS AGRÍCOLAS LTDA.
- OMEX AGRIFLUIDS DO BRASIL PRODUTOS AGRÍCOLAS LTDA.
- ORO AGRI BRASIL PRODUTOS PARA AGRICULTURA LTDA.
- OURO FINO QUÍMICA LTDA.
- OXIQUÍMICA AGROCIÊNCIA LTDA.
- OXON BRASIL DEFENSIVOS AGRÍCOLAS LTDA.
- PB BRASIL INDÚSTRIA E COMÉRCIO DE GELATINAS LTDA.
- PERTERRA INSUMOS AGROPECUÁRIOS S.A.
- PETROBRAS DISTRIBUIDORA S.A.
- PILARQUIM BR COMERCIAL S.A.
- PLATO DO BRASIL COMÉRCIO LTDA.
- PRENTISS QUÍMICA LTDA.
- PROMIP MANEJO INTEGRADO DE PRAGAS LTDA.
- PROPHYTO COMÉRCIO E SERVIÇOS LTDA.
- PROREGISTROS REGISTROS DE PRODUTOS LTDA.
- PROVENTIS LIFESCIENCE DEFENSIVOS AGRÍCOLAS LTDA.
- PROVIVI DO BRASIL SERVIÇOS AGRÍCOLAS LTDA.
- PRTRADE TECNOLOGIA E INDÚSTRIA QUÍMICA E FARMACÊUTICA LTDA.
- QUIMETAL PRODUTOS QUÍMICOS DO BRASIL LTDA.
- RAINBOW DEFENSIVOS AGRÍCOLAS LTDA.
- RIZOFLORA BIOTECNOLOGIA S.A.
- ROTAM DO BRASIL AGROQUÍMICA E PRODUTOS AGRÍCOLAS LTDA.
- SABERO ORGANICS AMÉRICA S.A.
- SHARDA DO BRASIL COMÉRCIO DE PRODUTOS QUÍMICOS E AGROQUÍMICOS LTDA.
- SIMBIOSE INDÚSTRIA E COMÉRCIO DE FERTILIZANTES E INSUMOS MICROBIOLÓGICOS LTDA.
- SINON DO BRASIL LTDA.
- SIPCAM NICHINO BRASIL S.A.

- SOLUS INDÚSTRIAS QUÍMICAS LTDA.
- STOCKTON AGRIMOR DO BRASIL LTDA.
- STOLLER DO BRASIL LTDA.
- SUMITOMO CHEMICAL BRASIL INDUSTRIA QUÍMICA S.A.
- SUMITOMO CHEMICAL DO BRASIL REPRESENTAÇÕES LTDA.
- SYNGENTA PROTEÇÃO DE CULTIVOS S.A.
- TAGROS BRASIL COMÉRCIO DE PRODUTOS QUÍMICOS LTDA.
- TAMINCO DO BRASIL PRODUTOS QUÍMICOS LTDA.
- TECNOMYL BRASIL DISTRIBUIDORA DE PRODUTOS AGRÍCOLAS LTDA.
- TIDE DO BRASIL LTDA.
- TOYOBO DO BRASIL PRODUTOS BIOLÓGICOS LTDA.
- TRADECORP DO BRASIL COMÉRCIO DE INSUMOS AGRÍCOLAS LTDA.
- TUNDRA AGROINDUSTRIAL LTDA.
- TZ BIOTEC LTDA.
- UNIBRÁS AGROQUÍMICA LTDA.
- UNION AGRO LTDA.
- UPL DO BRASIL INDÚSTRIA E COMÉRCIO DE INSUMOS AGROPECUÁRIOS S.A.
- VECTORCONTROL INDÚSTRIA E COMÉRCIO DE PRODUTOS AGROPECUÁRIOS LTDA.
- VITAL BRASIL CHEMICAL INDÚSTRIA E COMÉRCIO DE PRODUTOS QUÍMICOS LTDA.
- VITTIA FERTILIZANTES E BIOLÓGICOS LTDA.
- W. NEUDORFF SERVIÇOS DE AGRICULTURA DO BRASIL LTDA.
- XINGFA & WENDA DO BRASIL LTDA.
- YONON BIOCIÊNCIAS E DEFENSIVOS AGRÍCOLAS LTDA.
- ZHONGSHAN QUIMICA DO BRASIL LTDA.

PARTNERING RECYCLERS AND INCINERATORS

NAME	LOCATION
RECYCLERS	
CAMPO LIMPO TAMPAS E RESINAS PLÁSTICAS LTDA.	TAUBATÉ (SP)
CAMPO LIMPO RECICLAGEM E TRANSFORMAÇÃO DE PLÁSTICOS S.A.	TAUBATÉ (SP)
CIMFLEX INDÚSTRIA E COMÉRCIO DE PLÁSTICOS LTDA.	MARINGÁ (PR)
DINOPLAST INDÚSTRIA E COMÉRCIO DE PLÁSTICOS LTDA.	LOUVEIRA (SP)
PLASTIBRÁS INDÚSTRIA E COMÉRCIO LTDA.	CUIABÁ (MT)
ECO PAPER PRODUTOS EM PAPEL LTDA.	PINDAMONHANGABA (SP)
TUBOLIX EMBALAGENS LTDA.	TIETÊ (SP)
GLOBAL STEEL TRANSPORTE E COMÉRCIO DE FERRO E AÇO EIRELI	PIRACICABA (SP)
VALPASA INDÚSTRIA DE PAPEL LTDA.	TANGARÁ (SC)
VASITEX VASILHAMES LTDA.	GUARULHOS (SP)
INCINERATORS	
CLARIANT S.A./PCN SUZANO SPE S.A.	SUZANO (SP)
ESSENCIS SOLUÇÕES AMBIENTAIS S.A.	TABOÃO DA SERRA (SP)
ECOVITAL CENTRAL DE GERENCIAMENTO AMBIENTAL S.A.	SARZEDO (MG)
NEOTECH SOLUÇÕES AMBIENTAIS LTDA.	UBERABA (MG)

Summary of the GRI Content GRI 102-55

Content	Page/Response
GRI 101: 2016 FUNDAMENTALS	
GRI 102: 2016 GENERAL CONTENT	
102-1 Name of organization	17
102-2 Activities, brands, products, and services	The description is on page 17. No services provided by inpEV in a given market are prohibited in other regions of activity.
102-3 Location of the organization headquarters	17
102-4 Location of operations	29
102-5 Nature of ownership and legal form	Private non-profit organization.
102-6 Markets serviced	11
102-7 Size of organization	17, 29, 50
102-8 Information about employees and other workers	36, 37
102-9 Supply chain	18
102-10 Significant changes in the organization and its supply chain	No significant changes occurred to the supplier chain, and the changes within the organization itself reflect the increase in disposed volumes and expansion of the total units managed by inpEV, as described on pages 2, 28, 35 and 36.
102-11 Precautionary approach or principle	inpEV does not directly adopt the precautionary principle, but applies risk management in its planning and execution of activities, focusing on safety and minimizing impacts.
102-12 External initiatives	48
102-13 Participation in associations	inpEV is a member of CropLife Latin America, an international organization that defends agricultural productivity and sustainability, and is part of the Sindiveg committee (National Union of Plant Health Products Industry).
102-14 Statement from the most senior executive	2
102-16 Values, principles, standards and norms of behavior	18, 20
102-18 Governance structure	19

Content		Page/Response	
102-40 List of stakeholder groups		Employees, member companies, distribution channels, farmers, public power, surrounding communities and society.	
102-41 Collective bargaining agreements		38	
102-42 Stakeholder identification and selection		inpEV considers its value chain, consisting of different audiences that impact the Campo Limpo System operations and that are impacted by it.	
102-43 Approach to engage stakeholders	3	The last materiality process considered external and internal interviews as well as on-line consultations with managers, workers and members.	
102-44 Main identified topics and concer	ns	24, 25	
102-45 Entities included in the consolidat financial statements	ted	This report follows the same scope of the Fir Statements that are part of this publication, a all entities comprising inpEV.	nancial Ind covers
102-46 Definition of report content and lin material topics	mits of the	Pages 24 and 25. The reported indicators co inpEV's operations and exceptions are clearly	nsider all of / indicated.
102-47 List of material topics		24, 25	
102-48 Information restatement		None.	
102-49 Reporting changes		No significant methodology changes occurred, but the coverage scope followed the operational expansion as indicated on page 28.	
102-50 Period covered by this report		From January 1 to December 31 of 2020.	
102-51 Date of the most recent report		May of 2020.	
102-52 Report issuance cycle		Annual.	
102-53 Contact information for questions	concerning the report	e-mail: faleconosco@inpev.org.br or website: http:// inpev.org.br/fale-conosco/.	
102-54 Declarations of reporting in comp GRI Standards	liance with the	1	
102-55 Summary of the GRI content		53	
102-56 External assurance		It was limited to the Financial Statements. The independent audit report is on page 59.	
GRI standard	Content	Pa	age/Response
MATERIAL TOPIC: OPERATIONAL EXPANSIO	N		
	103-1 Material topic	explanation and its limit	24, 25
GRI 103: 2016 form of management	103-2 Form of manag	gement and its components	24, 25, 28
	103-3 Evaluation of the form of management		28

GRI standard	Content	Page/Response
Not applicable	Relevant information on the topic	28
MATERIAL TOPIC: OPERATIONAL ECO-EFFIC	CIENCY	
	103-1 Material topic explanation and its limit	24, 25
GRI 103: 2016 form of management	103-2 Form of management and its components	24, 25, 33
	103-3 Evaluation of the form of management	33
GRI 301: 2016 materials	301-3 Products and their recovered packaging	9
GRI 302: 2016 energy	302-1 Power consumption within the organization	34
GRI 303: 2018 water and effluents	303-3 Water uptake	34
GRI 305: 2016 emissions	305-5 Reduction of greenhouse gas (GHG) emissions	33
	306-1 Residue generation and significant impacts related to residue	9
	306-2 ignificant impact management related to residue	13
GRI 306: 2020 residue	306-3 Generated residue	13, 14
	306-4 Residue not sent to final disposal	13, 14
	306-5 Residue sent to final disposal	13, 14
GRI 307: 2016 environmental compliance	307-1 Non-compliance with environmental laws and regulations	None.
MATERIAL TOPIC: INNOVATION AND TECHN	OLOGY	
	103-1 Material topic explanation and its limit	24, 25
GRI 103: 2016 form of management	103-2 Form of management and its components	24, 25, 41
	103-3 Evaluation of the form of management	41
Not applicable	Relevant information on the topic	41
MATERIAL TOPIC: HUMAN DEVELOPMENT		
	103-1 Material topic explanation and its limit	24, 25
GRI 103: 2016 form of management	103-2 Form of management and its components	24, 25, 38, 39
	103-3 Evaluation of the form of management	38, 39
GRI 403: 2018 labor safety and health	403-9 Work accidents	40
	404-1 Annual average training hours per employee	39
GRI 404: 2016 training and education	404-3 Percentage of employees receiving regular performance and career development assessments	38

GRI standard	Content	Page/Response			
MATERIAL TOPIC: MULTI-STAKEHOLDER COOPERATION AND DIALOG					
	103-1 Material topic explanation and its limit	24, 25			
GRI 103: 2016 form of management	103-2 Form of management and its components	24, 25, 46			
	103-3 Evaluation of the form of management	46			
GRI 205: 2016 fight against corruption	205-2 Communication and training on anti-corruption policies and procedures	20, 21			
GRI 413: 2016 local communities	413-1 Engagement operations, impact assessments and development programs focused on the local community	All central stations managed by inpEV engage by means of the DNCL (National Clean Field Day) and PEA (Environmental Educational Program), which are discussed in detail on pages 42 to 45.			
MATERIAL TOPIC: EDUCATION AND AWARE	NESS				
	103-1 Material topic explanation and its limit	24, 25			
GRI 103: 2016 form of management	103-2 Form of management and its components	24, 25, 42			
	103-3 Evaluation of the form of management	42			
Not applicable	Relevant information on the topic	42			
MATERIAL TOPIC: LOGISTICS					
	103-1 Material topic explanation and its limit	24, 25			
GRI 103: 2016 form of management	103-2 Form of management and its components	9, 24, 25			
	103-3 Evaluation of the form of management	9, 31			
Not applicable	Relevant information on the topic	31			
MATERIAL TOPIC: ECONOMIC FEASIBILITY					
	103-1 Material topic explanation and its limit	24, 25			
GRI 103: 2016 form of management	103-2 Form of management and its components	24, 25, 49			
	103-3 Evaluation of the form of management	49			
GRI 201: 2016 economic performance	201-1 Directly generated and distributed economic value	Page 50. The results statements are on page 62.			
	201-4 Financial aid received from the government	49			
GRI 419: 2016 socioeconomic compliance	419-1 Non-compliance with laws and regulations in the socioeconomic area	None.			



Independent auditor's report

To the Members and Managers Instituto Nacional de Processamento de Embalagens Vazias - inpEV

OPINION

We have audited the accompanying financial statements of Instituto Nacional de Processamento de Embalagens Vazias - inpEV ("Institute"), which comprise the balance sheet as at December 31, 2020 and the statements of surplus (deficit), comprehensive income (loss), changes in net worth and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Instituto Nacional de Processamento de Embalagens Vazias - inpEV as at December 31, 2020, and its financial performance and cash flows for the year then ended, in accordance with accounting practices adopted in Brazil.

BASIS FOR OPINION

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Institute in accordance with the ethical requirements established in the Code of Professional Ethics and Professional Standards issued by the Brazilian Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting practices adopted in Brazil, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Institute or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Institute's financial reporting process.

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AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

São Paulo, February 22, 2021

PricewaterhouseCoopers Auditores Independentes CRC 2SP000160/O-5

Renato Barbosa Postal Contador CRC 1SP187382/O-0

Assets	2020	2019	Liabilities and net worth	2020	2019
Current assets			Current liabilities		
Cash and cash equivalents (Note 6)	59,238	36,169	Accounts payable	2,629	2,021
Accounts receivable (Note 7)	4,888	17,405	Payables to centers and stations (Note 12)	1,174	4,231
Advances granted (Note 8)	4,379	8,709	Center surplus (Note 13)	3,884	2,474
Prepaid expenses	117	129	Salaries and social charges	4,492	3,373
	68,622	62,412	Taxes payable	423	326
			Provision for contingencies (Note 14)	44	46
			Lease liabilities (Note 10.1)	425	342
			Advances from associates (Note 15)	11,537	6,493
			Deferred revenue (Note 16)	1,983	-
Non-current assets				26,591	19,306
Long-term receivables	-				
Security deposit for rent (Note 9)	129	125			
Property and equipment (Note 10)	89,156	69,282	Non-current liabilities		
Right-of-use asset (Note 10.1)	6,218	4,163	Lease liabilities (Note 10.1)	6,042	3.923
Intangible assets (Note 11)	1,172	700	Provision for contingencies (Note 14))	-	216
	96,675	74,270	Deferred revenue (Note 16)	20,306	-
			Total liabilities	52,939	23,445
			Equity (Note 17)		
			Net worth	112,358	113,237
Total do ativo	165,297	136,682	Total liabilities and net worth	165,297	136,682

BALANCE SHEET AT DECEMBER 31 (All amounts in thousands of reais) GRI 201-1

The accompanying notes are an integral part of these financial statements.

STATEMENT OF SURPLUS (DEFICIT) YEARS ENDED DECEMBER 31 (All amounts in thousands of reais unless otherwise stated)	2020	2019
Net revenue from activities (Note 18)	147,924	139,222
Expenses with activities		
General and administrative (Note 23)	(146,156)	(131,319)
Other gains, net (Note 24)	(5,015)	735
(Reversal of) Provision for impairment of accounts receivable, net of reversals (Note 7)	63	(75)
	(151,108)	(130,659)
Operating surplus (deficit)	(3,184)	8,563
Finance costs (Note 25)	(872)	(851)
Finance income (Note 25)	1,290	2,142
Finance income, net	418	1,291
Surplus (deficit) for the year	(2,766)	9,854
STATEMENT OF COMPREHENSIVE INCOME (LOSS) YEARS ENDED DECEMBER 31 (All amounts in thousands of reais)	2020	2019
Surplus (deficit) for the year	(2.766)	9,854

	(<i>/ /</i>	,
Other comprehensive income	-	-
Total comprehensive income (loss) for the year	(2,766)	9,854

STATEMENT OF CHANGES IN NET WOR- TH YEARS ENDED DECEMBER 31 (All amounts in thousands of reais)	Net worth	Reserve for new associates	Accumulated surplus	Total
At January 1, 2019	91,650	6,547	-	98,197
Surplus for the year			9,854	9,854
Contributions from new affiliations (Note 17)		5,186		5,186
Allocation of surplus for the year	9,854		(9,854)	-
At December 31, 2019	101,504	11,733	-	113,237
Deficit for the year			(2,766)	(2,766)
Contributions from new affiliations (Note 17)		1,887		1,887
Absorption of deficit for the year	(2,766)		2,766	-
At December 31, 2020	98,738	13,619	-	112,358

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31	2020	2010
(All amounts in thousands of reais)		2013
Cash flows from operating activities		
Surplus (deficit) for the year	(2,766)	9,854
Adjustments		
Depreciation and amortization (Notes 10 and 11)	14,100	8,390
Deferred revenue (Note 16)	(1,880)	
Net book value of property and equipment and intangible asset disposals (Notes 10 and 11)	14,002	915
Impairment of property and equipment (Note 24)	3,541	-
Provision for contingencies (Note 14)	1,479	2,129
Reversal of provision for impairment of accounts receivable (Note 7)	(63)	75
Interest on leases (Note 10.1)	457	274
	28,870	21,637
Changes in assets and liabilities		
Accounts receivable	12,580	(5,807)
Advances granted	4,330	(2,774)
Prepaid expenses	12	(28)
Judicial deposits	(1,697)	(1,939)
Security deposit for rent	(4)	(6)
Accounts payable	608	(379)
Payables to centers and stations	(3,057)	1,922
Center surplus	1,411	(9)
Salaries and social charges	1,119	385
Taxes payable	96	(14)
Advances from associates	5,044	6,491
Net cash generated by operating activities	49,312	19,481
Cash flows from investing activities		
Acquisitions of fixed assets and intangible assets (Notes 10 and 11)	(27,579)	(29,046)
Proceeds from sale of property and equipment	267	1.502
Net cash used in investing activities	(27,312)	(27,544)
Cash flows from financing activities		
Leases paid (Note 10.1)	(818)	(506)
Contributions from new affiliations (Note 17)	1 887	5 186
Net cash generated by financing activities	1.069	4.680
Net increase (decrease) in cash and cash equivalents	23.069	(3.385)
Cash and cash equivalents at the beginning of the year	36,169	39.554
Cash and cash equivalents at the end of the year	59,238	36,169
	,	
Non-cash transactions		
Initial recognition of right-of-use assets and remeasurements	2,562	4,343
Initial recognition of lease liabilities (current and non-current) and remeasurements	(2,562)	(4,343)
Initial recognition of buildings measured at fair value	24,170	-
Initial recognition of deferred revenue (current and non-current)	(24,170)	

AThe accompanying notes are an integral part of these financial statements.

1 GENERAL INFORMATION

Instituto Nacional de Processamento de Embalagens Vazias ("inpEV" or "Institute") (National Institute for Processing Empty Containers), headquartered in São Paulo, was founded on December 14, 2001, to operate for an indefinite period. The Institute is a private non-profit organization whose objective is to manage the disposal of empty agrochemical and similar containers in Brazil, provide manufacturers, distributors and farmers with support and guidance to meet their legal responsibilities, promote education and awareness of protection of the environment and human well-being and support the technological development of agrochemicals and similar containers.

In order to achieve those objectives, the Institute depends largely on the contributions of its associates.

Because the Institute is structured as an association, it benefits from certain federal tax exemptions.

Law 9,718 of December 1998 defines conditions for exemption from income tax and social contribution (such as the Institute). To maintain the tax exemption, the Institute cannot present a surplus for the year, or, if a surplus is generated, it must be fully allocated to the maintenance and development of the Institute's social purposes. To maintain the tax exemption, the Institute cannot present a surplus for the year, or, if a surplus is generated, it must be fully allocated to the maintenance and development of the Institute's social purposes.

At December 31, 2020, 131 agrochemicals manufacturers in Brazil were affiliates of the Institute (2019 - 112).

These financial statements were approved by the Institute's Statutory Audit Board and Management on February 22, 2021.

1.1 BUSINESS MODEL DESCRIPTION

The Institute, as a representative of the agrochemicals industry, has the legal responsibility for carrying out the proper disposal of empty agrochemicals containers.

Units receive empty containers from rural areas which the Institute disposes of in the proper environmental manner.

After being delivered to the Empty Container Receiving Units (UREs) (units or centers managed by dealer associations), the

Institute becomes responsible for the final disposal of these empty containers, which may be recycled or incinerated, depending on their technical characteristics.

The Institute enters into technical and operational cooperation agreements with recycling companies to process empty containers containing phytosanitary products received by UREs, when recycling is possible.

The containers are sent for recycling by the Centers, under the responsibility of the Institute, by direct shipping from the receiving center to the recycling company.

(a) Accreditation fee for recycling companies

The Institute receives an accreditation fee from recycling companies, for (i) transfer of know-how to the recycling on the utilization of empty containers from agrochemicals industries in the development of new products; and (ii) training for employees of recycling companies on the proper handling of empty phytosanitary containers.

(b) Contributions to the costing of UREs

PThe recycling companies pay the Institute for the containers received as contributions to the costing of UREs. Contributions to fund the UREs are used as a reimbursement for the costs incurred by collection centers and units when receiving empty containers and preparing them for final disposal.

The contributions are transferred to dealer associations (responsible for the management of UREs) as reimbursement for expenses and costs incurred when preparing empty containers for final disposal, on an imprest basis.

Under advice of legal counsel, Management carried out an in-depth analysis of the Institute's business model and, from December 2009, has made changes including requiring the dealer associations deliver empty containers to recycling companies with a shipping invoice for a notional monetary amount.

The accreditation fees and the contributions to fund UREs are calculated based on the product weight delivered to the recycling companies and represent, respectively, some 30% to 40% and some 60% to 70% of the volume of processed products.

(c) Allocation of resources

The contributions for funding UREs are periodically transferred to dealer associations for the maintenance of URE operations, the accreditation fees from recycling companies are used to acquire assets by the Institute which are leased to Campo Limpo - Reciclagem e Transformação de Plásticos S.A. ("Campo Limpo S.A."), whose stockholders are associates of inpEV (Note 1.4), located in the city of Taubaté, state of São Paulo.

(d) Center surplus

The financial results from the shipment of empty containers from the receiving centers to the recycling companies, net of costs shared between the Institute and the dealer associations are, in general, loss making. However, following improvements in the operating processes and growth in the volume of empty containers, the centers are expected to present, on occasion, surpluses for offset against accumulated deficits. Upon offset, the Institute presents these as "Center surplus". Since the Institute is responsible for managing the financial resources, the balances from the "Centers surplus" are controlled in a specific current account and identified individually by centers.

The dealer association agreements establish that the centers with surpluses will have the right to use these, upon mutual consent with the Institute, in the following order:

11. Improvements (expansion, renovation and necessary equipment) in the Receiving Unit;

2. Construction of stations and improvements (expansion, renovation and necessary equipment) in the stations managed by the association of dealers;

3. Improvements in the Receiving Units (Centers), which comprise the package destination system in the same State;

4. Improvements in the Empty Container Receiving units in the same State;

5. Improvements in the Receiving Units and State Stations, according to the aforementioned sequence.

(e) URE Project

By integrating management of the Receiving Centers ("URE Project"), the aim is to promote improvement in benefits across the operating chain to allow all Receiving Centers to become branches of inpEV's. Since 2014, the URE Project has been discussed with and approved by the Institute's management with its representative bodies, members of the General Meeting and Managing Board. Currently, the Institute bears the costs of some 90% of the operations of the centers.

With the taking over of the receiving centers by the Institute, management is targeting the following key benefits:

. cost reduction for distributors;

. implementation of good operating practices;

. procedure standardization; and

. compliance with safety standards and, thus, mitigation of risks for the related elements.

When the URE Project becomes operational, this will make it easier for farmers to return containers, and distributors will face less disruption and, thus, be able to focus more on their core business.

Up to December 31, 2020, actions to transform the receiving centers as branches of inpEV totaled 45 receiving centers (up to December 31, 2019 - 29 receiving centers). Additional information is disclosed in Note 16.

(f) Evaluation of taxes levied on the Institute's operations

Management sought from legal counsel a detailed study on the taxation implications of this operations evaluating the new business model to mitigate risks from possible tax interpretations. This covered the new shipping model revenue from the operations, which are not subject to any taxes or contributions.

During the last two years, the shipping model has been subject to an in-house evaluation by skilled professionals and, as a result, it is now a new operating model named "improved model". Additional information is disclosed in Note 29.

1.2 MANAGEMENT OF THE BUSINESS UNITS

The management of the Institute's business units is organized as follows:

- (a) Core processes construction, maintenance and granting of subsidies to the UREs; transportation of empty containers from the stations to the centers and onto the final destination (to be recycled or incinerated); and final destination costs of containers for incineration (Note 23).
- (b) Support processes communication and marketing of the Institute's operations; education, training and awareness of interested parties and stakeholders; legal support; and selfsustainability projects (Note 23).
- (c) Administrative processes running the Institute's administrative area, including all personnel (Note 23).

1.3 BUSINESS UNIT – RECYCLING

To provide self-sustainability of the Institute's business model, a recycling unit was constructed to receive parts of containers sent to the UREs. These parts are used to manufacture new plastic containers. In 2008, this group of assets was leased to Campo Limpo Reciclagem e Transformação de Plásticos S.A. ("Campo Limpo S.A."). The Institute's accumulated investments in the construction, assembly and expansion was R\$ 83,646 (2019 - R\$ 91,930) (Note 10).

1.4 CAMPO LIMPO - RECICLAGEM E TRANSFORMAÇÃO DE PLÁSTICOS S.A.

One of the Institute's objectives is to achieve economic selfsustainability for the agrochemicals empty containers reverse logistics program through the verticalization of the container receipt and destination process. An investment plan was designed to cover the following stages: 1 - rigid plastic recycling; 2 - turning rigid plastic into containers; 3 - recycling of flexible plastic; and 4 - flexible plastic transformation.

In 2006, the Institute's associates approved the implementation of stages 1 and 2, which have led to the construction and structuring of Campo Limpo - Reciclagem e Transformação de Plásticos S.A. ("Campo Limpo S.A.") to recycle empty containers and manufacture containers to the standard of quality required by the associates, which are manufacturers of phytosanitary products.

At the Annual General Meeting on April 18, 2011, the associates cancelled stages 3 and 4 and agreed to expand stages 1 and 2, by investing in blow molding equipment (manufacture of containers).

The expanded stages 1 and 2 required the purchase of four new blow molding machines, an investment of R\$ 20,000 (unaudited). These machines were installed by December 2013, when the project was concluded.

To make the Campo Limpo S.A. operations feasible, the Institute executed a lease agreement for the assets (Note 10) which provides the Institute a remuneration of some 10% of Campo Limpo S.A.'s net billings (Note 22).

On December 8, 2015, an amendment to the lease agreement established that, upon mutual consent, Campo Limpo S.A. may install new, or replace, equipment to increase revenue and the quality of products, will affect the lease remuneration due to inpEV.

Clause 1.3.2.1 of the amendment requires Campo Limpo to maintain equipment the expenditure for which will be deducted from subsequent lease payable once approved with proper supporting documentation.

Deductions for such expenses have begun to be deductible from lease payments.

The general meeting of inpEV's associates of September 19, 2016, agreed, in order to rationalize these system costs, to make investments to expand activities, in the amount of approximately R\$ 41,200 for the period ranging from 2017 to 2020 (2017 - R\$ 2,727; 2018 - R\$ 7,455, 2019 - R\$ 21,925, and 2020 - R\$ 2,758), through revenue generation from leases of fixed assets, and increasing Campo Limpo S.A.'s operating earnings.

A balance of R\$ 6,278 remains at December 31, 2020, due to the postponement of project deadlines, from the 2017 - 2020 budget, to be disbursed in 2021.

In addition to the amounts that the Institute has invested in Campo Limpo - Reciclagem e Transformação de Plásticos S.A., another investment amounting to R\$ 5,600 to be made in the implementation of water fluoridation technology in the Company's manufacturing plants was approved at the Institute's 28th General Meeting held on June 17, 2019. Of this balance, R\$ 1,300 was disbursed in 2020 and the remainder is expected to be used up to June 2021.

1.4.1 Campo Limpo – Reciclagem e Transformação de Plásticos S.A – Ribeirão Preto Branch

To increase its share in the agrochemicals containers market and improve operating earnings, Campo Limpo System, the recycler Campo Limpo S.A. set up a branch in the city of Ribeirão Preto. Similar to the Taubaté head office arrangement, the branch will transfer 10% of its net revenue to inpEV, beginning on June 27, 2019.

1.5 Campo Limpo Tampas e Resinas Plásticas Ltda.

Campo Limpo Tampas e Resinas Plásticas Ltda. ("Campo Limpo Tampas") was incorporated on January 24, 2014, to complete the container's life cycle within its chain. Campo Limpo S.A. holds 99.99% of its quotas capital. Its purpose is to produce a high-performing Ecocaps cover sealing system. The customer will then be offered a complete containers solution (produced by Campo Limpo S.A.) with covers (produced by Campo Limpo Tampas).

The Institute leased a space within Campo Limpo S.A. for the Campo Limpo Tampas operations, through a lease calculated on the basis of 0.5% of its monthly billing.

In 2020, the Institute accrued lease revenue from the Campo Limpo Tampas operations of R\$ 268 (2019 - R\$ 232) recorded in "Operating lease agreement" (Note 22).

2 SUMMARY OF MAIN ACCOUNTING POLICIES

The main accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied for the years presented.

2.1 BASIS OF PREPARATION

The financial statements have been prepared and are being presented in accordance with accounting practices adopted in Brazil, including the provisions of the Brazilian Federal Accounting Council (CFC) Resolution 1,409/12, which approved the Technical Interpretation ITG 2002 - "Non-profit Entities", and the accounting pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC).

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements requires the use of certain critical accounting estimates. It requires management to exercise its judgment in the process of applying the accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

2.2 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, bank deposits and other short-term highly liquid investments with original maturities of three months or less, and with immaterial risk of change in value.

2.3 FINANCIAL ASSETS

2.3.1 Classification

The Institute classifies its financial assets thus:

• Measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

2.3.2 Measurement

At initial recognition, the Institute measures a financial asset at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

2.3.3 Impairment of financial assets

Impairment of financial assets

The following financial assets held by the Institute are subject to the expected credit loss model:

- accounts receivable
- financial assets carried at amortized cost

Cash and cash equivalents are also subject to the impairment requirements of IFRS 9 / CPC 48, though no impairment loss was identified.

2.4 ACCOUNTS RECEIVABLE

The balances of accounts receivable, representing amounts due from associates and relating to the consideration for the services rendered by the Institute in the course of its business, are recognized initially at transaction value and subsequently measured at amortized cost, less the provision for impairment of accounts receivable. Expected loss provisions are established whenever there is evidence that it is not probable that the Institute will receive amounts due. The amount of expected loss is the difference between carrying amount and recoverable amount. The average receipt term of accounts receivable is 30 days.

The expected loss model, provided for in IFRS 9/CPC 48, has not generated impact on the financial statement of inpEV, since the Institute's accounts receivable basically comprise contributions by associates, linked to the recognition of expenses incurred, as well as amounts receivable from the recycling companies for the supply of containers.

There is no history of default on accounts receivable from contributions. Recycling companies are required under Law 7,802 to implement a reverse logistics program for empty agrochemicals containers in order to be able to conduct their activities in Brazil. Should they fail to pay inpEV, which is the industry representative in Brazil, they will no longer be permitted to operate.

2.5 ADVANCES GRANTED

Advances granted are prepayments to collection centers and units covering their short-term cash needs. They are carried at cost.

2.6 JUDICIAL DEPOSITS

Judicial deposits are in local currency deposited in courts in an escrow bank account linked to a lawsuit, to ensure the settlement of a possible future obligation and which can only be used after a judicial order. These deposits accrue interest and are presented in the balance sheet as a deduction from the provision for contingencies (Note 14).

2.7 PROPERTY AND EQUIPMENT

Property and equipment are stated at historical cost less accumulated depreciation.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, when it is probable that future economic benefits will flow to the Institute and the cost of the item can be measured reliably. The carrying amount of the replaced items or parts is derecognized. All other repairs and maintenance are charged to the statement of surplus (deficit) during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost of the assets less their residual values over their estimated useful lives, as follows:

	Years
Buildings	35 - 60
Equipment and installations	10 - 15
Vehicles	5
Furniture and fittings	12 - 16
Other	10

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to the recoverable amount when it is greater than its estimated recoverable amount.

Gains and losses on asset disposals are determined by comparing the proceeds with the net book value and are recognized within "Other gains (losses), net" in the statement of surplus (deficit)..



2.8 LEASES - RIGHT OF USE AND LEASE LIABILITIES

EOn January 1, 2019, the Institute changed the accounting policy for leases in which the Institute is the lessee.

The Institute is the lessee of five real estate properties (Note 10.1). The lessee recognizes the right to use an asset, which represents the period over which the Institute has control over the use of the leased asset, and the related lease liability, which represents its obligation to make lease payments associated with the leased asset.

At the inception of the lease, the Institute assesses whether the lease contract is or contains a lease. That is, whether the contract conveys to the lessee the right to control the use of an identified asset for a period in exchange for consideration.

The Institute recognizes as a liability the obligation to make the lease payments as well as the right to use the underlying assets at the inception of the lease, except for short-term leases and leases of low-value assets.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and are adjusted for any new remeasurement of the lease liabilities. The cost of right-of-use assets includes the lease liabilities recognized, initial direct costs incurred and lease payments made through the inception date, less any lease incentives received, in addition to the estimated costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

At the inception of the lease, the Institute recognizes lease liabilities at the present value of lease payments to be made over the lease term. Lease payments substantially include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under residual value guarantees.

To calculate the present value of lease payments, the Institute uses its incremental borrowing rate at the inception date because the interest rate implicit in the lease cannot be easily determinable. For lease contracts recognized in the year ended December 31, 2020, the Institute applied a rate of 4.2% p.a. After the inception date, the amount of the lease liability is increased to reflect the interest added and decreased for the lease payments made.

Right-of-use assets are depreciated on a straight-line basis, taking into account the lease term and estimated useful lives of the assets. These amounts were accounted for in non-current assets, under right-of-use assets, and under lease liabilities.

2.9 INTANGIBLE ASSETS

Computer software licenses acquired are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives of three to five years.

2.10 IMPAIRMENT OF NON-FINANCIAL ASSETS

circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash-generating units (CGUs)). Non-financial assets other than goodwill that suffered impairment are subsequently reviewed for possible reversal of the impairment at each reporting date.

2.11 ACCOUNTS PAYABLE

These are obligations substantially for expenses incurred by dealer associations for the maintenance of units which receive containers.

Accounts payable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method. In practice, they are usually recognized at the amount of the related invoice.

2.12 PROVISIONS

The Institute recognizes provisions when: (a) it has a present legal or constructive obligation as a result of past events; (b) it is probable that a transfer of economic benefits will be required to settle the obligation; and (c) the obligation amount can be reliably estimated. Provisions are not recognized for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the time elapsed is recognized as interest expense.

2.13 EMPLOYEE BENEFITS - BONUS

Bonuses, based on targets achieved by employees, are usually recognized at the end of the year, when the amount can be accurately calculated.

2.14 DEFERRED REVENUE

The assets held by the centers that were taken over by the Institute as a result of the URE Project (Note 1.1. (e)) are accounted for as deferred revenue. The accounting policy adopted by the Institute to account for these assets is in compliance with CPC 07, "Government Grants and Disclosure of Government Assistance", which provides the two accounting options below:

- (i) Recognition of the asset's fair value within assets and of the deferred revenue within liabilities; and
- (ii) Recognition of the asset's fair value within assets and of the deferred revenue as a reduction of the asset..

The Instituted elected the first option, considering the recognition at fair value of the assets within property and equipment, with an offsetting entry to deferred revenue within liabilities.

The deferred revenue is accounted for in profit or loss in the same proportion of the asset depreciation expenses recognized, considering the lease terms for the assets assumed in the use concession and free lease and useful life for those centers that have been actually transferred to the Institute, as described in Note 16.

2.15 REVENUE RECOGNITION AND RELATED EXPENSES

Revenue comprises the present value of contributions made by associates, revenue of recycling companies (accreditation fee paid by recycling companies, contributions to the costing of UREs), revenue from operating leases and extraordinary contributions made by associates for investments in Campo Limpo S.A. The amounts related to the business unit dealing with the management of the reverse logistics systems for empty containers of agrochemicals are recognized as revenue as costs and expenses with the management of the system are incurred.

(a) Associate contributions

Associate contribution related costs and expenses incurred for the costing of container receiving, transportation and incineration processes, among others. The contributions are approved by associates when preparing the annual budget, and are submitted monthly for approval in the Institute's meetings with Management.

Contributions in excess of the costs and expenses incurred are accounted for in "Advances from associates" in current liabilities.

(b) Accreditation fee for recycling companies

The recycling companies' accreditation fee is based on the containers received and destined for recycling, and is recognized when the empty containers are effectively delivered to the recycling companies. This amount is equivalent to approximately 30% to 40% of the amount obtained from the containers sent for recycling. The annual contribution of the Institute's associates is reduced by this amount.

(c) Contributions to the costing of UREs

Contributions to the costing of UREs, which range from 60% to 70% of the amount obtained from the containers sent for recycling and applied in the business unit that deals with the management of the reverse logistics systems for empty containers, are recorded when the containers are effectively delivered to the recycling companies and are invested when the UREs (centers and stations) present the costs incurred for preparing the containers to be sent to their final destination.

(d) Operating leases

Operating lease revenue is recorded on the accrual basis of accounting at 10% of the monthly net revenue from the sales of Campo Limpo S.A. and Campo Limpo Tampas products, as provided for by the Property Lease Agreement by and between the parties.
(e) Extraordinary contributions

These are funds transferred by Campo Limpo S.A., on behalf of its stockholders who are also inpEV's associates, as approved in Annual General Meetings, to reduce the amount of annual contributions due to inpEV.

Revenue from extraordinary contributions is recognized after approval by Campo Limpo S.A.'s General Meeting.

The extraordinary contributions are used to reduce the amount of the annual contribution made by associates to inpEV.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Accounting estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events.

The Institute makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(a) Process of management of the final disposal of empty phytosanitary product containers and taxation of the recycling company accreditation fee

Up to November 2009, dealer associations would sell the empty containers to the recycling companies. The Institute received fee from the recycling companies for the accreditation of the recycling companies, for the transfer of recycling process know-how of plastic residues, for the manufacture of new products from such material and for the training of employees of the recycling companies for the proper handling of empty phytosanitary product containers.

To avoid challenges from tax authorities on the sales of containers by the system participants, and considering that the owners of these containers are the manufacturers of the phytosanitary products, the Institute's management, supported by external lawyers, made changes in its business model (Note 1.1.).

With the implementation of the new business model on December 1, 2009, the sales of empty containers to recycling

companies were discontinued, and the amounts that the recycling companies used to pay to dealer associations for the empty containers were incorporated into the amount of contributions to the costing of the UREs and started to be charged directly by the Institute. Simultaneously, a portion of contributions received by the Institute started to be used as a subsidy for part of the costs incurred by units receiving empty containers, which include dealer associations.

The Institute, based on a study prepared by its external lawyers, understands that no payment of taxes on the container shipping operations is applicable.

(b) Provision for tax and labor contingencies

The Institute is challenging in court the Social Contribution on Revenues (COFINS) levied on the accreditation fee, in addition to the payment of termination benefits to former employees (own employees and URE employees) (Note 14). Provisions are established for all contingencies when these indicate probable losses and can be reliably estimated. The assessment of the likelihood of an unfavorable outcome in these lawsuits and administrative proceedings includes the analysis of the evidence available, the hierarchy of the laws, available former court decisions, the most recent court decisions and the Brazilian legal system, under advice of external legal counsel. Management believes that the provisions for tax and labor risks are fairly presented in the financial statements.

4 FINANCIAL RISK MANAGEMENT

4.1 FINANCIAL RISK FACTORS

The Institute is exposed to finance risks related to credit and liquidity.

(a) Credit risk

The Institute makes financial investments only with prime financial institutions in order to minimize credit risks.

Accounts receivable are comprised of amounts from associates and recycling companies that have not yet been received. When the associate or recycling company is in default (Note 7), the Institute's management starts an out-of-court collection process to receive the outstanding balance and, if appropriate, Management may file a judicial collection proceeding.

(b) Liquidity risk

This is the risk of the Institute not having sufficient liquid funds to meet its financial commitments, due to the mismatch of terms or volume in expected receipts and payments.

To manage liquidity of cash in local currency, assumptions for future disbursements and receipts are determined, and these are monitored daily by the finance department.

4.2 CAPITAL MANAGEMENT

The Institute's objectives when managing capital are to safeguard its ability to continue as a going concern for reinvestment and to maintain a capital structure that is sufficient to meet its short-term obligations.

5 FINANCIAL INSTRUMENTS BY CATEGORYA

The Institute's financial assets are represented by cash and cash equivalents (substantially financial investments in investment funds), accounts receivable from associates, security deposit for rent and judicial deposits. They are all classified in the amortized cost category.

Financial liabilities, such as accounts payable, advances from associates and recycling companies and provisions for contingencies, are classified as subsequently measured at amortized cost.

5.1 CREDIT QUALITY OF FINANCIAL ASSETS

The Institute's cash and cash equivalents and financial investments are negotiated with financial institutions classified under the following ratings (FICTH):

	2020	2019
Cash and cash equivalents and securities		
Banco Itaú S.A. – AAA	59,018	35,376
	59,018	35,376

The credit quality of trade receivables is assessed based on the risk of a customer failing to honor payments at maturity dates and difficulty recovering receivables through an out-of-court process.

6 CASH AND CASH EQUIVALENTS

	2020	2019
Cash	-	8
Banks - current accounts	220	785
Investment funds (*)	59,018	35,376
	59,238	36,169
	33,200	00,103

(*) Financial investment remunerated at 97.89% of the Interbank Deposit Certificate (CDI) rate with Banco Itaú S.A. (2019 – Banco Itaú S.A. – 103.00%), being readily redeemable, with no significant discount on redemption.

7 ACCOUNTS RECEIVABLE

	2020	2019
Associate contributions - Recycling companies	4,313	5,856
Recicladores		
Accreditation of recycling companies	769	1,653
Contributions to the costing of UREs	2,321	12,070
Operating lease - Campo Limpo S.A.	861	1,719
Other accounts receivable	473	19
Provision for impairment of accounts receivable	(3,849)	(3,912)
	4,888	17,405

Changes in the provision for impairment of accounts receivable:

	2020	2019
At January 1	(3,912)	(3,837)
Additions	(2)	(87)
Reversal due to receipt	65	12
At December 31	(3,849)	(3,912)

The Institute, after out-of-court collection attempts, through its lawyers decided to file a lawsuit against the associate in default, Fersol Indústria e Comércio Ltda., whose outstanding balance at December 31, 2020 was R\$ 3,667 (2019 - R\$ 3,667). In 2020, a favorable decision for the Institute was issued in the civil proceeding where the associate Fersol is the defendant. However, the likelihood of the Institute receiving the related amounts is low because Fersol has already closed its operations and, for this reason, the Institute decided to sell the credits for which it is entitled. The sale is being carried out by a specialized company and until the 2020 closing there have been no parties interested in the acquisition.

A portion of the remaining balance (represented by five former associates), amounting to R\$ 182, refers to the collection of payments in default, and the Institute decided to recognize a provision for this amount.

The amounts receivable by maturity are as follows:

	2020	2019
Not yet due	4,366	16,324
Overdue		
Up to 60 days	512	1,079
From 61 to 90 days	10	2
From 91 to 180 days	1	39
From 180 to 360 days	11	9
Over 360 days	3,836	3,864
	8,737	21,317

8 ADVANCES GRANTED

	2020	2019
Advances to centers (i)	2,620	6,149
Advances to units (i)	780	1,450
Advances to employees	121	80
Payroll advances	163	131
Other advances	696	899
	4,379	8,709

(i) Pursuant to the agreement entered into with the dealer associations responsible for the management of the collection centers and units dealing with empty containers, effective until November 2009, the Institute assumed a portion of the costs incurred and the related deficit balances. When the new business model became effective (Note 1.1.) in December 2009, the Institute became the manager of the funds generated by the shipping of containers to recycling companies and the reimbursement of all costs incurred by the dealer associations.

Depending on the circumstances, the Institute makes advances to collection centers and units, based on the average expenses for the last three months as presented by the centers. These advances are recognized in the statement of surplus (deficit) for the year, upon presentation of supporting documentation.

Included in the balance of R\$ 2,620 at December 31, 2020 (2019 - R\$ 6,149) is R\$ 1,823 for amounts prepaid to certain centers, which are in surplus, in accordance with the monthly accountability process; the remaining balance refers to the advances granted that are still within the period established by the Institute for accountability. However, because these centers are in surplus, they did not use the funds paid in advance for the execution of their activities (Note 1.1 (d)), thus the Institute presents in liabilities, under Centers Surplus, balances payable to centers in surplus as per the established hierarchy.

Up to the date of issuance of these financial statements, post balance sheet payments totaled R\$ 727 (2019- R\$ 3,013).

9 SECURITY DEPOSIT FOR RENT

The balance of R\$ 129 (2019 - R\$ 125) refers to the security deposit defined in the lease agreement of the property located at Avenida Roque Petroni Junior, 850, the Institute's principal offices. This amount will be redeemed at the end of the agreement.

10 PROPERTY AND EQUIPMENT

	Land	Buildings and im- provements	Equip- ment and installations	Vehicles	Furniture and fit- tings	Other	Total in operation	Construction in progress/ advances	Total prop- erty and equipment
ember 31, 2018	431	11,307	27,584	1,172	443	14	40,951	10,120	51,071
Acquisition	162	477	5,294	540	230	25	6,728	21,781	28,509
Transfers	-	3,380	15,321	-	110	2	18,813	(18,813)	-
Disposal	-	-	(2,290)	(119)	(11)	-	(2,420)	-	(2,420)
Depreciation	-	(1,144)	(6,190)	(438)	(96)	(10)	(7,878)		(7,878)
At December 31, 2019	593	14,020	39,719	1,155	676	31	56,194	13,088	69,282
Total cost	593	22,313	80,387	2,354	1,405	153	107,205	13,088	120,293
Accumulated depreciation	-	(8,293)	(40,668)	(1,199)	(730)	(122)	(51,011)	-	(51,011)
Net book value	593	14,020	39,719	1,155	676	31	56,194	13,088	69,282
At December 31, 2019	593	14,020	39,719	1,155	676	31	56,194	13,088	69,282
Acquisition	-	684	15,889	372	2,695	6	19,646	7,089	26,736
Additions - inpEV's centers (Note 16)	-	24,170	-	-	-	-	24,170	-	24,170
Transfers	-	395	12,454	-	13	-	12,862	(12,862)	0
Disposal (i)	-	(246)	(13,357)	(439)	(76)	(1)	(14,119)	(3,640)	(17,759)
Depreciation	-	(4,163)	(8,587)	(399)	(114)	(9)	(13,272)	0	(13,272)
At December 31, 2020	593	34,860	46,118	689	3,194	27	85,481	3,675	89,156
Total cost	593	45,391	84,194	1,236	3,908	156	135,478	3,675	139,153
Accumulated depreciation	-	(10,531)	(38,076)	(547)	(714)	(129)	(49,997)	-	(49,997)
Net book value	593	34,860	46,118	689	3,194	27	85,481	3,675	89,156

The associates established a separate entity, Campo Limpo Reciclagem e Transformação de Plásticos S.A. ("Campo Limpo S.A."). The assets of Campo Limpo S.A. were acquired by the Institute for its property and equipment, which at December 31, 2020 amounted to R\$ 83,646 (2019 - R\$ 91,930).

On May 1, 2008, the Institute entered into an agreement with Campo Limpo S.A. for the lease of property, industrial equipment, electric, hydraulic and gas installations, tools, vehicles, furniture and fittings, computers and peripherals as well as other assets that are already installed and operating, in addition to other spare equipment attached to the property. This agreement is effective for ten years and automatically renewed for the same period.

(i) In 2020, the Institute hired an independent specialized company to assess and measure the equipment leased to Campo Limpo S.A. in accordance with the accounting standards established by CPC 01, "Impairment of Assets". The assessment resulted in an adjustment to the Institution's assets amounting to R\$ 3,541.

The assets leased to Campo Limpo S.A., included in the table above, are the following:

			2020
Description	Cost	Accumula- ted depre- ciation	Net book value
Buildings and improvements	20,316	(8,851)	11,465
Equipment and installations	59,916	(25,619)	34,297
Vehicles	331	0	331
Furniture and fittings	3,050	(376)	2,674
Construction in progress	2	-	2
Other	31	(27)	4
	83,646	(34,873)	48,773

			2019
Description	Cost	Accumula- ted depre- ciation	Net book value
Buildings and improvements	20,571	(6,810)	13,761
Equipment and installations	59,093	(29,962)	29,131
Vehicles	424	(281)	143
Furniture and fittings	730	(452)	278
Construction in progress	11,079	-	11,079
Other	33	(26)	7
	91,930	(37,531)	54,399

10.1 LEASE AGREEMENTS

The Institute reviewed its rental contracts and identified five contracts that are within the scope of IFRS 16/CPC 06 (R2), for the lease of two floors of a commercial building where the Institute's offices and three buildings for the Institute's central units are located.

The measurements of the right-of-use asset were made taking into account the following assumptions:

• Beginning of the lease term: begins on the date the Institute becomes entitled to use the leased property, being the date of signing the agreements, since from that date it could determine operational aspects of the property such as renovations, and preparation of the physical environment;

• Lease term: period for which inpEV contracted the lease. The Institute adopted the term of each new contract and assumptions detailed below or, when applicable, added by Law 8,245/91 ("Landlord-Tenant Law"), which grants to lessee (Institute) the right to enforceable lease renewals (enforceable right) when certain conditions are satisfied.

i) 18th floor - Offices 181 to 184 (4 offices)

Lease amount: R\$ 25 thousand/month indexed annually by reference to the IGPM Term: 12/01/2016 to 12/31/2031

ii) 13th floor - Offices 131 and 134 (2 offices)

Lease amount: R\$ 14 thousand/month indexed annually by reference to the IGPM Term: 11/01/2018 to 12/31/2031

iii) Central Ituverava/SP

Lease amount: R\$ 5 thousand/month indexed annually by reference to the IGPM Term: 09/01/2019 to 12/31/2031

iv) Central Boa Vista/RR

Lease amount: R\$ 3 thousand/month indexed annually by reference to the IGPM Term: 04/01/2020 to 12/31/2031

v) Central Uberaba/MG

Lease amount: R\$ 5 thousand/month indexed annually by reference to the IGPM Term: 05/01/2019 to 12/31/2031

The lease agreement term has renew options.

- Payments: as established in the agreement, payments consist of fixed monthly installments indexed to the IGPM annually based on the anniversary date of the agreement.
- Incremental interest rate of tenant financing: for five contracts, the Institute considered interest rates required to acquire assets under similar conditions to those leased as of the date of lease contract signing. After analyses, the nominal discount rate was 7% p.a. and (i and ii) and 4.2% p.a. (iii, iv e v), and corresponds to the rate of funding for property financing offered by banks.
- Depreciation of right-of-use asset: The lease agreements do not have purchase options at the end of the lease term. Therefore, the useful life of these assets, in the absence of impairment, is the contractual term,

whichever is shorter. The Institute recognizes the depreciation expense of the right-of-use asset in a systematic and linear manner according to the agreement terms. The useful life is periodically reassessed for the rights-of-use whenever there are changes in the strategic business plans and intentions of the lessors in continuing the contract;

Interest expenses on lease agreements: Interest expenses are recognized as finance costs and allocated to each period during the lease term.

At December 31, 2020, the effects of adoption of IFRS 16/CPC 06 (R2) are shown below:

(i) Balances recognized in the balance

The balance sheet contains the following balances related to leases:

	2020	2019
Right-of-use assets		
Buildings	6,218	4,163
	6,218	4,163
Lease liabilities		
Current	425	342
Non-current	6,042	3,923
	6,467	4,265

Changes in the right-of-use assets are as follows:

	Co	Commercial property		
	2020	2019		
At January 1	4,163	4,343		
New agreements	1,613	-		
Remeasurements	949	154		
Termination of agreements	-	-		
Depreciation	(507)	(334)		
At December 31	6,218	4,163		

The changes in lease liabilities are as follows:

	Commercial property		
	2020	2019	
At January 1	4,265	4,343	
New agreements	1,613	-	
Remeasurements	949	154	
Termination of agreements	-	-	
Payments	(818)	(506)	
Remeasurement of lease liabilities	457	274	
At December 31	6,466	4,265	

(ii) Balances recognized in the statement of surplus (deficit)

The statement of surplus (deficit) includes the following amounts related to leases:

Depreciation charges of right-ofuse assets (total depreciation charge - Note 22) Buildings

Remeasurement of lease liabilities (finance costs - Note 23)

2020	2019
(507)	(334)
(507)	(334)
(457)	(274)
(457)	(274)

11 INTANGIBLE ASSETS

	Software acquired	License	Total
At December 31, 2018	338	-	338
Acquisition	479	60	539
Amortization	(172)	(5)	(177)
At December 31, 2019	645	55	700
Total cost	2,480	60	2,540
Accumulated amortization	(1,835)	(5)	(1,840)
Net book value	645	55	700
At December 31, 2019	645	55	700
Acquisition	681	163	844
Disposal	(51)	-	(51)
Amortization	(284)	(37)	(321)
At December 31, 2020	991	181	1,172
Total cost	2,971	222	3,193
Accumulated amortization	(1,980)	(41)	(2,021)
At December 31, 2020	991	181	1,172

Campo Limpo S.A. Intangible assets at December 31, 2020 are as follows:

			2020
Description	Cost	Accumulated amortization	Net book value
Hardware and software	914	(562)	352
License	97	(17)	80
	1,011	(579)	432

			2019
Description	Cost	Accumulated amortization	Net book value
Hardware and software	907	(564)	343
License	-	-	-
	907	(564)	343

12 PAYABLES TO CENTERS AND STATIONS

These refer to accounts payable to the receiving units (UREs), the centers and stations, under the operating maintenance shared cost agreements with the managers of the units (dealers). The balance at December 31, 2020 was R\$ 1,174 (2019 - R\$ 4,231).

13 CENTER SURPLUS

The surplus balance of certain centers (Note 1.1. (d)), amounting to R\$ 3,884 (2019 - R\$ 2,474), is segregated in a specific financial investment account controlled by each center, and will only be used upon preapproval of the Institute as per the hierarchy of priorities, as established in the agreements.

14 CONTINGENCIES

Provisions and corresponding judicial deposits are as follows:

	Judicial	deposits	Cor	itingency
	2020	2019	2020	2019
Tax - Social Contribution on Revenues				
(COFINS) (I)	20,353	18,656	20,397	18,702
Labor (ii)			-	216
	20,353	18,656	20,397	18,918
Judicial deposits	(20,353)	(18,656)	(20,397)	(18,656)
Net amount under litigation			44	262
Less current liabilities			(44)	(46)
Non-current liabilities			-	216

Changes in the provisions were as follows:

	Тах	Labor	Total
At January 1, 2019	16,767	23	16,790
Complement/ additions (iii)	1,252	216	1,468
Reversal/write-off		(23)	(23)
Accruals	683		683
At December 31, 2019	18,702	216	18,918
Complement/ additions (iii)	1,295	-	1,295
Reversal/write-off		(216)	(216)
Accrual	400		400
At December 31, 2020	20,397	-	20,397

(i) Since 2004, the Institute has generated revenue from accreditation fees, according to agreements entered into with recycling companies. Differently from the Brazilian Federal Revenue Service (RFB), the Institute and its tax lawyers consider that the Social Integration Program (PIS) and the Social Contribution on Revenues (COFINS) should not be levied on these revenues. Accordingly, on July 2, 2004, the Institute filed an inquiry with the Regional Superintendency of Federal Revenue of the 8th Tax Region, in São Paulo, in order to clarify the lack of legal definition about the taxation of PIS and COFINS on other types of revenue (revenue from accreditation fee) of notfor-profit entities, which are exempt from income tax.

The Institute received a positive outcome on June 9, 2008 for the PIS, confirming that PIS should be levied only on payroll balances, which has been the Institute's practice since the beginning of its operations, in March 2002.

However, the Regional Superintendency of Federal Revenue indicated that COFINS should be levied on this type of revenue. The Institute, supported by its tax lawyers, maintained its own interpretation and, in February 2009, filed for a writ of mandamus in order to assure its right for the nonpayment of COFINS on the accreditation fee. This injunction was denied on May 13, 2009. The sentence handed down in October 2013 denied the Institute's claim and determined that the payment of COFINS is due. In November 2013, the Institute lodged an appeal with the Federal Regional Court, which is currently pending judgment.

As a preventive measure, and in order to safeguard the original amount of the tax obligation, the Institute deposited in court the total balance of the provisioned amount plus interest and fines, for the period from 2004 to December 2020, totaling R\$ 20,397 (2019 - R\$ 18,507). The corresponding judicial deposit is presented as a deduction in liabilities.

Other than the COFINS matter referred to above, based on the position of the Institute's external lawyers and, because it is related to the transfer of information and technical knowledge regarding the handling of empty containers up to their final disposal, no further taxes are being levied on the Institute's revenues.

In 2014, the Federal Tax Authorities presented their counterarguments in respect of the Appeal on the merits of the case filed by the Institute, and the case records were sent to the Federal Regional Court (TRF) of the 3rd Region.

In February 2021, the Institute and its legal counselors filed an appeal in the expectation that the decision denying the appeal filed by the Institute could be reconsidered. The Institute's claim was considered, but the interlocutory appeal was denied. The Institute is waiting the publication of the appellate decision in order to challenge it in the Superior Court of Justice, where, according to the Institute's legal counselors, the applicable case law is favorable for the Institute's cause.

- (ii) A labor provision was recorded for claims filed by former employees of UREs. Under advice of its lawyers, the Institute considers the likelihood of loss to be probable.
- (iii) The balance of R\$ 1,295 (2019 R\$ 1,252) refers to the taxes to be paid in 2020 deposited in court in relation to a judicial discussion for the COFINS levied on the accreditation fee.

(a) Possible losses, not provided for in the balance sheet

Some labor claims were filed by former employees of the UREs, for which the Institute is joint obligor, which are regularly reviewed by the legal area.

The reviews are to advise the dealers, which are the actual employers, to the conducting of their processes. At December 31, 2020, the contingency amounted to R\$ 17 (2019 - R\$ 426).

In the event of an unfavorable outcome, the Institute will incur these costs.

Joint obligation for compliance with labor obligations

In 2015, the Federal Labor Prosecution Office (MPT) of Mato Grosso filed a public-interest civil action against the Institute, of approximately R\$ 58,000, questioning the labor obligation in the management of the Sapezal Receiving Unit, which is administered exclusively by the Association of Agronomists of Sapezal (AEASA), and the Institute and the other defendants (manufacturers) were included as joint obligors in the fulfillment of labor obligations.

According to its legal advisors, the labor joint obligation attributed to the Institute is without merit since there is no labor responsibility that could be attributed to the Institute and the other defendants for the reverse logistics chain.

In May 2018, the Labor Court of Sapezal – Mato Grosso State rendered a ruling considering the public-interest civil action to be partially substantiated, and ordering AEASA to pay indemnity for collective personal damages of R\$ 30, as well as indemnity for individual damages of R\$ 4 for each employee working at the Receiving Unit. The ruling further acknowledged that both the Institute and the manufacturers were not to be held responsible for any of the facts disputed in the litigation.

MPT filed an appeal, currently pending judgment by the Regional Labor Court of the 23rd Region.

In 2019, the appeal filed by the MPT of Mato Grosso was analyzed by the Regional Labor Court of the 23rd Region, which considered the public civil action partially unsubstantiated, excluding inpEV and the associates (industry) as joint obligors in the fulfillment of labor obligations. The decision became final and unappealable and no further appeal is possible.

15 ADVANCES FROM ASSOCIATES

Considering that the associated companies contribute for the costing of all expenses with the receipt, transportation and final disposal processes of empty containers, among others, the excess of contributions over costs and expenses incurred is accounted for as advances from associates.

The changes in the advances from associates are as follows:

	January 1, 2020	Additions	Reductions	December 31, 2020
Associate contributions (i)	6.493	79.097	(74.053)	11.537
. /	6.493	79.097	(74.053)	11.537

(i) The Institute's budget for each year sets out the investments required for expansion, maintenance and improvements in centers and units. The remaining balance at the end of each year corresponds to the portion of investments approved for that year but not yet incurred up to the reporting date.

The contributions from associates amounted to R\$ 79,097, and substantially correspond to estimated associate contributions of R\$ 100,156, less the contribution reduction plan of R\$ 25,893 and extraordinary contributions of associates that are also stockholders of Campo Limpo S.A. of R\$ 4,834.

Deductions in 2020 represent the net revenue recognition of the associate contributions of R\$ 74,053, resulting from the gross contributions from agrochemicals of R\$ 95,112 (Note 17), less the capital contribution of R\$ 25,893, plus the amount transferred by Campo Limpo S.A. of R\$ 4,834.

The balance of associate advance at December 31, 2020 of R\$ 11,537 refers to the disbursements as per the 2020 budget that will be realized in the subsequent years.

16 DEFERRED REVENUE

In 2020, with the progress of the Project URE's implementation and the absorption of the associated centers by inPEV, an independent specialized company was hired to assess the fair value of the assumed assets, which, in accordance with the related individual purchase and sale agreement, were substantially transferred to the Institute with no financial compensation.

As established by the URE Project, in order to balance the financial situation between the associates and the Institute before the Institute fully assumes the centers, it was decided that the parties would settle their issues and that, after the end of the discussions and regularization of the balances, the operation would be under the Institution's full responsibility.

In accordance with applicable accounting standards, the Institute elected to recognize the assets at fair value and the corresponding offsetting entry as deferred revenue, within current and non-current liabilities.

The nature of the centers assumed by the Institute is as follows:

Assumed centers	Decem- ber 31, 2019	Addi- tions	Recogni- zed reve- nue	Decem- ber 31, 2020
Purchase and sale contract (i)	-	9,793	(259)	9,533
Free lease contracts, where the Institute is responsible for managing the respective center (ii)	-	11,375	(1,561)	9,814
Use concession contract, where the Institute is responsible for managing the respective center (iii)		3,002	(60)	2,942
	-	24.170	(1.880)	22.290

- (i) These refer to six centers assumed by the Institute via purchase and sale contracts substantially entered into with the associates. Currently, the related deeds are under formal registration.
- (ii) Represented by 11 free lease contracts entered into substantially with associates.
- (iii) Represented by two use concession contracts entered into with a city government and an associate.

Furthermore 26 centers are already under the Institute's management, but the regularization process has not been finished yet.

17 NET WORTH

According to the Institute's articles of association, the net worth, revenues, funds and operational surplus must be fully applied in Brazil, for the maintenance and development of the Institute's social objectives. The distribution of profits, dividends, share of results or dilution of a portion of net worth is not allowed under any circumstances.

(a) Reserve for new associates

During 2013, the Board of Directors of inpEV, together with the executive board, discussed the need to charge a fee for membership to the new applicants as a reimbursement for all investments already made by current associates over the life of the Institute.

At the 17th General Meeting of Associates, held on April 14, 2014, the associates approved the following main terms for affiliation of new associates:

- (i) One-time payment, of 20 minimum salaries, from the date of grant of the application for membership by the Board of Directors;
- (ii) 1.5% of the annual net revenue of the new associate computed on the basis of the agricultural pesticides business, paid for three years and calculated each year of the effective payment as from the first year in which the associate informs that it places packaging on the market directly, if it has not done so since the beginning; and

(iii) 150% of the average cost/kilo of packaging ascertained in the annual inpEV budget multiplied by the number of containers placed by the associate on the market, directly and/or through third parties, paid for five years, and collected from the first year in which the associate informs that it has placed containers on the market (directly and/or through third parties), if it has not done so since the beginning.

The new associates as from January 2014, who began selling agrochemicals, are now responsible for removing the empty packaging from the environment.

On July 20, 2020, at the 37th meeting of associates, as per the meeting's minutes, associates decided to exclude the fee (ii) of 1.5% from the annual net revenue of the new associate as from that date, and that it would be paid only to associates that joined the Institute until July 19, 2020.

Accordingly, the membership fees for the year ended December 31, 2020 correspond to the fees (i) and (iii) and total R\$ 1,887 (2019 - R\$ 5,186).

(b) Plan to reduce contributions

The Institute's original self-sustainability project included plants to reduce future contributions by associates due to the generation of revenues, pursuant to its business model (Note 1.1.). As advised to associates in November 2019, their contributions for 2020 was R\$ 20,000, but this amount was increased to R\$ 25,893 (2019 - R\$ 15,000). .

18 NET REVENUE FROM ACTIVITIES

	2020	2019
Associate contributions – agrochemicals (Note 15 (i))	95,112	83,878
Recycling company accreditation fee (Note 19)	17,615	16,474
Contributions to the costing of UREs (Note 20)	44,030	41,330
Extraordinary contributions (Note 21)	4,834	3,261
Operating lease (Note 22)	11,167	10,021
Voluntary work (Management and Statutory Audit Board)	675	642
Recognition of deferred revenue (Note 16)	1,880	-
Other	-	250
	175,313	155,856
Deductions from revenues		
Reduction in the associate contribution (Note 15 (i))	(25,893	(15,000)
COFINS levied on accreditation fee	(647)	(829)
COFINS levied on lease	(849)	(761)
ISS and COFINS levied on consulting	-	(44)
Net revenue from activities	147,924	139,222

19 ACCREDITATION FEE FOR RECYCLING COMPANIES

In 2004, the Institute entered into agreements with recycling companies for technical and operational cooperation services for the recycling of plastic residues. These services include the development, training and studies for improvements in the recycling process.

The Institute recorded revenue in 2020 of R\$ 7,614 (2019 - R\$ 16,474).

20 CONTRIBUTIONS TO THE COSTING OF URES

As from December 2009, with the new model for container shipping, a new revenue source for recycling companies was created from contributions for costing of UREs. Revenue from these contributions is used to subsidize the costs incurred by the units receiving the empty containers (Note 1.1).

In 2020, revenue from contributions for costing UREs totaled R\$ 44,030 (2019 - R\$ 41,330).

21 EXTRAORDINARY ASSOCIATE CONTRIBUTIONS

As authorized by the Annual General Meeting of Campo Limpo S.A., the amounts received from its stockholders, associates of the Institute, should be invested for the improvement of the operations, logistics and management of final disposal for empty containers of phytosanitary products, including support and orientation activities for the participants of this system.

This revenue from the recycling business, allowed Management to recognize R\$ 4,834 from Campo Limpo (2019 – R\$ 3,261) as an extraordinary contribution.

22 OPERATING LEASES

Leases are for property, industrial equipment, electric, hydraulic and gas installations, tools, vehicles, furniture and fittings, computer and peripherals and other operating assets attached to the property of Campo Limpo S.A. The lease, amounting to R\$ 11,167, of which R\$ 10,899 is related to Campo Limpo S.A. and R\$ 268 to Campo Limpo Tampas (2019 - R\$ 9,790 and R\$ 231, respectively), corresponds to 10% of the net monthly revenue calculated by the lessee, the minimum being R\$ 50 per month.

The operating lease agreement also comprises a package of services that the Institute renders to Campo Limpo S.A., mainly related to information technology, tax advisory and communication.

The minimum future payments of the non-cancellable operating lease of the plant built by Campo Limpo S.A. in Taubaté, in total and for each of the periods presented below, are as follows:

	2020	2019
Up to one year	12,531	12,170
More than one year less than five		
years	63,965	77,020
Over five years	26,110	26,110
	102,606	115,300

Minimum future payments for periods over five years include the receipt of the lease considering ten years (the effective period of the agreement) and the renewal for another ten years, after approval of both parties, totaling twenty years.

As described in Note 1.4, in 2016, a plan was approved to expand Campo Limpo S.A.'s activities in the approximate amount of R\$ 41,200 to be carried out by the Institute, whose objective will be to increase the lease revenue received by the Institute.

As established in clause 2.1.1. of the contract, the renewal period automatically occurs for the same period and under the same conditions, if not challenged by either party, in writing, within 210 days prior to the expected expiration of the lease (May 2, 2018), that is, 10 years. As no parties made any pronouncements prior to the 210-day period, the lease was renewed on December 31, 2017 as well as the Institute's commitment with future payments.

The stockholders' agreement was renewed in 2018 for the same period initially agreed upon, that is, for additional 10 years.

23 GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses are divided into three segments and managed accordingly, as follows:

	2020	2019
Infrastructure	(58,084)	(42,525)
Support process	(5,748)	(5,307)
Core process	(82,324)	(83,487)
	(146,156)	(131,319)

General and administrative expenses were:

-	2020	2019
Infrastructure		
Facilities	(733)	(521)
Personnel, plus social charges	(31,305)	(23,582)
Voluntary work (Management and Statutory Audit Board)	(675)	(642)
General expenditures (i)	(19,735)	(14,111)
Outsourced services (ii)	(1,850)	(1,257)
Information Technology	(3,157)	(1,979)
Quality	(102)	-
Institutional	(527)	(432)
	(58,084)	(42,525)
Support process		
Legal (iii)	(790)	(711)
Communication, education and campaigns (iv)	(4,662)	(4,269)
Technological development	(225)	(247)
Projects (v)	(71)	(81)
	(5,748)	(5,307)
Core process		
Operations (vi)	(47,862)	(50,529)
Logistics (vii)	(26,428)	(26,885)
Final destination (viii)	(8,034)	(6,073)
	(82,324)	(83,487)

(i) Refers mainly to depreciation and amortization expenses totaling R\$ 14,100 (2019 - R\$ 8,055), expenses with maintenance of property and equipment leased to Campo Limpo S.A. totaling R\$ 1,409 (2019 - R\$ 1,304), and expenses with COVID-related operations totaling R\$ 122.

- (ii) Refers mainly to expenses with the following advisory services:
- Tax R\$ 381 (2019 R\$ 261).
- Human resources R\$ 249 (2019 R\$ 199).
- Internal and external audits R\$ 551 (2019- R\$ 419).
- Administrative R\$ 669 (2019 R\$ 378).

- (iii) Refers to support of external legal advisors during the monitoring of lawsuits, of R\$ 790 (2019 R\$ 711).
- (iv) Refers to expenditures with communication, publicity and training events, comprising:
- Campaign expenditures R\$ 614 (2019 R\$ 603).
- Dia Nacional (National Day) Campo Limpo R\$ 1,818 (2019 - R\$ 1,314).
- Communication/institutional material R\$ 676 (2019 R\$ 495).
- Triple rinsing regional campaign R\$ 167 (2019 R\$ 144).
- Outsourced services/communication services R\$ 535 (2019 R\$ 1,025).
- Institutional events R\$ 342 (2019 R\$ 687).
- E-communication and online teaching R\$ 350.

(v) Refers to the Institute's activities in connection with the management of projects preapproved by the Board Members, mainly for the removal of obsolete and inadequate products - R\$ 71 (2019 - R\$ 81).

- (vi) Refers mainly to costs incurred by the units receiving the empty containers, which are reimbursed by the Institute and are used for the expansion, renovation and maintenance of collection centers and stations, amounting to R\$ 42,626 (2019 - R\$ 45,488), and those for the construction of collection centers and stations, amounting to R\$ 588 (2019 - R\$ 3,520).
- (vii) Refers substantially to expenses incurred with freights for the transportation of empty containers rinsed for recycling, amounting to R\$ 22,493 (2019 - R\$ 20,851), and not rinsed for incineration, amounting to R\$ 2,005 (2019 - R\$ 1,347).
- (viii) Refers to expenses with incineration of containers not rinsed amounting to R\$ 7,044 (2019 R\$ 5,722).

24 OTHER GAINS (LOSSES), NET

	2020	2019
Gains (losses) on sale of property and equipment	(1,474)	735
Impairment (i)	(3,541)	-
	(5,015)	735

(i) In 2020, the Institute hired an independent specialized company to assess and measure the equipment leased to Campo Limpo S.A. in accordance with the accounting standards established by CPC 01, "Impairment of Assets". The assessment resulted in an adjustment to the Institution's assets amounting to R\$ 3,541.

25 FINANCE INCOME AND COSTS

-	2020	2019
Revenue from financial investments	1,150	2,123
Other finance income	140	19
_	1,290	2,142
Withholding income tax on financial investment	(243)	(462)
COFINS on financial investment	(51)	(86)
Other finance costs	(578)	(303)
	(872)	(851)
	418	1,291

26 MANAGEMENT REMUNERATION

Management includes the president and seven officers. The remuneration paid or payable to key management personnel for their services is shown below:

	2020	2019
Salaries, vacation pay and 13th month		
salary	(3,713)	(3,912)
Social charges	(2,503)	(1,731)
(*)	(2,681)	(2,367)
	(8,896)	(8,010)

(*) Other remuneration includes annual variable bonus, defined contribution private pension plan, health care and group life insurance.

27 COMMITMENTS

During 2019, the Institute entered into agreements with third parties for the maintenance and implementation of improvements in its business management units, which, despite being approved in the 2020 budget, will be performed in 2021. The commitments entered into with third parties at December 31, 2020 and 2019 are as follows:

	2020	2019
Infrastructure process		
(i)	(1,263)	(1,084)
Support process (ii)	(428)	(195)
Core process (iii)	(9,198)	(5,214)
	(10,889)	(6,493)

- (i) Relates to expected IT and administrative expenses, of R\$ 808 and R\$ 112, respectively.
- (ii) Relates to expenses for the preparation of the annual report and the "PEA", amounting to R\$ 112 and R\$ 75, respectively.
- (iii) Relates to construction and renovation of centers with exclusive inpEV administration of R\$ 7,488.

28 INSURANCE

The Institute is supported by insurance advisors to determine the coverage compatible with its size and operations. The insurance policies at December 31, 2020 indicated the following levels of coverage:

Location	Amounts covered
InpEV – office	
Fire damage to property and equipment	5,000
InpEV - 109 centers	
Civil liability	30,000

InpEV – Property and equipment leased to Campo Limpo S.A. InpEV - Cosseguro Campo Limpo S.A.

102,731

29 EVENTS AFTER THE REPORTING PERIOD

Decrease in contributions for 2021

As informed to associates in November 2020, the Institute expects a decrease in contributions for 2021 amounting to R\$ 35 million.

Improved model

In 2019 and 2020 the Institute created a group of technical and legal experts to assess the operational model applied to empty container transportation at the time and to make the process more streamlined, cost-effective, and simplified. Their work resulted in the "improved model", which establishes that no invoice should be issued for this transportation because post consumption empty containers should not be considered as merchandise. Instead, the disposal of such containers should be environmental-friendly and in compliance with the applicable environmental laws, that is, Law 9974/00 and Decree 4074/01. The "improved model" also establishes that, beginning in January 2021, no longer will revenue be generated from contributions made for costing UREs and the Accreditation fee received from recycling companies will be terminated. Recycling companies will start to pay environmental services invoices to the Institute. Because it is a provision of services, this operation will result in the Services Tax (ISS) levy for the Institute beginning in 2021.

João Cesar Meneghel Rando CEO - inpEV

Regina Marta de Santana Sousa Accountant inpEV CRC 1SP177254/O-6





