



# Sustainability Report 2021





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# How to Read the Report

GRI 102-45, 102-48, 102-50, 102-51, 102-52, 102-54

We would like to share in this Annual Sustainability Report our management approach and initiatives in ESG, covering the period from January 1 to December 31, 2021. This annual report was developed in accordance with the standards of the Global Reporting Initiative (GRI), Essential Option.

Key points include our innovation fronts in new products Research & Development, as well as economic performance data from all our business divisions.

In addition, we report core aspects of our comprehensive sustainability agenda of environmental and social issues under the best governance practices that drive the Company's daily routine.

Following on, Innova's material themes are detailed, aligned to the priority interests of our public. They guide this report's structure.

We also present Innova's contributions to the United Nations Sustainable Development Goals (SDG).

*In case of doubts or suggestions, write to [comunicacao@innova.com.br](mailto:comunicacao@innova.com.br). GRI 102-53*



# Leadership Message GRI 102-14



Lirio A. Parisotto, by Liz Vanin Parisotto.



## MACHINES, AWARENESS, RELIABILITY

As we publish this Sustainability Report, the market gains buoyancy and vigor, as the great shadow of the pandemic fades away. At the same time, yet another war enters the scene, threatening volatility.

Industrial machines have no self-awareness: they know nothing about supply and demand, insanely high or low prices, they simply ignore the scenario, stationary with their specific functions and fixed costs.

Leadership carries with it the awareness and mission of guaranteeing supply in the upswings, and of not stopping to invest in the downswings to thus reach the next boom. Overall, the survival of a Company is achieved by the reliability it inspires.

When evaluating the last decade of our activities as a petrochemical Company and manufacturer of plastic transformed products, we thought and acted in this way. We doubled the size of the Company: we expanded the chemical products storage capacity, implemented two manufacturing lines for expandable polystyrene (EPS), doubled the production capacity of styrene monomer (SM), activated another line of bioriented polypropylene films (BOPP), and erected a plant for the cogeneration of steam and electricity from a renewable source of vegetable waste, biomass.

The project was presented in the 26<sup>th</sup> United Nations Climate Change Conference (COP26) as a highlight of Brazilian sustainability.

You do not need to be familiar with these names and acronyms to understand that, regardless of the boom and bust cycles, our course is long term. So much so that, today, when this capricious majesty called the market shows its appetite, Innova is prepared: our customers, who are also industries, get reliability. When the demand went from zero to one hundred, nothing was left to be desired.

Our numbers prove as much, as does the volume of taxes paid. Such data express the presence of an industry of our size, generating socioeconomic opportunities for the areas where we are.

The chemical industry should be evaluated not by its up or down cycles, because they are just snapshots, while the whole film shows its structural role in the economy. Tax incentives are not privileges, but rather a matter of national interest. Dealing with tax incentives as if you were flicking a switch on and off is the same as closing your eyes to the social relevance of a whole economic segment.

Machines are unaware of cycles but, at Innova, they will always be ready. Just as we are.

Enjoy your reading and welcome to Innova.

Lirio A. Parisotto

# Who We Are

Innova is a Brazilian petrochemical and manufacturer of plastic processed products.

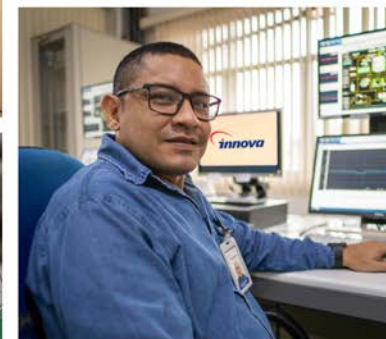
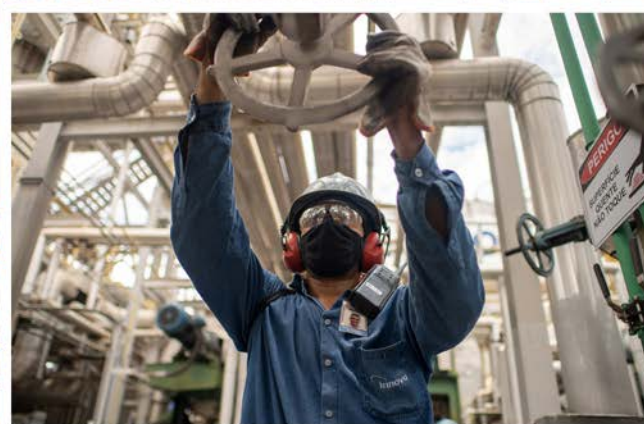
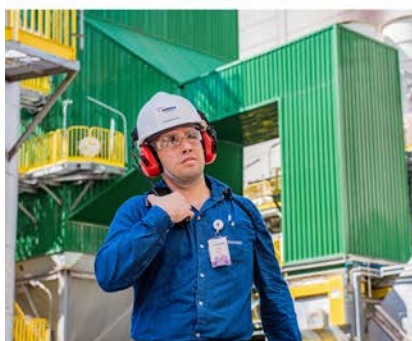
As a petrochemical, we operate in the styrenics business, manufacturing ethylbenzene (EB), styrene monomer (SM), general purpose polystyrene (GPPS), high impact polystyrene (HIPS) and expandable polystyrene (EPS).

As a manufacturer of plastic processed products, we produce bioriented polypropylene films (BOPP), polystyrene and polypropylene reels and plastic caps for mineral water, juices and soft drinks PET bottles. GRI 102-1, 102-2, 102-6

Innova originates from Videolar, a manufacturer of blank and pre-recorded media carriers (VHS magnetic tapes, audio cassettes, floppy disks, pen drives, CDs, DVDs and Blu-Ray discs). Videolar was founded in 1988, in Caixas do Sul (Rio Grande do Sul), and consolidated itself as the largest media carrier manufacturer in the country, with a verticalized production acknowledged as unique in the world, serving practically the entire national market, end-to-end.

During the course of its history, the Company made a strategic move in 2002 by changing from being the largest Brazilian polystyrene consumer to a resin manufacturer. Videolar built the first petrochemical plant in the Northern Region, for its own consumption in VHS and tape cartridges and supplying several factories of the Manaus Industrial Pole, such as those in the segments of cabinets for electronics, school supplies and hygiene items. The foundations were laid for the petrochemical business.

GRI 102-6



In 2011, the Company focused investments on the production of plastic processed products: R\$ 100 million in closure caps production lines and, in the following year, another R\$ 600 million in a state-of-the-art bioriented polypropylene films (BOPP) plant for food packaging, adhesive tapes, labels, and other industries.

GRI 102-6

While the new businesses expanded, the media segment lost ground. In 2014, Videolar bought from Petrobras the petrochemical Innova (Rio Grande do Sul), acknowledged for its styrenics research and development tradition, whose product portfolio already included styrene monomer (SM), general purpose polystyrene (GPPS) and high impact polystyrene (HIPS).

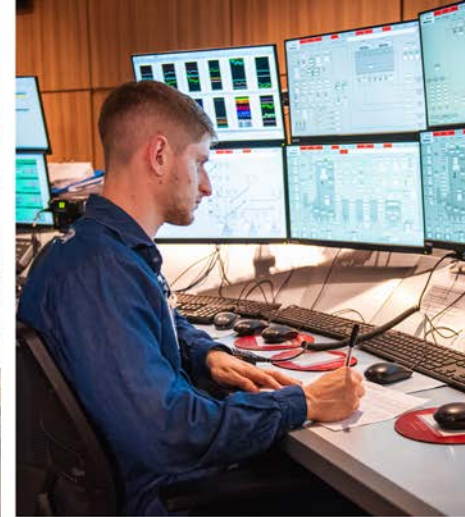
GRI 102-6

After the acquisition, Innova became the brand for all products and businesses. Previously a styrene monomer (SM) buyer, the Company became a manufacturer, which is also a polystyrene (PS) feedstock.

The new management promptly started a new investment cycle: expansion of the storage tanks area, two manufacturing lines for expandable polystyrene (EPS), another one for polystyrene (PS), duplication of styrene monomer (SM) capacity. In Manaus, a third production line for bioriented polypropylene plastic films (BOPP) was built.

Today, Innova has three plants located in the Manaus Industrial Pole (Amazonas) and one plant in Triunfo Petrochemical Pole (Rio Grande do Sul).

The commercial and administrative office is in Alphaville, Barueri (São Paulo). GRI 102-3, 102-4



# Annual Installed Capacity

GRI 102-7

Our styrenic and plastic processed products supply industries all over the country and the world. They reach the homes of Brazilians and countless people around the globe. Each of our products demands developments in research to meet very specific applications. Most notably, their models are based on the rational use of resources and sustainability criteria. **GRI 102-6**

The strategic positions of Innova's plants, in northern and southern Brazil, provide agility in customer service. This is the purpose of our more than 1020 employees. **GRI 102-7**

## STYRENICS



ETHYLBENZENE (EB)

540<sub>kt</sub>



STYRENE MONOMER (SM)

420<sub>kt</sub>



POLYSTYRENE (PS)

445<sub>kt</sub>



EXPANDABLE POLYSTYRENE (EPS)

50<sub>kt</sub>

## PROCESSED PLASTICS



BIORIENTED POLYPROPYLENE FILMS (BOPP)

72<sub>kt</sub>



POLYSTYRENE (PS) AND POLYPROPYLENE (PP) REELS

18<sub>kt</sub>



PLASTIC CAPS FOR MINERAL WATER PET BOTTLES MINERAL WATERS, JUICES AND SOFT DRINKS

3,9 billion units

\* kt = thousand tons





# Mission, Vision and Values

GRI 102-16

## Mission

Lead our business by offering trust and strong ties to customers and employees, a sustainable attitude towards the environment and desired return to shareholders.

## Vision

Knowing how to listen, develop, and deliver: there is always a clear need.  
  
A leading Company offers solutions.

## Values

Committed and acquitted conduct;  
Capacity to adapt;  
Total focus on customer needs.



# Operations Map

## MANAUS (AMAZONAS)



PLANT I

Bioriented polypropylene plastic films (BOPP)  
 Polystyrene (PS) and polypropylene (PP) reels  
 Closure caps for mineral water, juices  
 and soft drinks PET bottles



PLANT IV

General Purpose Polystyrene (GPPS)  
 High Impact Polystyrene (HIPS)  
 ECO-PS®



### SALES DISTRIBUTION:

SOUTHEAST	51%
SOUTH	22%
NORTHEAST	8%
NORTH	7%
MIDWEST	1%
EXPORTS	11%

## ALPHAVILLE, BARUERI (SÃO PAULO)



HEADQUARTERS

Sales and Administration

## TRIUNFO (RIO GRANDE DO SUL)



PLANT II

Ethylbenzene (EB)  
 Styrene Monomer (SM)  
 General Purpose Polystyrene (GPPS)  
 High Impact Polystyrene (HIPS)  
 Expandable Polystyrene (EPS)  
 Steam and Power Generation Plant  
 Styrenics Technology Center (STC)



Plant II, Triunfo (Rio Grande do Sul): Chapel for Our Lady of Patagonia, built under the preserved centennial fig tree.



# Year Highlights

## Covid-19 and the demand for plastics

The Covid-19 pandemic brought challenges that impacted industrial production.

Innova's activity was classified as essential to society and the factories operated without intermittence under strict security.

## Authorization from the Administrative Council for Economic Defense (CADE)

The Administrative Council for Economic Defense (CADE) corroborated, in October 2021, Innova's acquisition by Videolar.

## Environmental virtuous impact

In 2021, our Steam and Power Generation Plant started operating at Triunfo (Rio Grande do Sul), with 30,000 kW of installed power, fueled by renewable energy from vegetable waste biomass. Its installed capacity in electricity is equivalent to the consumption of a city with 420.000 inhabitants.

## Financial results

Our industrial activity was classified by national authorities as essential to society. An initial pandemic period of practical inertia was followed by a sudden and strong recovery of demand with increasing sales, which set a huge challenge to our ability to adapt, engage with suppliers and, above all, guarantee the safety and integrity of our employees.

The Company's agility was crucial: customers received products non-stop. Such a performance was grounded in all previous investments and by coordination with suppliers to meet the demand for products as of the second half of 2020.

Innova's economic and financial management led the Company not only to overcome the setbacks, but also to position itself strategically.

## Production Records

In 2021, the Triunfo Plant (Rio Grande do Sul) registered production record with 872 kt. The bioriented polypropylene films (BOPP) production, in Manaus (Amazonas), was also the largest in history: 50 kt.

# Highlights: Innova among the Largest and Best Companies in Brazil

In 2021, Innova figured in prominent positions on the main national rankings:

## Valor1000

One of the 10 largest companies in EBITDA in the chemical and petrochemical area.

## EXAME

One of the 250 best and largest companies in Brazil.

## ISTOE Dinheiro

One of the 3 best companies in the petrochemical business.



Alisson Vidal Correia - Production, Plant II (Triunfo, Rio Grande do Sul)

# Business Strategy

Innova is responsible for a value chain that includes the supply of raw materials, inputs and packaging essential to industry and commerce. We manufacture resins and plastic processed items through integrated process management and intense quality control, fully focused on delivering value for the customers.

At the core of the business, Research & Development: dedicated to new products and applications, it opens new fronts. Each of our grades (or types of products) demands a specific development. In 2021, we will equip our Styrenics Technology Center (STC) expanding its field of action to all Innova's products.

We prioritize sustainability in all strategies, aimed at reducing CO<sub>2</sub> emissions, efficient use of natural resources and waste reduction. Our Steam and Power Generation Plant project provided a major shift in our petrochemical's energy matrix towards the use of renewable sources, ensuring a massive reduction in greenhouse gas emissions.



João Vitor de Freitas Braga and Amanda Melo Krindges, Business Planning - Plant II (Triunfo, Rio Grande do Sul)



## Market Context

In 2021, the performance of the manufacturing sector and, specifically, the petrochemical business, went through peaks of instability, due to the relentless scenario of the Covid-19 pandemic. This retraction occurred mainly in the first quarter of the year. After that period, with the progress of the vaccination plan and the gradual recovery of the economy, part of the sector's results also recovered.

The Apparent Consumption of Industrial Goods, an indicator measured by the Institute of Applied Economic Research (IPEA), that identifies the domestic demand for industrial goods, recorded a 7,2% growth in 2021, while industrial production, measured by the Brazilian Institute of Geography and Statistics (IBGE), accumulated a 3,9% increase.

Employment, sales, and the use of the industrial installed capacity ended the year with growth, in comparison to 2020, although the low 2020 rates should be taken into consideration, according to the National Confederation of Industry (CNI).

Industrial performance experienced challenges over the year: the second wave of the pandemic, disruption of supply chains and global logistical obstacles. On the other hand, the petrochemical sector was leveraged by strong demand for plastic products and a 4,6% growth of the Gross Domestic Product (GDP), driven by a 3,6% increase in household consumption, according to the Brazilian Institute of Geography and Statistics (IBGE).

## Sectorial Scenery

In the face of all these challenges, the Brazilian plastics sector, fourth largest employer in the country, proved to be resilient and, above all, essential to the population's wellness. All efforts were taken to keep the supply of feedstocks and plastic products for national demand, mainly to the food and health industries. Innova produced, in this context, over 1 million tons of styrenics and plastic processed items for customers all over Brazil.

Our products are essential raw materials in the most diverse sectors of the economy: asphalt, tires, paints, food packaging, refrigerators, school and office supplies, as well as housewares.

According to the Brazilian Association of Plastics (ABIPLAST), plastics transformation sector registered, in 2021, a 1,8% production retraction, compared to 2020.

The national manufacturing of bioriented polypropylene films (BOPP) recorded a slight 0,7% increase, but the apparent national consumption (CAN) has shown a 0,2% reduction, caused by the 17% increase in exports. Its imports also had a significant 20% increase.

Innova ended 2021 with a 10% increase in BOPP production and 9% in internal sales, expanding the Company's market share in this business.

Also, according to ABIPLAST, beverage production increased 1% in 2021. Innova's closure caps sales for mineral waters, juices, and soft drinks segments followed the national scenario, with an increase of 2% for the same period. In the first half of 2021, sales were below expectations. Even so, with the increase in consumption from July on, the year result was positive and market share kept.







Edmilson Pereira Barbosa - Production,  
Plant IV (Manaus, Amazonas)



Daniel de Souza Franco - Quality Lab, Plant II (Triunfo, Rio Grande do Sul)

# Product Portfolio and Production Chain

Innova’s product portfolio covers styrenics and plastic processed items. We make frequent updates to the technical lists to reduce material usage, developing new suppliers and improving products. [GRI 103-2, 103-3](#) [301](#)

Our raw materials have wide application throughout industry and play an essential role in society’s economic development and welfare. We are at the center of the economy and supply raw materials to a wide range of products such as asphalt, paints, tires, civil construction, white goods, automotive parts, food packaging, school and office supplies, disposable items, thermal packaging and toys.

Innova pioneered the development of ECO-PS®, in 2019, the first polystyrene with up to 30% post-consumer material in its composition.

ECO-PS® was born in Manaus and promotes circular economy with the recycling chain in the city. Innova participates in a selective collection project, jointly with the Sustainable Amazon Foundation (FAS), with virtuous socio-environmental impact.



# Our Products

## STYRENICS

### STYRENE MONOMER (SM)

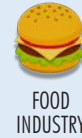
Used in chemical reactions to obtain resins. It is the essential feedstock for our petrochemical resins.



## THERMOPLASTIC RESINS

### GENERAL PURPOSE POLYSTYRENE (GPPS)

A 100% recyclable, transparent, rigid and non-toxic resin. Developed in grades that meet specific needs of many applications.



### HIGH IMPACT POLYSTYRENE (HIPS)

A 100% recyclable resin, with an up to 12% addition of rubber that provides greater impact resistance. Developed in grades that meet specific needs of many applications.



### EXPANDABLE POLYSTYRENE (EPS)

Rigid cellular plastic, 100% recyclable, with thermal and mechanical insulation properties. Innova's technology produces beads that expand up to 50 times their size, an alternative to the traditional process, with water consumption reduction.



### ECO-PS®

A 100% recyclable polystyrene with up to 30% post-consumption (recycled) material in its composition, offering similar mechanical properties of a 100% virgin resin.





# Our Products

## PROCESSED PLASTICS

### PLASTIC FILMS

#### BIORIENTED POLYPROPYLENE (BOPP)

BOPP films are oriented in both directions, lengthways and widthways. Hence the name: bioriented. It gives them strength and flexibility. BOPP guarantees an efficient barrier against contact with oxygen and humidity, keeping freshness, integrity and quality of the packaged products.



FLEXIBLE PACKAGING



BOTTLE LABELS



GIFTS PACKAGING



LABELS



ADHESIVE TAPES



DECORATIVE LABELS



CHOCOLATES PACKAGING



CANDIES



FLOWERS PACKAGING

### PLASTIC REELS

#### POLYSTYRENE (PS)

100% recyclable plastic reels produced with polystyrene (PS) resin.



FLEXIBLE PACKAGING



DAIRY PRODUCTS



DISPOSABLE CUPS



DISPOSABLE CONTAINERS



DISPOSABLE TRAYS

#### POLYPROPYLENE (PP)

100% recyclable plastic reels produced with polypropylene (PP) resin.



DISPOSABLE CUPS



DISPOSABLE CONTAINERS

#### PLASTIC CAPS FOR MINERAL WATER, JUICE AND SOFT DRINKS

Our closure caps are 100% recyclable and molded by compression; their sealing technology ensures high efficiency in retaining carbon dioxide (CO<sub>2</sub>). The caps production is certified by Food Safety System Certification (FSSC 22000), a risk management standard focused on food and beverage safety.





Richard Heinrich Huff and Alison Cláudio Karg - Production, Plant II (Triunfo, Rio Grande do Sul)

# STYRENICS PRODUCTIVE AND INTEGRATED CHAIN

**TRIUNFO (Rio Grande do Sul)**  
SUPPLIER



**MANAUS (Amazonas)**  
FLOATING PORT 3  
(POF-3)



ETHYLBENZENE (EB)

**innova**  
PLANT II



**innova**  
PLANT IV





# Value Chain

**PRIMARY  
ACTIVITIES**

**SUPPORT  
ACTIVITIES**



# Materials Employed GRI 301-1

The year 2021 was marked by increased production and integration among the industrial plants, leading to a 12% growth of materials consumption in styrenics and 7% in processed plastics.

There was a change in the closure caps market profile, demanding lighter polyethylene products. This brought a reduction in the use of polypropylene copolymer, compensated by a polyethylene consumption increasing.

Yet another material, the sealant, became unnecessary in the lighter closure caps, resulting in resource savings. The 7% increase in the polypropylene homopolymer consumption is a result of the record BOPP production in 2021.

In the petrochemical business, the highlight was the effective integration between the Triunfo and Manaus plants regarding the materials usage. The 41% increase in benzene and ethylene consumption, basic and most relevant inputs for Plant II, provided an increase in the occupation rate of the plants and the possibility to perform three swap operations, i.e., the shipping of styrene monomer produced in Plant II (Triunfo, Rio Grande do Sul) up to Plant IV (Manaus, Amazonas). These operations led to 33% styrene monomer import decrease.

MATERIALS USED IN PRODUCTION (T)			
MATERIAL	2019	2020	2021
<b>PROCESSED PLASTICS</b>			
PP (HOMOPOLYMER)	39.189	48.024	51.357
PE	3.953	4.755	5.632
PP (COPOLYMER)	2.497	2.170	1.707
<b>STYRENICS</b>			
BENZENE	144.603	176.030	248.220
ETHYLENE	53.425	64.462	91.167
STYRENE MONOMER (SM)	142.837	155.594	103.657
POLYBUTADIENE	9.335	9.284	10.464
MINERAL OIL	5.539	5.184	6.126
PENTANE	829	1.240	1.321



Charles Pinto de Lemos - Production, Plant II (Triunfo, Rio Grande do Sul)





# Innovation



**I**nnovation is the driving force for our projects, always from the sustainability point of view. We create tailor-made solutions to meet customers' needs, focusing on the multiplicity of applications, new trends and the potential of polystyrene (PS).

Our research and innovation strategies target plastic post-consumption and recycling.

Ana Luísa Boides - QCL  
 Andreia Ossig - R&D  
 Vinícius dos Santos Leite e Rafael Guzzatto - R&D  
 Plant II (Triunfo, Rio Grande do Sul)

# Research & Development

Our Research and Development (R&D) team is fully dedicated to prospect opportunities and meet every business needs. We develop new applications that prospect markets and generate positive impact for society and the environment. Our solutions target production efficiency, financial return, material savings and post-consumption impact.

The Styrenics Technology Center (STC) at Plant II (Triunfo, Rio Grande do Sul), is known as the international reference in research and patent publication. Its highly qualified technical team develops product customizations using high-tech equipment capable of recreating the same manufacturing conditions as in the customer's plants.

In 2021, it expanded its capabilities to provide support for all Innova's products and businesses. This expansion has made new synergies, enhancing innovation. Investments and efforts were also applied in the search for alternative raw materials, aiming to reduce pressure caused by the Covid-19 pandemic.



Vinicius dos Santos Leite - R&D  
Plant II (Triunfo, Rio Grande do Sul)



The Company's innovation strategy prioritizes sustainable products for all business: a circular economy can become a good business, with volumes and competitiveness capable of changing the market's size.

We made a remarkable effort in 2021 to organize the recycling chain in Manaus (Amazonas), generating income for the neediest communities and, at the same time, supplying raw materials for our pioneering ECO-PS®. The product was released by the Company in December 2019, with up to 30% post-consumption polystyrene in its composition (learn more in Socio-environmental Transformation).

The Company took up the challenge of a new project to recycle bioriented polypropylene films (BOPP). The strategy is to collect the material from partner organizations in Manaus and perform tests for recycling.

Also in 2021, our Innovation Office was totally revitalized to create an environment for creative and disruptive processes, stimulating interaction and creative thinking, generation of new ideas, experimentation, and high performance of the teams.

In the same year, the Application Engineer position was created to designate the R&D the engineers team. This change of nomenclature for former Technical Assistants aims for a better description of their responsibilities, which includes technical consultancy, analysis and development of solutions. It will be effective as of 2022.



Styrenics Technology Center (STC)  
Plant II (Triunfo, Rio Grande do Sul)

# New Products

## Projects developed in 2021 by the Styrenics Technology Center (STC)

### ACCOMPLISHED PROJECTS:

- New blend (mixture of materials) for the refrigeration business, with high gloss and chemical resistance.
- Development of cold seal bioriented polypropylene (BOPP) for soap packaging.
- Development of a new expandable polystyrene (EPS) grade for mattresses (ST300N).

### ONGOING PROJECTS:

- Development of bioriented polypropylene films (BOPP) for label printing by the in mold label process.
- Development of an expandable polystyrene (EPS) grade for fast cycle processing.



Tiago Morais de Bortoli - R&D  
Plant II (Triunfo, Rio Grande do Sul)



Ronival Alves da Silva - Logistics,  
Plant 1 (Manaus, Amazonas)



# Economic Performance

GRI 103-2, 103-3 |201

The plastics business sought innovative alternatives for adapting to the market context during the Covid pandemic.

Our industrial activity was classified by national authorities as essential to society. An initial pandemic period of practical inertia was followed by a sudden and strong recovery of demand with increasing of sales, setting a huge challenge to our ability to adapting, engaging with suppliers and, above all, keeping safety and integrity of our employees.

The Company's agility was crucial: customers received products non-stop. Such a performance was grounded in all previous investments and by coordination with suppliers to meet the demand for products as of the second half of 2020.

Innova's economic-financial management led the Company not only to overcome the setbacks, but also to position itself strategically:

- Investments of R\$ 457 million, between 2019 and 2020, in: duplication of styrene monomer (SM) capacity, expansion of polystyrene (PS) capacity; two lines for expandable polystyrene (EPS) production; a third line for bioriented polypropylene plastic films (BOPP) production; construction of the Steam and Power Generation Plant;
- Expense Reduction Plan, made effective between 2020 and 2021;

- Unprecedented optimization of production capacity, with 85% operational rates on polystyrene (PS);
- Reduction of indebtedness close to zero and, as a virtuous consequence, less exposure to foreign exchange risk, with historical liquidity level;
- Kick off for the steam and power generation using vegetal biomass as energy source, effective on the second half of 2021 (R\$ 45 million economy for the period);
- Increase in exports enabled by growth in production capacity (+ 8% in tons; + 86% in dollars) compared to 2020.

These internal and external scenarios provided significant results: the business reached a 25% of EBTIDA in 2021. Such performance made feasible shareholder remuneration, totaling an income distribution of around R\$ 242 million.

Innova also made significant developments in Corporate Governance, such as the unification of the preferred and common stocks which represent the Company's capital. Each of the 1,549,720 shares issued grants the right to one vote in the General Assembly, as of 12/31/2021.

## Guidelines and Budget

The Company follows the guidelines and directives from the Board of Directors and Executives. The Board members receive daily and weekly reports, and whenever requested, with updates on economic, environmental and social issues.

The Credit Committee and the Executive Board contribute to decision-making.

Budget planning is carried out annually, aligning guidelines and goals for the upcoming year.



Cassius Vinicius da Cruz Cardoso - Printing, Plant III (Manaus, Amazonas)



# Operational Performance

## Styrenics

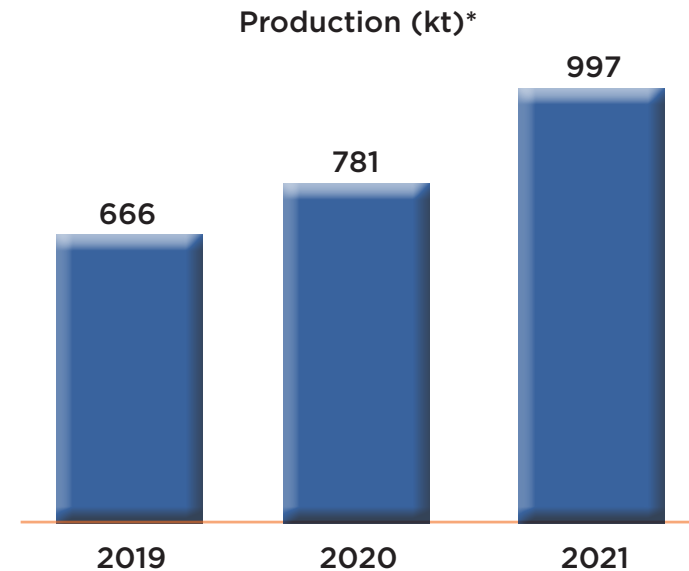
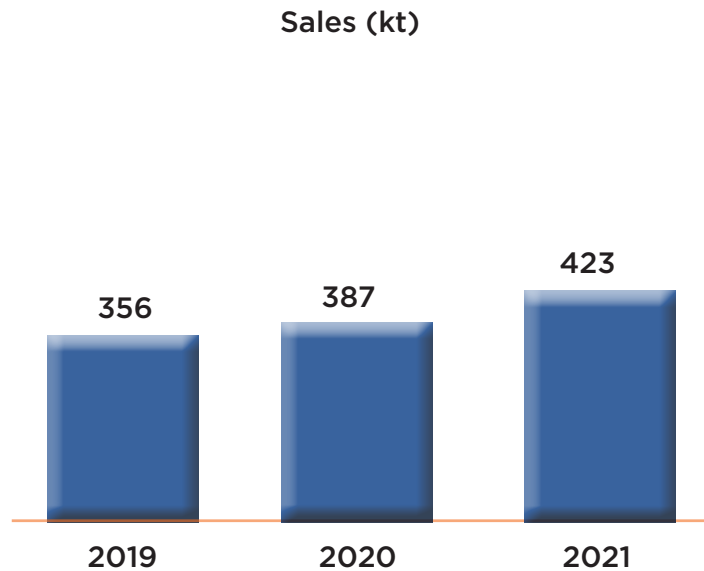
Regarding polystyrene (PS), consumption has resumed with the improvement in the Covid scenario. The return of the on-site work granted a positive impact for important segments of the resin business, with a 9% increase in domestic sales, compared to 2020.

The polystyrene (PS) production increased by the same 9% due to the domestic and exports performances, with growth in utilization of Brazilian installed production capacity for the fourth consecutive year.

Exports were the highlight of expandable polystyrene (EPS) business, with the highest volume since 2002, according to the Brazilian Chemical Industry Association (ABIQUIM). This record performance and also internal sales granted a 22% growth in the Brazilian expandable polystyrene (EPS) production for 2021. Innova consolidates and increases each year its market share for expandable polystyrene (EPS).

The production of styrene monomer (SM) in Brazil has been favored by polystyrene (PS) and expandable polystyrene (EPS) performances. A 23% increase was registered, in comparison to 2020, with a 11% growth in the national apparent consumption.

Innova's sales followed this good performance, and the Company kept its leadership in styrene monomer (SM) domestic market.



\* Includes the ethylbenzene (EB) production, a feedstock for styrene monomer (SM).





# Operational Performance

## Processed Plastics

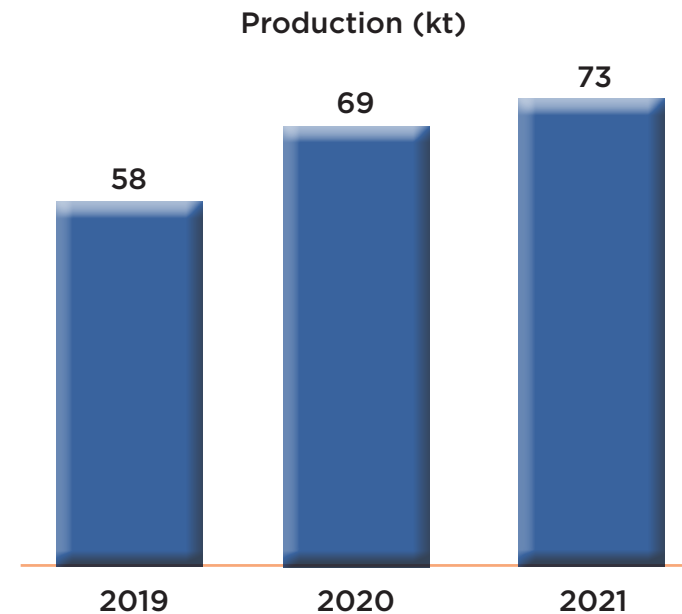
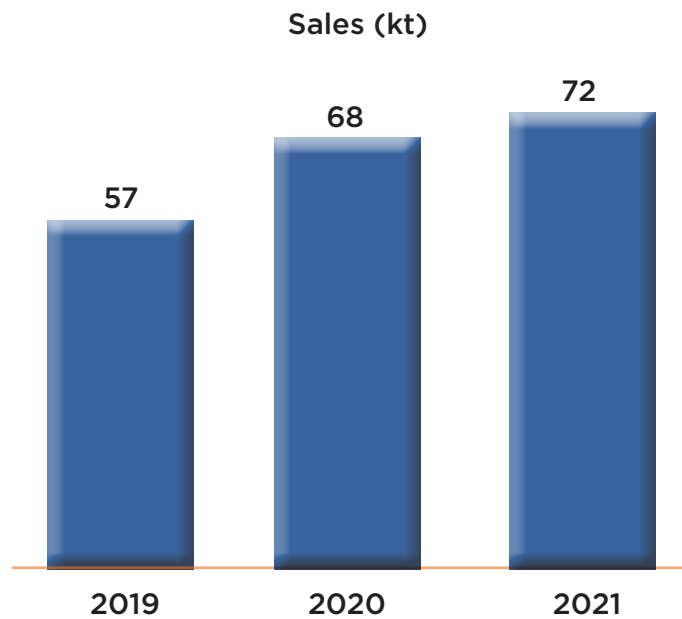
According to the Brazilian Association of Plastics (ABIPLAST), 2021 had about a 1.8% retraction compared to the previous year.

The bioriented polypropylene films (BOPP) production in Brazil had a slight 0.7% increase, but the apparent national consumption was reduced by 0.2%, due to the 17%

increase in exports. As for the BOPP imports, they also had a significant 20% increase.

Innova ended the year with a 10% increase in BOPP production and 9% in internal sales.

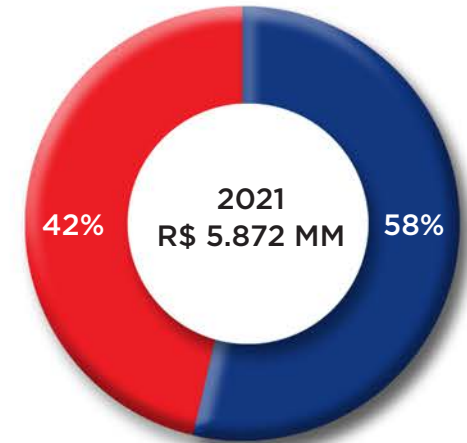
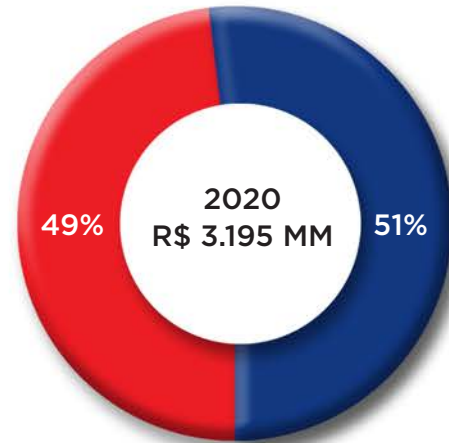
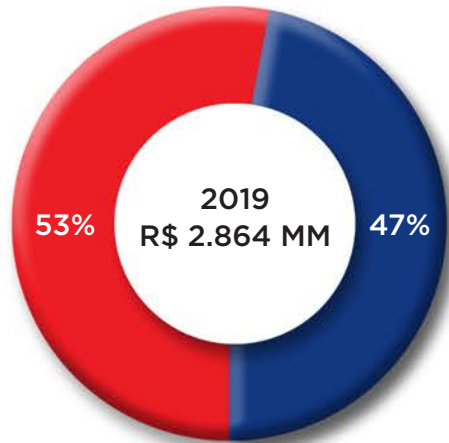
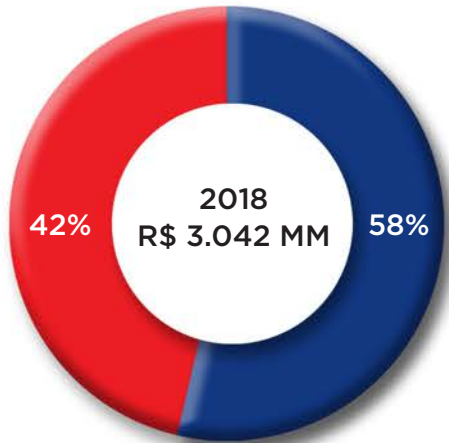
Also, according to ABIPLAST, the production of beverages had a 1% increase in 2021 in relation to 2020. Innova's closure caps sales for mineral waters, juices, and soft drinks performed according to the national scenario, with a 2% growth during the same period. In the first half of 2021, sales were below expectations. Even so, the increase in consumption as of July provided a positive result and Innova kept its market share.





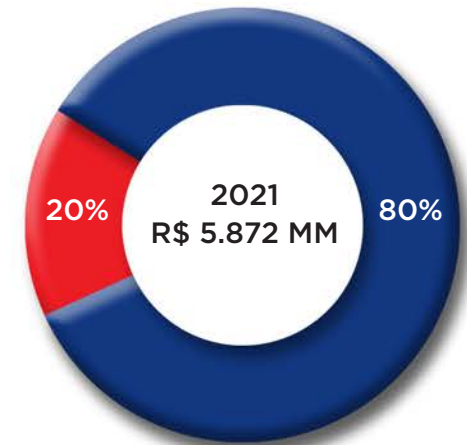
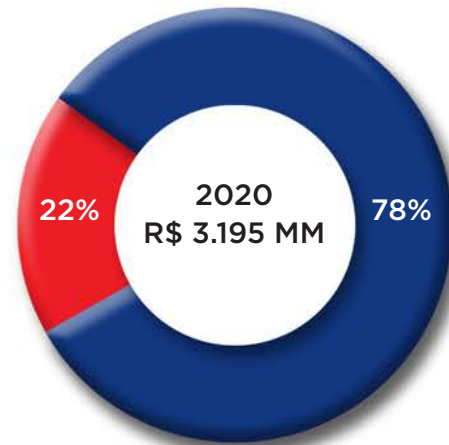
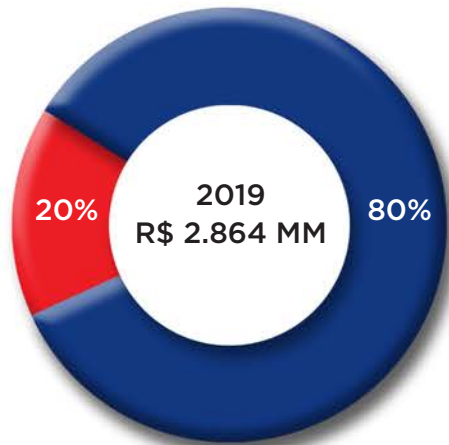
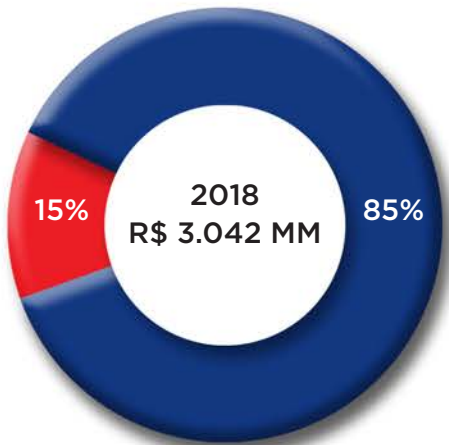
# Our Results

## GROSS REVENUE BY GEOGRAPHICAL ORIGIN



■ MANAUS/Amazonas    ■ TRIUNFO/Rio Grande do Sul

## GROSS REVENUE BY BUSINESS



■ PROCESSED PLASTICS    ■ STYRENICS



## ECONOMIC-FINANCIAL PERFORMANCE

(IN THOUSANDS OF R\$)

	2021	2020
<b>TOTAL ASSETS</b>	3.817.645	3.507.268
<b>NET EQUITY</b>	2.788.518	2.196.589
<b>INDEBTEDNESS</b> (NET DEBT/EBITDA)	-	1,02x
<b>GROSS OPERATING INCOME</b>	5.872.628	3.195.128
<b>NET OPERATING INCOME</b>	5.174.223	2.816.744
<b>GROSS INCOME</b>	1.551.938	640.835
<b>EBITDA</b> (EBITDA)	1.308.347	671.337
<b>EBITDA Margin (%)</b>	25,3%	23,8%
<b>FINANCIAL RESULT</b>	(71.079)	(249.080)
<b>NET INCOME</b>	833.813	244.588
<b>INVESTMENTS (CAPEX)</b>	116.687	154.015

## DIRECT ECONOMIC VALUE GENERATED GRI 201-1

(IN THOUSANDS OF R\$)

REVENUE	2019	2020	2021
	3.167.582	4.324.794	6.142.894

## DISTRIBUTED ECONOMIC VALUE GRI 201-1

(IN THOUSANDS OF R\$)

TYPE	2019	2020	2021
Operational Costs	1.632.587	1.570.437	2.562.406
Employee´s Wages and Benefits	109.798	128.355	143.469
Payments to Capital Providers	-	68.000	173.884
Payments to the Government	402.586	440.160	966.891
Investments In The Community	1.049	1.303	3.932
Third-Party Capital Compensation	54.405	81.200	59.424
	<b>2.200.425</b>	<b>2.289.456</b>	<b>3.910.007</b>

## RETAINED ECONOMIC VALUE GRI 201-1

(IN THOUSANDS OF R\$)

Direct Economic Value Generated minus Economic Value Distributed	2019	2020	2021
	<b>967.157</b>	<b>2.035.339</b>	<b>2.232.887</b>



Anderson Pivotto de Andrade - Supply Chain,  
Head Office (Barueri, SP)



Maurício P. Rodeghiero and Leandro Leuck dos Reis - Production Plant II (Triunfo, Rio Grande do Sul)



# Sustainability Agenda

Innova sustains three essential pillars: Results, Compliance and Sustainability, all with the same significance, forming a whole greater than the parts. In this way, sustainability at Innova is practiced with a particular way of thinking, acting, manufacturing and relating with stakeholders.

Our goal is the insertion of plastic in the circular economy. It drives all our research efforts, from raw materials to finished products, making a new cycle for post-consumption plastic possible.

As an intrinsically coordinated goal, sharing value makes our sustainability vision: the Company invests in social transformation initiatives to benefit families and communities through education, income generation and citizenship via our social initiatives.

Innova's socio-environmental strategies and governance are based on the best market practices, aligned with international guidelines such as the UN's Sustainable Development Goals (SDGs).



Luiziane Jacquiminuth Rebouças - Plastic Injection, Plant III (Manaus, Amazonas)



Jessica Francielle Teixeira Chaves Petry - R&D,  
Plant II (Triunfo, Rio Grande do Sul)



## SUSTAINABILITY COMMITTEE



In 2021, Innova published the Internal Regulation of the Sustainability Committee, which acts as an advisor for the Board of Directors regarding sustainability strategies in the Company's management process. The Committee works on ideas to align economic development issues with socio-environmental responsibility.

The Regulation of the Sustainability Committee provides guidelines for its composition and mandates, as well as the attributions and responsibilities, such as:

- Advising the management to establish development guidelines and principles considering the 4 pillars: social, environmental, economic, and best governance practices;
- Monitoring and anticipating global sustainability trends, evaluating products, technologies and processes related to the industry in which the Company operates. In addition, proposing actions to reduce the Company's exposure to risks;

- Analyzing and making recommendations to the Board of Directors regarding policies related to sustainability;
- Evaluating and recommending agreements, protocols and treaties related to sustainability issues;
- Submitting proposals and action plans regarding sustainability initiatives with potential impact on business, such as climate change, stakeholder engagement, financial inclusion, mitigation of socio-environmental risks and other related issues.
- Assisting in the analysis of the main topics of the Sustainability Report and any kind of report on sustainability practices.

The Sustainability Committee is composed of at least three members appointed by the Board of Directors, with at least one of them, preferably, being a member of the Board.

Among the agendas streamlined by the Committee in 2021 are projects focused on innovation and sustainability, such as the development of new products, energy matrix changes towards decarbonization, projects in circular economy to generate income for workers involved in recycling, among other initiatives.

The Committee structures and develops an agenda with priority themes, as highlighted below:

**TRANSITION OF ENERGY MATRIX, DECARBONIZATION**

**EFFICIENT USE OF RESOURCES**

**CIRCULAR ECONOMY, RECYCLING**

**SUSTAINABILITY**





# Materiality

GRI 102-40, 102-42, 102-46, 102-47

Innova updated its material themes in 2020 in order to align its stakeholders' interests to the Company's goals and strategies. The process, carried out by an external consulting firm, received 278 feedbacks, 146 from the external public and 132 from the internal public, including four interviews with the top management. 102-44

The topics that grant a global vision of the Company were also analyzed, which reinforces the alignment of the materiality process with the main international guidelines. In addition, documents from industry associations were evaluated, as well as benchmarks of other initiatives in sustainability from the segments.

The prioritized themes in the materiality process are part of the Company's strategic planning and pervade the whole innovation process. The topics highlighted by the public showed synergy with the corporate guidelines towards zero carbon and the search for sustainable solutions for all plastic business.

In 2022, Innova will review and update the materiality matrix, in alignment with the trends and priorities of its stakeholders.

The material themes that will guide the initiatives in 2021 are: GRI 103-1

Group	Order of Relevance	Material Theme	GRI Aspect	GRI Indicators	Impact Inside Innova	Impact Outside Innova
Governance	1 <sup>st</sup>	<i>Ethics and Compliance</i>	Ethics and Integrity; Anti-Corruption	205-1, 205-2, 205-3	Yes	Everybody
	2 <sup>nd</sup>	Health and Safety of Processes and Installations	Health and Occupational Safety	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9 and 403-10	Yes	Surrounding communities
Safe Production	3 <sup>rd</sup>	Health and Safety at Work	Health and Occupational Safety	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9 and 403-10	Yes	
	4 <sup>th</sup>	Performance on consumption and post-consumption	Management Approach		Yes	Clients and society
Sustainable Solutions	8 <sup>th</sup>	Sustainable products and solutions portfolio	Management Approach		Yes	Suppliers, clients and society
	10 <sup>th</sup>	Usage of recycled materials	Materials	301-1, 301-2, 301-3	Yes	Suppliers, clients and society
Commitment to the value chain	7 <sup>th</sup>	Collaborators Training and Qualification	Training and Education	404-1, 404-2, 404-3	Yes	
	9 <sup>th</sup>	Supply Chain Responsibility	Suppliers Social Assessment; Suppliers Environmental Assessment	308-1, 308-2, 408-1, 409-1, 414-1, 414-2	Yes	Suppliers
Environmental Aspects Management	5 <sup>th</sup>	Energy Efficiency	Energy	302-1, 302-2, 302-3, 302-4, 302-5	Yes	Society
	6 <sup>th</sup>	Greenhouse Gases (GHG) Management	Emissions	201-2, 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7	Yes	Society

# Approach to Stakeholder Engagement

GRI 102-43

We strive for transparency and a clear form of communication. Some of our engagement initiatives in 2021:

Audience name	Type of engagement	Frequency of Engagement	Engagement conducted as part of the report preparation?	Topics and concerns raised
Community	Polo do Sul Community Council	Quarterly Meetings	No	Concerns about health, safety and environment in the surrounding areas of the Plants.
Customers	Satisfaction Survey	Annual	No	Customer satisfaction, customer service aspects, services, product, quality, delivery, availability.
Shareholder	Meetings	Monthly, Presentation to the Board; Sustainability Committee	No	Company performance
Suppliers	Supplier Evaluation; Reporting Channel	Punctual	No	Evaluation of the aspects and topics of interest of suppliers
Collaborators	Intranet, Reporting Channel; Ombudsman	Constant; Open Channel	No	Employee satisfaction and topics of interest

# Association Membership

GRI 102-13

Innova is actively connected to the most important associations related to its sectors and is takes part in programs and projects focused on sustainability. This active participation was essential in 2021, in the search for solutions to overcome all the challenges faced during the year and the continuity in supplyment of plastics in Brazil. Among the main entities are:



ABIPLAST (Brazilian Plastics Industry Association): brings together the sectorial commissions of disposables, plastic closures (COFATAMPLAS) and plastic films (COFILMES).



ABIQUIM (Brazilian Chemical Industry Association): participates in the EPS and Plastics (COPLAST) commissions.

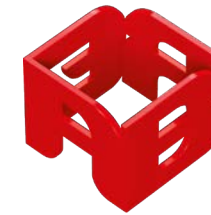
# plastivida

Juntos somos mais sustentáveis.

Innova is a founding member and member of the Board of Directors of PLASTIVIDA, an entity that works directly on the relationship between plastic and society and believes that cooperation is the best way to solve environmental issues, through rational consumption and responsible disposal.



COFIP (Committee for Industrial Promotion of the South-Triunfo Pole) aims to stimulate industrial development in the region and in the production chain, as well as to improve local infrastructure conditions.



**abre**  
ASSOCIAÇÃO  
BRASILEIRA  
DE EMBALAGEM

ABRE (Brazilian Packaging Association): starting in 2022, Innova will participate in the association's Sustainability Commissions and in the Food and Beverage Committee.



Since 2018, Innova has been part of the Plastic Circularity Network, a Brazilian initiative in favor of the plastic circular economy, which involves all steps in the life cycle of plastic packaging. It works in constant search of innovation, partnerships, and engagement of the entire production chain.

From the petrochemical's end to the recycler's end are 62 companies and 200 members as of 2021, developing projects in five work streams: Packaging Design, Logistics and Infrastructure, Public Policies, Communications and Governance. [GRI 102-13](#)



# Environmental Performance

Our materiality prioritized environmental themes such as greenhouse gas (GHG) management, sustainable solutions and products. We improved our outlook on the environment, with bold and feasible targets for a clean and renewable energy matrix, new sustainable markets and insertion in the circular economy.

At the top of our sustainability agenda, the goal of zero carbon emissions achieved significant advances in 2021, with a 49% CO<sub>2</sub> neutralization, compared to our reference year (2018). This goal was leveraged, mainly, by the operation of the Steam and Power Generation Plant (CGVE), our contribution in addressing the planet's climate and environmental issues.

This turnaround in the energy matrix followed other important strategic initiatives, such as the replacement of fuel oil with natural gas and the world-first implementation of state-of-the-art technology in the Direct Heat Unit (DHU) to replace the conventional furnace. The DHU reuses the gas generated by the process itself to heat the new reactor charge, thus replacing about 20% of the steam consumed per ton of styrene monomer (SM) produced.

In 2022, the Company will develop a survey of climate-related risks and opportunities. The work will be guided by the principles of the Task Force on Climate-Related Financial Disclosure (TCFD), in combination with geopolitical, physical and regulatory data. [GRI 201-2](#)





# Energy Matrix

GRI 103-2, 103-3 | 302

Energy efficiency, operational excellence, and prioritization of renewable energy sources integrate the main aspects of our production process. In 2021, a milestone was reached in the sustainability history of Innova: the petrochemical plant of Triunfo (RS) became self-sufficient and self-producing in the generation of power and steam, from a 100% renewable source, the forest waste biomass. The Steam and Power Generation Plant (CGVE) contributes to our short term the goal of turning our operations neutral in GHG emissions (Scopes I and II).

The change in the energy matrix includes:

- A complex consisting of three boilers and two generators;
- The use of biomass from solid wood residues of pine, eucalyptus, rice husks and sawmill waste in the form of chips;
- Capacity for processing 486 thousand tons/year of biomass.
- Capacity for generating 1,445,000 tons/year of steam; 30 MW of installed

electric power, replacing the steam purchased externally and generated by fossil sources (coal and fuel oil).

- Investments over R\$ 220 million.
- Capacity to reduce Scope 2 greenhouse gas emissions in Plant II by 56% compared to the previous year (compared to the 2018 emission rate).

The Company's Integrated Management System ensures the measurement, reporting and verification of our energy efficiency, encompassing: (I) the relevant operating facts; (II) renewable fuels (biomass) consumed for our own generation of power, high and low pressure steam; (III) non-renewable fuels consumed; (IV) electricity acquisition from the National Interconnected System (SIN); (V) acquisition of high pressure (VA) and low pressure (VB) steam from suppliers in the Southern Petrochemical Pole; (VI) eventual commercialization of surplus power in the Free Contracting Environment (ACL); (VII) the Company's energy intensity, being the ratio between its total energy consumption within the organization (GJ) and its total production (t).

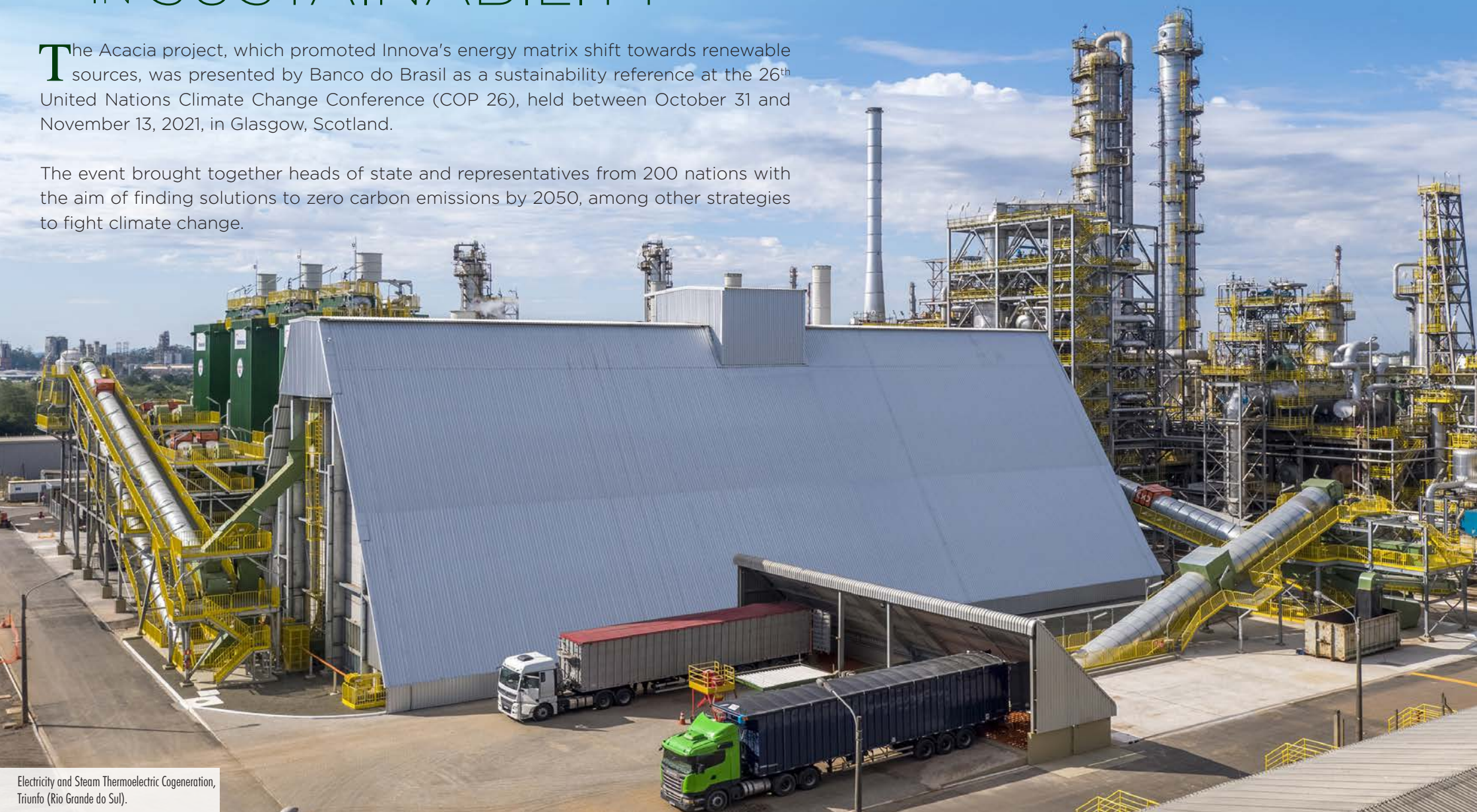
In 2021, no specific actions were developed to reduce energy requirements of products and services, and there are no plans to implement initiatives of this nature in 2022. The focus is on reducing energy consumption and energy intensity, as well as in the substitution of non-renewable for renewable sources. **GRI 302-5**



# ICON IN SUSTAINABILITY

The Acacia project, which promoted Innova's energy matrix shift towards renewable sources, was presented by Banco do Brasil as a sustainability reference at the 26<sup>th</sup> United Nations Climate Change Conference (COP 26), held between October 31 and November 13, 2021, in Glasgow, Scotland.

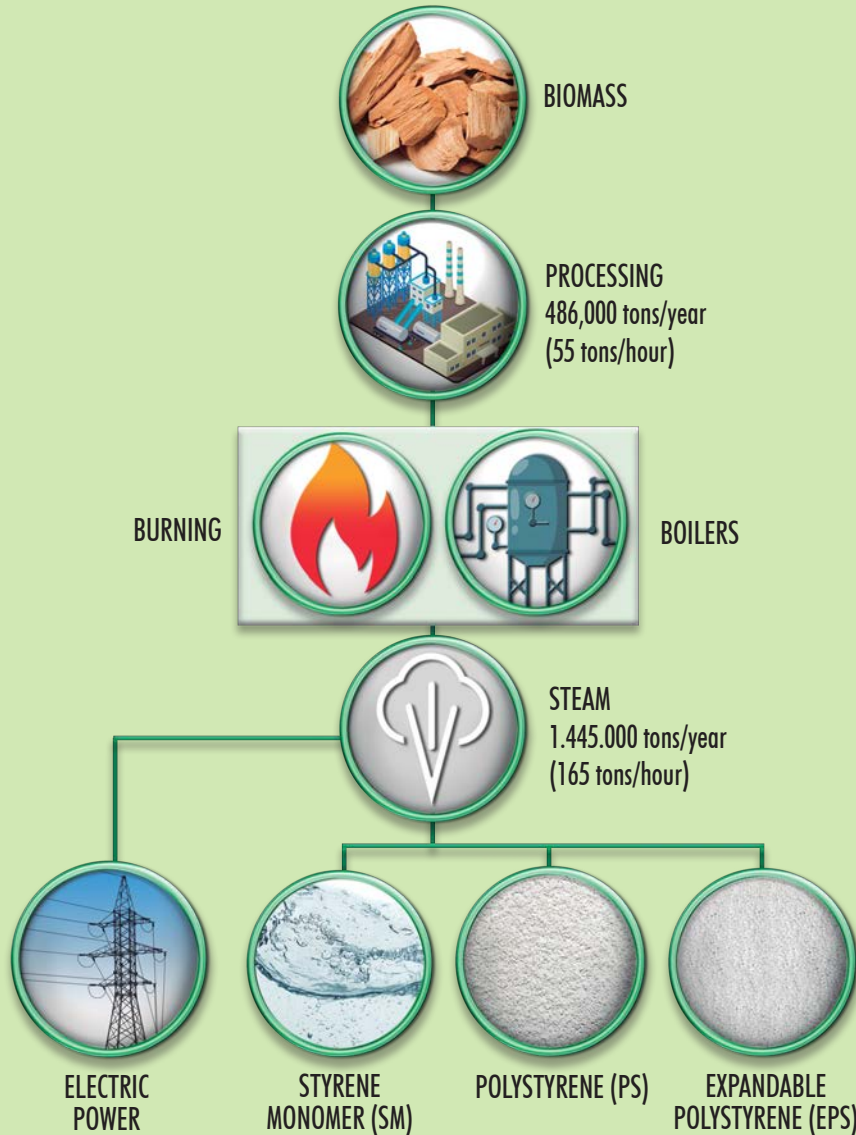
The event brought together heads of state and representatives from 200 nations with the aim of finding solutions to zero carbon emissions by 2050, among other strategies to fight climate change.



Electricity and Steam Thermolectric Cogeneration, Triunfo (Rio Grande do Sul).



# STEAM AND POWER FROM RENEWABLE SOURCES



Richard Heinrich Huff - Production, Pant II (Triunfo, Rio Grande do Sul)







## Target: Zero Carbon

GRI 103-2, 103-3 | 305

Innova is committed to neutralizing its carbon emissions in Scopes I and II by the end of 2024. An external consulting firm supports the Company in mapping risks and opportunities. Among the initiatives developed in the year is the completion of the Greenhouse Gas Inventory (GHG), covering the period from beginning of 2017 to July 2021, in accordance to the Brazilian GHG Protocol Methodology.

The energy and fuel consumption model was taken as a basis for analysis and development of assertive strategies. A 26% reduction in the average emissions of Triunfo petrochemical's furnaces was granted by the change in the energy matrix, from fuel oil to natural gas, effective between 2019 and 2020. The start of the Steam and Power Generation Plant operation was also fundamental to reduce the emissions.

The Company monitors eco-indicators of greenhouse gas generation monthly, based on the correlation between the amount of CO<sub>2</sub> tons/equivalent and the monthly production. Annually, the data are validated by an external consulting Company.

## Emissions Intensity

GRI 305-1, 305-2, 305-3, 305-4

**E**m In 2021, a gross generation of 53,847 tCO<sub>2</sub> in Scope I emissions was registered.

The Company achieved a 22% reduction in Scope II gross emissions in comparison to 2020, or approximately 34,600 tCO<sub>2</sub>e. In 2021, the amount of steam purchased from an external supplier (user of fossil fuels: coal, oil, and gas), was lower, generating a reduction of emissions in this scope. Innova also self-generated part of its clean electric energy, reducing the purchase from the National Integrated System.

The biogenic emissions in 2021 were 222,055 tCO<sub>2</sub>, with the start of operation of the Steam and Power Generation Plant, which made Plant II self-sufficient in steam and power generation from renewable fuel (biomass).

We have established the target of reducing 30% of Scopes I and II emissions for 2022 and our next GHG inventory for Scope III is on preparation.

In 2021, we reduced the GHG emissions intensity rate by 31%, compared to 2020, with a rate of 0.166 tCO<sub>2</sub>e/t produced. The reduction is even more relevant when compared to 2018, reaching 49% (0.325 tCO<sub>2</sub>e/t produced was the 2018 rate).  
GRI 305-4

In 2021, we avoided emitting 108,232 tCO<sub>2</sub>e, of which 7,001 refer to electric energy and 101,231 to thermal energy (steam), both based on Scope II. In calculating the avoided emissions, we considered the amount of steam and electricity that was no longer consumed in Plant II, previously acquired from suppliers that use non-renewable sources. This consumption was reduced by the implementation of the Steam and Power Generation Plant. [GRI 305-5](#)

#### DIRECT GREENHOUSE GAS EMISSIONS (tCO<sub>2</sub> EQUIVALENT) SCOPE I\* [GRI 305-1](#)

	2019	2020	2021
Generation of electrical power, heat and steam	43.086,17	43.905,03	52.245,61
Transportation of materials, products, residues, employees and passengers and passengers	175,45	223,07	243,64
Fugitive emissions	320,48	733,87	1.357,89
<b>Total emissions Scope I</b>	<b>43.582,10</b>	<b>44.861,97</b>	<b>53.847,14</b>

#### INDIRECT EMISSIONS FROM ENERGY ACQUISITION (TCO<sub>2</sub> EQUIVALENT) - SCOPE II [GRI 305-2](#)

Acquisition of electrical energy**	14.332,17	12.945,20	21.760,35
Acquisition of thermal energy (steam)	137.220,73	145.305,12	101.901,77
<b>Total Scope II emissions</b>	<b>151.552,91</b>	<b>158.250,32</b>	<b>123.662,19</b>
<b>Total emissions: Scopes I and II (t CO<sub>2</sub> equivalent)</b>	<b>195.135,01</b>	<b>203.112,29</b>	<b>177.509,33</b>

\* All of Innova's historical GHG emissions data (2017-2020) were revised, with changes to the gross number of Scope I and II emissions, which were disclosed in the 2020 Sustainability Report. The revision was made due to the refinement of the input data in the GHG Inventory calculation protocols.

\*\*Electricity emissions (Scope II) grew in 2021, because emission factors were impacted by 70% due to the use of thermal plants in the energy matrix of the SIN grid. If it were not for this fact, the global reduction would have been bigger.

#### INTENSITY OF GREENHOUSE GAS EMISSIONS (tCO<sub>2</sub>E / t PRODUCT) [GRI 305-4](#)

	2019	2020	2021
	0,270	0,239	0,166

#### SIGNIFICANT ATMOSPHERIC EMISSIONS (T)\* [GRI 305-7](#)

	2019	2020	2021
NOx	33,63	40,16	35,17
SOx	0,20	0,21	0,18
Volatile Organic Compounds (VOC)	38,27	41,36	44,61
Particulate Material (PM)	2,13	2,30	2,11
Carbon Monoxide (CO)	14,97	17,58	15,37
<b>Total</b>	<b>89,20</b>	<b>101,61</b>	<b>97,44</b>

\* Values from the GHG inventory, carried out according to the GHG Protocol methodology. The emissions of regulated pollutants for stationary sources (furnaces/boilers) and mobile sources (forklift trucks/emergency vehicles) were accounted for, and emission factors from global literature were used.

The consolidation of the renewable energy matrix improves energy efficiency and impact on the reduction of Greenhouse Gas (GHG) emissions. This way, we contribute directly to four Sustainable Development Goals (SDGs):





# Power Consumption

Until 2020, 100% of the fuels consumed in Innova's production processes were of non-renewable origin. Since the Steam and Power Generation Plant started operating in 2021 we have already reached 38% of renewable energy consumption, with the challenge of reaching 60% in 2022. GRI 302-1

## ENERGY CONSUMED (GJ) GRI 302-1

	2019	2020	2021
Electricity	652.562	723.723	592.709
Steam	1.514.439	1.599.418	1.121.664
<b>Total</b>	<b>2.167.001</b>	<b>2.323.141</b>	<b>1.714.373</b>

## TOTAL POWER CONSUMED (GJ) GRI 302-1

	2019	2020***	2021
(A) Non-renewable sources	1.101.586	1.173.149	1.402.198
(B) Renewable sources**	0	0	1.939.094
(C) Energy consumed	2.167.001	2.323.141	1.714.373
(D) Sold energy	0	0	7.117
<b>Total (A+B+C)-(D)</b>	<b>3.268.587</b>	<b>3.496.290</b>	<b>5.048.548</b>

\*The following non-renewable consumed fuels were considered: natural gas (NG), liquefied petroleum gas (LPG), diesel, petrochemical oil (BTE, which use was discontinued as of 2019), purges from the styrene plant, dimethyl ether (DME), heavy residue from the ethylbenzene and styrene monomer plants (TAR) and purges from the polystyrene plant (SEB).

\*\*Considered as consumed renewable fuel the biomass of plant residues: pine and eucalyptus wood, rice husks and leftovers from sawmills in the form of chips. The Steam and Power Generation Plant started its commercial operation as of June 5th 2021, in accordance with the National Electric Energy Agency (ANEEL), Order no. 1.594/2021.

\*\*\* Data for the years 2019 and 2020 were revised due to an improvement in the fuel consumption data, notably by Plant IV.

# Power Intensity

We have reached an energy intensity lower than the 2018 levels (4.88 GJ/t., being 4,166,147 GJ for total production of 853,149 t), even with the new electricity loads and the need for process steam arising for thermoelectric operation, which led to increased energy consumption in 2021 compared to the previous year. GRI 302-4

## ENERGY INTENSITY\* (GJ/T PRODUCED) GRI 302-3

	2019	2020	2021
	4,52	4,12	4,72

(\* ) The energy intensity indicator is the ratio between total energy consumption within the Company (GJ) and the Company's total production (t).



Jose Rodrigo Farias Rebelo - Field Operation, Plant IV (Manaus, Amazonas)



 **FAS**  
Fundação  
Amazônia  
Sustentável

**Auditório**  
D. Lidia Parisotto

DIRIJA-SE  
À RECEPÇÃO

**Repensar**  
**Respeitar**

Sustentabilidade

**Tecnologia**

Reeducar  
Reciclar

Reutilizar

 **FAS**  
Fundação  
Amazônia

Projeto de Gestão de Resíduos,  
Educação Ambiental e Geração de Renda

**Transformar** >>> **Plástico**



Tricycle used in the selective collection project. Sustainable Amazon Foundation Headquarters, Manaus, Amazonas.

# Socio-Environmental Transformation

The ECO-PS® supply chain and its selective collection create income generation opportunities for peripheral regions. At the same time, it promotes the depollution of Manaus urban areas.

Innova maintains in Manaus a project for Waste Management, Environmental Education and Income Generation, with emphasis on waste collection logistics. The initiative is coordinated by the Sustainable Amazon Foundation (FAS) in partnership with Innova.

First of all, an was conducted assessment on the impact of plastic waste in the communities and the requirements for its selective collection. Then, in 2021, the following was provided to improve the logistics and working conditions: an exclusive truck for selective collection in partnership with the City Hall; collection carts equipped with buckets in five neighborhoods around the waste separation facility; installation of Voluntary Delivery Points (VDPs), containers adapted to collect polystyrene and other materials sold by the population dedicated to selective collection.

In addition, it is currently under construction a pilot recycling lab at Manaus Selective Collectors Association (ASCARMAN), equipped with extruders and waste cleaning equipment.

The project also offered workshops for training community leaders, to develop agents of socio-environmental transformation.

Waste separation is still a challenge for the municipality, and environmental awareness about the importance of correct separation and disposal is essential to avoid polluting streams, rivers, and the forest. We also work in the schools located in the involved neighborhoods.

The project, with virtuous impact on the region regarding economic and social development and environmental preservation, contributes directly to five UN Sustainable Development Goals:



# Efficient Resources Management

GRI 103-2, 103-3 | 301

Innova prioritizes the efficient management of resources in all its operation, from raw materials used in the manufacturing of products, to the consumption of natural resources. With this perspective, the Company was certified with the 2nd star (of a total of five) from the Operation Clean Sweep® Program. In Plant II, the goal is to avoid losses of pellets (granules), flakes and powder to the environment throughout the production cycle, from resin processing and transportation to recycling. The initiative assists the plastics industry in its logistics chain by reducing the loss of plastic pellets to the environment.

Pellet Zero is an international program promoted by plastic sector associations. In Brazil, Innova's voluntary commitment was assumed together with Plastivida Instituto Socioambiental and the Associação Brasileira da Indústria do Plástico (ABIPLAST), licensors of the Program.



We performed in 2021, at Plant II, a second diagnosis which identified pellet spills in the bagging area, hose breakages, weld failure in the bags, and generation of fines in the recirculation of the silos.

Based on those results, Innova is currently investing in improvements on the mapped areas, as well as in awareness training for collaborators. Our supervisors and leaders also signed the commitment to the Program for the prevention of pellet loss to the

environment. With these actions, we work to achieve the 3rd Star of the Operation Clean Sweep® Program. GRI 102-13

The program will be expanded to the other plants.

Get to know the Program: [www.porummarlimpo.org.br](http://www.porummarlimpo.org.br)



## Clean Sea GRI 102-13

Plastivida and the Oceanographic Institute from USP (University of São Paulo) signed an agreement for the creation of the project "Garbage in the Seas: from Understanding to Solution". The initiative marks the sector's commitment to actions to mitigate the entry of waste into the seas.



Innova's initiatives for the Efficient Management of Resources are part of the global efforts to meet the goals foreseen in the UN's Sustainable Development Goals (SDG), prioritizing SDG 14, which deals with the conservation and sustainable use of oceans, seas and marine resources for sustainable development.

# Use of Recycled Materials

GRI 301-2

Innova constantly seeks alternatives related to the circular economy. One of our highlights is ECO-PS®, Brazil's first polystyrene with up to 30% post-consumption recycled polystyrene and properties similar to those of a product made with 100% virgin resin.

ECO-PS® is produced in Manaus (AM) and commercialized since 2020. In 2021, 15.93 tons of post-consumer recycled polystyrene were used. In 2020, it was 7.92 tons.

This is a result of of intense tests conducted by the Styrenics Technology Center (STC) to reach the ideal composition of virgin resin with recycled inputs and keep the product's characteristics and quality.



# Reverse Logistics

GRI 102-12, 306-2

Innova supports the Reverse Logistics Program for disposable cups, which promotes the importance of proper disposal and recycling of plastics. The program collects used plastic cups from partner companies, at no cost, sent for sorting, recycling and transformed into new products.

In addition to encouraging the proper disposal of plastic cups after use, the program also disseminates sustainable practices and conducts training on the disposal process at participating companies. Since the beginning of the program, more than 1300 people have already been trained.

Innova also destines the used plastic cups from the Barueri and Manaus Units for recycling, through the same program.

In 2021, more than 26 million disposable cups were collected and correctly sent for recycling. The program's goal agreed for 2022 is to collect more than 130 million disposable cups.

In 2022, the partnership will be extended to Plant II, in Triunfo (RS). The program and other sustainable practices are widespread by the Pensamento Verde (Green Thought) site (<https://www.pensamentoverde.com.br/>).







Another initiative for the plastic sustainable usage: a campaign with 12-pen kits produced with post-consumption polystyrene, gifted to Innova’s collaborators and social media followers. Each pen made out of three disposable cups.

This way, the Company reinforces its sustainability positioning and disseminates the importance of plastics recycling.



# Water, Effluent, and Waste Management

GRI 103-2, 103-3 | 303

The management of water, effluents and waste at Innova is constantly monitored, guaranteeing Compliance with local legislation.

At the Triunfo petrochemical plant, besides the usage for cooling, the Steam and Power Generation Plant and the Demineralized Water Production Plant demand a large quantity of clarified water into demineralized water for usage in steam production.

In industrial Manaus industrial plants, water is basically used for equipment cooling.

## Eco-indicators GRI 103-2, 103-3 | 303

Water consumption and effluent generation, as well as other environmental indicators, are monitored monthly by means of eco-indicators. For water consumption, the indicator is composed of the sum of drinking water consumption, clarified and demineralized water, and low and high pressure steam in relation to the monthly production. The effluent generation eco-indicator is composed of the total effluent generated in relation to the monthly production.

The quality of the water consumed in the industrial units is periodically monitored by a specialized Company. The company performs an equalization of the parameters, in order to optimize water consumption and reduce the amount of effluent generated.

Laboratories certified by the National Institute of Metrology, Quality and Technology (INMETRO) are used to analyze the parameters, ensuring the reliability of the results.

The data is periodically forwarded to the environmental agencies and, in case of deviations, preventive or corrective actions are taken.

## Water Sources GRI 303-1

The Manaus plants use underground water, with wells that have been granted permission for water withdrawal. The Triunfo Plant, on the other hand, uses water that comes from a surface source (Rio Caí-RS). The basins impacted by the Company are:

- Plant I (Manaus): Tarumã-Açu Basin / Igarapé do Tarumã
- Plant II (Triunfo): Caí River Basin
- Plant IV (Manaus): Educandos Basin / Igarapé do Quarenta

In absolute numbers, Innova had an increase of 40% in its water consumption, if compared to 2020. As for the rate (m<sup>3</sup>/t produced), the increase was 11%, with a consumption of 1.78 m<sup>3</sup>/ton produced. The increase was caused by the beginning of operations of the Steam and Power Generation Plant and Demineralized Water Production Plant GRI 303-5

### TOTAL VOLUME OF WATER CONSUMED (IN ML)\* GRI 303-5

	2019	2020	2021
<b>Water collected (A)</b>	<b>1.294,37</b>	<b>1.362,14</b>	<b>1.905,61</b>
Groundwater	270,80	271,35	246,41
Third-party water (surface)	1.023,57	1.090,79	1.659,20
<b>Discharged water (B)</b>	<b>355,93</b>	<b>287,35</b>	<b>357,30</b>
Surface water	41,09	41,17	31,50
Water sent to third parties	314,84	246,18	325,80
<b>Water consumption (A-B)</b>	<b>934,44</b>	<b>1.074,79</b>	<b>1.548,31</b>
	<b>Responsible Care Indicators (ABIQUIM)</b>		<b>Innova 2021*</b>
<b>Water Consumption (m<sup>3</sup> / ton produced)</b>	<b>3,41</b>		<b>1,78</b>
<b>Generation of Effluents (m<sup>3</sup> / t produced)</b>	<b>2,63</b>		<b>0,33</b>

\*In 2021, the eco-indicators of water consumption and effluent generation were compared to the Responsible Care Indicators, from the Brazilian Association of Chemical Industries (ABIQUIM), A reduction is targeted for 2022, disregarding the Steam and Power Generation Plant operations. of 5% for water and 10% for effluents.



# Water Treatment and Disposal

GRI 303-2

The management of our effluents is based on the standards established by each of the local legislations where we are located, as well as on internal procedures regarding operational characteristics, substances of interest and composition of the effluents. These substances and their respective use limits are set forth in the specific local legislations or in the operating licenses. The qualitative and quantitative information regarding the discharge of effluents is monitored by means of periodic reports.

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In Triunfo (RS), all the effluent from Plant II is collected, previously treated in a water and oil separator and sent for complete treatment (physical-chemical and biological) in the Integrated Liquid Effluent Treatment System (SITEL), which serves the entire Petrochemical Complex of Triunfo, one of the most modern effluent treatment systems in Brazil. After the treatment, soil sprinkling is carried out, according to local legislation.

In Plant I and IV, in Manaus, the biological and industrial effluents are treated in internal stations and later sent to the Tarumã and Quarenta Igarapés, respectively. Periodic monitoring of the quality of the disposed water is carried out.

In 2021, we expect a 24% gross increase in the generation of effluents, resulting from the start-up of the Steam and Power Generation Plant and the Demineralized Water Production Unit (UPAD). In relation to the m<sup>3</sup>/ton produced there was a reduction of 1%, due to the higher production in the year, with zero non-conformities in relation to the disposal parameters established by law. **GRI 303-4**

# Water Reuse

GRI 303-3

We have adopted initiatives for the reuse of effluents that positively impact both the amount of water captured and the sending of effluents for treatment.

To minimize water withdrawal, Plant II (Triunfo, Rio Grande do Sul), has a system for condensate reusing from the production process and effluent streams from the Demineralized Water Production Plant (UPAD). The reuse is equivalent to 37% of the water used by the Company, 28% more than the 2020 reuse.

In December 2021, the implementation of the reuse system at Plant IV was completed. The project consists in the reuse of up to 100% of the biological and industrial effluent generated at the industrial plant for reuse as cooling water.

In 2022, the Company will expand the Reuse Program in Plant II, with the reuse of new effluent streams from the Demineralized Water Production Plant process, which will generate positive results in water consumption and in the generation of effluents for treatment. In Plant I and in the Head Office it will also be implemented the reuse of rainwater for cleaning and gardening.



# Solid Waste

GRI 103-2, 103-3 |306

All of the Company's industrial plants have a Waste Management Plan and internal procedures. We comply with environmental legislation at municipal, state and federal levels, through mapping by a system of identification and Compliance with legal requirements regarding Health, Safety and Environment.

We prioritize the following initiatives to avoid waste generation:

- Non-generation;
- Reduction;
- Reuse;
- Waste treatment;
- Adequate final destination.

The residues are classified by their classes, as determined by legislation, by sending samples to certified laboratories and then forwarded for treatment in companies licensed by environmental agencies. For the final destination, we opted for alternatives aimed at reuse, such as composting, recycling, or external energy reuse, which cover 94% of the waste generated. [GRI 306-1, 306-2, 306-4, 306-5](#)

In addition, by means of eco-indicators, we evaluate monthly the generation of hazardous and non-hazardous waste. Annually, legal conformity verifications are performed, by an independent Company, to verify the Compliance index with the legislation applicable to the business.

Innova uses hazardous and non-hazardous products to produce their inputs. Potential impacts on the arrival of raw materials and inputs at the Manaus (AM) and Triunfo (RS) Units are associated with pipelines and road transport.

# Waste Generation

GRI 306-3

In 2021, we generated 17,109 tons of waste, which represents an increase of 53% if compared to the 2020 generation. The waste generation rate was 15.99 kg/t produced, the ABIQUIM reference rate being 7.8 kg/t produced.

The increase was mainly due to the start of operation of the Steam and Power Generation Plant, in Plant II, generating approximately 11,150 tons of ash (69% of all the Company's waste generation), sent for composting.

In Plant IV, due to the adequacy works, civil construction residues were generated and sent to landfills.

Excluding the generation of ashes, Innova disposed of 47% less waste in 2021 in relation to 2020, being that the previous year was highly impacted by the disposal of earth and civil construction waste from the works carried out, reused externally. Innova will implement, in the second half of 2022, a project aimed at reducing the generation of ashes. [GRI 306-4](#)

As for hazardous waste, we had a 24% higher generation than in 2020, caused mainly by operational problems in Plant IV. A larger amount of hazardous waste had to be sent to incineration, as it could not be reprocessed or treated internally. [GRI 306-5](#)

Our target for 2022 is to reduce waste generation by 10%, disregarding Steam and Power Generation Plant operations, compared to 2021.


**TOTAL WASTE GENERATED, BY CATEGORY (t) GRI 306-3**

	Generated waste			Waste not destined for disposal			Waste destined for disposal		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
No hazardous	6.096	10.446	16.153	4.293	9.987	15.750	2.465	459	403
Hazardous	2.623	770	956	1.803	481	409	158	288	547
Total waste	8.719	11.215	17.109	6.096	10.468	16.158	2.623	747	951

**TOTAL WASTE NOT DESTINED FOR FINAL DISPOSAL, BY RECOVERY OPERATION, IN METRIC TONS (t) GRI 306-4**

	Inside the organization/Onsite			Outside the organization/Offsite			Total		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
<b>Non-hazardous Waste</b>									
Reuse	0	0	0	71	7.011	760	71	7.011	760
Recycling	0	0	0	4.144	2.929	3.320	4.144	2.929	3.320
Composting	0	0	0	43	30	11.185	43	30	11.185
Co-processing	0	0	0	0	3	448	0	3	448
Reuse (animal feed)	0	0	0	35	14	36	35	14	36
Total	0	0	0	4.293	9.987	15.750	4.293	9.987	15.750
<b>Hazardous waste</b>									
Coprocessing	0	0	0	907	336	282	907	336	282
Decontamination for reuse	0	0	0	22	18	63	22	18	63
Recycling	0	0	0	83	69	56	83	69	56
Re-refining	0	0	0	7	6	7	7	6	7
Effluent treatment	0	0	0	784	52	1	784	52	1
Total	0	0	0	1.803	481	409	1.803	481	409
Total waste NOT destined for final disposal	0	0	0	6.096	10.468	16.158	6.096	10.468	16.158

**TOTAL WASTE DESTINED FOR FINAL DISPOSAL, BY OPERATION, IN METRIC TONS (t)**

	Inside the organization/Onsite			Outside organization/Offsite			Total		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
<b>Non-hazardous waste</b>									
Landfill	0	0	0	2.464	371	402	2.464	371	402
Incineration energy recovery	0	0	0	0	0	1	0	0	1
Wastewater treatment	0	0	0	2	88	1	2	88	1
Total	0,00	0,00	0,00	2.465	459	403	2.465	459	403
<b>Hazardous Waste</b>									
Hazardous Waste Incineration energy recovery	0	0	0	158	288	544	158	288	544
Landfill	0	0	0	0	0	3	0	0	3
Autoclave	0	0	0	0	0	0	0	0	0
Total	0,00	0,00	0,00	158	288	547	158	288	547
Total waste for final disposal	0,00	0,00	0,00	2.623	747	951	2.623	747	951



Alison Cláudio Karg - Production,  
Plant II (Triunfo, Rio Grande do Sul)

# Social Performance

Health and safety are essential material themes for Innova's stakeholders. Therefore, we prioritize the continuous improvement of production processes and value the human view of people, to generate a safe, collaborative and ethical environment.

In terms of social responsibility, we work on the internal awareness of our employees and share value with the communities surrounding our operations. For this purpose, we seek strategic partners, so that together we can add experiences, dialogue, and promote effective social transformations.

Our performance generates virtuous economic impacts in the communities where we operate. Innova, together with the Industrial Development Committee of the Pole (COFIP) and other companies in the Triunfo Petrochemical Pole, promotes technical and professional training for members of the surrounding communities, seeking to increase local hiring and develop the region's economy.

These impacts became even more relevant with the start-up of the Steam and Power Generation Plant in Plant II. The demand for biomass has boosted the economy of the region within a radius of up to 380 km, receiving up to 60 truckloads per day of raw material, wood chips.

Local suppliers have adapted and sought new business models that could meet the new regional demands. The Steam and Power Generation Plant has also collaborated with the growth and professionalization of small family businesses, which can now supply their products in a more structured way and in Compliance with the legislation.

The Company will evaluate, in 2022, new ways to monitor the region and the generated impact by the project.

GRI 103-2, 103-3 | 203, 203-2



Amanda Jaques Casse - Logistics,  
Plant II (Triunfo, Rio Grande do Sul)



People's well-being and the generation of opportunities are essential pillars in Innova's sustainability vision. They are put in practice in relationships, policies, programs and projects.



Bianca Wierzynski (HR) and  
Caroline Chaves Schulte (Fiscal Area),  
Plant II (Triunfo, Rio Grande do Sul)





# People Management

GRI 103-2, 103-3 | 401

**W**e continuously promote an organizational culture that favors mutual trust and ethical conduct. We work on the personal and professional development of our employees, based on a transparent relationship, evaluation cycles and growth programs.

Carla Silveira (Secretary) and  
Alessandra Baum Pereira (Environmental Engineer),  
Plant II (Triunfo, Rio Grande do Sul)



Our employment management is monitored and evaluated by means of the Integrated Management System and by internal and external certification audits. In 2021, we sought to improve internal recruitment and selection procedures, engaging employees to take on new roles, with a reduction in the learning curve.

An analysis of the Company's exit interviews was also implemented, with the aim of improving internal policies and retaining talent. Improvements are planned for 2022 in the process of identifying the main causes of voluntary dismissals.

In the last year, we recorded a 4% growth in the number of employees, which demonstrates the growth of the business, as well as the incentive and investment in awareness and development actions of our teams.

## Pandemic Context

We made efforts in 2021 to ensure the health and integrity of our employees, faced by the continuing Covid-19 pandemic.

Our focus remained on safe procedures, such as distancing ourselves in work spaces and restaurants, sanitization, and monitoring of specific cases, fully following the health protocols oriented by public agencies.

In addition, we adapted the processes to punctually meet the hybrid work, according to the specifications of the legislation and the characteristics of our segment.

## Employee Profile

GRI 102-8

Innova ended the year with 1020 employees, 11 interns and 22 apprentices. Of this total, we registered 130 new hirings and 98 dismissals. All employees work full-time.

Our turnover rate was considered low in relation to other companies in the market. There was a considerable drop in the number of employees who left the Company, the most relevant being concentrated in the 30 to 50 age bracket.

### HIRED COLLABORATORS\* BY AGE GROUP GRI 401-1

	N°			Rate		
	2019	2020	2021	2019	2020	2021
Below 30 years old	54	46	59	30%	26%	32%
Between 30 and 50 years old	47	71	67	7%	10%	9%
Above 50 years old	2	2	4	2%	2%	3%
<b>Total</b>	<b>103</b>	<b>119</b>	<b>130</b>	<b>11%</b>	<b>12%</b>	<b>13%</b>

(\* ) Considering also the members of the Board, President, Vice-President.

### HIRED COLLABORATORS, BY GENDER GRI 401-1

	N°			Rate		
	2019	2020	2021	2019	2020	2021
Men	88	109	112	12%	14%	14%
Women	15	10	18	8%	5%	9%
<b>Total</b>	<b>103</b>	<b>119</b>	<b>130</b>			

The rate is calculated by the number of occurrences divided by the total number of employees that year.


**CONTRACTED EMPLOYEES, BY REGION GRI 401-1**

	N°			Rate		
	2019	2020	2021	2019	2020	2021
Barueri	15	16	19	15%	16%	18%
Manaus	54	57	79	9%	9%	12%
Triunfo	34	46	32	15%	19%	13%
<b>Total</b>	<b>103</b>	<b>119</b>	<b>130</b>			

**EMPLOYEES BY TYPE OF EMPLOYMENT CONTRACT AND GENDER\* GRI 102-8**

	Men			Women			Total		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Permanent	763	794	827	193	185	193	956	979	1020
Temporary	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>763</b>	<b>794</b>	<b>827</b>	<b>193</b>	<b>185</b>	<b>193</b>	<b>956</b>	<b>979</b>	<b>1.020</b>

(\* ) The number of employees in 2019 and 2020 differs from the number published in the 2020 report due to the revision of the employee base according to new criteria in 2021, excluding apprentices and interns from the employee base.

**EMPLOYEES BY TYPE OF EMPLOYMENT CONTRACT AND REGION GRI 102-8**

	Fixed term			Indefinite term			Total		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Barueri	0	0	0	97	102	107	97	102	107
Manaus	0	0	0	632	632	659	632	632	659
Triunfo	0	0	0	227	245	254	227	245	254
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>956</b>	<b>979</b>	<b>1.020</b>	<b>956</b>	<b>979</b>	<b>1.020</b>

The rate is calculated by the number of occurrences divided by the overall total of employees in that year.

**EMPLOYEES BY FUNCTIONAL CATEGORY AND GENDER GRI 401-1**

	Men			Women			Total		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Vice-President and Top Management *	3	4	4	1	1	1	4	5	5
Board of Directors	3	3	3	0	0	0	3	3	3
Management	16	17	17	4	2	3	20	19	20
Coordination	61	54	51	16	15	13	77	69	64
Operational	680	716	752	172	167	176	852	883	928
<b>Total</b>	<b>763</b>	<b>794</b>	<b>827</b>	<b>193</b>	<b>185</b>	<b>193</b>	<b>956</b>	<b>979</b>	<b>1.020</b>

(\* ) The category Vice-Presidency and Top Management considers members of the Board of Board of Directors, President and Vice-President.

**EMPLOYEES WHO LEFT THE COMPANY, BY AGE GROUP GRI 401-1**

	N°			Rate		
	2019	2020	2021	2019	2020	2021
Under 30 years old	22	19	25	12%	11%	14%
Between 30 and 50 years old	55	63	63	9%	9%	9%
Above 50 years old	26	27	10	20%	22%	8%
<b>Total</b>	<b>103</b>	<b>109</b>	<b>98</b>			

**EMPLOYEES WHO LEFT THE COMPANY, BY GENDER GRI 401-1**

	N°			Taxa		
	2019	2020	2021	2019	2020	2021
Men	81	87	84	11%	11%	10%
Women	22	22	14	11%	12%	7%
<b>Total</b>	<b>103</b>	<b>109</b>	<b>98</b>			

The rate is calculated by the number of occurrences divided by the overall total of employees in that year.



Sineide da Silva - BOPP Sales,  
Head Office (Barueri, SP)



### EMPLOYEES WHO LEFT THE COMPANY, BY REGION GRI 401-1

	N°			Rate		
	2019	2020	2021	2019	2020	2021
Barueri	17	11	18	18%	11%	17%
Manaus	63	67	57	10%	11%	9%
Triunfo	23	31	23	10%	13%	9%
<b>Total</b>	<b>103</b>	<b>109</b>	<b>98</b>			

### EMPLOYEES BY FUNCTIONAL CATEGORY AND GENDER GRI 102-8

	Men			Women			Total		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Apprentices	13	14	15	5	6	7	18	20	22
Interns	11	15	5	8	9	6	19	24	11
<b>Total</b>	<b>24</b>	<b>29</b>	<b>20</b>	<b>13</b>	<b>15</b>	<b>13</b>	<b>37</b>	<b>44</b>	<b>33</b>

The rate is calculated by the number of occurrences divided by the overall total of employees in that year.

## Organizational Culture and Development

In 2021 we focused on the selection, training and development of people, together with the adoption of strategies to strengthen the organizational culture. We highlight the changes made in the corporate structure as a basis for the Company's growth.

We developed the adaptation of profiles, positions and salaries, in order to provide the alignment of professionals with the Company's strategic vision. As part of this direction, we implemented internal recruitment programs, generating 40 positions in four months.

We have advanced in a systemic and integrated vision of the processes, which begins with the selection for jobs and covers aspects of retention, talent development and succession planning. In this sense, we promoted initiatives together with the executives to boost the development of people and we executed a matrix of technical and regulatory training.

## Attraction of Talents

Innova develops two initiatives to attract new talents: the Internship Program and the Young Apprentice Program. We prioritize interns, both technical and higher education level, opportunities that provide an enriching experience both for the participants and for the Company.

We encourage apprentices to have professional training that combines theoretical and practical knowledge, contributing to the enhancement of skills and the expansion of opportunities.

## Training and qualification of employees

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

Every year, Innova conducts sessions ruled by our legislation as well as operational sessions for the continuous improvement of processes and operations. They also seek the development of the entire audience in aspects such as Integrated Management System, health and safety prevention, information security prevention, Compliance, financial education, behavioral training, among others.

The Training and Education management is monitored and evaluated based on training and development indicators from the Human Resources area and by the Integrated Management System, through internal and external audits carried out based on the certifications obtained.

Despite the continuity of the impacts and policies related to the Covid-19 pandemic in 2021, we remodeled our training practices and began to develop them largely in virtual and distance learning (DLT) modality, to ensure the safety of people and operation and the development of employees.



### AVERAGE HOURS OF EMPLOYEE TRAINING PER GENDER\* GRI 404-1

	2019	2020	2021
Men	33	25	24
Women	11	12	18
<b>Total</b>	<b>29</b>	<b>22</b>	<b>23</b>

\*Due to the revision of the employee base according to new criteria in 2021, removing apprentices and interns from the employee base in 2019 and 2020, some figures are different from those published in the 2020 report.

### AVERAGE HOURS OF EMPLOYEE TRAINING BY FUNCTIONAL CATEGORY\* GRI 404-1

	2019	2020	2021
Vice-Presidency and Senior Management	0	0	1
Board of Directors	6	0	3
Management	4	1	4
Coordination	26	16	26
Operational	30	23	23
<b>Total</b>	<b>29</b>	<b>22</b>	<b>23</b>

### AVERAGE HOURS OF EMPLOYEE TRAINING BY FUNCTIONAL CATEGORY GRI 404-1

	2019	2020	2021
Apprentices	204	93	262
Interns	9	19	30
<b>Total</b>	<b>104</b>	<b>53</b>	<b>184</b>

Average training hours for apprentices increased substantially over the previous year, up about 180%, while trainees also had a difference of about 54% compared to 2020.

GRI 404-1

# People Development Policies

GRI 404-2

**A**Innova conducts the evaluation and recognition of its employees through the Performance Evaluation and Management Program. In 2021, the Company started the reformulation of the system responsible for the process that, in addition to including more technological tools, will allow the evaluation of several levels of the Company, from Senior Management to the analyst position. The change will be implemented in a standardized way in all industrial plants.

Also in 2021, other competence criteria and parameters were created that will be integrated into tools such as the Individual Development Plan (IDP) and feedback. A diagnosis of organizational culture and a climate survey are planned for 2022.

The program is monitored and evaluated by the Human Resources area and by the Integrated Management System, by means of internal and external audits. Currently, it allows the mapping of the professionals, in addition to supporting the continuous development and positively impacting the business results, combining the clarity of the performance with the professional's deliveries.

In 2022, the People Cycle Program is planned, with the improvement of mapping at the operational level.

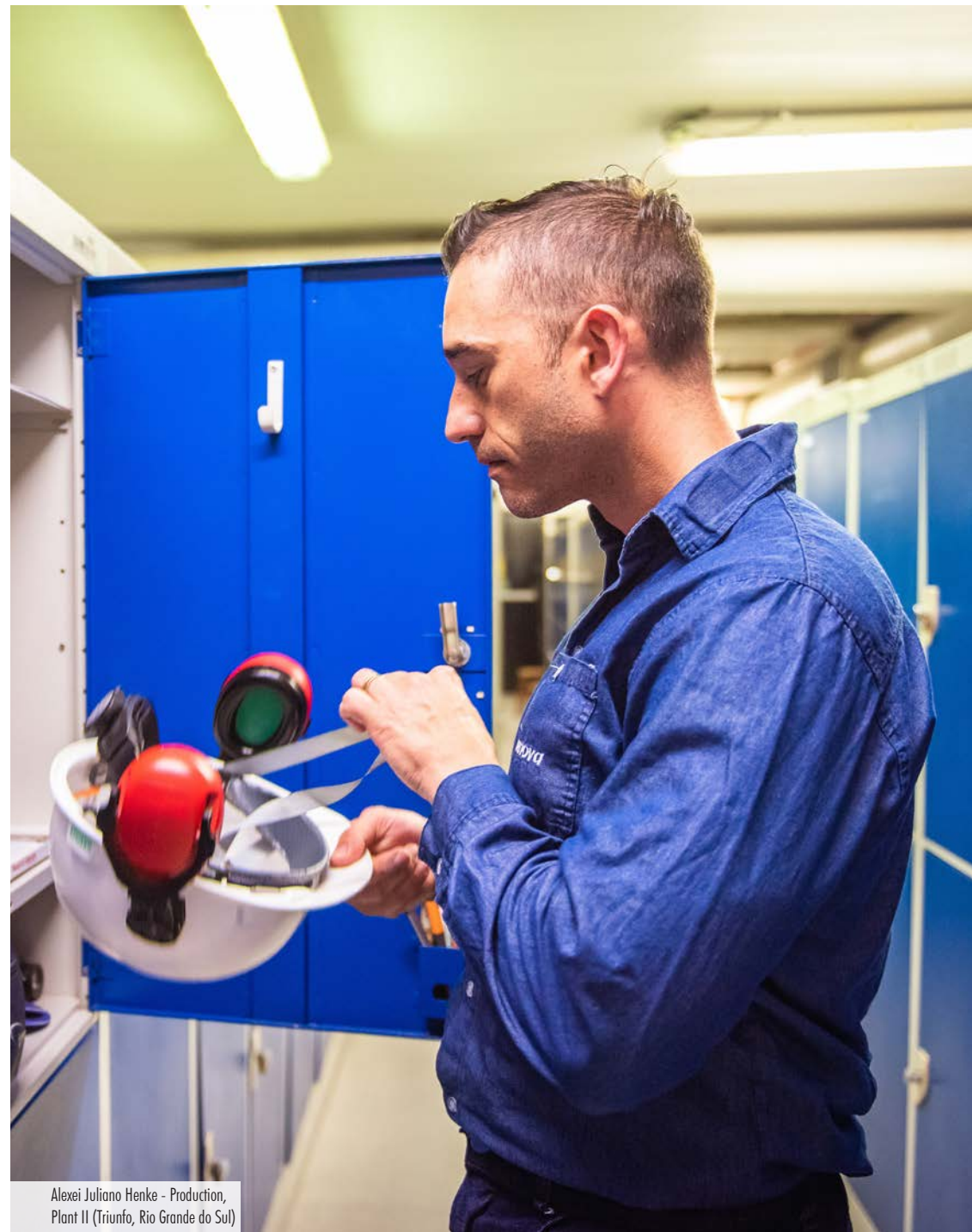
The complete process is composed of the employee's self-evaluation, the manager's evaluation, and the results calibration committee, promoting a culture of evaluations and continuous feedback, aiming to take advantage of the maximum career potential of our employees.

### COLLABORATORS WHO RECEIVED PERFORMANCE REVIEWS BY FUNCTIONAL CATEGORY GRI 404-3

	Men			Women			Total		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Vice-Presidency and Top Management*	33	25	25	0	0	0	25	20	20
Board of Directors	100	100	100	-	-	-	100	100	100
Management	100	100	100	100	100	100	100	100	100
Coordination	100	100	100	100	100	100	100	100	100
Operational	0	0	0	0	0	0	0	0	0
Total**	11	9	9	10	9	8	11	9	9

\*In Vice-Presidency and Top Management, the Vice-President and members of the Board of Directors were considered.

\*\*Until 2021, apprentices and interns were not included in the Management and Performance Evaluation Program. However, with the implementation of the new Internship Program and improvements in the Young Apprentice Program, they will be more closely monitored for evaluation and career development.



Alexei Juliano Henke - Production,  
Plant II (Triunfo, Rio Grande do Sul)



David Menezes da Costa - Plastic Injection,  
Plant III (Manaus, Amazonas)





# Health and Wellness

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

Caring for people is the focus of our Occupational Health Medical Control Program, which includes laboratorial exams, consultations with occupational physicians and quality of life programs.

All industrial plants have an outpatient clinic and professionals trained in occupational health, available during office hours, in addition to trained first-aiders on shift and weekends, in case there is a need for medical attention.

The occupational physicians conduct a complete anamnesis with all employees. If there is the need for investigation or initial signs that require further attention, they are oriented by the medical area to seek a specialist. Throughout 2021, we carried out several initiatives aimed at promoting the health of our employees, with highlights to:



H1N1 vaccination campaign;



Internal Week for the Prevention of Accidents (SIPAT);



Mental health campaign;



Dental evaluations;



Personal Finance;



Pink October campaign;



Blue November campaign.

Our processes are integrated to government systems (e-Social), ensuring the correct management of information, risk factors, and monitoring of the worker's health and well-being in real time. We maintain our own health area and have partners for clinical exams, among other services. **GRI 403-3**



Eliethe de Araujo Veiga  
Plastic Covers - Printing  
Plant I (Manaus, Amazonas)

## Integral Care

During the pandemic, our actions in essential care for integral health gained emphasis, such as lectures with psychologists to discuss, for example, its effects on the work routines and the role of leadership.

We identified common demands and specificities of each of our locations and implemented initiatives such as the availability of telemedicine for some Units with more restricted access to medical-hospital services.

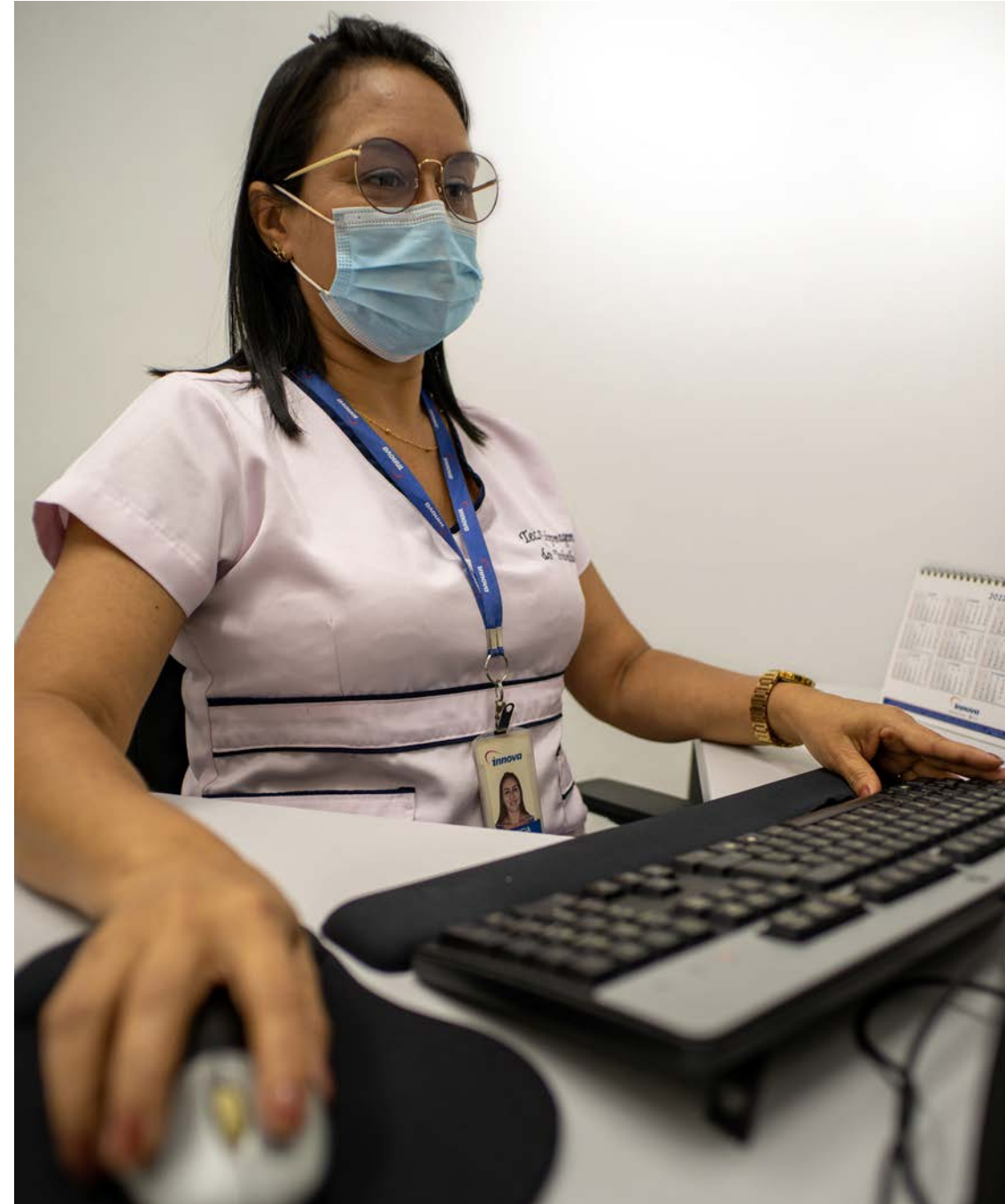


We also released the guide Habit Your Body, which establishes guidelines for healthy habits, and we developed the Vida+ Program, in partnership with a health consultancy, to stimulate a better quality of life.

Our improvements on employee health care included quality of life questionnaires for more assertive actions and periodic exams.

## Health and Occupational Hygiene Rules and Programs

- Environmental Risk Prevention Program - NR09
- Occupational Health Medical Control Program - NR07
- Program for Prevention of Occupational Exposure to Benzene
- Hearing Control Program
- Respiratory Protection Program
- Ergonomics Program
- Collective protection equipment according to the best available practices.



Fabricia Lima Queiroz - (QHSE)  
Plant IV (Manaus, Amazonas)

# Shared Value

GRI 102-12, 413-1, 413-2

Innova supports the Sustainable Amazon Foundation (FAS), an organization that promotes the development, environmental preservation and quality of life improvement of the riverside communities of the Amazon.

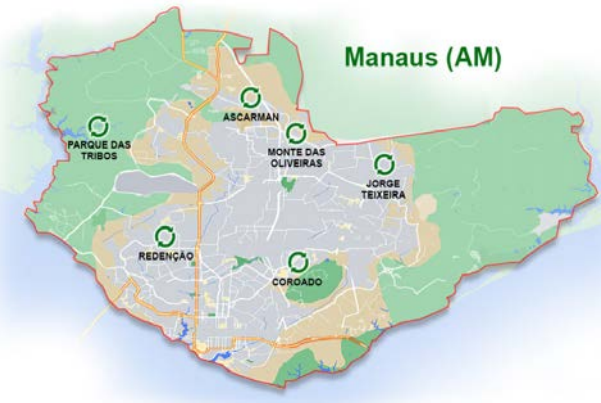


Photo: Sustainable Amazon Foundation

The social technologies undertaken stimulate the participation of indigenous communities in the preservation of the environment and the promotion of citizenship.

The cultural identity and self-esteem of these populations is affirmed as one of the premises for their permanence on the land.

Innova is also a partner of FAS in an important project of selective collection of polystyrene in Manaus: cups, plates and disposable cutlery gain new life as raw material. A partnership was established with the Association of Collectors of Recyclable Materials of Amazonas (ASCARMAN) for collection in five neighborhoods located on the banks of streams, including the Parque das Tribos, polluted both by the garbage produced in these communities and by that drained from other parts of the city.



The project offers training and equipment to the local population, in order to stimulate selective collection and recycling.

The collected material is re-cycled as raw material for ECO-PS®, the first polystyrene with up to 30% post-consumer material in

its composition. The project also creates income generation for needy populations.

The production of ECO-PS® with recycled raw material, in addition to contributing to environmental awareness and the de-pollution of the urban area of Manaus, generates income for the most vulnerable populations.



The support to the Sustainable Amazon Foundation (FAS) is given in three more projects of great impact: Integral Development of Children and Adolescents from the Amazon Riverbanks (DICARA), Indigenous Archery and Indigenous Canoeing.

The DICARA project is aimed at children and young people from 0 to 17 years old, residents of Conservation Units in the State of Amazonas and their families, providing free courses in the areas of preventive health and complementary education.

The Indigenous Archery project trains high performance athletes, also aiming at the Olympics.

The Indigenous Canoeing project trains new athletes in vulnerable communities and assists the Apurinã, Kameba and Karapãna indigenous populations.

# Education

**T**ransformative education is a pillar in Innova's philosophy and practice of sustainability.

In 2021, we continued our 15 years of support to Ayrton Senna Institute. Our investment in 2021 enabled the training of 300 educators.

The Ayrton Senna Institute operates all over the country, developing diagnoses and planning, training managers, educators and innovative pedagogical solutions.

**Ayrton  
Senna  
Institute**



Get to know Ayrton Senna Institute:  
<https://institutoayrtonsenna.org.br>



Photo: Ayrton Senna Institute

# Story Bookshelf

Distribution of stylized bookshelves with 100 children's books in each, to public schools and non-profit institutions.



## ESTANTE DE HISTÓRIAS



# Nora Teixeira Hospital

Innova sponsored the project for the construction of the emergency ward (SUS) of the Nora Teixeira Hospital, Santa Casa de Misericórdia de Porto Alegre.



# Beit Yakov Project

Beit Yakov Educational, Charitable, Israeli-Brazilian Orthodox Religious Institute. Innova supports the project that maintains the activities of two Jewish schools in São Paulo.



# Pro-Tigre Project (Criciúma Sport Club)

The project's main goal is the integration of young people into society through the specialization of the non-professional athlete in the practice of performance sport.

Sport as a socio-cultural factor stimulates feelings of solidarity, cooperation, autonomy, and creativity.



# Territories Project Tomie Ohtake Institute

The Tomie Ohtake Institute, opened in November 2001 in the City of São Paulo and stands out for being one of the few spaces in the city specially designed, architecturally and conceptually, to hold national and international exhibitions of fine arts, architecture and design.



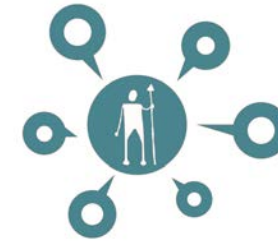
**6º PRÊMIO  
TERRITÓRIOS  
TOMIE OHTAKE**

The Territories Award is part of the Tomie Ohtake Institute's "Culture and Participation Center" and is aimed at public schools nationwide. It seeks to map, recognize, and disseminate pedagogical experiences that have been successful in ensuring a comprehensive education and maintaining the ties and learning experiences of their students and communities in a consistent and innovative manner.

The award receives applications from schools all over Brazil.

# Memory of Tide

Multimedia project addressing the relationship between man and the sea from the perspective of sustainability.



MEMÓRIADOFUTURO  
MATRIZ HISTÓRICA MULTIDIMENSIONAL

# Guri Project

Maintained by the São Paulo State Department of Culture and Creative Economy, the Guri Project is the largest social-cultural program in Brazil and offers, during after-school periods, courses in musical initiation, luthiery, choral singing, music technology, fingered string, keyboard, and percussion instruments, for children and teenagers. Since its start, in 1995, the project has already assisted around 900,000 youngsters in São Paulo State.





# Prato Cheio Project

The socially vulnerable population of Manaus (AM) has access to popular restaurants through the Prato Cheio project. Innova maintains the branch in the neighborhood of Compensa, in partnership with the Amazonas State Government and the Company Sodexo.

Through this initiative, the restaurant offers around 6,000 balanced meals every month, with a menu prepared by nutritionists.



# Community Advisory Council (CCC)

GRI 413-1, 413-2

We manage the impacts and risks that may influence the communities neighboring our businesses and operations through environmental licensing and community relations.

Innova dialogues with the community of Rio Grande do Sul and, since 2003, takes part in the Community Consultative Council (CCC), of the Southern Petrochemical Pole. Currently, 29 volunteers from the community integrate the Council, representing the cities of Triunfo, Montenegro, Nova Santa Rita and surrounding cities.



In addition, we are part of the Mutual Aid Plan (PAM), in Triunfo and in Manaus, which keeps the teams of the companies trained and qualified for emergency assistance.

We keep open channels of communication and interaction with the community, by means of Talk to Us ([www.innova.com.br](http://www.innova.com.br)) and shared networks such as Talk to the Pole ([www.falecomopolo.com.br](http://www.falecomopolo.com.br)).

Among the topics covered are Company projects for the future, sustainable initiatives, and the permanent health, safety, and environment agenda.

Our practices are evaluated by means of internal, external, and customer audits, and certified by the Responsible Care Program. GRI 103-2, 103-3 | 413, 413-1, 413-2

# Safe Production

GRI 103-2, 103-3 |307

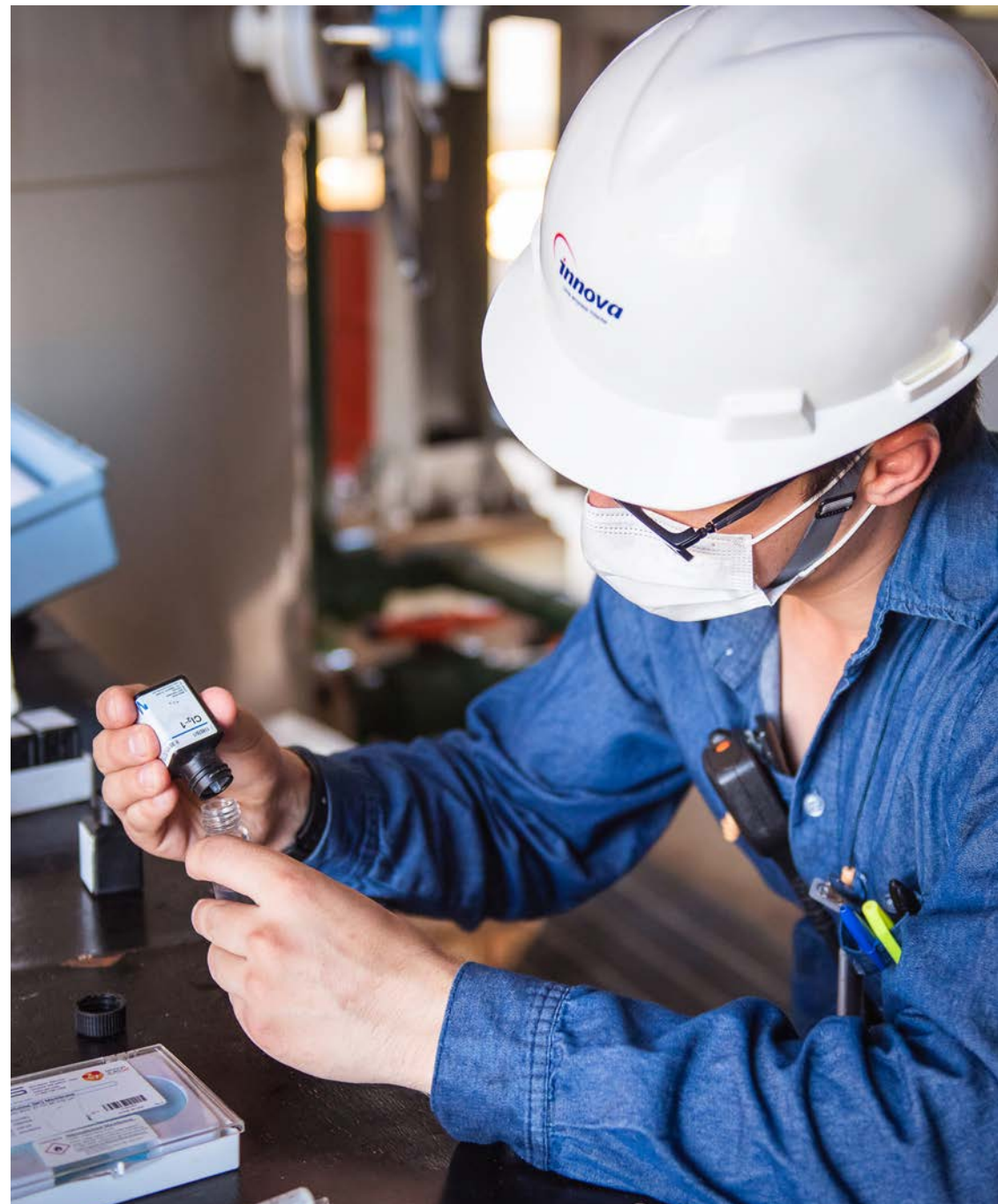
The safety of Innova's collaborators is at the core of our governance and management model. From the Board of Directors of the Company to the leaders and employees, our premise is to act in a responsible manner, guaranteeing the best practices based on our Integrated Quality, Safety, Environment and Health Policy (QHSE).

The management of the topics related to health, safety and environment is carried out by means of an integrated platform, which allows the monitoring and evaluation of the legal aspects in the federal, state and municipal spheres.

Periodically, the plants undergo Compliance evaluations carried out by external certifiers, which confer integrity and security to processes. This management is applied to all Innova industrial plants, through the following structure:

- Quality Management (products, legal requirements and others)
- Safety Management (work, process, transportation and assets)
- Environment Management (Climate Change, Effluents and Waste)
- Health Management (Occupational Health and Hygiene)

We monitor our containment systems in the industrial areas and in the transportation of liquid cargo. In 2021, no leaks were registered on soil or water surfaces.



Charles Pinto de Lemos - Production, Plant II (Triunfo, Rio Grande do Sul)



The guidelines of our Integrated Policy on Quality, Safety, Environment and Health (QHSE) are extended to all suppliers and service providers, who follow safety procedures such as integration training, evaluation and learning about safe work practices, respect for the environment, and health surveillance.

# Risk Analysis and Prevention

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

Innova's Health and Safety Management System is structured in all industrial plants. Among its guidelines for the prevention of incidents and accidents are: risk analysis and prevention, guaranteeing safety in the use of chemical products, flammable and combustible liquids in the use of energized systems and in the operation of machines.

GRI 403-7, 403-8

All chemical products used in the industrial plants and in the production processes are evaluated and their information is made available to employees and service providers. The most relevant are: ethylene, benzene, pentane, ethylbenzene (EB), styrene monomer (SM), toluene and expandable polystyrene (EPS). Collective and individual protection equipment is in place, as well as a set of procedures and safety practices for the execution of tasks, which ensure people's integrity and health.

Our processes are mapped in an integrated manner by means of the Hazard and Risk Survey and the Preliminary Risk Analysis. In the execution of tasks, we have controls that are implemented aiming at the minimization and elimination of risk factors, with the adoption of collective protection measures, work organization or individual protection, as well as the Work Permit, when necessary.

Our employees and service providers receive integration training upon entering the industrial plants, in addition to continuous technical training, described in our Health and Safety Training Matrix. We also periodically hold dialogues with the teams, to deepen their perception of the risks and their control methods. GRI 403-5, 403-8



## INTEGRATED POLICY: QUALITY, SAFETY, ENVIRONMENT AND HEALTH.

Innova, a petrochemical company and manufacturer of processed plastics for the Brazilian and international markets, aims to generate value and positive impact throughout its business chain.

We are committed to the continuous improvement of processes and products in order to meet and exceed the expectations of our clients and stakeholders, with a focus on innovation and sustainability of business. Our commitments:

- Ensure compliance with the legislation and other requirements applicable to the business, encouraging our active participation in issues related to our Integrated Management System and meeting the guidelines of the Responsible Care® Program;
- Continuously improve performance in Quality, Safety, Environment, and Health;
- Protect the environment, with optimization and conscious use of natural resources;
- Prevent pollution, with the reduction of waste and its best final destination;
- Provide safe and healthy working conditions by eliminating hazards, reducing risks, and identifying opportunities in our operations, processes, and environment;
- Ensure product quality and availability, always aiming to satisfy our customers' needs;
- Establish a relationship of trust and transparency with customers, partners, and communities;
- Encourage the participation and engagement of our employees in the Company's values and objectives, fostering their development and training on an ongoing basis;
- Encouraging employees and stakeholders to contribute by reporting situations of deviations that may affect the business, the organization's environment, the wellness and integrity of people.



Revision 3, 05/16/2022.



# Accidents GRI 403-9

Innova has a Health and Safety Management System that aims to prevent accidents and incidents. In 2021, it obtained a 48% reduction in the rate of accidents with and without lost time in relation to the previous year, thus reaching the goal of being below the industry average of 4.56 in 2020 for accidents, according to the annual publication of the Brazilian Chemical Industry Association (ABIQUM).

In the last three years we did not register any fatal cases, and in the same period there were no Work Accident Reports registered or related to occupational disease events, including repetitive strain injuries and work-related musculoskeletal disorders. GRI 403-10

In 2021, there were also no serious events related to chemical exposure.

Employees must report any unsafe act or condition in the work environment, as well as work-related personal and environmental accidents and incidents, through our direct internal channels with leadership and the Quality, Safety, Environment and Health (QHSE) area.

We use an online computerized system that covers the topics of Quality, Safety, Environment and Health (QHSE), in which the mapping of risks, their controls and the Company's entire document base are available. The system also covers the reporting, investigation, and treatment of accidents and incidents in Quality, Safety, Environment, and Health (QHSE).

We also have an integrated panel of health and safety indicators, which monitors and statistically analyzes the results of accidents and incidents.

## ACCIDENTS AT WORK GRI 403-9

	Employee			Collaborators who are not employees but whose work and/or workplace is controlled by the organization		
	2019	2020	2021	2019	2020	2021
Number of hours worked	1.546.259	1.462.737	1.558.420	442.564	376.947	679.838
Number of fatalities resulting from occupational accidents	0	0	0	0	0	0
Number of work-related accidents with serious consequences (except fatalities)*	0	0	0	0	0	0
Number of work-related accidents with serious consequences (except fatalities)**	0	0	0	0	0	0
Number of occupational accidents with mandatory reporting	6	11	7	3	5	3
Number of occupational accidents with mandatory reporting**	3,9	7,5	4,5	6,8	13,3	4,4
	4,5	8,7	4,5	4,5	8,7	4,5
Type of work-related accidents/injuries	Cut and bruising	Cut, contusion, burns and eye trauma	Cut, contusion and burns	Cut and contusion	Cut, contusion, burns, and eye trauma	Cut, bruise and burns

\*Consider occurrences from which the employee or contractor (service provider) has not recovered or is not expected to fully recover within six months for his/her health condition.

\*\*The indexes were calculated based on 1,000,000 hours worked.



# Food Safety

GRI 103-2, 103-3 | 416 | 307

Our operation follows the guidelines of the Food Safety Management System Policy, whose goal is to ensure safe products that meet customer needs. In this regard, the manufacturing process of plastic closures, with a capacity of more than 300 million units/month, is FSSC 22000 (Food Safety System Certification) certified in the management of food safety risks.

Other products such as bioriented polypropylene (BOPP) films, polystyrene (PS) and polypropylene (PP) reels also meet the requirements defined by Resolution No. 105 - General Provisions for Plastic Packaging and Equipment in Contact with Food - of the National Health Surveillance Agency (ANVISA) by the Food and Drug Administration (FDA).

## Food Safety Management System Policy

Our essential guidelines:

- Motivate and encourage employees regarding the role of excellence in the performance of activities;
- Strict Compliance with legal requirements, with the respective standards and applicable standards and regulations;
- Fluent and full communication with stakeholders;
- Continuous improvement of the Food Safety Management System.

The development of new products includes the evaluation of health, safety and environmental risks in order to protect the workers, the neighboring communities and the final consumer.

In addition, the Units periodically go through internal and external audits in the scope of the ISO 14001 certification, and audits of the Responsible Care Program. The non-conformities detected are dealt with by means of the occurrence management system, with stages of recording, severity, analysis, action plan, implementation, and effectiveness analysis.

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

Innova's product packaging is used to guarantee protection, not being used as a marketing strategy or as a link with the consumer, exposing only the Company's brand and the product information, batch and safety items, in case of hazardous products transportation.

The types of information that are required by the Company's procedures for product and service information and labeling are:

- Outsourcing of components of products or services.
- Content, especially with respect to substances that may have an environmental or social impact.
- Safe use: products and services.
- Disposal of the product and environmental or social impacts.

In addition, the labeling of expandable polystyrene (EPS) bags follows the transportation regulations for hazardous products. All our packages are technically assessed and approved for specific use.

# Certifications and Attestations

Innova's commitment to rigorous safety and quality standards is reflected in the certifications and attestations received from external organizations that are a reference in the market, and that assure the excellence level of our operation and products.

All our industrial plants are duly certified according to the standards.

We invest, therefore, in continuous improvements of the processes to deliver products of quality, which meet the expectations and needs of customers and shareholders. This aspiration, transformed into practice, has resulted in the following attestations and certifications:



ISO 9001, referring to System of Quality Management System



ISO 14001, for Environmental Management



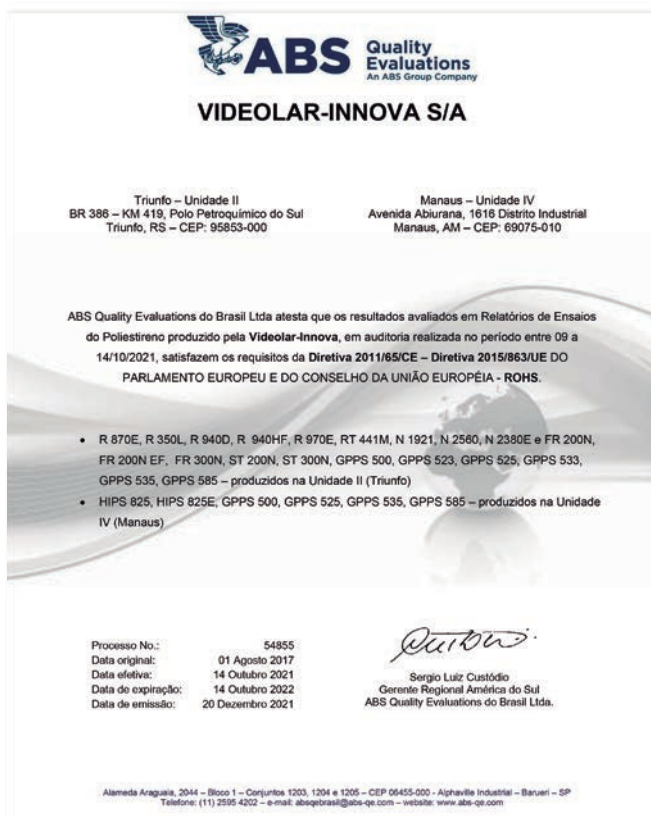
**Responsible Care**<sup>®</sup>  
OUR COMMITMENT TO SUSTAINABILITY

## Responsible Care

GRI 102-12, 103-2, 103-3 |307

We are committed to the continuous improvement of our Company's performance in health, safety and environment. In March 2021, we signed a Term of Adhesion to the Responsible Care Program, created in Canada and coordinated in Brazil by the Brazilian Chemical Industry Association (ABIQUIM), whose objective is to improve sustainable business practices in the chemical industry. Plants II and IV received the program's certification by the end of 2021.

Through the program, a select group of companies in the sector is certified and undergoes periodic audits of their operations and initiatives, which must be guided by the ethical principles of Responsible Care. Currently, 13 companies have received the certification, among them Innova, out of a universe of 961 petrochemical industries operating in the country.



RoHS (Restriction of Certain Hazardous Substances) Compliance certificate for Plants II and IV. This legislation rules the presence of heavy metals and other hazardous substances in products marketed in the electro-electronic segments for the European Community and the United Kingdom (renewed in 2021).

# RoHS

GRI 103-2, 103-3 |307



Operation Clean Sweep® certificate, granted by Plastivida, licensor of the International Program Operation Clean Sweep (OCS®), following the principles of the Plastics Sector Forum - For a Clean Sea, as a Company committed to the implementation of the Program Pellet Zero, to mitigate the loss of pellets, flakes and powder to the environment (issued in 2021).

FSSC 22,000 certification, related to risk management for food safety, at Plant I, in Manaus, which produces plastic caps for mineral waters, juices and soft drinks.

GRI 103-2, 103-3 |307





Certificate of the Own Service of Equipment Inspection, granted to Plant II by the Brazilian Institute of Oil, Gas and Biofuels, which acts as the Product Certification Body.

The certification is granted to industries that operate boilers, pressure vessels, or piping and have their production validated by an audit without compromising safety levels.

Certificate of Compliance with the requirements of the Responsible Care® Program for Plants II and IV. Through the Program, Innova is committed to perform continuous improvements in health, safety, environment and sustainability.

GRI 103-2, 103-3 |307



# Awards

Quality Award for Coca-Cola Packaging Suppliers (2020 Packaging

Supplier Ranking): Innova was awarded 1<sup>st</sup> place in Closing System (closures), in recognition of the results achieved in relation to the goals of Food Safety, Quality, Social Responsibility and Sustainability for the 2020 cycle.



Innova was awarded 2nd place, among 1,564 registered projects, for the scientific article describing the development of the ECO-PS®, presented at the 23<sup>rd</sup> Brazilian Congress of Chemical Engineering. The article went on to be published in international journals in the area.





# Pillar of Governance

Innova business philosophy is to be an example of good corporate governance practices, as a premise the transparent relationship with collaborators, clients, shareholders, partners and the community. The Company's solidity and reputation are the result of a legacy of reinventions and the trust built with its stakeholders.

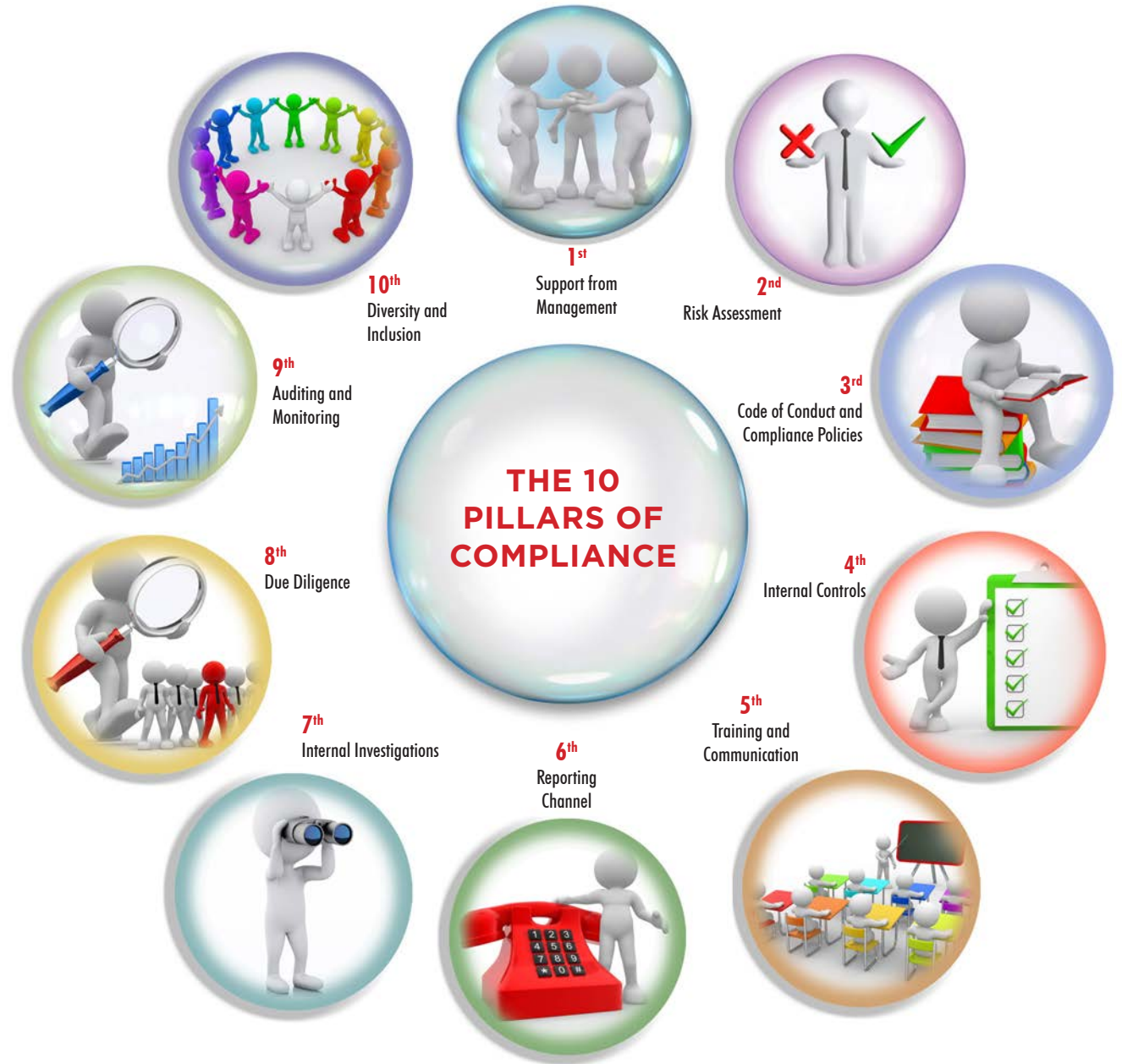
In the exercise of this transparency and even though we are a privately held Company, our results have been externally audited since 2005, a decision that broadens the communication with society and permanently prepares Innova for the future. GRI 102-5

## Ethics and Compliance

GRI 102-17

Innova's Compliance Program consists of a system of practices and tools that act together with the other internal processes of the Company, and guarantee a safe business environment, where there is no room for deviations, risks, or non-conformities.

Compliance initiatives are based on 10 pillars to ensure an effective system that complies with current standards and laws. These are the 10 pillars:





Alisson Vidal Correia - Production,  
Plant II (Triunfo, Rio Grande do Sul)

Our practice has a guideline valid to everyone: to act ethically, based on the values and principles expressed in our Mission, Vision and Values.

The Collaborator's Manual is made available to the entire team, and guides the personal and professional conduct of the collaborators.



In 2021, by means of an independent consultancy, Innova carried out a survey with the collaborators about the main themes pertinent to the Compliance area, with the objective of developing training and assertive initiatives for the consolidation of an ethical and transparent culture.

The Compliance Ambassadors Program is planned for 2022, with the objective of connecting and enhancing our practices.

## Fight Against Corruption and Code of Conduct

GRI 103-2, 103-3 | 205, 205-2

We develop initiatives with employees to enable a broad knowledge about the Brazilian Anticorruption Law, (Law 12,846/2013). In addition, we provide the Code of Conduct to ensure high standards of ethical business conduct and prevent

irregularities. Among its premises are the maintenance of a transparent relationship with partners, customers, auditors, public agents and the strict prohibition of fraud and corrupt practices. The document is disclosed on the institutional site to 100% of employees, suppliers and customers.

The Compliance area acts to ensure Compliance with the Code of Conduct and direct cases of violation to the correction and continuous improvement of processes, always aligned with Innova's principles. Through the Reporting Channel, we receive for investigation and action reports involving possible deviations that can be characterized as corruption. In 2021, there was only one report via the Reporting Channel involving alleged corruption, which was not confirmed after investigation.

GRI 205-1

Regarding unfair competition, all contracts, agreements, and business plans are analyzed and reviewed by the Legal and Compliance departments, to ensure Compliance with the antitrust legislation. GRI 103-2, 103-3 | 206

The employees answer questionnaires on ethics and corruption and participate in constant training to disseminate the content and assess the level of understanding of the internal public on Compliance issues, which is a mandatory part of the integration process. In 2021, all training on ethics and corruption was held online, including training on the Reporting Channel and Respect and Harassment, with the participation of all employees.



# Reporting Channel

Innova offers an external independent channel to receive and investigate complaints made by collaborators, clients and suppliers. This practice complies with the Brazilian Anticorruption Law (Law 12.846/2013). Complainants are protected by anonymity and information security, with absolute secrecy and confidentiality guaranteed.

Innova's Reporting Channel receives reports involving the following topics: harassment, discrimination, misbehavior, fraud or corruption, tampering or evasion of internal controls, carelessness or inappropriate use of goods and/or services of the organization, theft or subtraction of internal information, other complaints, suggestions and compliments.

The reports are received by an external Company, which performs the first analysis. If pertinent, it is sent to Innova's Receiving Committee for assessment and verification. In the cases in which the assessment is justified, the appropriate measures are adopted: dismissal with or without due cause, suspension, verbal or written warning, feedback/guidance, termination of contract with third parties.

A proper feedback is provided by the Reporting Channel. Reports are treated with secrecy and confidentiality, either anonymous or not. In 2021, 61 complaints were received, of which 7 were resolved in early 2022. The Reporting Channel can through the bellow channels:



**FREE LINE**  
0800-891-4636  
Option 1 operator  
Option 2 recorded message



**WEB SITE**  
[www.resguarda.com](http://www.resguarda.com)  
[www.resguarda.com/innova](http://www.resguarda.com/innova)



**E-MAIL**  
[canaldedenuncias@resguarda.com](mailto:canaldedenuncias@resguarda.com)

Access the Reporting Channel  
by QR Code



## COMPLAINTS MECHANISMS GRI 103-2

Complaints	2019	2020	2021
Number of complaints identified through the mechanism	50	29	61
Number of complaints that were addressed	50	29	61
Number of grievances resolved	50	22	54*
Number of grievances registered prior to the reporting period and resolved during the reporting period			7

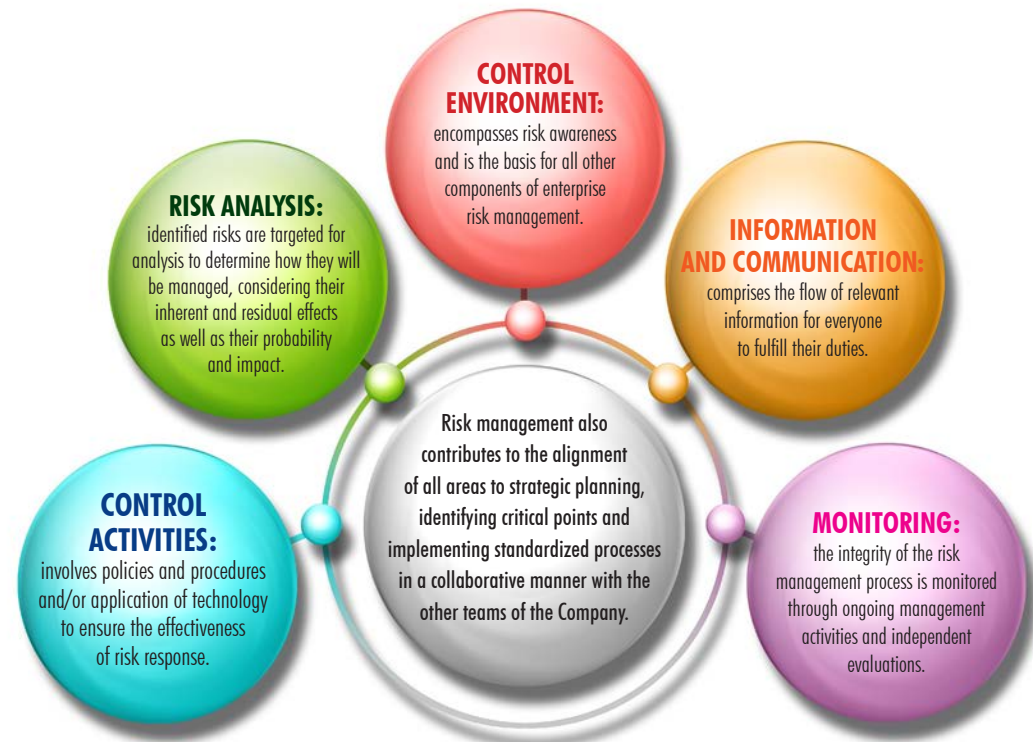
\*The quantity of complaints identified, addressed and resolved are identical, since all reports are analyzed and duly answered, including when the ascertainment and follow-up are hindered by lack of information and/or evidence.

# Risk Management and Internal Controls

The Company continually seeks to act with excellence in all its processes. The Internal Audit Area is responsible for monitoring good practices and evaluating control systems, in addition to establishing risk mitigation plans.

Through an efficient risk management, Innova monitors its Compliance with legal and regulatory requirements, as well as guides its decisions towards the optimization of opportunities and mitigation of eventual losses.

In this sense, we follow the COSO (Committee of Sponsoring Organizations of the Treadway Commission) methodology to manage risks and evaluate internal controls, based on the following components, integrated to our management processes:





Joiceane de Almeida Barbosa - Waste Transfer Station Plant IV (Manaus, Amazonas)

# Data Protection

Innova is committed to transparency and trust in its activities and relationships. Thus, has formalized the Data Privacy Statement, applied to employees, candidates to job positions, partners, clients and suppliers.

The document clarifies the forms of collection, treatment and use of personal data, as well as the procedures for storage and issues related to information security. It also defines the rights in relation to personal data.

Innova's guidelines are in line with legislation and regulations, including the General Law of Data Protection (LGPD), Law no. 13,709/2018, which came into force in 2020, from procedures such as:

- Collection of information through the website strictly provided in contact forms that are filled out by the initiative of the holder himself; which they were collected, except for specific reasons such as the fulfillment of legal, regulatory or contractual obligations;
- Processing of personal data for specific purposes;
- Ensuring satisfactory levels of security in data handling, such as encryption techniques, data backup, access segregation, internal information security policies and procedures, periodic monitoring and security tests, and the use of security software.
- Treatment and storage of data in accordance with the principles set out by the legislation for as long as necessary to fulfill the purposes for





# Corporate Governance and Organizational Chart

GRI 102-18

Innova's organizational structure follows a model that integrates the critical processes in the Company's management. The Board of Directors is the highest body that guides the mission, objectives, strategies, directives and goals of the Company, in economic, environmental and social aspects.

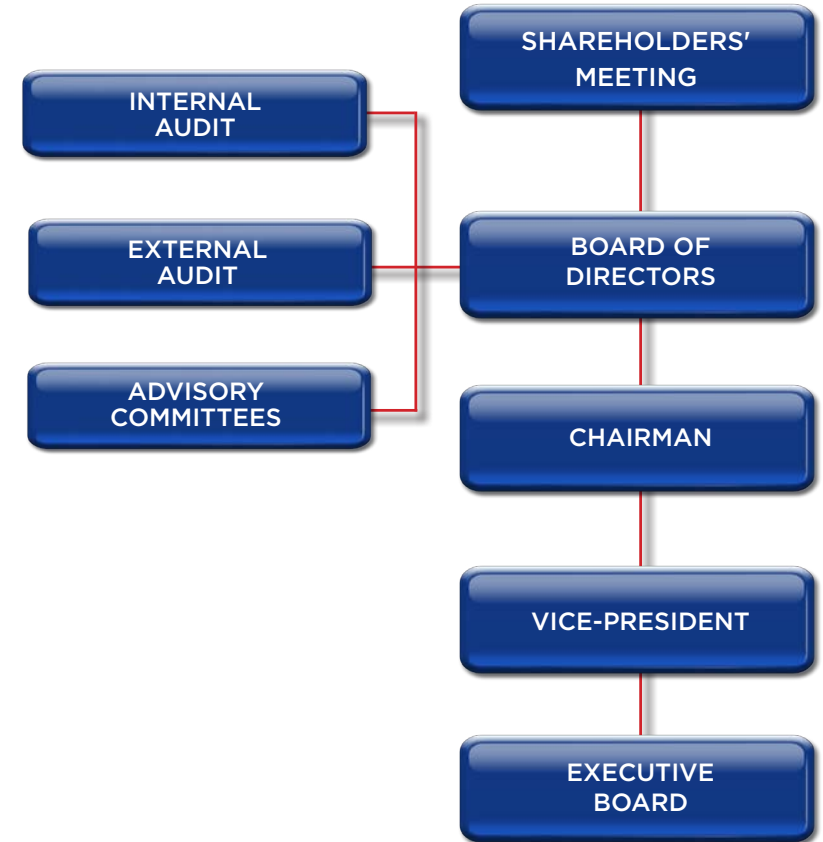
The Board members evaluate impacts, risks and opportunities in these matters, through the monthly presentation of results and the Annual Management Report. This body is also responsible for deliberations regarding the strategic plan, budget, expansion and investment projects, risk management, profit sharing program, and approval of strategic reports.

The Executive Board works as a collegiate body focused on the management of the business based on the decisions of the Board of Directors.

In 2021 Innova, in line with good corporate governance practices, created the Audit, Compliance, and Sustainability Statutory Committees. On 06/15/2021 the Internal Regulations of the Committees were approved and the members elected. The Committees assist the Board of Directors in making decisions by furthering the discussions on the topics for which they were created:

- Sustainability: fosters strategies and creates mechanisms to integrate sustainability into the Company's management process, aggregating economic development issues with those of socio-environmental responsibility.
- Compliance: fosters a culture of integrity and the Company's commitment to act in an ethical and transparent manner, in addition to detecting, preventing and minimizing risks, as well as ensuring Compliance with the rules applicable to the business.
- Auditing: assists in the attributions related to integrity, quality and accounting practices adopted in the preparation of the financial statements, Compliance with legal and regulatory requirements, as well as with the adequacy of internal processes and controls related to risk management.

## Organizational Chart



The Company's governance seeks to promote agile and assertive processes, starting with the establishment of strategies by the President, together with Senior Management. The executives implement the economic, environmental and social plans, and report to Senior Management.

In this process, the professionals are supported by BI (Business Intelligence) tools, integrated to the SAP system (Systems, Applications and Products for Data Processing), to monitor performance information in real time.





# Responsibility in the Supply Chain

GRI 102-9

We establish with our suppliers a relationship based on transparency and ethics, without distinctions, in which we share values and build long-term partnerships. Our chain includes domestic and foreign partners of raw materials, inputs and packaging of various categories and specificities, in addition to consumer goods and services companies.

We ended the year with 1,961 active suppliers, 124 of which were international. Regarding expenses with suppliers, in 2021 the highest volume was destined to raw materials and inputs, being:

- Styrenics: 84% (national) and 16% (imported).
- Processed Plastics: 39% (national) 61% (imported).

Our process with all suppliers starts with the wide dissemination of our Code of Conduct and the Reporting Channel, in addition to the premises on Human Rights.

## Suppliers

GRI 102-10, 202-3

With the start of full operation of the Steam and Power Generation Plant in 2021, started working with a new supplier segment: biomass for the boilers (solid residues of pine and eucalyptus wood, rice husks, and leftovers from sawmills in the form of chips).

After a rigorous evaluation of criteria such as proximity to the facilities, 22 active suppliers were selected, all from the state of Rio Grande do Sul, within a radius of 40 to 380 km, promoting the economic development of the region.

In total, we received 267,000 tons of biomass in the year.

# Monitoring and Evaluation of the Supply Chain

GRI 103-2, 103-3 | 308, 103-3 | 414

According to Innova's guidelines, we evaluate critical suppliers of raw materials, inputs and packages, complying with the requirements of the ABNT ISO 9001 standards, which aim to ensure the attendance of external or internal clients. In the evaluations, specific criteria are used according to the object of the supply or service in the following items: Commercial, Quality, Health, Environment and Safety. In 2022, a new supplier evaluation tool will be implemented, which started to be developed in 2021.

The environmental requirements are present in the contracting of suppliers from the registration and approval stage. Additionally, suppliers of products and services related to important environmental aspects, such as waste and effluent treatment and transportation companies, are evaluated periodically, according to internal procedures, in terms of health, safety and environment.

All registered suppliers must meet the requirements of the Integrated Management System (IMS), ISO 9001 and ISO 14001, related to Quality and Environment, as well as FSC 22000 and ROHS, when applicable to the products. Items related to Integrated Management System are considered in the annual round of supplier evaluation. This system that blocks any cases of non-Compliance with the documentation. GRI 308-1, 414-1

In the last three years, no negative environmental or social impacts caused by suppliers were identified. GRI 308-2, 414-2

### PURCHASING BUDGET: LOCAL SUPPLIERS GRI 204-1

	2019	2020	2021
Budget for suppliers (R\$/mil)	2.007.077	2.272.815	4.352.774
Amount spent with local suppliers (R\$/mil)*	1.135.665	1.484.988	2.869.646
% of the budget spent with local suppliers	57	65	66

\* In the context of this indicator, local suppliers are considered those located in Brazil.





# Purchasing Policy

GRI 103-2, 103-3 | 204

In a clear and transparent way, our Purchasing Policy establishes processes and rules for Compliance with legal requirements. The document seeks to establish rules applicable to any acquisition of productive materials (raw materials, inputs and packaging), goods and services, promoting competition on equal terms among suppliers, with a view to obtaining competitive advantages. In addition, the Policy also defines :

- Respect the values and Code of Conduct.
- Comply with internal rules and legislation in effect.
- Ensure the segregation of attributions and responsibilities in the various stages of the acquisition process.
- Ensure the management of suppliers through economic, quality, environmental and sustainability criteria.

Periodically, our process is audited and revalidated. For service contracts, the Company has strictly controlled budget targets and is audited in several ways, depending on the specificity of the service.

For the supply items, our goal is to meet the deadlines required for operational continuity, at the best costs, which are referenced by international indicators. Every purchase is evaluated according to the behavior of these reference prices.

The purchases of maintenance and investment items are approved in a budget plan and controlled. All purchases made outside the budget must be justified.

# Relationship with customers

Still under the effects of the Covid-19 pandemic and in an unstable economic context, Innova's total focus on the client has enabled a fast service, punctual deliveries, and fair prices, consolidating a relationship of trust and responsibility with its clients. The Company's performance stood out in a complex and emergency context, in which products from the petrochemical industry were essential to primordial sectors such as food and health.

We sought raw material alternatives, established negotiations with suppliers, and operated with a light and lean structure. These strategies favored the equating of prices to customers and a competitive position in the market, considering that our inputs are managed by international prices, which have suffered major increases in the last two years.

In this context, the volume of demand from styrenics and plastics customers grew by 9% in 2021. This result reverted into a significant increase in our EBTIDA, leveraged by the performance of the entire chain, from purchasing, production, sales, to product delivery.

The Company favors a direct relationship between its team and customers. Our professionals are qualified for this purpose and are trained to be assertive and problem-solvers in all areas. Our sales methodology has contributed to the consolidation of a long-lasting and mature customer portfolio.



# Our Clients

Our client portfolio is composed of companies of all sizes that operate in various regions of Brazil, in strategic segments for the economy and development of the country.

## Satisfaction Survey

GRI 102-44

Innova's Satisfaction Survey is held annually and evaluates the clients' perception of our products and services. As of November 2021, 132 clients of the products

styrene monomer (SM), polystyrene (PS), bioriented polypropylene (BOPP), plastic caps, expandable polystyrene (EPS) were interviewed, in their technical and commercial areas.

The satisfaction survey has shown, over the years, that Innova maintains a level of excellence in serving its clients. It also indicates an evolution of knowledge on circular economy among our clients and points out how important it is for a Company such as Innova to consider this practice in its production chain.

## Highlights of Our Clients' Satisfaction:

88%

of the clients consider Innova as a supplier that provides security and confidence.

79%

consider Innova a socially and environmentally responsible Company.

93%

of the clients totally agree that the negotiations made between the Company and Innova generate benefits for both.



# GRI Content Index

GRI 102-55

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	102-8 Information about employees and other workers	133, 134 e 138		8, 10
	102-9 Supply chain	192		
	102-10 Significant changes in the organization and its supply chain	192		
	102-11 Precautionary principle or approach	All of the Company's processes have an Environmental Impact and Aspect Assessment (EIA), with attribution of impact scale (local, regional, global), with determination of severity and probability, risk level and assigned controls.		
	102-12 External initiatives	113, 152 e 173		
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	102-46 Definition of report content and topic boundaries	82		
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	102-48 Restatements of information	6		
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	102-51 Date of the most recent report	6		
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	102-56 External assurance	None		

**MATERIAL TOPICS**
**ECONOMIC PERFORMANCE**

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	82		8, 9
	103-2 Management approach and its components	60		
	103-3 Management approach evaluation	60		
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	70 e 71		
	201-2 Financial implications and other risks and opportunities arising from climate change	Innova has prepared and published its Greenhouse Gases inventory in the last 4 years. With the implementation of the Steam and Power Generation, in Plant II, we had an important reduction in our GHG emissions. We have not yet prepared a mapping of risks and opportunities in this regard.		13

GRI STANDARDS	CONTENTS	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
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GRI 103: Management approach 2016	103-1 Explanation of the material topic and its limit	82		
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	103-3 Management approach assessment	182		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	The risk of fraud and illegal acts was identified in 68 occurrences, in 10 processes, but none with high impact and probability.		16
	205-2 Communication and training on anti-corruption policies and procedures	182		16
	205-3 Confirmed incidents of corruption and measures taken	In the last three years there were no confirmed cases of corruption.		16



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	103-2 Management approach and its components	183		
	103-3 Evaluation of the form of management	183		16
GRI 206: Unfair competition 2016	206-1 Legal actions for anticompetitive behavior, anti-trust, and monopoly practices	In the last three years, there were no lawsuits related to this subject.		
<b>MATERIALS</b>				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its limits	82		
	103-2 Management approach and its components	37		
	103-3 Management approach assessment	37		
GRI 301: Materials 2016	301-1 Materials used broken down by weight or volume	48		8, 12
	301-2 Raw materials or recycled materials used	112		8, 12
	301-3 Reclaimed products and packaging	Due to the nature of our products, which are used in applications in several industries, Innova does not recover products or packages.		8, 12
<b>ENERGY</b>				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	82		
	103-2 Management approach and its components	90		
	103-3 Management approach assessment	90		
GRI 301: Energy 2016	302-1 Energy consumption inside the organization	102		7, 8, 12, 13
	302-2 Energy consumption outside the organization	There is no energy consumption outside the organization.		7, 8, 12, 13

GRI STANDARDS	CONTENTS	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
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GRI 301: Energy 2016	302-3 Energy intensity	103		7, 8, 12, 13
	302-4 Reduction of energy consumption	103		7, 8, 12, 13
	302-5 Reductions in energy requirements of products and services			7, 8, 12, 13
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GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	82		
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GRI 303: Water and Effluents 2019	303-1 Interactions with water as a shared resource	117		6, 12
	303-2 Management of impacts related to water discharge	118		6
	303-3 Water withdrawal	119		6, 8, 12
	303-4 Water discharge	118		6
	303-5 Water consumption	117		6
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GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	82		
	103-2 Management approach and its components	98		
	103-3 Management approach assessment	98		
GRI 305: Emissions 2016	305-1 Direct greenhouse gas (Scope 1) emissions	99 e 100		3, 12, 13, 14, 15



GRI STANDARDS	CONTENTS	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
<b>EMISSIONS</b>				
GRI 305: Emissions 2016	305-2 Indirect emissions (Scope II) of greenhouse gases (GHG)	99 e 100		3, 12, 13, 14, 15
	305-3 Other indirect emissions (Scope III) of greenhouse gases (GHG)	99		3, 12, 13, 14, 15
	305-4 Greenhouse gas (GHG) emissions intensity	99 e 101		13, 14, 15
	305-5 Greenhouse gas (GHG) emission reductions	100		13, 14, 15
	305-6 Emissions of ozone-depleting substances (ODS)	Innova Units do not use SDO.		3, 12
	305-7 Emissions of NOx, SOx and other significant air emissions	101		3, 12, 14, 15
<b>WASTE</b>				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	82		
	103-2 Form of management and its components	120		
	103-3 Form of management assessment	120		
GRI 306: Waste 2021	306-1 Waste generation and significant impacts related to waste	120		3, 6, 11, 12
	306-2 Management of significant waste-related impacts	113 e 120		3, 6, 11, 12
	306-3 Waste generated	121 e 122		3, 6, 12, 14, 15
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<b>ENVIRONMENTAL COMPLIANCE</b>				
GRI 307: Environmental Compliance 2016	307-1 Non-Compliance with environmental laws and regulations	Innova did not receive any environmental fines in 2021.		16
<b>ENVIRONMENTAL EVALUATION OF SUPPLIERS</b>				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	82		
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<b>OCCUPATIONAL HEALTH AND SAFETY</b>				
GRI 403: Occupational health and safety 2019	403-4 Worker participation, consultation, and communication with workers regarding occupational health and safety	Health and Safety topics are also provided for in the local Collective Bargaining Agreements (CLAs) with the unions.		8, 16
	403-5 Worker training in occupational health and safety	167		8
	403-6 Worker health promotion	147		3
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	147 e 167		8
	403-8 Workers covered by an occupational health and safety management system	167		8
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GRI 103: Management approach 2016	103-1 Explanation of the material topic and its limits	82		
	103-2 Management approach and its components	139		
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GRI 404: Training and education 2016	404-1 Average hours of training per year, per employee	139 e 140		4, 5, 8, 10
	404-2 Programs for the improvement of employee skills and assistance for career transition	141		8
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GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	82		
	103-2 Management approach and its components	In our contracts we expressly forbid child and slave-like labor, and the supplier is subject to inspection and the application of measures in case of non-Compliance.		
	103-3 Management approach assessment			
GRI 408: Child labor 2016	408-1 Operations and suppliers with significant risk for incidents of child labor	We have no operations with significant risks of child labor.		8, 16
<b>FORCED OR COMPULSORY LABOR</b>				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	82		
	103-2 Management approach and its components	In our contracts we expressly forbid child and slave-like labor, and the supplier is subject to inspection and the application of measures in case of non-Compliance.		
	103-3 Management approach assessment			
GRI 409: Forced or compulsory labor 2016	409-1 Operations and suppliers with significant risk for cases of forced or compulsory labor	We have no operations with significant risks of forced or compulsory labor.		8
<b>LOCAL COMMUNITIES</b>				
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	103-2 Management approach and components	163		
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GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	82		
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	103-3 Form of management assessment	193		
GRI 414: Supplier social assessment 2016	414-1 New suppliers selected based on social criteria	193		5, 8, 16
	414-2 Negative social impacts in the supplier chain and actions taken	193		5, 8, 16
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GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	82		
	103-2 Management approach and components	170		
	103-3 Management approach assessment	170		
GRI 416: Consumer health and safety 2016	416-1 Assessment of health and safety impacts caused by categories of products and services	All products were monitored in 2021 and will continue to be monitored in the coming years, considering the importance of the topic.		
	416-2 Cases of non-Compliance regarding health and safety impacts caused by products and services	There were no cases of non-Compliance regarding health and safety impacts caused by our products.		16
<b>MARKETING AND LABELING</b>				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	82		
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GRI STANDARDS	CONTENTS	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
<b>MARKETING AND LABELING</b>				
GRI 417: Marketing and Labeling 2016	417-2 Cases of non-Compliance regarding product and service information and labeling	There are no records of non-Compliance, warnings or non-Compliance with voluntary codes in relation to our product and packaging information and labeling.  There were no cases of non-Compliance with laws and/or voluntary codes in relation to marketing communications, including advertising, promotion and sponsorship in 2021.		16
	417-3 Cases of non-Compliance regarding marketing communications			

**SUSTAINABLE DEVELOPMENT GOALS**

1. poverty eradication
2. Zero Hunger and Sustainable Agriculture
3. Health and Well-Being
4. Quality education
5. Gender equality
6. Safe water and sanitation
7. Clean and affordable energy
8. Decent work and economic growth
9. Industry, innovation, and infrastructure
10. Reduction of inequality
11. Sustainable cities and communities
12. Responsible consumption and production
13. Action against global climate change
14. Life on water
15. Life on land
16. Peace, justice, and effective institutions
17. Partnerships and means of implementation





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