



Sustain ²¹ ability ²²

Report



·G·R·U·P·O·
SABARÁ

SUMMARY

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PRESENTATION





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The Sabará Group Sustainability Report addresses the history and evolution of the company's business in the management of its ESG strategy in numbers and actions, disclosing the company's commitments and results from January 1st, 2021 to December 31th, 2022. The seventh of its kind to be prepared, the report brings financial information submitted to a third-party audit by BDO Brasil and emissions data for 2021 audited by BSI.

The previous Sustainability Report was published in 2021 and covered the period from January 1st, 2019 to December 31th, 2020. In the current report, we address actions and policies that have not been reworked during the interval between reports. We also show the numbers that have progressed in relation to the last two-year period, of which we disclose certain information for comparison purposes only.

In this document, we present data and initiatives from all the Group's business units (Sabará Químicos e Ingredientes, BioE, and Concepta Ingredients), together with our sustainability strategy, which is aligned with the United Nations Sustainable Development Goals (UN's SDGs). Details on greenhouse gas (GHG) emissions are better and more thoroughly explored in our GHG Emissions Inventory, which can be found on our [website](#). The material topics of our company, which result from an external analysis carried out in 2020, are also addressed throughout this report, which was prepared in accordance with the 2021 update of the GRI Standards.

The purpose of this report is to disclose the main impacts of Sabará Group's management as a company that is committed to sustainability through the development of innovative solutions, in a direct and transparent manner. Additionally, this report serves as the main guide for the path that will continue to be followed in the future. Thus, we can think of new projects, more efficient ways to mitigate impacts and ways to strengthen the company's relationship with its main stakeholders, whether internal or external.

The years 2021 and 2022 were marked by important events and achievements for Sabará Group. We completed the sale of Beraca – our former business unit – to Clariant, which, since 2015, already owned a 30% stake in the supplier of natural ingredients for the cosmetics market. More sustainable and disruptive solutions, such as powdered sodium chlorite and powdered sodium peroxide, were produced thanks to the consolidation of the sodium chlorite plant. We also strengthened our role in the production of natural products by investing in the improvement of our plant-based, vegan butter.





Throughout this report, we explore our commitment to developing environmentally responsible and socially positive solutions. By investing in technology and valuing biodiversity, we seek to impact people's lives, ensuring everyday well-being and sustainability for future generations.

This report was prepared based on a collective effort to capture and document data. The information was obtained through interviews with the leaders of Sabará Group, survey forms regarding indicators and qualitative and quantitative analyses of the results.

We are available to answer all questions and recommendations from our stakeholders. Any questions or suggestions can be sent to the e-mail sustentabilidade@gruposabara.com.





LETTER FROM THE PARTNERS



2-22 | 2-29

In more than 66 years of history, we can say that we are proud of the path taken by Sabará Group so far. The family enterprise of our father, Ubirajara Sabará, has become a leading company in the markets in which it operates, recognized for valuing the sustainable development of its operations, with a purpose of adding value to its products and services while positively impacting people and the planet.

For Sabará Group, ESG (Environmental, Social and Governance) is one of our main commitments, far beyond an administrative business perspective. We are pioneers in consolidating a sustainable agenda in Brazil: in 2007, we became signatories of the UN Global Compact, following the guidelines of best practices that it determines. Thirteen years later, in 2020, we were the first company in the country and the first of the sector in Latin America to establish greenhouse gas (GHG) emission targets approved by the Science Based Targets initiative (SBTi). Recognized through numerous awards, we were also the first Latin American chemical company to launch Green Bonds.

Because we believe that sustainability and technology go hand in hand, we seek to invest in the development of innovative products and solutions that make the future possible by valuing Brazilian social-biodiversity. Based on this purpose, today, our stakeholders – workforce, suppliers, clients, and commercial partners – understand that we are pioneers and protagonists in establishing practices that are benchmarks for responsible management.

In our last report, released in 2021, we highlighted the efforts that were put in place to face the initial challenges of the Covid-19 pandemic. This year, we can say that all this work has brought results that prove resilience, sustainability, and management skills in times of crisis in all our business units.

Our journey certainly does not end here. We are proud of the results we have achieved in the last two years, and we know that we need to continue working so that our actions continue to transform the lives of those who walk with us. The purpose of this report is to provide transparency and underline our commitment to these partnerships.

As we envision opportunities and are aware of our role, we want to invite you to share this journey with us, by reading about the choices, targets, lessons learned, successes and challenges in our decisions and processes. Above all, we seek to emphasize our commitment to building a future that not only respects the legacy of our first generations, but that points to a horizon that is fairer and more consistent with our beliefs and values.

Marco Antônio Matioli Sabará and **Ulisses Matioli Sabará**

Presidents of Sabará Group





SABARÁ GROUP



Who we are

2-1 | 2-2 | 2-6

Sabará Group is a Brazilian company that, for three generations, has been developing technological solutions and high-performance raw materials for various market segments. Throughout our history, we have expanded and diversified our business, operating throughout the national territory and in countries in Europe, North America, South America, and MENA (Middle East and North Africa).

More than products and services, our activities prioritize the offer of innovations that guarantee sustainability and ensure the well-being of future generations. In this way, we seek to serve the public sanitation and industrial water treatment markets with excellence, in addition to the nutrition and human and veterinary health industries. Our areas of activity have the direct impact on people's lives as a purpose. We understand that we are an important and constant part of the daily lives of the public with whom we relate.

We currently have three business units: Sabará Químicos e Ingredientes, BioE, and Concepta Ingredients. Beraca Ingredientes Naturais, a supplier of ingredients for the cosmetic and pharmaceutical markets founded by the company, was fully sold in 2021. This transaction represents a major milestone for the company, since Beraca was a benchmark in social-biodiversity thanks to the Group's history as a pioneer in this topic.





SABARÁ QUÍMICOS E INGREDIENTES

2-2 | 2-6

Sabará Químicos e Ingredientes is one of the most prominent manufacturers of water treatment solutions and chlorine distributor in Latin America. Its relevance to society is understood precisely because of its operations. As water is the main asset for human life, the company is very cautious and responsible in managing its business. With the use of specific technologies, it ensures effective sanitation and disinfection of water in public or private industrial processes. Through Global Service, it also offers products, equipment, technical assistance and services for chlorine and chlorine dioxide-based treatments. In addition to Brazil, other countries in South America are serviced by the company.

BIOE

2-2 | 2-6

BioE's focus is on developing solutions that enhance the efficiency of its customers' production processes, including the textile, sugar and alcohol, beverage, energy, leather and pulp and paper industries. Founded in 2018, it specializes in the production of chlorine dioxide – Diox® – and sodium chlorite, being recognized as the only manufacturer of the latter in Latin

America. Servicing Brazil and other South American countries, the structure of its manufacturing plant, located in Santa Bárbara d'Oeste (SP), is based on the best sustainability practices.

CONCEPTA INGREDIENTS

2-2 | 2-6

With a portfolio that reflects the grandiosity of Brazilian biodiversity, Concepta offers ingredients for the beverage, food, flavoring, animal nutrition, veterinary pharmaceutical, chemical, and nutraceutical industries. Because the company cares about providing quality and exclusivity to customers, it invests in customizing innovative, natural, organic, sustainable and traceable solutions. The company currently serves consumers in Brazil, Paraguay, Mexico, the United States, MENA, and Germany. More than just offering solutions for end products, Concepta is very attentive to processes. We understand that people are the bridge between the richness of flora and fauna and the markets we serve, from producers and cooperatives, through our workforce, all the way to end customers.





Pacatuba-CE

Itapissuma-PE

Anápolis-GO

Santa Bárbara d'Oeste-SP

São Paulo-SP

ADMINISTRATIVE OFFICES

São Paulo - SP
Santa Bárbara d'Oeste - SP

MANUFACTURING UNITS

Santa Bárbara d'Oeste - SP
Anápolis - GO
Itapissuma - PE
Pacatuba - CE



Sustainability Journey

2-2 | 2-6

A pioneer in sustainability in Brazil, Sabará Group places the topic as a business principle. With the creation of a more robust ESG area in the company in 2020, we wanted to provide the necessary means for environmental actions and social projects to be developed with a focus on future generations and for governance and transparency to play a structuring role.

As our sustainability journey took hold, the Group's sustainable practices were increasingly consolidated. At Concepta, we prioritize the purchase of national raw materials and invest in a portfolio that values biodiversity. At Sabará Químicos and BioE, we work to provide quality water for public sanitation and industries.



Sustainability, as a fundamental principle for our operations, can be observed in our most strategic corporate decisions and in each stage of the production chain. Below, we present a timeline with the highlights of our journey:

The 2000s



Beraca Sabará, a former business unit of the Group, begins the sustainable production of ingredients from the Amazon biome, winning the **Finep Technological Innovation Award three times**.

2007



We became **signatories of the UN Global Compact** and started to use its guidelines as guidance in the development of our sustainable agenda.

2016



SDG Pioneers

Ulisses Sabará, one of our co-chairmen, was named "**Local SDG Pioneer**" by the Global Compact Leaders Conference in recognition of his work in favor of **SDG 15: Life on Land**.

2018



BioE inaugurates **the sodium chlorite plant** in Santa Bárbara d'Oeste (SP), the first and only of its kind in Latin America and planned from the outset to be **environmentally efficient**.

2022



We expanded our GHG emissions target, committing to **reduce 42% of absolute emissions by 2030**.

2021 **AMCHAM**

We won **the Eco Award from the American Chamber of Commerce (Amcham)** in the **Sustainability Practices** category, with a project to implement a sodium chlorite solution on an industrial scale. We also achieved a 5% net reduction in our GHG emissions year-over-year.

2020



We became the first Brazilian company to have **GHG emission targets approved** by the Science Based Targets initiative (SBTi). In addition, we have structured an ESG corporate area within the Group. That year, President Ulisses was also recognized through the *Lideranças com ImPacto* initiative, once again representing SDG 15.

2019



We developed our **first GHG Inventory** (base year 2018) and the first issuance of Green Bonds in the Latin American chemical sector, amounting to **BRL 20 million**. We joined the CEO Water Mandate.



Materiality

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To update the stakeholders' vision and understand their main interests in relation to Sabar Group, the company's materiality underwent a review process in 2020. We were therefore able to define what are the needs that currently serve as a guide for the development of our sustainability strategy.

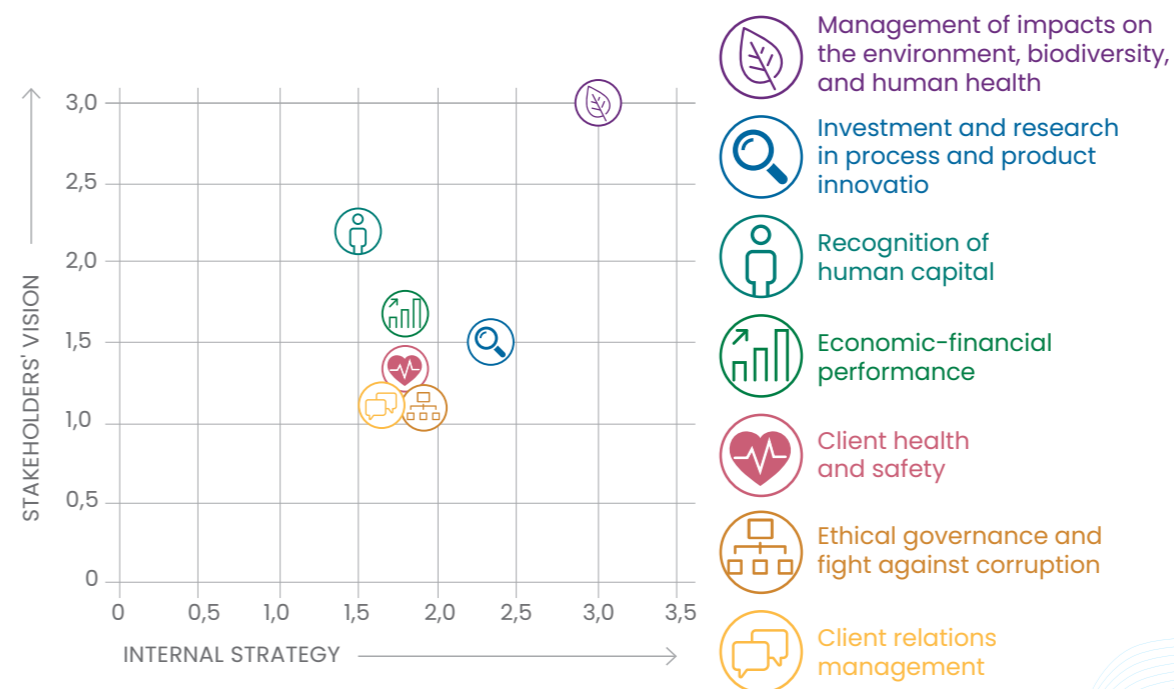
Six priority audiences were identified in total: senior leadership; workforce; suppliers of raw materials, goods, and services; public and private clients; supported non-governmental organizations (NGOs); and associations and unions. They were considered due to their individual relevance to our business model and mature relationship with the company.

While senior leadership went through a series of individual interviews, other stakeholders participated in a qualitative online survey during the review process. In total, we reached 135 responses (111 were from employees, 18 from suppliers, 3 from clients, 1 from an NGO representative, and 2 from audiences identified as "others"). A portion of the external public – an NGO, a client, and an industry association – was also consulted through interviews, and they were instrumental in the consolidation of the analysis process and to broaden the vision of our business.





Seven material topics were defined: **Management of impacts on the environment, biodiversity, and human health;** **Investment and research in process and product innovation;** **Recognition of human capital;** **Economic-financial performance;** **Client health and safety;** **Ethical governance and fight against corruption;** and **Client relations management.** In addition to guiding the content of this report, they all also direct the development of Sabará Group's sustainability actions and management. The ESG area works to efficiently manage each of these topics.





In the table below, the themes are presented together with the impacts caused by each one of them.

MATERIAL TOPICS	POTENTIAL IMPACTS	HOW WE HANDLE THEM
Management of impacts on the environment, biodiversity, and human health	Environmental safety in chemical chains Potential negative impact	We invest in processes and technology for the safe handling of highly reactive substances, such as chlor-alkali, so that the environment is not contaminated. The entire process is tracked for better monitoring of production.
	Transportation risks Potential negative impact	We promote the safe and responsible transportation of controlled chemicals and products. To mitigate potential impacts, we reinforce the monitoring of transportation and storage standards throughout the production chain.
	Predatory use of forest resources Potential negative impact	We prioritize relationships with small agrarian-extractive, organic and environmentally responsible suppliers. In the management of our chain, we seek to favor suppliers with sustainable practices audited by Concepta Ingredients.
	Shortage of raw materials from biodiversity Potential negative impact	
	Consumption of energy, water, and raw materials Potential negative impact	We monitor our water intake levels and the volume of discharged effluents. In addition, we use a clean and renewable source of energy to supply Santa Bárbara d'Oeste (SBO).
	Constant monitoring of data and indicators Potential negative impact	We analyze our indicators and study the monitored data to ensure an efficient management plan and satisfactory results. Constant monitoring allows us to identify possible complications and propose satisfying solutions in a timely manner.
	Production of sustainable products Real impacto positivo	We use technology to design our sustainable products from the start.



MATERIAL TOPICS	POTENTIAL IMPACTS	HOW WE HANDLE THEM
Investment and research in process and product innovation	Sustainable products with higher added value Real positive impact	We invest in processes, operations and technologies that generate less impact on the environment, research innovative and sustainable market trends, and search for information on the quality of the products we create.
	Processes with less social-environmental impact Real positive impact	
	Development of research areas Real positive impact	
Recognition of human capital	Workplace safety Real positive impact	We train employees on the risks of the operations they perform; we obtain certifications that prove our work to advance the health and well-being of our employees.
	Professional development of the workforce Real positive impact	We train our workforce and encourage the development and improvement of professional skills.
Economic-financial performance	Market price inconsistency Potential negative impact	We are looking for new suppliers of raw materials and equipment in order to maintain our balanced cost pattern.
Client health and safety	Client safety Real positive impact	We invest in equipment and production processes that guarantee safe products for end customers.
Ethical governance and fight against corruption	Integrity and actions against corruption Real positive impact	Through the Integrity Program, we train our workforce on the importance of ethics in the work environment.
Client relations management	Market expansion Potential positive impact	We seek to study new areas of activity and explore new markets.
	Customer satisfaction analysis Potential positive impact	We carry out satisfaction surveys with our clients with the aim of understanding their needs and desires.
	Identification of new opportunities Potential positive impact	We study market trends, consumer behavior, and alternative forms of production.



Managing impacts on the environment, biodiversity and human health

is one of the main material topics for our management.

Because these types of impacts are quite significant, most of our actions address them as a priority throughout the entire chain. For example, environmental safety in chemical chains, such as chlor-alkali, is a legitimate concern for Sabará Group and its stakeholders, since substances with a high level of reactivity need to be handled appropriately so as not to harm nature and people. This is part of our responsible conduct.

The production of delicate goods implies the need to enable safe and responsible transportation. On that same note, the predatory use of forest resources is another risk that must be effectively avoided by prioritizing environmentally responsible suppliers, agrarian-extractives, and certified organic materials.

Working with a portfolio of products made up of raw materials from biodiversity also makes the scarcity of these materials a risk to the production chain's operation, while the excessive consumption of natural resources is a threat to the health of ecosystems, people, and the company itself. Therefore, creating products and solutions to be sustainable from the outset is an important initiative to reduce damage to the environment, such as reducing the carbon footprint, and to strengthen the production chain according to the principles Sabará Group is committed to.



One extremely important aspect of our actions to prevent these risks is the constant monitoring of data and indicators, which are fundamental to ensuring the excellence of processes and the safety of our operations. This helps in building a positive reputation for the company.

Investment and research in process and product innovation

stand out as a theme in our materiality by shedding a light on the fact that products that are designed to be sustainable contain greater added value and are relevant within the business strategy. A company that, like us, invests in processes and operations that generate less social-environmental impact develops a respectable reputation in its markets. Furthermore, when we invest in technology, we create opportunities for new research areas to develop and more sustainable products to become popular and consolidated as real purchasing options.





The **recognition of human capital** is present in the importance of training our workforce on the operational risks. From this, we obtain certifications that ensure that the health and well-being of our workforce and the neighboring communities are our priorities.



In addition to security measures, our workforce also receives training that is focused on their professional development. They learn to develop new skills and improve those they already use, such as communication and teamwork.

The **economic-financial performance** is very strategic in our operation. As we are a privately held company, most investments in the development of our business are made by ourselves.



During the Covid-19 pandemic, this performance also had to be prioritized due to the variation in prices of raw materials and freight. Thus, we seek to prevent such inconsistencies from generating financial unsustainability.

The **health and safety of clients** is a priority for Sabará Group. Investing in equipment and treatments that guarantee safe products, from production and storage to application, demonstrates concern for the well-being and health of our customers.



Ethical governance and the fight against corruption

are intrinsic objectives of our work dynamics, overarching all areas of the company. To increase adherence to the topic and highlight its importance to our culture, all our workforce is introduced to the company's ethical guidelines as soon as they join and are instructed to report any act of corruption in any instance. This training is ensured by the Integrity Program, which is based on the Compliance Manual.



Client relations management is a fundamental topic, since external needs and requests must be taken into account in order to improve our service, presentation, logistics and product quality. Exploring new markets is important to promote the expansion of the company's operations, creating new and better business opportunities. Additionally, studying market trends makes it possible to identify new product development opportunities and win over new customers.





Strategic SDGs

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Our sustainability strategy is guided by the UN's Sustainable Development Goals (SDGs). With a focus on 2030, they are a set of 17 goals that intend to unite companies, institutions, countries, and civil society in the quest to end poverty, injustice, and social inequalities, ensure human rights, achieve gender equality, value health, and preserve the environment.

Although we work with all SDGs, Sabará Group's sustainability strategy is primarily based on 12 of them; they guide the content and format of actions developed by the company, with a focus on mitigating negative impacts and enhancing positive impacts. They are as follows:





GOVERNANCE



Group's Structure

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Sabará Químicos e Ingredientes S.A. is 100% owned by Sabará Participações S.A. and known as Sabará Group. It is a privately held corporation co-chaired by brothers and partners Marco Antônio and Ulisses Sabará. Managed in a family structure, it comprises these business units: Sabará Químicos e Ingredientes, BioE, and Concepta Ingredients.

There are five corporate directors who are responsible for the business management to technically assist the company's co-chairmen. They prioritize the most important social, environmental, and economic topics and indicators for the company's operations.

The Group also relies on the support of a legal advisory team made up of law firms, which deal with corporate issues and relevant topics for the companies. The external audit is responsible for verifying and reporting administrative processes.

For more efficient management, there are strategic committees whose objective is to give autonomy and governance to priority issues, such as the Compliance Committee, formed by two members of the board and three employees who were previously selected by the co-chairmen. It seeks to ensure the compliance with internal policies and the correct application of the Compliance Manual, as well as the guidance and training of employees.

Among the support committees, there is the Management Committee, which plays a key role in managing the Group. It is a forum whose responsibility is to advise the co-chairmen and directors, monitor the relationship with priority stakeholders, and observe the risk control tools, the performance of activities and products, in addition to the environmental, social and economic impacts generated by them, which are mandatorily reported to senior leaders.



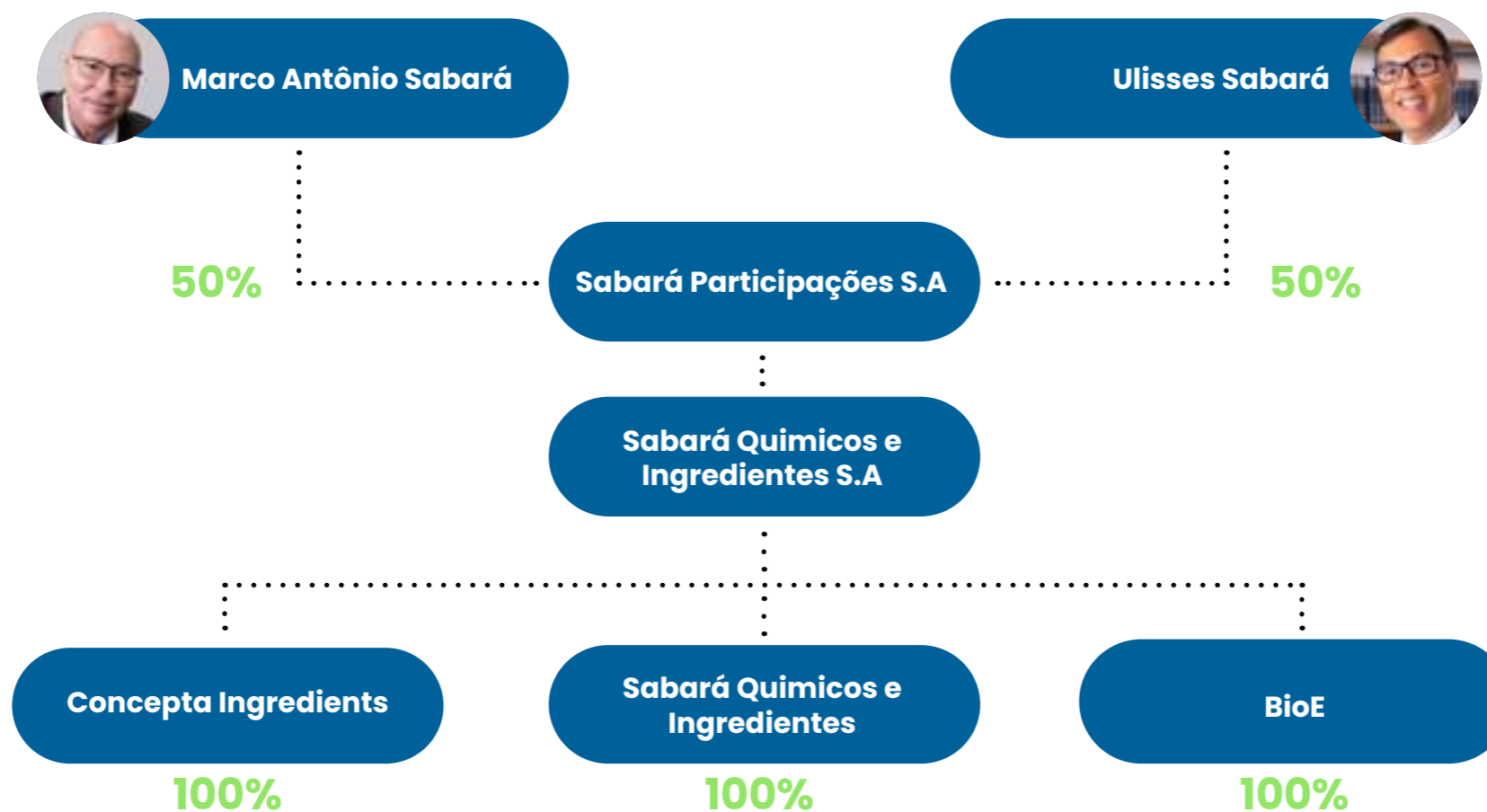


Organizational chart





Corporate structure





Principles and values

2-1 | 2-9 | 2-24

Mission

To deliver innovative and sustainable products and services known by the guarantee of traceability, safety, and quality in all processes, which generate value for our clients, suppliers, communities, workforce, and shareholders.

Vision

To be a reference in technology, sustainable products and unique services for the Nutrition and Health markets.

Values



Respect

- To human beings
- To the environment



Ethics and Transparency

- In relations with all audiences



Trust

- In the company
- In people
- In processes



Excellence

- In the development of people
- In client services
- In the results to shareholders



Our style

- In creating and maintaining sustainable relations
- In the flexibility and personality to understand and serve our clients and workforce in their needs



Financial statement

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At the end of 2022, Sabará Group's gross revenue amounted to more than BRL 323 million. In the same year, the economic value retained was almost BRL 143 million, which represents an increase of approximately 226% compared to 2020. This result demonstrates that we managed to stand out in our markets with all our business units. We consolidated

BioE's activities and stabilized its results; we made new investments and projects at Concepta Ingredients, such as empowering the Bio Abundância Program; and we solidified the stability of Sabará Químicos e Ingredientes, a unit that showed notable growth in gross revenue without the need for a large increase in the economic value distributed.

Revenue, direct economic value generated and distributed

2019

	CONCEPTA	BIOE	SABARÁ QUÍMICOS	TOTAL
Gross revenue	BRL 21,564,252.65	BRL 4,850,732.90	BRL 122,676,288.76	BRL 149,091,274.31
Economic value distributed	BRL 20,744,030.45	BRL 8,923,991.19	BRL 104,743,310.55	BRL 134,411,332.19
Economic value retained	BRL 820,222.20	-BRL 4,073,258.29	BRL 17,932,978.21	BRL 14,679,942.12

2020

	CONCEPTA	BIOE	SABARÁ QUÍMICOS	TOTAL
Gross revenue	BRL 19,779,509.77	BRL 21,844,216.43	BRL 131,947,710.28	BRL 173,571,436.48
Economic value distributed	BRL 16,774,058.51	BRL 23,698,287.14	BRL 89,501,398.72	BRL 129,973,744.37
Economic value retained	BRL 3,005,451.26	-BRL 1,854,070.71	BRL 42,446,311.56	BRL 43,597,692.11

**2021**

	CONCEPTA	BIOE	SABARÁ QUÍMICOS	TOTAL
Gross revenue	BRL 34,557,576.52	BRL 73,819,120.20	BRL 175,807,319.07	BRL 284,184,015.79
Economic value distributed	BRL 22,717,067.31	BRL 71,659,370.40	BRL 102,178,192.95	BRL 196,554,630.66
Economic value retained	BRL 11,840,509.21	BRL 2,159,749.80	BRL 73,629,126.12	BRL 87,629,385.13

2022

	CONCEPTA	BIOE	SABARÁ QUÍMICOS	TOTAL
Gross revenue	BRL 49,254,094.04	BRL 58,589,083.64	BRL 215,851,491.35	BRL 323,694,669.03
Economic value distributed	BRL 30,322,354.11	BRL 40,318,820.68	BRL 110,536,828.09	BRL 181,178,002.88
Economic value retained	R\$ 18,931,739.93	R\$ 18,270,262.96	BRL 105,314,663.26	BRL 142,516,666.15

To advance in expanding the diversity of our businesses, we serve the sanitation, sugar and alcohol, tanning, beverage, mining, pulp and paper, steel, textile, agriculture, household, electricity, petrochemicals, food, pharmaceutical, and veterinary markets. We serve business sectors throughout Brazil, especially on the North, Northeast, Midwest, and Southeast regions. We have increasingly expanded our operations abroad, especially in countries such as Canada, the United States, Japan, and Paraguay, in addition to regions in the Middle East and North Africa.

In 2022, we reached a shareholders' equity of BRL 88.5 million, just 1.56% lower than what was achieved in 2020, the final year of the previous two-year period that became the best in terms of revenue in the

history of Sabará Group. This data proves the stability of our operations, which is influenced by our investments in sustainable technologies and by positioning ourselves as a leading force in the natural products market.

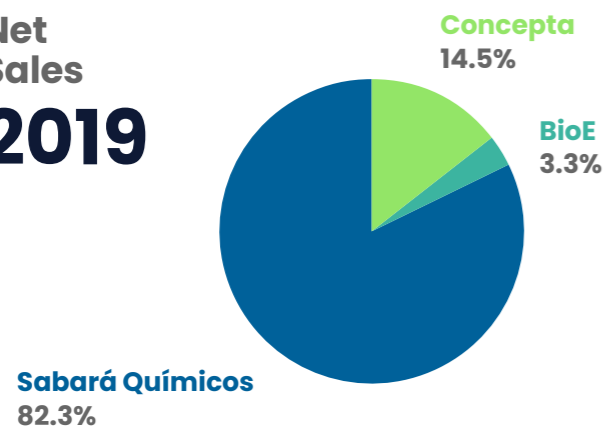
It is also important to remember that, in 2022, we did not account for Beraca's numbers (the company was completely sold in 2021), which had been decisive for the financial success we had in 2020. This is further proof that we continue to prosper thanks to our commitment to integrate sustainability into the Group's business strategy.



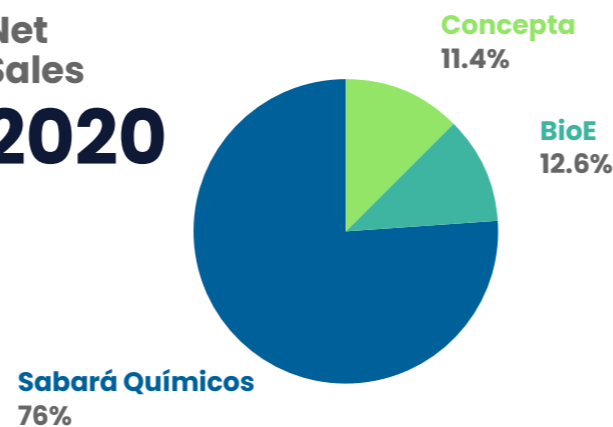
Net worth and size of the organization

	BUSINESS UNIT	TOTAL WORKFORCE	TOTAL OPERATIONS	NET SALES	NET EQUITY	QUANTITY OF PRODUCTS OR SERVICES
2019	Concepta	19	1	R\$ 21,564,252.65	R\$ 66,174,680.17	116
	BioE	37	1	R\$ 4,850,732.90		9
	Sabará Químicos	159	4	R\$ 122,676,288.76		131
2020	Concepta	17	1	R\$ 19,779,509.77	R\$ 89,958,263.88	109
	BioE	29	1	R\$ 21,844,216.43		12
	Sabará Químicos	169	4	R\$ 131,947,710.28		130
2021	Concepta	19	1	R\$ 27,498,866.68	R\$ 74,363,995.23	110
	BioE	35	1	R\$ 56,668,138.21		14
	Sabará Químicos	192	4	R\$ 138,359,485.05		163
2022	Concepta	22	1	R\$ 39,217,000.00	R\$ 88,547,933.00	123
	BioE	38	1	R\$ 43,977,000.00		44
	Sabará Químicos	199	4	R\$ 169,428,540.99		144

Net Sales 2019

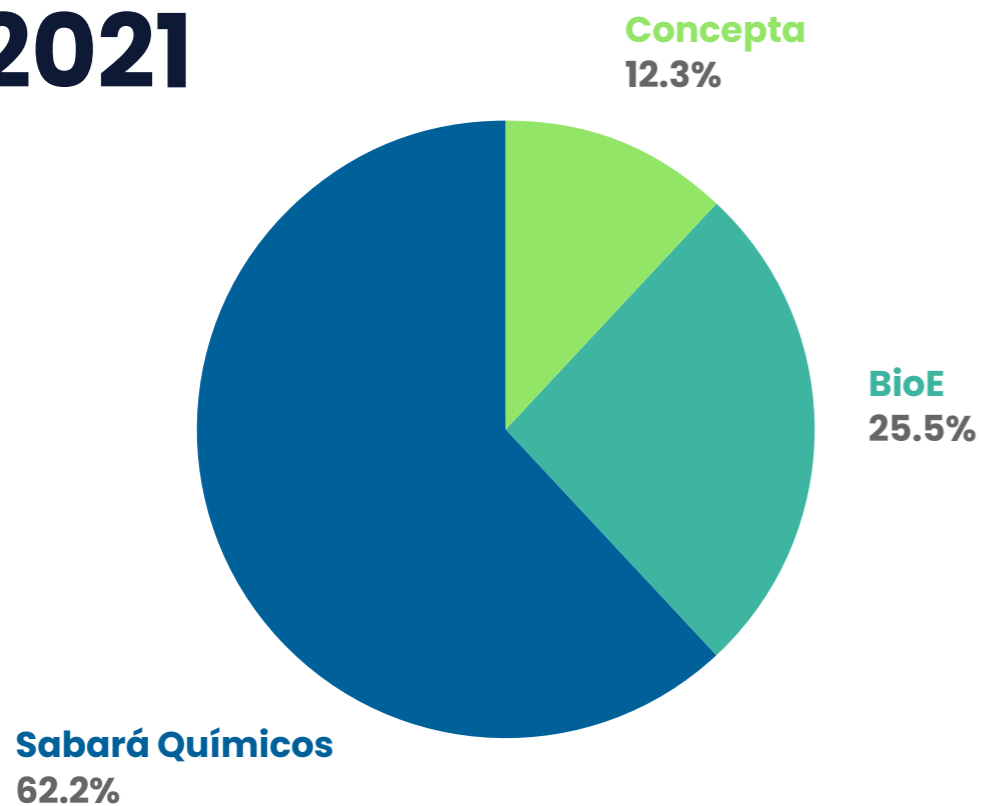


Net Sales 2020

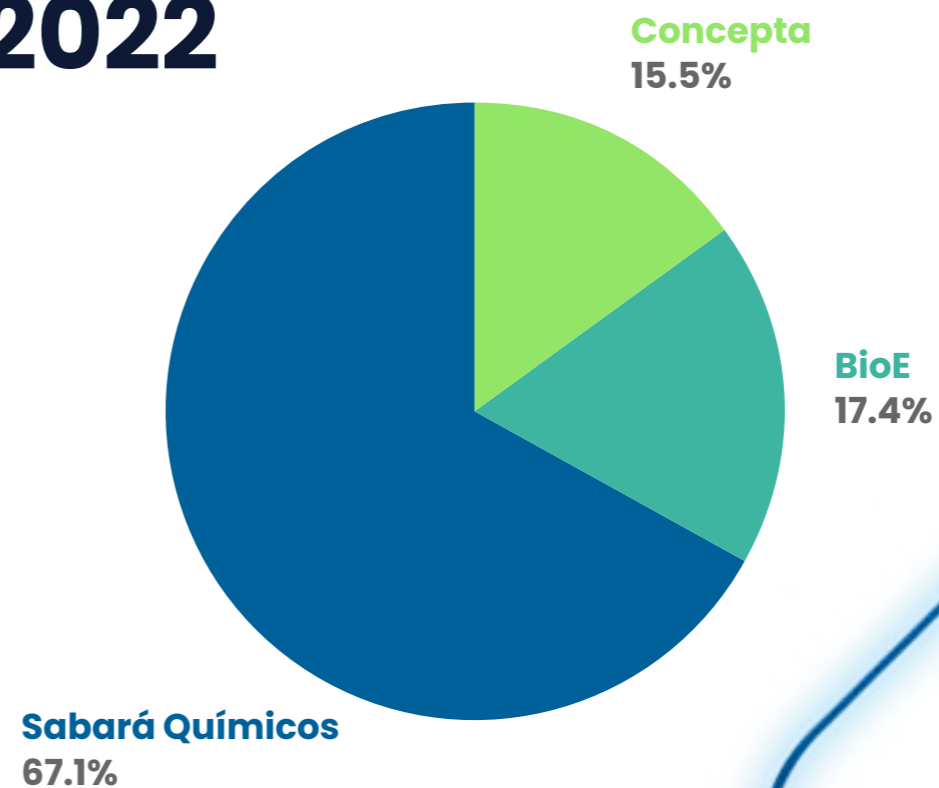




Net Sales 2021



Net Sales 2022





Supply chain

2-6

National raw materials are a priority for the functioning of our operations. We invest in the purchase of materials from Brazil as a way of valuing biodiversity and strengthening the country's value chain. This vision reflects our responsible management, which increasingly seeks to contribute to local development and the generation of shared wealth.

Sabará Group's preference for Brazilian suppliers can be observed in the annual costs per operation center. In the facilities located in

Santa Bárbara d'Oeste, expenses with products from local suppliers amounted to 66% in 2021 and 54% in 2022. In our operations in the state of Pernambuco, they represented 48% in 2021 and 89% in 2022. This increase was caused by the growth in purchases of chlorine, caustic soda, and hydrochloric acid. For the Ceará divisions, expenses with local suppliers represented 5% in 2021 and 4% in 2022, while the equivalent percentages at operating facilities located in Goiás were 5% in 2021 and 6% in 2022.

Rate of expenses with local suppliers

	2019		2020		2021		2022	
	PRODUCTS	SERVICES	PRODUCTS	SERVICES	PRODUCTS	SERVICES	PRODUCTS	SERVICES
SBO	65%	98%	57%	98%	66%	97%	54%	96%
PE	59%	81%	35%	77%	48%	84%	89%	88%
CE	3%	78%	4%	84%	5%	81%	4%	86%
GO	7%	84%	3%	82%	5%	88%	6%	88%

The Vilela facility (São Paulo - SP) is not accounted for because it is where the headquarters are located.





Our main national suppliers are located in São Paulo, Espírito Santo, Rio de Janeiro, Bahia, Pernambuco, Minas Gerais, Paraná, and Santa Catarina. International suppliers, in turn, are located in countries such as France, China, Uruguay, Germany, Malaysia, Mexico, United States, and Chile. The participation of this last group in the total volume of purchased materials has been increasing since 2019, the year in

which our sodium chlorite plant in the industrial complex of Santa Bárbara d'Oeste started operating. This growth occurred because sodium chlorate, used to manufacture chlorite (1 ton of chlorate yields about 2.6 tons of chlorite), is an imported product, coming mainly from Chinese and French suppliers.





In 2022, expenses with purchases from national and international suppliers increased due to price negotiations. Fundamental raw materials for our operation, such as sulfuric acid, for example, had price variations of up to 300% in the year. Another important factor that

contributed to this growth was an incident that occurred with one of our largest national chlorine suppliers, hindering our now traditional partnership and showing the scarcity of options in this market.

Characteristics of suppliers by type of chain

	ANNUAL SPENT	NUMBER OF SUPPLIERS	2021 LOCATION
Chlor-alkali chain	49%	21 suppliers	BR: SP, ES, PE, and RJ Abroad: France, China, Mexico, and Uruguay
Sulfuric acid chain	7.6%	5 suppliers	BR: SP, BA
Oleochemicals chain	8.4%	16 suppliers	BR: SP, BA Abroad: Germany, Malaysia, and Mexico
Sugars and byproducts chain	2.2%	6 suppliers	BR: SP Abroad: France
Chemical application equipment and accessories chain	4.8%	22 suppliers	BR: SP, PE and MG
Plant extracts chain	1%	2 suppliers	BR: USA Abroad: Chile
Inbound logistics chain	9%	7 carriers	-
Packaging chain	1.9%	14 suppliers	BR: SP, BA, and SC



	2022		
	ANNUAL SPENT	NUMBER OF SUPPLIERS	LOCATION
Chlor-alkali chain	55%	21 suppliers	BR: SP, ES, PE, and RJ Abroad: France, China, and Uruguay
Sulfuric acid chain	3.5%	5 suppliers	BR: SP, BA
Oleochemicals chain	15.6%	16 suppliers	BR: SP, PR, and BA Abroad: Germany, Malaysia, and Mexico
Sugars and byproducts chain	2%	6 suppliers	BR: SP Abroad: France
Chemical application equipment and accessories chain	3.9%	19 suppliers	BR: SP, PE, and MG
Plant extracts chain	0.7%	2 suppliers	BR: USA Abroad: Chile
Inbound logistics chain	7%	7 carriers	-
Packaging chain	1.9%	14 suppliers	BR: SP, BA, and SC





Ethical conduct

2-16 | 2-24 | 2-25 | 2-27 | 205-1 | 205-2 | 205-3 | 307-1 | 419-1

Our Integrity Program was entirely developed based on Sabará Group's Compliance Manual, which contains all the conduct guidelines that govern the company's activities and relationships. With a third edition launched in 2022, the manual provides guidance on the most appropriate ways for each employee to execute their respective functions and interact with the rest of the value chain, in addition to signaling which attitudes are not tolerated, such as cases of harassment, discrimination, corruption, and violation of human rights.

The Manual is distributed to all workforce, in digital file format (PDF), during the onboarding and it is also attached to contracts with suppliers and other service providers; since the last revision, it is also physically available at all company business units for easy access. For the general public, the document is available on Sabará Group's [corporate website](#) and can be accessed for free.

In addition to promoting the Integrity Program and investigating complaints, the Compliance Committee is also responsible for the governance of the Manual. Ethical guidelines and guidelines for fighting corporate corruption are presented to all workforce during onboarding, as well as guidance on how the Group acts, including what is expected of our workforce. Training of this type is organized by the Compliance Committee and may occur simultaneously with other

events, such as the Internal Week for Accident Prevention and the Environment (SIPATMA).

Complaints about misconduct or violations of the Compliance Manual guidelines can be sent confidentially by e-mail to etica@gruposabara.com or through a [corporate website](#) page. Based on the reports, an internal investigation process is conducted through meetings by the Committee, which decides if and which measures should be applied. Sabará Group does not tolerate any form of retaliation against whistleblowers, who can also use the same channels for inquiries or to seek guidance.

In the last two-year period, thanks to the resumption of normal activities and the easing of the Covid-19 pandemic, we continued to train employees in the fight against corruption. In 2022, 65 employees at the Vilela, Anápolis, Itapissuma, and Pacatuba facilities were trained on the subject. We also had no record of cases of corruption or non-compliance with laws and regulations.





In 2021, the Public Ministry of the State of Bahia investigated an alleged polluting-potential activity performed by one of the carriers contracted by Sabará Group. The investigation only took place because, at the time, the carrier was transporting some of our products, without our having any active involvement in the act.

After a technical inspection, it was determined that both parties signed a Deferred Prosecution Agreement (DPA) to ensure the preservation of and prevention of damage to the environment. Based on this agreement, we are committed to reinforcing the monitoring of transport and storage standards throughout the production chain and the requirement for environmental licensing from our suppliers, as we have always done. Currently, the draft of the DPA is being finalized.





Business management

3-3

As a company that is committed to sustainability, Sabará Group invests in the production of socially and environmentally responsible solutions, services that offer added value to people's lives, and operations that do not negatively impact nature. We thus propose to

combine innovation with the appreciation of biodiversity to expand operations in our markets. These are some of the highlights from the past year:

Sodium chlorite plant

The last two-year period was marked by the consolidation of BioE's sodium chlorite plant in Santa Bárbara d'Oeste (SP), the first to produce this material in Latin America. Opened in 2018, the factory started operating in 2019 and was planned since its construction to be sustainable, which allows the issuance of environmental securities and certifications associated with the building.

It has a production capacity of more than 20,000 tons of sodium chlorite per year





Powdered sodium chlorite and powdered chlorine dioxide

The consolidation of the Santa Bárbara d'Oeste plant enabled the development of powdered sodium chlorite and powdered chlorine dioxide. Both are more sustainable and safer in this format, both in terms of handling and application, as they are easy to transport (since neither product contains water, thus being more concentrated and less bulky, they can be transported by fewer vehicles), which contributes to the reduction of the carbon footprint.

Advantages of powdered chlorine dioxide:

Disinfection power 20 times greater than that of chlorine	100% soluble	High performance against bacteria, fungi, algae, and protozoa
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Plant-based butters

Seeking to explore the use of Amazonian ingredients in the vegan food sector, we invested in improving our plant-based, 100% vegan butter. Organic and sustainable, it does not have chemical additives or artificial food dyes in its ingredients list and has become tastier and more palatable for consumption, with a similar texture to traditional butter. This improvement allowed us to further expand our presence in the natural products market and celebrate biodiversity products that generate positive social impacts.

Our plant-based butter is free of:

Chemical additives	Artificial food dyes	Gluten	Trans fat
Canola	Palm	Soy	Sodium

These and other initiatives are the materialization of our desire to expand our positive impact on society by offering products and solutions that combine innovation, research, and technology in the

pursuit of sustainability. This is the hallmark of our leading role in managing the ESG agenda.



ENVIRONMENT



2-22

Protecting the environment, guaranteeing product quality, and ensuring people's well-being are guiding themes in our management system, which comprises a series of safety, treatment, impact reduction and enhancement of natural resources measures. These actions are developed based on macro planning and are in line with the principles determined by norms and standards.

We renewed PRODIR (Responsible Distribution Process certificate) for the Itapissuma, Pacatuba and Anápolis facilities. The certification is provided by the Brazilian Association of Distributors of Chemicals and Petrochemicals (Associquim), which proposes improvement principles for aspects such as quality, health, safety, preservation of nature and protection of human life.

The Anápolis, Itapissuma and Pacatuba facilities have ISO 9001 (quality) and ISO 14001 (environment) certifications. And in addition to those, the Santa Bárbara d'Oeste facility obtained the ISO 45001 (health and safety), Kosher (industrial process in accordance with the specific rules of the organic Orthodox Jewish diet), and FSSC 22000 (production of safe food, internationally approved and recognized by the Global Food Safety Initiative – GFSI) certifications.





Water resources

303-3 | 303-4

To maintain a truly sustainable value chain, we need fresh, clean, good quality water in abundance. Collecting this natural resource is essential for Concepta's operations and for the production processes of BioE and Sabará Químicos e Ingredientes, in addition to being fundamental for both suppliers and customers.

Because we recognize the importance of preserving water resources, a strategy was created to monitor water harvesting throughout Sabará Group's activities. Every day, we measure the water withdrawal volume; we also annually monitor the height of the water table and perform physical and chemical analyses of the water. With this data, we know if water consumption is in line with the maintenance of the ecosystem or if there is a need to review our withdraw. Thus, we ensure that all conditions are appropriate for operational standards and human consumption and that the collection wells have a healthy volume for continued use.





In 2021, 29.61 million liters were withdrawn across the company's facilities, with the exception of Vilela, the Group's corporate headquarters, which are located in a rented building in So Paulo (SP) that does not perform individual measurements of water consumption. We understand that this data is not significant for the overall amount of consumed resource because the employees who work at the facility do so in a hybrid arrangement. This indicates that there is no massive occupation at the facility, and therefore consumption is negligible.

In that same year, the amount of withdrawal water in Itapissuma and Pacatuba alone, which are located in areas under water stress according to the WRI Aqueduct tool, corresponded to 5.51 million liters. These numbers remained stable in 2022: our facilities withdrew 26.66 million liters of water; in Itapissuma and Pacatuba, we withdrew 5.81 million liters.

Water stress is the term used to describe regions where the demand for water is greater than the availability or possibility of renewing this resource. Taking the World Resources Institute (WRI) as a source of analysis, three Sabar Group's facilities are located in high-risk areas affected by water stress: Itapissuma (PE), Pacatuba (CE), and Vilela (So Paulo – SP). Among them, only Vilela is not a production facility, as it is where our headquarters are located.





Water withdrawal in millions of liters (Total Sum – Without Vilela)

		2019	2020	2021	2022
Groundwater	Fresh	15.48	19.25	23.34	23.21
Third-party water	Fresh	1.14	3.01	6.27	3.45
Total water withdrawal	Fresh	16.62	22.26	29.61	26.66

Water withdrawal in millions of liters (Itapissuma and Pacatuba – Areas under Water Stress)

		2019	2020	2021	2022
Groundwater	Fresh	3.43	5.61	5.50	5.54
Third-party water	Fresh	0.91	0.22	0.01	0.27
Total water withdrawal in areas under water stress	Fresh	4.34	5.84	5.51	5.81

In Itapissuma, there is a system for capturing rainwater, which is used to clean the factories, machines and packaging and is sent to the facility's Effluent Treatment Plant, which is responsible for storing and treating this water. After being reused, it is only lost to evaporation. Water waste by sanitary discharge is released into a septic tank.

In Anápolis, after going through a pH regulation treatment, the industrial and sanitary effluents are mixed and sent to the municipal

collection system. In Pacatuba, the process is similar; however, after being treated, the industrial effluent is disposed of in a waterbody, and the sanitary effluent is sent into a septic tank. In Santa Bárbara d'Oeste, all the industrial effluent is stored and sent for treatment by third parties, while the sanitary effluent is discharged into the local sanitation network.



Monitoring the volume of discharged effluents varies from facility to facility. In Itapissuma and Pacatuba, the sanitary effluents are generally measured once a year by a specialized company based on the volume drained from the septic tank. In Santa Bárbara d'Oeste, measurement is made using a hydrometer; in Anapólis, it is based on an estimate from the criteria defined in a technical standard and on the number of employees and worked days. In Riachuelo, an administrative office located in Santa Bárbara d'Oeste, according to technical criteria the volume of effluents represents 80% of the water withdrawal value on the invoice.

As for the industrial effluent, Itapissuma and Anápolis measure it using a hydrometer. Pacatuba calculates it by the volume of effluents treated in the tank, and Santa Bárbara d'Oeste does it by the volume of effluents collected by a specialized company. In the Vilela facility there is no individual measurement.

In 2021, 1.81 million liters of effluents were disposed of in all Sabará Group's facilities, with the exception of Vilela. The volume of water discarded in Itapissuma and Pacatuba alone, which are located in regions under water stress, was 0.03 million liters.

In 2022, and excluding Vilela, our facilities discharged 2.29 million liters of effluents, about 26% more than in the previous year. The amount of discharge in water stress areas was also higher, reaching 0.09 million liters.

These increases can be explained by some factors that occurred in 2022: the emptying of the septic tank at the Itapissuma facility, which does not necessarily occur every year; the partial collection of rainwater by the Pacatuba septic tank, consequently expanding the volume of effluents contained therein; tests on the stationary tanks at the Pacatuba facility, carried out in October, which generated third-party industrial effluents; and the repairments in the sanitary effluents hydrometer at SBO.





Water discharge in millions of liters (Total Sum – Excluding Vilela)

		2019	2020	2021	2022
Surface water	Fresh	0	0.02	0.01	0.01
Groundwater	Fresh	0.67	–	–	–
Third-party water	Fresh	1.89	1.06	1.80	2.28
Total water discharge	Fresh	2.56	1.07	1.81	2.29

Water discharge in millions of liters (Itapissuma and Pacatuba – Areas under Water Stress)

		2019	2020	2021	2022
Surface water	Fresh	0	0.02	0.01	0.01
Groundwater	Fresh	0.67	–	–	–
Third-party water	Fresh	1.89	0.005	0.02	0.08
Total water discharge in areas under water stress	Fresh	1.85	0.02	0.03	0.09

Sabará Group is part of the CEO Water Mandate, a platform that mobilizes business leaders to face challenges involving water management. Endorsing companies are committed to identifying and reducing critical water risks and contributing to the security of this natural resource and the UN's Sustainable Development Goals (SDGs).

The supply of quality water is directly linked to the guarantee of water security, especially regarding the sanitizing industry. Based on this vision, we involved suppliers and customers with the intention of expanding sodium chlorite and other environmentally safe products in this category. The objective behind this is to increase levels of reliability, predictability of demand, and consequently, our revenue.



Biodiversity

2-17 | 2-28 | 304-1 | 304-2 | 304-4

Apart from SBO, which is adjacent to a Permanent Protection Area, Sabará Group's facilities are located in urban and industrial regions, far from environmental protection or biodiversity-rich zones. We invest in the conservation of the facilities' green areas – with emphasis on two 6- and 4.41-hectare-sized areas located next to the Itapissuma factory – and in their respective soil permeability, thus honoring our commitment to sustainability. At all facilities, native trees are cared for by a gardening team. Another measure taken was the structuring of an emergency action plan to avoid contamination of the soil and atmosphere in the event of leaks, thus protecting not only the local fauna and flora, but the health of the neighboring communities and the workforce.

In full harmony with our environmental protection projects, our co-chairman Ulisses Sabará has been playing an important role as a spokesperson for advancing the ESG agenda in Brazil and promoting good practices for the preservation of life on earth, in accordance with SDG 15. In the year 2016, he was named Local SDG Pioneer during the Global Compact Leaders Conference; four years later, he committed to officially championing this SDG by joining the *Lideranças com ImPacto* initiative. This underlines our role in managing our businesses in a sustainable manner and advancing the ESG agenda in the industry.

Sabará Group recognizes that the supply chain is a sensitive point that can impact the biodiversity of the places where they are located.

For this reason, our principle is to seek solutions that enhance our positive actions in the environment, aiming to maximize the value of our products and enhance our relationships. Therefore, we prioritize working with agroextractivist suppliers, who offer natural ingredients to Concepta. They are small producers whose activities protect the biomes in which they operate. Our relationship with suppliers and other partners is based on sociobiodiversity, a concept that unites the importance of conservation of biomes with an understanding of the different relationships between ecosystems and local communities, as well as fair trade.

We usually prioritize hiring suppliers with organic certifications and we help those partners who wish to get or renew theirs. We visit their factories to understand each one's particularities, investigate all phases of operations and monitor activities and potential occurrences of environmental impacts. By purchasing biodiversity raw materials, we contribute to the generation of income for local communities and the conservation of areas of native vegetation totaling approximately 345,000 hectares, distributed among three Brazilian biomes: Amazon, Cerrado, and Caatinga. We also plan to include the Atlantic Forest in our portfolio soon.





Concepta's portfolio is made up of several native species of the Brazilian biodiversity, but only the Brazil nut (*Bertholletia excelsa*) is classified as vulnerable by the International Union for Conservation of Nature (IUCN). The harvest of this and other species takes place responsibly, in accordance with a series of predetermined best practices. This attitude potentially contributes to the conservation of habitats and their fruits, discourages deforestation, and weakens land invasion by logging companies. With the work of the Bio Abundance Program, which we explore in more detail in Chapter 8 of this Report, we are also able to strengthen our commitment to ensuring the traceability of raw materials originating from Brazilian biomes.

In the chemical industry's chains, environmental safety is a delicate point due to the high reactivity of products and the risk they can pose to people and nature. To prevent such impacts from occurring, we joined the Brazilian Association of the Alkali, Chlorine, and Derivatives Industry (Abiclor) to define industry safety criteria to handle those substances and keep the procedures performed by our teams up to date. In 2022, we joined a working group of the Protocol of Intent between CETESB and Abiclor to discuss priority SDGs for the industry.

Additionally, we offer a reverse logistics service to most of our national customers, including the recycling of used cylinders and the development of biodegradable packaging. Thus, we also contribute to the reduction of spoilage and waste generation.





Climate change

201-2 | 305-1 | 305-2 | 305-3 | 305-5

In October 2020, Sabará Group became the first Brazilian company and the first chemical industry in Latin America to approve an emission reduction target using the Science Based Targets initiative (SBTi) method. This global initiative is jointly managed by CDP, UN, WRI, and WWF; it establishes a scientific methodology that guides organizations with targets for reducing greenhouse gas (GHG) emissions in line with the objectives of the Paris Agreement, signed in 2015.

Initially, we committed to a 30% reduction in absolute GHG emissions by 2030. However, in 2022, we updated this objective: using 2020 as a base year, the current target is to reduce 42% of absolute GHG emissions by 2030, with a predicted reduction of 4.2% per year.

Since 2019, we have developed our GHG emissions inventories to understand the profile of our emitting sources, improve monitoring and develop strategies to reduce the volume of emitted gases and mitigate the impacts caused by them. The document with information referring to 2021 has already been published on our [corporate website](#), containing analyses of Scopes 1 (direct emissions), 2 (indirect emissions from the purchase of electricity), and 3 (other indirect emissions), and the first that was carried out with an external audit. The inventory for the year 2022 will be made available on the same link during the first half of 2023.

Comparison of Indicators

2019

INDICATOR	ANÁPOLIS	ITAPISSUMA	PACATUBA	SBO	TOTAL
Total Emission (tCO ₂ -eq)	333.97	680.50	137.37	263.55	1476.67
Total Units Produced (t)	10,995	13,613	558	4,120	29,268
Indicator of Production Emission (Scopes 1 and 2)	0.002	0.007	0.047	0.041	0.011
Indicator of Production Emission (Scopes 1, 2, and 3)	0.031	0.050	0.246	0.064	0.050

**2020**

INDICATOR	ANÁPOLIS	ITAPISSUMA	PACATUBA	SBO	TOTAL
Total Emission (tCO ₂ -eq)	354.96	924.97	125.87	291.51	1,733.87
Total Units Produced (t)	13,037	11,312	510,00	6,514	31,373
Indicator of Production Emission (Scopes 1 and 2)	0.002	0.010	0.040	0.030	0.012
Indicator of Production Emission (Scopes 1, 2, and 3)	0.027	0.082	0.247	0.045	0.055

2021

INDICATOR	ANÁPOLIS	ITAPISSUMA	PACATUBA	SBO	TOTAL
Total Emission (tCO ₂ -eq)	2,041.52	2,485.87	636.18	1,789.65	6,963.88
Total Units Produced (t)	14,011	10,559	653	11,456	36,680
Indicator of Production Emission (Scopes 1 and 2)	0.003	0.011	0.036	0.015	0.098
Indicator of Production Emission (Scopes 1, 2, and 3)	0.146	0.235	0.974	0.156	0.190

To reduce our carbon footprint, we certified Santa Bárbara d'Oeste as a factory plant that is 100% supplied by a clean and renewable energy source. The opening of the sodium chlorite plant in the same facility also contributed to decreasing the recurrence of logistical shifts, by reducing the need to import the product.

With the use of renewable energy, the SBO facility – which represents more than 85% of the energy that is consumed by all of Sabará Group – achieved cleaner production that is less harmful to the environment.

This and other initiatives helped us to reduce 5% of our direct emissions in 2021 on a net basis, even with the growth in production, which exceeded our annual target of 4.2%. This achievement is better detailed in our GHG Inventory, which contains explanations by scopes and facilities.



PEOPLE MANAGEMENT



Davi Sabará's Legacy

When it comes to the Group's achievements in 2021 and 2022, we cannot fail to mention the legacy of Davi Sabará, whose untimely demise happened this year. Director of PM and IT, he believed that a humanized company is one that grows alongside its workforce, providing opportunities and development. Because of that, he was always present in all sectors of the company and available to all employees, from the administration to the manufacturing facilities.

Davi sought to make Sabará Group a democratic and prosperous environment for all, with the most recent objective being to get the Great Place to Work certification. He genuinely cared about society rather than individuality. Davi left a legacy on human management, beyond the corporate structure, which will continue to be advocated for and honored by us in the future. We are committed to advancing the agenda that he so brilliantly managed, not only as a leader in the company but with his inspiring way of life.



Employee data

2-7 | 2-30 | 401-1 | 405-1

One of our challenges as a corporation is to express the Group's activities in a relevant way in people's lives. We understand that the added value of our products and services aims to have a positive impact on all the audiences with which we relate, especially those who write our history with us: Sabará Group's employees.

There is no sustainable management without people engaged and committed to this agenda. Therefore, people are our priority and are at the heart of our business strategy. This is reflected in a humanized management, with the promotion of active listening, skilling, and training of our teams, so that everyone feels they have a leading role in their areas of activity.

To do that, we have a People Management area consisting of a team of six women who are coordinated by an HR manager, who reports to director Daniel Sabará since February 2023, after the passing of Davi Sabará. The area is responsible for managing our team, which, in 2021, had 254 members, including employees, contractors, interns, and apprentices. This total increased to 276 in 2022. The average growth was of more than 18% compared to the average workforce in the two years before that.





Employees and other workforce

		TOTAL OF PERMANENT WORKFORCE				
		SP	SBO	CE	PE	GO
2019	Women	27	14	2	10	4
	Men	27	56	10	47	28
	Total (2019)					225
2020	Women	24	17	2	10	5
	Men	26	52	11	49	27
	Total (2020)					223
2021	Women	28	21	2	9	8
	Men	26	60	17	52	31
	Total (2021)					254
2022	Women	30	25	3	10	10
	Men	24	66	15	59	34
	Total (2022)					276

		TOTAL OF TEMPORARY WORKFORCE				
		SP	SBO	CE	PE	GO
2019	Women	0	0	0	0	0
	Men	0	0	0	0	0
	Total (2019)					0
2020	Women	0	0	0	0	0
	Men	0	2	0	0	3
	Total (2020)					5
2021	Women	0	0	0	0	0
	Men	0	0	0	0	0
	Total (2021)					0
2022	Women	0	0	0	0	0
	Men	0	0	0	0	0
	Total (2022)					0



		TOTAL OF INTERNS				
		SP	SBO	CE	PE	GO
2019	Women	1	0	0	0	1
	Men	0	0	0	0	0
	Total (2019)					2
2020	Women	0	0	0	0	0
	Men	1	1	0	0	0
	Total (2020)					2
2021	Women	1	0	0	0	0
	Men	1	0	0	0	0
	Total (2021)					2
2022	Women	1	0	0	0	0
	Men	2	1	0	0	0
	Total (2022)					4

		TOTAL OF YOUNG APPRENTICES				
		SP	SBO	CE	PE	GO
2019	Women	0	2	1	0	2
	Men	1	0	0	2	0
	Total (2019)					8
2020	Women	1	2	1	0	2
	Men	0	1	0	2	0
	Total (2020)					9
2021	Women	0	2	0	0	1
	Men	0	1	1	2	1
	Total (2021)					8
2022	Women	1	2	1	1	1
	Men	0	0	0	1	1
	Total (2022)					8



		TOTAL PART-TIME WORKFORCE				
		SP	SBO	CE	PE	GO
2019	Women	0	0	0	0	0
	Men	0	0	0	0	0
	Total (2019)					0
2020	Women	0	0	0	0	0
	Men	0	0	0	0	0
	Total (2020)					0
2021	Women	0	0	0	0	0
	Men	0	0	1	2	0
	Total (2021)					3
2022	Women	1	2	1	1	1
	Men	0	0	0	1	1
	Total (2022)					8

		TOTAL FULL-TIME WORKFORCE				
		SP	SBO	CE	PE	GO
2019	Women	28	16	3	10	7
	Men	28	56	10	49	28
	Total (2019)					235
2020	Women	25	19	3	10	7
	Men	27	56	11	51	30
	Total (2020)					239
2021	Women	28	21	2	9	8
	Men	26	60	16	50	31
	Total (2021)					251
2022	Women	29	23	2	9	9
	Men	24	66	15	58	33
	Total (2022)					268



		TOTAL OF CONTRACTORS				
		SP	SBO	CE	PE	GO
2019	Women	3	3	0	0	1
	Men	0	17	4	10	6
	Total (2019)					44
2020	Women	3	3	0	0	1
	Men	0	17	4	9	6
	Total (2020)					43
2021	Women	3	3	0	1	5
	Men	0	16	4	10	7
	Total (2021)					49
2022	Women	3	4	0	0	4
	Men	0	14	4	11	7
	Total (2022)					47





Sabará Group's workforce is fully protected by collective bargaining agreements, organized by the People Management area in compliance with local labor laws. In 2021, of the 254-people workforce, 73.2% were men and 26.8% were women. In the following year, the percentage of male professionals decreased to 71.7%, and female

professionals rose to 28.3%. The female presence is greater at the Vilela facility and in the administrative sector. Our average number of female professionals grew 20% compared to the previous two years.

Workforce totals by gender

	2019			2020			2021			2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Operational	7	96	103	5	97	102	6	104	110	9	122	131
Administrative	48	51	99	51	52	103	50	57	107	55	47	102
Management	5	16	21	5	12	17	12	17	29	14	22	36
Executive Board	0	8	8	0	8	8	0	8	8	0	7	7
Total	60	171	231	61	169	230	68	186	254	78	198	276

Compared to the previous two-year period, the last two years saw an increase in the number of hires. In 2021, 32 people under the age of 30 were hired, due to moving the whole invoicing operation to the Anápolis facility – before that, those operations happened at all facilities. For this reason, we recruited for the position of assistant, which does not require prior professional experience. The Goiás facility alone was responsible for 37.5% of the new hires.

The expansion of the sodium chlorite plant resulted in an increase in the provision of water treatment services. Therefore, we hired workforce

with specific training and experience to work on these fronts, which generated a total of 22 new hires aged between 30 and 50 years. Of those, 95.45% were assigned to the Santa Bárbara d'Oeste facility.

In 2022, hirings for that age group continued to grow. While 40 people under the age of 30 were admitted to Sabará Group's staff, 35 people aged between 30 and 50 were also hired. Of the 75 new hires, 36% are now stationed at the Santa Bárbara d'Oeste facility.



In 2022, hires for that age group continued to grow. While 40 people under the age of 30 were admitted to Sabará Group's staff, 35 people aged between 30 and 50 were also hired. Of the 75 new hires, 36% are now stationed at the Santa Bárbara d'Oeste facility.

New hirings and workforce turnover

	2019		2020		2021		2022	
	Total	Rate	Total	Rate	Total	Rate	Total	Rate
Women	13	31%	14	18%	15	19%	25	23%
Men	16	21%	16	12%	40	18%	50	20%
Under 30 years	18	9%	19	3%	32	39%	40	37%
30 to 50 years	11	17%	10	10%	22	13%	35	17%
Over 50 years	0	2%	1	1%	1	5%	0	3%
Pernambuco	5	23%	6	4%	10	2%	24	28%
Ceará	1	7%	3	21%	7	3%	2	13%
Goiás	2	11%	3	13%	12	3%	15	26%
Santa Barbara	17	20%	12	20%	21	6%	27	20%
São Paulo	4	30%	6	15%	5	1%	7	11%



Diversity and Inclusion

405-1

For us at Sabar Group, promoting well-being and ensuring human dignity through an innovative and sustainable approach are the focus of our operations. We are a company made up of people; making sure that the voices and pluralities of each one of them are respectively heard and respected is our priority.

Our staff is predominantly composed of people between 30 and 50 years of age. In 2021, of the 254 people we employ, 163 were in this age range, while 61 people were under 30 years old and 30 were over 50 years old.

In 2021, both the number of new professionals aged 30 to 50 and professionals under 30 increased, but for different reasons. The former group experienced growth thanks to the expansion of the sodium chlorite plant, which made it necessary to hire contractors with specific work experience. The latter group expanded due to the move of the whole invoicing operation to the Anpolis facility, which occasioned the recruitment of assistants, positions that did not require previous work experience to be performed.

Of the 276 people who make up our workforce in 2022, 172 are aged between 30 and 50 and 74 are under 30 years of age. As in the previous year, the over 50 age group is still composed of 30 professionals.





Number of professionals by age group

2019

	UNDER 30 YEARS OLD			30 TO 50 YEARS OLD			OVER 50 YEARS OLD		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Operational	2	18	20	5	70	75	0	8	8
Administrative	16	16	32	29	33	62	3	2	5
Management	0	1	1	5	13	18	0	2	2
Executive Board	0	0	0	0	4	4	0	4	4
Total	18	35	53	39	120	159	3	16	19

2020

	UNDER 30 YEARS OLD			30 TO 50 YEARS OLD			OVER 50 YEARS OLD		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Operational	2	19	21	3	69	72	0	9	9
Administrative	23	16	39	26	34	60	2	2	4
Management	0	1	1	5	9	14	0	2	2
Executive Board	0	0	0	0	3	3	0	5	5
Total	25	36	61	34	115	149	2	18	20

**2021**

	UNDER 30 YEARS OLD			30 TO 50 YEARS OLD			OVER 50 YEARS OLD		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Operational	4	14	18	2	77	79	0	13	13
Administrative	25	16	41	22	37	59	3	4	7
Management	2	0	2	9	13	22	1	4	5
Executive Board	0	0	0	0	3	3	0	5	5
Total	31	30	61	33	130	163	4	26	30

2022

	UNDER 30 YEARS OLD			30 TO 50 YEARS OLD			OVER 50 YEARS OLD		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Operational	5	25	30	4	84	88	0	13	13
Administrative	28	15	43	24	28	52	3	4	7
Management	1	0	1	12	18	30	1	4	5
Executive Board	0	0	0	0	2	2	0	5	5
Total	34	40	74	40	132	172	4	26	30



According to recent data, the ethnic diversity of Sabará Group has become more expressive. In 2021, 107 employees identified themselves as brown or black. In the following year, that number rose to 113. The number of employees who declared to be of Asian descent remained the same during this two-year period.

Number of professionals by ethnicity

2019

	BLACK			ASIAN DESCENT			BROWN			WHITE			INDIGENOUS			NON DISCLOSED		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Operational	0	8	8	0	0	0	1	39	40	6	49	55	0	0	0	0	0	0
Administrative	1	1	2	1	0	1	9	16	25	37	34	71	0	0	0	0	0	0
Management	0	2	2	1	0	1	3	2	5	1	12	13	0	0	0	0	0	0
Executive Board	0	0	0	0	0	0	0	0	0	0	8	8	0	0	0	0	0	0
Total	1	11	12	2	0	2	13	57	70	44	103	147	0	0	0	0	0	0

2020

	BLACK			ASIAN DESCENT			BROWN			WHITE			INDIGENOUS			NON DISCLOSED		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Operational	0	8	8	0	0	0	2	39	41	3	50	53	0	0	0	0	0	0
Administrative	1	1	2	1	0	1	12	18	30	37	33	70	0	0	0	0	0	0
Management	0	2	2	1	0	1	3	1	4	1	9	10	0	0	0	0	0	0
Executive Board	0	0	0	0	0	0	0	0	0	0	8	8	0	0	0	0	0	0
Total	1	11	12	2	0	2	17	58	75	41	100	141	0	0	0	0	0	0

**2021**

	BLACK			ASIAN DESCENT			BROWN			WHITE			INDIGENOUS			NON DISCLOSED		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Operational	0	9	9	0	0	0	1	47	48	5	48	53	0	0	0	0	0	0
Administrative	1	2	3	1	0	1	12	23	35	36	32	68	0	0	0	0	0	0
Management	0	2	2	1	0	1	5	5	10	6	10	16	0	0	0	0	0	0
Executive Board	0	0	0	0	0	0	0	0	0	0	8	8	0	0	0	0	0	0
Total	1	13	14	2	0	2	18	75	93	47	98	145	0	0	0	0	0	0

2022

	BLACK			ASIAN DESCENT			BROWN			WHITE			INDIGENOUS			NON DISCLOSED		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Operational	0	12	12	0	0	0	3	48	51	6	62	68	0	0	0	0	0	0
Administrative	2	4	6	1	0	1	14	18	32	38	25	63	0	0	0	0	0	0
Management	0	2	2	1	0	1	4	6	10	9	14	23	0	0	0	0	0	0
Executive Board	0	0	0	0	0	0	0	0	0	0	7	7	0	0	0	0	0	0
Total	2	18	20	2	0	2	21	72	93	53	108	161	0	0	0	0	0	0



As we know that inclusion is one of the pillars of people management within a company, we always seek to act in accordance with the law that requires the employability of people with disabilities. In 2021, we had 7 employees with disabilities: 1 working at a factory and the other 6 in administrative positions. In 2022, our staff included 6 people with disabilities.

Number of professionals that are people with disabilities

	2019			2020			2021			2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Operational	0	1	1	0	0	0	0	1	1	0	2	2
Administrative	2	5	7	1	5	6	1	5	6	1	3	4
Management	0	0	0	0	0	0	0	0	0	0	0	0
Executive Board	0	0	0	0	0	0	0	0	0	0	0	0
Total	2	6	8	1	5	6	1	6	7	1	5	6

Considering that women make up 51.1% of the Brazilian population (PNAD Contínua) and that 56% of this population declares itself to be black or brown (IBGE), we recognize that our workforce is not yet representative of the country's reality. For this reason, we are currently seeking to invest in a Diversity Policy that addresses topics of race, gender, sexuality, and PwDs, in order to change this landscape in the coming years.



Training and skilling

404-1 | 404-2 | 404-3

Created in 2017, the Academia de Líderes (Leaders Academy) is the main training program for Sabará Group's leaders. It is developed in partnership with business education institutions and addresses topics such as interpersonal relationships, communication, strategic planning, presentation techniques, feedback, and teamwork. In 2022, we launched the Management and Performance Program in collaboration with the Integração Escola de Negócios business school. This program for the company's leaders and senior management proposes to encourage leadership and strengthen the skills the participants have already developed.

The training of factory workforce is managed by two areas: People Management and Occupational Safety. The entire process is based on ISOs and other regulatory standards that are specific to each activity. We also have the Young Apprentice Program, which offers theoretical and practical learning to those who are entering the job market, and the Language Academy, a project that provides scholarships for language studies, mainly English.

In 2019 and 2020, training sessions were disrupted by the Covid-19 pandemic. In addition, there was an administrative restructuring that also interfered in the development of the initiatives. As a result, we had lower average hours of training per employee compared to previous years. As of 2021, these averages started to grow and stabilize again: in that period, the total average, including men and women from all sectors of Sabará Group, was 10,90 hours of training sessions per person.

In 2022, this average decreased to 6,63 hours because some training sessions that took place in the previous year were not repeated, as they were biannual. Additionally, as the workforce of Sabará Group grew from 2021 to 2022, many of the new hires already came prepared with the skills needed for the job they were going to perform, without the need to receive additional training.





Average hours of training per year per professional

	2018			2019			2020			2021			2022		
	Women	Men	Total average	Women	Men	Total average	Women	Men	Total average	Women	Men	Total average	Women	Men	Total average
Intern	40,00	0,00	20,00	10,00	0,00	5,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Young Apprentice	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Operational	22,50	0,00	11,30	8,00	0,00	4,00	0,00	0,00	0,00	18,30	6,50	17,65	8,93	17,74	9,54
Administrative	19,60	17,50	18,60	12,80	16,50	14,70	4,00	15,50	9,80	2,44	9,02	5,51	2,79	5,49	4,25
Management	3,80	39,00	21,40	2,00	2,00	2,00	4,00	0,00	2,00	9,71	6,00	8,17	5,75	1,43	4,07
Executive Board	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00

Assessing employee performance is also part of the individual development process. Professionals who have been working for at least 6 months at any Sabará Group's facility go through a self-assessment on the quality of the work they have been performing. Subsequently, these professionals are also assessed by their leaders, who meet with them for a feedback session and to design an Individual Development Plan with all the skills that need to be acquired or developed throughout the next year.

In 2021, 79% of the factory personnel, 81% of the professionals in the administrative sector, and 59% of the management-level workers received regular performance evaluations. In 2022, we experienced

an impressive growth and reached our goal: 100% of professionals, from all sectors, with the exception of the executive board, had their performance evaluated. This achievement was possible because the assessments in all our business units were performed online, which made it easier for managers to access and organize how they handled the process.



The table below considers all the Sabar Group workforce, with the exception of contractors who are stationed in the facilities and professionals who are on leave.

Percentage of employees receiving regular performance and career development reviews

	2019			2020			2021			2022		
	Men	Women	Total average	Men	Women	Total average	Men	Women	Total average	Men	Women	Total average
Intern	0%	1%	1%	50%	0%	25%	0%	0%	0%	100%	100%	100%
Young Apprentice	1%	1%	1%	0%	0%	0%	0%	0%	0%	100%	100%	100%
Operational	29%	0%	15%	73%	67%	70%	85%	72%	79%	100%	100%	100%
Administrative	35%	22%	38%	87%	84%	86%	84%	78%	81%	100%	100%	100%
Management	2%	1%	2%	69%	60%	65%	42%	75%	59%	100%	100%	100%
Executive Board	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%



Benefits

401-2 | 404-2

A healthy work environment is one that values safety and the ability to inspire its workforce. In this way, professionals feel respected and valued.

We offer our employees who are hired under the local Consolidation of Labor Laws health and dental coverage, meal and food stipends, transportation allowance, life insurance and profit-sharing bonuses. Employees who hold leadership positions also receive a fuel allowance.

We also established the day off as a corporate practice: every employee, in the month of their birthday, gets a day off, which they can enjoy as they wish. Professionals who reach specific work anniversaries in the Group have their efforts and performance recognized, being awarded with a cash bonus and a celebratory plaque. These benefits are defined according to the number of years the employee has been with the company.

Employees who are terminated receive Vale-Catho, which means they can access a job-hunting platform so that they can find a new position more easily. This service is available through a platform that offers some paid services, so the benefit delivered to employees covers 3 months of services.





Health and safety

403-8 | 403-9 | 403-10

To ensure a safe work environment for all employees, we invest in maintaining the Safety Programs at each facility through internal and external audits. In partnership with the Internal Commission for Accident Prevention (CIPA), established in accordance with Regulatory Standards (NRs), health and safety inspections are carried out in Anápolis, Itapissuma, and Pacatuba, the divisions that have ISO 9001-2015 and ISO 14001-2015 certifications. This process is put into practice because only Santa Bárbara d'Oeste obtained ISO 45001, which is specifically focused on health and safety.

It is through CIPA that Sabará Group manages its Safety Programs – such as the Environmental Risk Prevention Program (PPRA), Occupational Health Medical Control Program (PCMSO), and the Ergonomic Workplace Analysis (AET) – and surveys the workforce regarding their participation in each one of them. Participation is based on legal requirements regarding NRs. Workers involved in hazard and risk assessments are also responsible for reporting potential incidents. According to the NR-05, in the absence of a CIPA representative, a worker is assigned to disclose the information to the others.

In the topic of health, the workforce has access to various campaigns organized by the PCMSO, which offers complete confidentiality to

medical data while monitoring the condition of each worker. At each facility, service providers carry out periodic examinations of our teams. If any medical issue is identified, there is a formal notification, and all applicable measures are defined with the individual.

Since 2022, we have been committed to the goals of the “*Mente em Foco*” (Focused Mind) Movement of the Global Compact, offering resources with partners who specialize in mental health to our workforce. Together with Brazilian insurance company SulAmérica, we provide the service *Psicólogo na Tela* (telehealth psychotherapy service for support in cases of depression, anxiety, and panic disorder) and the *Única Mente* Program (an initiative that offers professional support to prevent, diagnose, and treat conditions such as anxiety, depression, panic disorder, and burnout). In collaboration with Auster, we offer telehealth psychological support with a team of specialized professionals who provide guidance in cases of trauma, distress, fear, anxiety, stress, loss, substance abuse, and emotional dependency.

Our workforce also receives information about health-related hazards and risks in operations. With the help of their manager, each worker is given a description of the activities and duties they must perform.





As soon as they join our staff, people who will work in factory functions receive special training in safety and health. Training is free; they address risks and control measures and happen throughout the work period, through the Weekly Safety Dialogues (DSS), which are both theoretical and practical. Efficiency evaluations of the training courses are the responsibility of the managers and are carried out up to 90 days after the training happens. Assessments can take the form of a test, on-site analysis, or individual conversations about the knowledge acquired by the employee.

Impacts generated by risks to health and safety at work are managed by the Preliminary Risk Analysis (APR) and Work Permits, which determine which ones can be prevented or mitigated. The level of danger of these risks is identified by qualified professionals and mapped for better monitoring. After an assessment, a hazard-potential report is developed; it describes which employees are more exposed to hazard and are eligible to request additional hazard pay as determined by the NR-16.

During the analyzed two-year period, some accidents with leave of absence and minor, non-life-threatening injuries were identified. As determined by current legislation, all these events were disclosed, and a Work Accident Report (CAT) was created. They were also investigated together with CIPA using a specific form, with the intention of discovering the causes and best course of action.

In 2021 and 2022, we received no reports of occupational illness among the workforce. The positive result is an important indicator that confirms the effectiveness of our awareness training, product evaluations, periodic examinations, and Safety campaigns, carried out with responsibility and excellence.





Covid-19 Pandemic Responses - 2021/2022

In 2020, we quickly took all necessary steps to deal with the Covid-19 pandemic safely and responsibly. We invested in preventive communication through the People Management area, the Corporate TV, and each of the departments, which sent specific communications to their respective teams. We validated the Home Office policy for professionals in the administrative areas with the support of the Information Technology (IT) sector, which offered flexibility and quick solutions. We also established the work schedule rotation system and monitored the condition of the workers who tested positive and of those who had taken the Covid-19 booster shot.

In May 2020, we also joined an initiative by the Companhia de Saneamento de Sergipe – DESO and donated 1,000 masks in exchange for staple food kits. Thus, in addition to helping to prevent contagion, we contributed to providing food security to people living in social vulnerability.

In the current two-year period, we continue to monitor the health of employees who are infected and who have received Covid-19

vaccine shots. In 2021, still due to the pandemic, we faced problems with the increase in the cost of raw materials as well as materials that were unavailable in Brazil. Through a collective effort, we chose to keep factories and units open, following safety protocols throughout the whole production process. We continue to deliver products to customers and generate income for our workforce, without major losses or dismissals.

Davi Sabará, our then Director of HR and IT, played a central role in this normalization process during and after the pandemic, acting to ensure that the safety and health of employees were a priority. The Information Technology and People Management areas came together to offer solutions and flexible means for leadership training. With that, our goal of preventing those from stopping during the Covid-19 pandemic was achieved.



EFFICIENT OPERATIONS



Client relations

2-29

At Sabar  Qu micos e Ingredientes and at BioE, the requests, opinions, and needs of our clients are acknowledged through biannual online satisfaction surveys. They are thus able to evaluate the presentation, quality, and packaging of the products we offer, as well as the client service and delivery logistics. These can be rated in four levels: excellent, good, regular, or poor. The goal is to have at least 90% of “excellent” ratings.

In recent years, we have sought to innovate our assessment method, reviewing questions and formats, especially to ensure a desired minimum engagement to carry out an effective assessment. We sought to structure a research model that allows the engagement of over 10% of active clients in the assessed period.

At Concepta Ingredients, the Sales area sends suggestions for questions on important topics to be evaluated to the Marketing team. From this selection of questions, an online survey is sent to our clients. Additionally, there is a specific internal procedure to deal with external complaints about product quality: all complaints received by the Sales area are registered in our BPM system and dealt with by the company’s Quality Control team, which will take the necessary measures to resolve them.





Product safety and labeling

416-2 | 417-1 | 417-2

We monitor and prioritize the impact of the products and services offered by Sabar  Group on health and safety. The complete analysis of the risks that our clients, consumers, and workforce may face is further evidence of our commitment to well-being, excellence, and safety.

Our entire portfolio has information on its labels, such as information about the origin of the components, contents, and safe use. BioE and Sabar  Qu micos e Ingredientes' products and services also present data on disposal and impact. These details are disclosed through the Safety Data Sheet for Chemical Products (FISPQ), delivered with the first purchase, and the analysis report and emergency form, sent along with each invoice. At Concepta, batch labeling also includes a list of allergens and storage instructions.

All this care proves to be legitimate, since we have no record of non-compliance cases regarding the impacts





Certifications, awards and recognitions

2-28

Sabará Group has been a signatory to the UN Global Compact since 2007 and is a participant of the Global Compact Brazil – Human Rights and the National Congress of Labor and Union Relations. In 2016, the actions of Ulisses Sabará, one of our co-chairmen, in favor of SDG 15 resulted in his appointment as a Local SDG Pioneer (a professional who promotes the SDGs in a pioneering way through their companies) by the Global Compact Leaders Conference. He was later appointed official spokesperson for this SDG and was recognized in the Lideranças com ImPacto initiative.

Still within the scope of the Global Compact, we are involved with the following initiatives: Call to Action: Anti-Corruption and the Post-2015 Development Agenda (a project involving companies and investors in an appeal to governments for good governance and anti-corruption policies); Caring For Climate (it mobilizes business leaders to implement solutions regarding climate change and support the creation of public policies); and the CEO Water Mandate (raises awareness among business leaders about the importance of preserving water). We are also part of the Na Mão Certa (In the Right Hands) Program: created by Childhood Brasil, it fights against the sexual exploitation of children and teenagers on Brazilian highways.

After structuring the ESG area in 2020, which was the result of consolidating the former Corporate Social Responsibility area with the Biodiversity team, we expanded our public commitment to the sustainability agenda. We are part of the Brazilian Business Council for Sustainable Development (CEBDS) and the Benchmark Club for Climate Change and Water Security of the Carbon Disclosure Project (CDP). We also established targets to mitigate the effects caused by global warming, which were approved by the Science Based Targets initiative (SBTi).

Furthermore, we are active in the main Associations that have an interface and synergy with our area of expertise. The Associations which Sabará Group is a member of are:

- Brazilian Association of Distributors of Chemicals and Petrochemicals (Associquim)
- Brazilian Chemical Industry Association (Abiquim)
- Brazilian Association of the Alkali, Chlorine, and Derivatives Industry (Abiclor)
- Brazilian Association of Technical Standards (ABNT)
- Commission for Accident Analysis – Department of Logistics and Transport of the State of São Paulo





PRODUCTS AND PROCESSES





Innovations and technologies for less impact

3-3

Since the development of powdered sodium chlorite, made possible by the consolidation of the Santa Bárbara d'Oeste plant, we have been even more committed to developing and presenting products with added value and exploring new areas of activity. Always attentive to market trends, we seek to invest in new solutions that stand out in terms of quality and efficiency. The knowledge and technology applied by us during this process are 100% Brazilian.

We have a pre-established flow for the development of a solution before taking it to the market. After identifying an opportunity, the Sales area contributes with ideas, points out needs and possibilities. Then, the Research and Development and Quality Control teams get involved in the project, creating a solution and developing several prototypes. The development process is completed after the solution is approved and taken to the market for clients.

Aiming to expand our market possibilities, we continue to offer the Global Service to Sabará Químicos e Ingredientes and BioE clients who are interested in safety and receiving support related to processes and applications of our products. This service is currently focused on serving water sanitation providers across the country.

In addition to supplying products and application technology, since 2005 this service has been responsible for installing equipment at stations, training the product handling teams, and managing inventory and logistics. Functionalities such as technical support and assistance for emergency cases are also part of the scope of work of the Global Service.





Actions and projects

In order to materialize our values, we believe that they must be shared with the community with which Sabar Group is involved on a daily basis. We understand that we are jointly responsible for the well-being, health, and safety of the people we impact through our operations. Therefore, we develop and participate in initiatives that demonstrate our social commitment and respect for people.

In 2021, we donated BRL 2,500.00 to the Brasil Sem Fome campaign, by the Ao da Cidadania NPO, to help provide emergency support for families in vulnerable situations in Brazil.

In the same year, Sabar Group donated large amounts of sodium hypochlorite to three different institutions. **We donated 1.200 kg to the Fire Department of Anpolis, 630 kg to the Prof. Alcides Codeceira Psychiatric Hospital, and 60 kg to the Jurandir Bezerra Lins State Technical School.** In the following year, we again donated the product to the same hospital and school, giving 480 kg and 120 kg to each, respectively.

Also in 2022, we donated 20 kg of SanyTabs to the Association of Residents and Farmers of Nazarezinho do Meru (AMPRUNAM), an extractive group that supplies a, in partnership with Beraca Benefit Sharing Project. In addition to the donation, AMPRUNAM members underwent training to learn how to correctly use the tablets to treat water, thus avoiding its contamination and reusing it in the household.



Internal projects:

Empresa Amiga Plantarum (Plantarum-Friendly Company):

At the Santa Bárbara d'Oeste facility, we joined *Empresa Amiga Plantarum*, a sponsorship project focused on developing actions to improve the Plantarum. Located in Nova Odessa (SP), it is the largest botanical garden in Latin America. We sponsor educational and social-environmental initiatives created by the institution, in addition to improving the place's infrastructure.

The partnership is also a way of fostering our employees' knowledge of the Brazilian ecosystem. Through it, we were able to offer free access to the Plantarum for some of our employees. Thus, in addition to having a family outing, they had the chance to learn more about the country's biomes and vegetation.

Aniversário Solidário (Compassionate Birthday):

The Aniversário Solidário project was created by the Itapissuma facility's employees, who gather monthly to collect food donations. For every 13 different food products collected by employees, forming a staple food kit, Sabará Group donates one kit – thus doubling the impact. The family or institution to receive the donation is always chosen by employees celebrating their birthdays in the month of collection. In 2022, the project's first year, 48 food kits were donated, 24 of which were collected by employees and 24 were provided by the company.





Um Gol Contra a Fome (Score Against Hunger):

The *Um Gol Contra a Fome* project – a partnership between the People Management and ESG areas in our units – was inspired by the FIFA World Cup and consisted of a sticker album with photos of the employees themselves and the dog mascot of one of the facilities. To complete the album, individuals should donate items from a list of 16 different food products (1 item for the album and 15 more per each pack of stickers). Together, the items formed a staple food kit.

A total of 1.304 tons of food were collected, which became donations to the Lar Batista para Anciões (Itapissuma), Paróquia Imaculada Conceição (Pacatuba), Núcleo Cristão Cidadania e Vida (Vilela), and Asilo São Vicente de Paulo (SBO and Anápolis) institutions. The delivery of the staple food kits is being coordinated by the administrative teams at each Sabará Group facility.





External projects:

Bio Abundance Program:

We revamped the Bio Abundance Program to satisfy our current market and operational demands. Originally based on the engagement of communities, cooperatives and associations that supply raw materials from Brazilian biomes, it is structured around five pillars:

- Connecting people in a virtuous chain of value between the richness of the forest and the market
- Preserving the living forest
- Respecting the peoples and communities that inhabit it
- Encouraging the use of ingredients from Brazilian biomes
- Promoting social-economic inclusion and reducing social inequality

Through the Program, Concepta has invested in projects with communities who supply materials such as licuri, babassu, and açai. After visiting these communities, we are developing incentive plans for each one of them with the help of the Dutch Fund for Climate and Development (DFCD), which provides support for the acceleration of Concepta.



+ 2,100 families involved in collecting and processing products, including traditional peoples



about 345,000 hectares of conserved territory



3 contemplated biomes: Amazon, Caatinga, and Cerrado



6 Brazilian states impacted by our activities



Ncleo Cristo Cidadania e Vida:

We partnered with the *Ncleo Cristo Cidadania e Vida* (NCCV, Christian Center for Citizenship and Life) to hire young apprentices. The institution promotes the development of children, teenagers, and adults through social projects that include early childhood and primary education, shelter for minors in socially vulnerable situations, care service for female victims of domestic violence, and a technical training course for those who wish to enter the job market. Together with the NCCV, we also organize winter clothing drives, as well as corporate prevention campaigns and food drives.





CONCLUSION





In recent years, we have seen the importance of sustainability being recognized by companies from the most diverse industries; they consequently began to relate this topic back to the implications of how they manage their businesses. Within the Sabar Group, we are proud to state that we have been doing this for many years, not only as part of our strategy, but as a principle for its development.

Throughout the years, we continued to invest in solutions that positively impact the environment and people's lives. For this reason, we prioritize valuing biodiversity, enable research into process and product innovation, develop a series of safety measures and treatment of natural resources, and take care of human capital by promoting the health and safety of our clients and employees.

As our sustainability journey progresses, we have been able to strengthen our sustainable practices at all stages of the value chain, from the concept of a product to its final delivery to the consumer.

However, as we are aware that this path never ends, we seek continuous improvement in everything we set out to do.

We are proud of the leading role we have consolidated over the last two years, and we feel prepared to continue our journey for years to come. More than sustainability, we aim for fair and responsible prosperity for the whole society.

Thank you so much for reading!

Follow us on our communication channels.



sustentabilidade@gruposabara.com





GRI CONTENT INDEX



**STATEMENT OF USE**

Sabará Group has reported in accordance with the GRI Standards for the period from January 1st 2021 to December 31st 2022.

GRI 1 USED

GRI 1: Foundation 2021

APPLICABLE GRI SECTOR STANDARD

None

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021						
1. The organization and its reporting practices	2-1 Organizational details	P. 3, 8, 21				
	2-2 Entities included in the organization's sustainability reporting	P. 3, 8, 9, 25				
	2-3 Reporting period, frequency and contact point	P. 3, 4, 25 Report officially published on April 27, 2023.				
	2-4 Restatements of information	P. 3				
	2-5 External verification	P. 3				
2. Activities and workers	2-6 Activities, value chain and other business relationships	P. 8, 9, 25, 29 There are no other relevant business relationships.				
	2-7 Employees	P. 50, 51, 52, 53, 54, 55, 56				
	2-8 Workers who are not employees	P. 54				



GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
3. Governance	2-9 Governance structure and composition	P. 21, 22, 23				
	2-10 Nomination and selection of the highest governance body	P. 21	b	Information unavailable	Information on the subject has not been provided for the public by the organization.	
	2-11 Chair of the highest governance body	P. 21				
	2-12 Role of the highest governance body in overseeing the management of impacts	P. 21				
	2-13 Delegation of responsibility for managing impacts	P. 21	b	Information unavailable	Information on the subject has not been provided for the public by the organization.	



GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
3. Governance	2-14 Role of the highest governance body in sustainability reporting	P. 21 Chairs are responsible for approving such information.	.			
			b	Not applicable	Chairs are responsible for reviewing and approving reported information, including material topics of the organization.	
	2-15 Conflicts of interest	Compliance Manual				
	2-16 Communication of critical concerns	P. 33 Compliance Manual				
	2-17 Collective knowledge of the highest governance body	P. 44				
	2-18 Evaluation of the performance of the highest governance body		a, b, c	Information unavailable	Information on the subject has not been provided for the public by the organization.	
	2-19 Remuneration policies		a, b	Information unavailable	Information on the subject has not been provided for the public by the organization.	



GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	
General disclosures					
3. Governance	2-20 Process to determine remuneration		a, b	Information unavailable	Information on the subject has not been provided for the public by the organization.
	2-21 Annual total compensation ratio		a, b, c	Information unavailable	Information on the subject has not been provided for the public by the organization.



GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
4. Strategy, Policy and Practices	2-22 Statement on sustainable development strategy	P. 6, 11, 12, 19, 38				
	2-23 Policy commitments	Sabará Group’s policy commitments are contained in the Compliance Manual . This Manual must be signed by all employees of the company upon hiring, publicly disclosed and accessible to all.				
	2-24 Embedding policy commitments	P. 21, 24, 33 Compliance Manual				
	2-25 Processes to remediate negative impacts	P. 33 Compliance Manual				
	2-26 Mechanisms for seeking advice and raising concerns	Compliance Manual				
	2-27 Compliance with laws and regulations	P. 33, 34				
	2-28 Membership associations	P. 45, 73				



GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
5. Stakeholder Engagement	2-29 Approach to stakeholder engagement	P. 6, 13, 71 Compliance Manual				
	2-30 Collective bargaining agreements	P. 55	b	Not applicable	Sabará Group's employees are fully protected by collective bargaining agreements.	



GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	P. 13, 14				
	3-2 List of material topics	P. 14				
Material topic 1: Management of impacts on the environment, biodiversity and human health						
GRI 3: Material Topics 2021	3-3 Management of material topic	P. 15, 17				
GRI 201: Economic Performance 2016						
201-2	Financial implications and other risks and opportunities due to climate change	P. 46, 47				
GRI 303: Water and Effluents 2018						
303-3	Water withdrawal	P. 39, 40, 41				
303-4	Water discharge	P. 42, 43				
GRI 304: Biodiversity 2016						
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	P. 44, 45				
304-2	Significant impacts of activities, products and services on biodiversity	P. 44, 45				
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	P. 45				



GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Material topic 1: Management of impacts on the environment, biodiversity and human health						
GRI 305: Emissions 2016						
305-1	Direct (Scope 1) GHG emissions	P. 3, 46, 47 2021 GHG Emissions Inventory				
305-2	Energy indirect (Scope 2) GHG emissions	P. 3, 46, 47 2021 GHG Emissions Inventory				
305-3	Other indirect (Scope 3) GHG emissions	P. 3, 46, 47 2021 GHG Emissions Inventory				
305-4	GHG emissions intensity	2021 GHG Emissions Inventory The 2022 Inventory will still be released.				
305-5	Reduction of GHG emissions	P. 12, 47 2021 GHG Emissions Inventory				
GRI 307: Environmental Compliance 2016						
307-1	Non-compliance with environmental laws and regulations	P. 34				
GRI 419: Socioeconomic Compliance 2016						
419-1	Non-compliance with laws and regulations in the social and economic area	P. 33				



GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Material topic 2: Investment and research in process and product innovation						
GRI 3: Material Topics 2021	3-3 Management of material topic	P. 16, 17, 35, 36, 75				
Material topic 3: Valuation of human capital						
GRI 3: Material Topics 2021	3-3 Management of material topic	P. 16, 18				
GRI 401: Employment 2016						
401-1	New employee hires and employee turnover	P. 50, 56				
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	P. 66				
GRI 403: Occupational Health and Safety 2018						
403-8	Workers covered by an occupational health and safety management system	P. 67, 68				
403-9	Work-related injuries	P. 68				
403-10	Work-related ill health	P. 68				
GRI 404: Training and Education 2016						
404-1	Average hours of training per year per employee	P. 63, 64				
404-2	Programs for upgrading employee skills and transition assistance programs	P. 63, 64				
404-3	Percentage of employees receiving regular performance and career development reviews	P. 64, 65				
GRI 405: Diversity and Equality Opportunities 2016						
405-1	Diversity of governance bodies and employees	P. 57, 58, 59, 60, 61, 62				



GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Material topic 4: Financial economic performance						
GRI 3: Material Topics 2021	3–3 Management of material topic	P. 16, 18				
GRI 201: Economic Performance 2016						
201-1	Direct economic value generated and distributed	P. 25, 26, 27, 28				
Material topic 5: Customer health and safety						
GRI 3: Material Topics 2021	3–3 Management of material topic	P. 16, 18				
GRI 416: Consumer Health and Safety 2016						
416-1	Assessment of the health and safety impacts of product and service categories		a	Information unavailable	The percentage of product and service categories was not disclosed.	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	P. 72				
GRI 417: Marketing and Labeling 2016						
417-1	Requirements for product and service information and labeling	P. 72				
417-2	Incidents of non-compliance concerning product and service information and labeling	P. 72				



GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Material topic 6: Ethical governance and anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topic	P. 16, 18				
GRI 205: Fighting Corruption 2016						
205-1	Operations assessed for risks related to corruption	P. 33 Compliance Manual				
205-2	Communication and training about anti-corruption policies and procedures	P. 33. In 2022, 100% of the employees were informed about anti-corruption policies and procedures. 65 employees received training about anti-corruption (25 in the operational sector, 33 in the administrative sector and 7 in the managerial sector).				
205-3	Confirmed incidents of corruption and actions taken	P. 33				



GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Material topic 7: Customer relationship management						
GRI 3: Material Topics 2021	3-3 Management of material topic	P. 16, 18, 71, 75				