



SUSTAINABILITY REPORT **2019**



FOREWORD

Have you ever stopped to think about how chemistry is part of life? It can be found in food, personal care and cleaning products, health, mobility. Chemistry is an almost invisible component, but with an extremely important role in the development of innovative solutions that have directly contributed to initiatives aimed at sustainable development.

Aware that Oxiten's actions for sustainable growth must go far beyond the industry, in 2019 the company consolidated its 2030 Strategic Sustainability Plan. The focus is on eight pillars that symbolize ambitions and goals to overcome market challenges, balancing economic prosperity, environmental protection and fulfillment of society's needs.

This report was prepared based on these pillars and, in its sections, we will see how the actions are connected to Oxiten's purpose: to contribute to the well-being of people through chemistry.

Enjoy your reading.



SUMMARY

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MESSAGE FROM THE LEADERSHIP

102-14

The year 2019 was quite challenging in the regions where we operate. For the chemical industry, especially, the challenge was even greater with the onset of a new downward cycle for the sector, affecting prices, sales and results in general.

Despite starting the year optimistically and with a focus on economic growth in Brazil, this scenario did not materialize. In this way, we were affected by a period of low margins on commodities worldwide and by a start of operations of our plant in the U.S. that proved to be more difficult than anticipated.

As a result, our operational performance was below plan. Our sales volume totaled 734,000 tons, down 5% from the previous year. Net revenue totaled R\$ 4.2 billion, down 10% compared to 2018. In order to minimize the impacts, we adjusted the cost structure and invested in improving our product mix, while maintaining investments in research and development to offer our customers solutions with better performance and less environmental impact.

But the year was also marked by good news. After the investment was completed, the plant in the United States remains an important value-creation lever for the company. Today, operations of the new unit are prepared to gain in scale and efficiency and have the capacity to supply nearly 120,000 tons per year to the North American market.

In addition, at the end of 2019, we approved our 2030 Strategic Sustainability Plan, which sets out our goals and ambitions to contribute to the well-being of people and to the responsible and sustainable development of our business. Formed by eight pillars, this plan addresses our commitment to all our stakeholders in the search for increasingly sustainable solutions.

This is another big step for Oxitenó in addressing the goals that will directly contribute to the Sustainable Development Goals (SDG) established by the UN and to demonstrate the importance of the private sector in the search for a more responsible economy.

Another highlight in the year was the achievement of the best safety indices in our history, with an 8% reduction in lost-time accidents between 2018 and 2019. This is the result of a deep cultural transformation work towards maturity in safety, which has been conducted by Oxitenó and is in line with our ambition to be among the industry's benchmarks in terms of safety.

Outlooks

We started the year 2020 with an optimistic view of the market and growth of the Brazilian economy based on several reforms that are underway in the Federal Government. However, in the first months of the year, we were taken by surprise by COVID-19, which first crippled a country the size of China and gradually spread to other countries until finally reaching Brazil.

We are facing a challenge of adapting business and our operations in ways that had not been foreseen in the planning of any company, in any sector. I believe in the resilience of our country and in our ability to overcome adverse scenarios. It is still early for forecasts, but I believe that, after overcoming the difficulties posed by this new scenario, we will all emerge stronger, and ready for the construction of a sustainable future.

Enjoy your reading

João Parolin
President Oxitenó

At the end of 2019, we approved our 2030 Strategic Sustainability Plan, which sets out our goals and ambitions to contribute to the well-being of people and to the responsible and sustainable development of our business.

SUSTAINABILITY REPORT | 2019

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01



ABOUT THE REPORT

Material topics



MESSAGE
FROM THE
LEADERSHIP



ABOUT THE
REPORT



OXITENO



ETHICS,
TRANSPARENCY
AND INTEGRITY



ECONOMIC
PERFORMANCE



PRODUCT
PORTFOLIO



PRODUCT
SAFETY



SAFETY



EMPLOYEES



SUPPLY CHAIN



ENVIRONMENT



COMMUNITIES



GRI STANDARDS
CONTENT
SUMMARY

For another year, Oxiteno is publishing its sustainability report following the guidelines of the Global Reporting Initiative (GRI) in its Standards version (Core option). Based on the commitment to transparency, this material covers from January 1 to December 31, 2019 and contains the most important results focusing on topics listed in the materiality matrix, in addition to those defined as having the greatest impact on the company's stakeholders. **102-50, 102-52, 102-54**

In preparing this report, the option was to proceed with the material topics reported in the previous cycle. The topics, defined at the beginning of 2019 in a survey carried out by a specialized consultancy, remain relevant to Oxiteno and are integrated into the pillars of the 2030 Strategic Sustainability Plan. **102-40, 102-42, 102-43, 102-44, 102-46, 102-47, 103-1**

Material topics	Internal impact	External impact
Employee health and safety	Yes	No
Process safety	Yes	Yes
Chemical safety	Yes	Yes
Energy (thermal and electric)	Yes	Yes
Liquid effluents	Yes	Yes
Waste management	Yes	Yes
Air emissions	Yes	Yes
Ethics, transparency and integrity	Yes	Yes
Water	Yes	Yes
Supply chain	Yes	Yes
Innovation in portfolio management	Yes	Yes
Sustainable products and solutions for society	Yes	Yes
Employees	Yes	No
Local communities*	Yes	Yes
Economic performance *	Yes	Yes

*The topics Local communities and Economic performance were considered material by Oxiteno's Senior Management and are also aligned with the materiality of the Ultra group



The goals and ambitions contained in the strategic plan will be highlighted at the beginning of each section of this report.



In case of doubts or questions about this report, contact us by email: oxiteno@oxiteno.com
102-53



02

Oxiteno

2030 Strategic Sustainability Plan

Awards and Recognition



MESSAGE
FROM THE
LEADERSHIP



ABOUT THE
REPORT



OXITENO



ETHICS,
TRANSPARENCY
AND INTEGRITY



ECONOMIC
PERFORMANCE



PRODUCT
PORTFOLIO



PRODUCT
SAFETY



SAFETY



EMPLOYEES



SUPPLY CHAIN



ENVIRONMENT



COMMUNITIES



GRI STANDARDS
CONTENT
SUMMARY



OXITENO

102-1, 102-2, 102-3, 102-6, 102-7

Oxiteno is a leading provider of surfactants and specialty chemicals in Latin America. Established in 1974, in the city of São Paulo, the company's mission is to contribute to the well-being of people through chemistry and develop solutions for the following markets: Crop Solutions, Personal Care, Home Care and Industrial & Institutional, Oil & Gas and Coatings. As part of the Ultra group, the company's history coincides with the development of the chemical industry in the country, always taking into account initiatives based on innovation, excellence, relationship, knowledge and sustainability.

Headquartered in São Paulo, Oxiteno has 11 industrial units, 3 research centers and 8 offices worldwide (see details on the map), which are structured by regions—Mercosur, MAC and the United States—in addition to global departments that work in a cross-cutting manner with each business. This organization allows putting into practice important items of the strategy, focused on improving the performance of the commodities portfolio and investing in organic growth initiatives. 102-4

PRESENCE IN THE WORLD



United States: industrial unit, R&D center and sales office.

MAC: industrial units, office and R&D center in Mexico. Sales office in Colombia.

Mercosur: industrial units, R&D center and sales office in Brazil, industrial unit and sales office in Uruguay and sales office in Argentina.

SALES OFFICES

- United States**
Houston
- Mexico**
Mexico City
- Colombia**
Bogota
- Brazil**
Sao Paulo
- Uruguay**
Montevideo
- Argentina**
Buenos Aires
- Bélgica**
Brussels
- China**
Shanghai

INDUSTRIAL UNITS

- United States**
Pasadena
- Mexico**
Coatzacoalcos
Guadalajara
San Juan del Río
- Brazil**
Camaçari (2 units)
Mauá
Suzano
Tremembé
Triunfo
- Uruguay**
Montevideo

RESEARCH CENTERS

- United States**
Hattiesburg
- Mexico**
Guadalajara
- Brazil**
Mauá

2030 STRATEGIC SUSTAINABILITY PLAN

The world today has a population of nearly eight billion, and a pressing need for a growth and development strategy that increasingly focuses on sustainability—considering economic, social and environmental aspects.

Oxiteno believes that joint work between government, civil society and the private sector is essential to effectively address this new reality. Thus, in 2019, we

consolidated our 2030 Strategic Sustainability Plan, addressing goals that will directly contribute to the Sustainable Development Goals (SDG) established by the UN.

Through extensive work involving all departments and regions, a strategy was designed around people. The company's ambitions are divided into eight main pillars, each with specific quantitative

or qualitative goals to ensure the continuity of the business associated with the responsibility to build a more sustainable future.

Going forward, these ambitions will be part of the strategy and considered in the decisions of each business. The goals defined for the coming years will be highlighted throughout the report and will be monitored through measurements every year, as of the next edition.



In 2019, our Strategic Plan for Sustainability was structured, which connects with the UN SDGs

OUR AMBITIONS FOR 2030



ECONOMIC

To create shareholder value through financial returns greater than the cost of capital employed. (ODS 8, 9)



ENVIRONMENT

To be among the benchmarks for the chemical industry in terms of the Environment in the countries where Oxiteno operates, with world-class performance. (ODS 6, 7, 11, 13, 14, 15)



SAFETY

To be among the benchmarks in the chemical industry in terms of safety, with world-class performance. (ODS 3, 8, 9, 12)



PRODUCT SAFETY

To develop safer products for people and the environment and provide support to customers in using the products. (ODS 3, 12)



EMPLOYEES

To develop a management model that generates greater results, values people and promotes the advancement of the work environment. (ODS 3, 4, 5, 8, 10)



PRODUCT PORTFOLIO

To develop solutions that are in line with the needs of society, in partnership with our customers and with positive environmental and social impact. (ODS 2, 3, 6, 7, 13, 14, 15)



SUPPLY CHAIN

To promote sustainability in Oxiteno's supply chain. To create stable and long-term business relationships with our partners (ODS 3, 11, 16, 17)



ETHICS, TRANSPARENCY AND INTEGRITY

To support the Culture of Ethics and Compliance with integrity and management transparency. (ODS 5, 8, 10, 16)

AWARDS AND RECOGNITION



Exame's Largest and Best: In 2019, Oxiteno Nordeste was chosen best company in the Chemical and Petrochemical sector by Exame magazine.



Paint & Pintura Magazine: For the eighth consecutive time, Oxiteno won the Paint & Pintura Award as the best supplier in Oxygenated Solvents.



The companies that best communicate with journalists: In its 9th edition, the award organized by Cecom (Center for Communication Studies) appointed Oxiteno as the company that best communicates with journalists in the Chemical and Petrochemical sector category.



Valor Inovação Award: In 2019, the company ranked 4th in the Oil, Gas and Petrochemicals category at the award event held by Valor Econômico journal in partnership with PwC.



4th Supplier Quality Survey for: organized by Revista Tintas e Vernizes, Oxiteno was recognized in the "oxygenated solvents" category.



EcoVadis: In 2019, Oxiteno was recognized in the Gold category of EcoVadis, a sustainability rating platform for global supply chains.



Caio Award: Held by Eventos Expo Editora, the company was awarded Gold in the Regional Convention category for the Seeding Ideas event, Silver in the category Booth Operation and Production for the CAC event in Shanghai, and Bronze in the category Booth and Mid-sized Scenographic Environments Projects for the CAC event in Shanghai.



03



ETHICS, TRANSPARENCY AND INTEGRITY

Governance structure

Organizational structure

Commitment to transparency

Risk management



ETHICS, TRANSPARENCY AND INTEGRITY



Support the Culture of Ethics and Compliance with integrity and management transparency.

Goals 2030
Ethics and Compliance Program

- Uniform and consistent in all regions where we operate
- 100% of employees trained in ethics and compliance modules
- To ensure a high standard of the ethics and compliance program in the assessment by stakeholders

Associated material topic: ethics, transparency and integrity

Operating responsibly and aware of the impacts generated for stakeholders are values that are part of Oxitenos and of what the company plans for the future. In this way, ethics, transparency and integrity are not simply words in the strategic sustainability plan, but rather a commitment assumed to support open dialogue and clear and reliable communication with those who help build the business.

As part of Ultrapar Participações S.A. (Ultra), Oxitenos is a privately held corporation and part of the parent company's governance structure and model, which adopts market practices recognized for their transparency. Thus, every three months, the performance of Oxitenos's governance actions is reported to the Group's Board of Directors, which today has 10 members who were elected in April 2019—eight of whom are independent members and 2 are women—and with term ending in August 2021. **102-5**

It is worth noting that the presidents of all the companies that are part of the Group—Oxitenos Ultragas, Ultracargo, Ipiranga and Extrafarma—integrate the Executive Board, as well as the

parent company's Financial and Investor Relations Director, thus reinforcing the participation of the businesses in defining guidelines and strengthening governance and compliance practices.



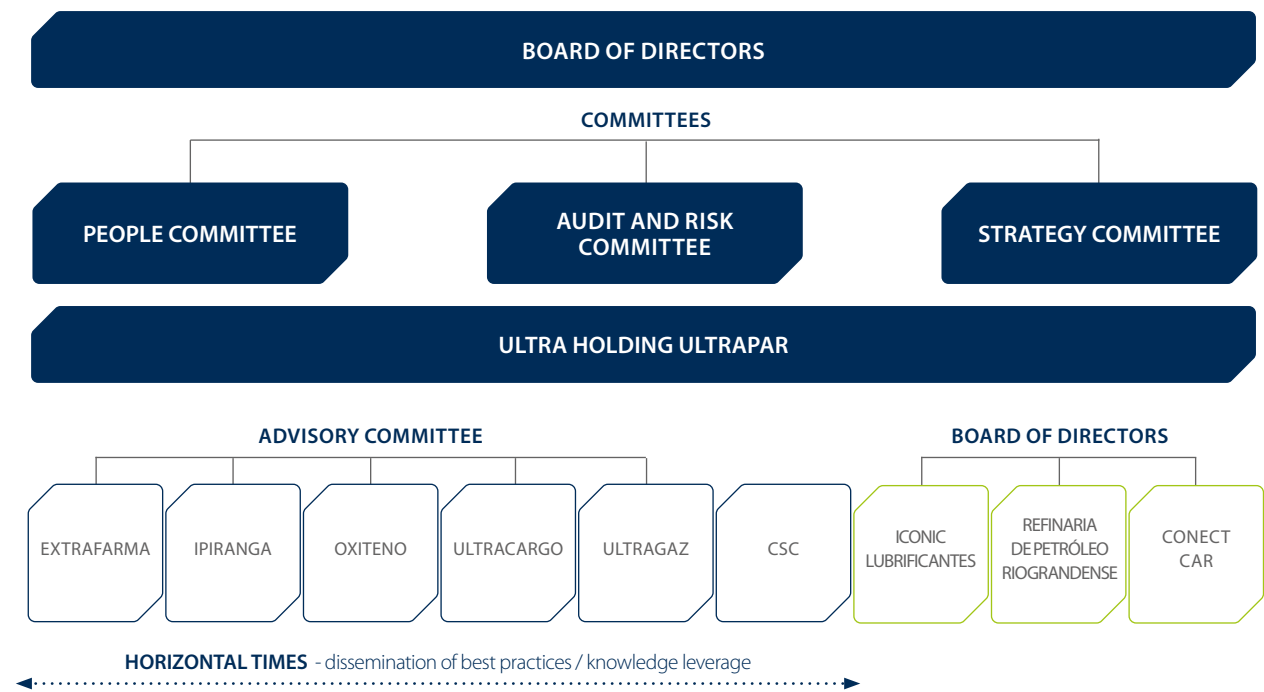
INTEGRATED AND RECOGNIZED PRACTICES

- **80% of independent members on the Board of Directors of Grupo Ultra**
- **Part of the Novo Mercado of B3 S.A. (Brazilian stock exchange)**
- **Quarterly reporting of governance results to the Board of Directors**
- **Committees additional to those mandatorily provided in the Bylaws**

GOVERNANCE STRUCTURE 102-18

Throughout its history, Grupo Ultra's performance has always been guided by commitment to best governance practices and financial soundness, as a result of strict discipline in capital allocation. These guidelines are reinforced and supported by a solid governance structure, which includes the following committees: Audit and Risks, People and Strategy (in addition to those mandatory in the Bylaws), and Conduct.

Governance and management model

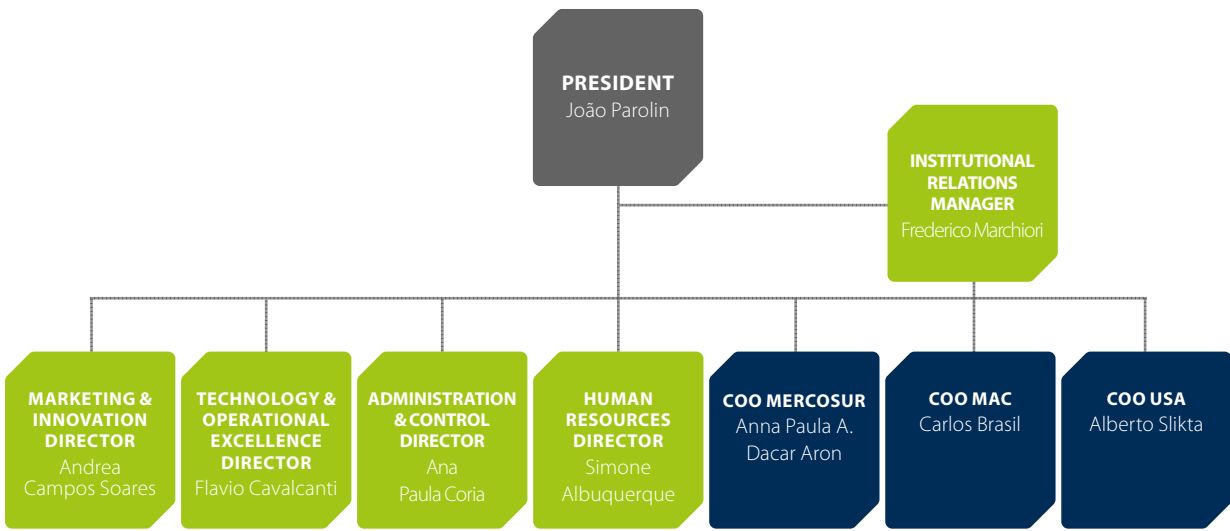


Committees



ORGANIZATIONAL STRUCTURE

In 2017, Oxiteno underwent an important organizational restructuring to ensure competitiveness and long-term growth in this new economic scenario for the global chemical industry. With a lighter and more agile structure, decision making is now more assertive and focused on a strategy in search of excellence, innovation and transparency in its actions



In this new organization, operations are structured in three regions (Mercosur, MAC and the United States), which have the support of cross-cutting departments with global operations—Marketing and Innovation, Technology and Operational Excellence, Administration and Control, and Human Resources, in addition to the Institutional Relations area—all reporting directly to the President of Oxiteno.

COMMITMENT TO TRANSPARENCY

102-16, 103-2, 103-3: Anti-corruption

All of our actions are guided by Grupo Ultra's Ethics and Compliance Program, which has clear principles and rules of conduct valid for employees of all businesses in local and international operations.

Governance of this program is the responsibility of the Conduct Committee, chaired by an independent member and linked to the Board of Directors. Its activities involve disseminating the culture of ethics and compliance to all teams and encouraging its adoption by

the company's other stakeholders. In addition, the companies of the Group have a compliance area to ensure that all actions are in line with the characteristics of each segment. At Oxiteno, this new area reports to both the Global Administration and Control Department of Oxiteno and to the Risk, Compliance and Audit Department of Ultra.

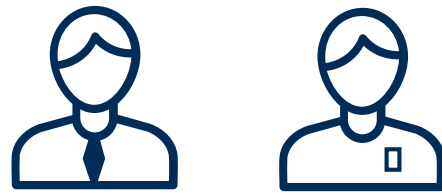
The first version of the Code of Ethics was released in 2004 and, since then, the document that establishes guidelines for management, for the

relationship with external audiences and for the work environment, is regularly reviewed. Its most recent review was in 2017 together with the Anti-Corruption Policy, released in 2014. In addition, the organization has in place other Corporate Policies, such as on Competition and on Conflicts of Interest. They were all put into practice over the years and cascaded to the teams through specific training and according to the specificities of each position. It is worth mentioning that the policies apply to all companies in the Group.



100%

of **operations** were subjected to **risk assessments** related to **corruption** 205-1, 205-2



100% 91%

100% of **directors** and 91% of the **employees** were **trained in or communicated about anti-corruption policies** and procedures through training available on Portal DNA (Oxiteno's education portal) 205-1, 205-2

COMPLIANCE HIGHLIGHT

Grupo Ultra's Ethics and Compliance program featured in EXAME's Compliance Guide 2019, prepared in partnership with Instituto FSB Pesquisa and Fundação Dom Cabral in Brazil. Of the 298 companies registered, Ultra ranked among the 39 best rated in 13 different sectors in the country. The study assesses the level of maturity and the best ethical compliance practices of companies.

Open dialogue 102-17

For Oxiteno, transparency in communications is an essential and valid value for our stakeholders. Thus, the company has an open channel for questions and reports, which is operated by an independent company and managed by Grupo Ultra's Risk, Compliance and Audit Department (DRCA). This channel is available 24 hours a day in three languages: Portuguese, Spanish and English.

All contacts are guaranteed confidentiality and are registered by an external company, without interference from Oxiteno or other companies in the Group. Comments and reports are submitted to the DRCA and handled by employees trained to act as impartial investigators.



Ultra's Open Channel

Available to the company's internal and external audiences. Calls are toll-free.

Portal: **www.canalabertoultra.com.br**
Brazil **0800-701-7172**
United States **1-800-880-6491**
Mexico **800-099-0646**
Uruguay **000-416-205-2740**



RISK MANAGEMENT

102-11, 102-15

Risk management involves internal and external chains, with scenarios based on impact and vulnerability, and is disseminated and reinforced through the work of specific committees such as Health, Safety and Environment (HSE) and Information Security. Following Grupo Ultra's governance, methodologies that focus on reducing any type of event potentially harmful to business or stakeholders are always used.

Based on these guidelines, regular self-assessments are carried out to measure impacts and level of vulnerability, classifying them as low, medium, high or very high and developing action plans for response, assigning responsibilities and defining a timescale.

MONITORING

Monitor systematically and independently the main risk indicators adopted by Ultra.

TRANSPARENCY

All risks must be identified, measured and shared among the various management levels at Ultra.

Guiding principles for risk management

RESPONSIBILITY

Risk managers are primarily responsible for impacts and must establish an appropriate methodology to identify and share them with higher levels.

SIZING

Every risk should be quantified according to its level of vulnerability and potential impact.

04



ECONOMIC PERFORMANCE

Mercosur

United States

MAC



ECONOMIC PERFORMANCE



Create shareholder value through financial returns greater than the cost of capital employed

Goals 2030
Ebitda

- Achieve a 15% return on capital employed (ROCE)
- Share of specialties in the sales mix greater than 70% in contribution margin
- Increase business competitiveness through continuous optimization of fixed and variable costs
- Advance in the use of digital technology seeking increased efficiency and a better experience for customers and employees

102-7; 103-2, 103-3:
Economic performance

The year 2019 brought many challenges for the chemical industry, affected by the sharp drop in prices in the international market for petrochemical commodities, by the downturn in the global economy and by the U.S.-China trade war. Impacted by the drop in the price of petrochemical commodities and by slower-than-expected growth in the operations of the new plant in the United States (Pasadena, Texas), Oxiten's net revenue for the year totaled R\$ 4.2 billion, down 10% from 2018.

In terms of operational performance, the total volume of specialty chemicals decreased by 4%, due to lower sales in various segments in the domestic market,

reflecting the drop in demand for chemicals in Brazil¹ (decrease of 7.5%). Total sales volume was 734,000 tons in 2019, down 5% from the previous year.

To counteract these factors, Oxiten's administration adjusted its cost structure, maintained investments in research and development and the launch of new products, offering formulations with better performance for customers and with less impact on the environment. The maturity of the plant in the United States continues to be an important lever for creating value for the company in the largest surfactant market in the world.

MERCOSUR

In 2019, the region experienced a series of turbulences in the economic scenario, which negatively impacted demand, such as the downturn of the economy in Brazil, the moratorium in Argentina and the drop in prices in the international market for petrochemical commodities, mainly impacting the margins for glycols. In the midst of this adverse scenario, Oxiten worked to retain the market share of its main product lines and markets. The industrial markets were the most affected by the drop in demand, and the agricultural market showed modest growth compared to 2018.

To mitigate the negative effect of low demand, the company focused its efforts and resources on adjusting the cost structure in Brazil, on projects in plants to improve operational efficiency and safety, and pursued a strategy to promote the specialty chemicals portfolio and delivery of solutions to customers and markets in which it operates.

In 2019, sales in Mercosur totaled

3,5 billion

¹ Data from Abiquim (Brazilian Association of Chemical Industries)

UNITED STATES

The new plant in Pasadena, Texas has the capacity to supply close to 120,000 tons of ethoxylates per year to the U.S. market, which are added to the fine chemicals and specialties already produced at the site.

Operations commenced at the end of 2018 and, throughout 2019, Oxitenó worked to start up production and replace

production volumes previously imported from Mexico and Brazil, ending the year with a portfolio of approximately 60 products in the production line—always having in mind aligning the production area with the most advanced processes and safety requirements. The new unit continues to gain capacity and efficiency and stands out in the American market for its line of high-quality and high-purity products.

The new regulations in the United States, which impose a reduction in the amount of residual 1,4-dioxane in ethoxylates, open opportunities for differentiation of the Pasadena product line, since the unit has the capacity to produce ethoxylates with a maximum of 1 ppm of 1,4-dioxane and about 20 products with low dioxane are now available on the market.

Focus on the production of surfactants for the agrochemicals, personal care, home care and industrial & institutional cleaning, oil and gas, and biorefining industries.

Nominal **production capacity of 120,000 tons** per year of alkoxyates.

Strategic location to facilitate logistics and increase competitiveness in the region.



In 2019, sales in the USA totaled
R\$ 280 million



MAC

The year 2019 was marked by an important political change in Mexico: the change of the country's presidency, which occurred in late 2018, and sought to implement new economic and social policies, but ended up facing major difficulties, such as a low level of investment, both public and private, which resulted

in a weak GDP growth.

The three plants in Mexico, which, in addition to serving the domestic market, have several certifications, good operational flexibility and a wide range of products, allow Oxitenó to be an important export platform to several regions.

Additionally, the company has focused its efforts on the implementation of operational efficiency projects, investing in the development of products for important segments for Oxitenó. Also, the country plays a key role in supporting the growth of the operations in the United States, a strategic initiative for Oxitenó.

In 2019, sales in MAC totaled
R\$ 378 million



Technology for business

Advancing the use of digital technology to increase efficiency and improve the experience for customers and employees is among Oxitenó's goals for 2030. In this way, we are increasing investment in Information Technology with a focus on development of systems and digital transformation.

With the change in work methodology and the introduction of the agile culture, there has been a significant advance in the company's projects and ambitions to make transformational changes, to follow global trends. For 2020, the challenge for the area is to build a technology laboratory—with a focus on data analysis, artificial intelligence and process robotization.



INCOME STATEMENT (IFRS – R\$ THOUSAND) 201-1

R\$ million	2019	2018	Δ 2019 v 2018
Net Revenue	4.254,2	4.748,4	-10%
Cost of goods sold			
Variable	(2.883,6)	(3.144,9)	-8%
Fixed	(474,3)	(463,6)	2%
Depreciation and amortization	(181,0)	(149,2)	21%
Gross profit	715,3	990,7	-28%
Operating expenses			
Sales and commercial	(328,7)	(333,1)	-1%
General and administrative	(409,4)	(402,4)	2%
Other operating income	8,1	213,8	-96%
Result on disposal of assets	(13,4)	(11,8)	14%
Operating profit (loss)	(28,2)	457,1	-106%
Equity accounting	0,5	0,9	-40%
EBITDA	196,6	625,4	-69%
Depreciation and amortization	212,3	167,4	27%
Cash flow hedge bonds	11,9	-	-
Indices			
Gross margin (R\$/ton)	975	1.289	-
Gross margin (US\$/ton)	247	353	-
Operating margin (R\$/ton)	(38)	595	-
Operating margin (US\$/ton)	(10)	163	-
EBITDA margin (R\$/ton)	268	814	-
EBITDA margin (US\$/ton)	68	223	-
Number of employees	1.872	1.943	-

The financial information open to the market, complete and audited, can be found on Ultrapar's website, in the Investors area: <http://ri.ultra.com.br/>



05



PRODUCT PORTFOLIO

Solutions in sustainable product

Markets served



PRODUCT PORTFOLIO



Develop solutions that are in line with the needs of society, in partnership with our customers and with positive environmental and social impact.

**Goals 2030
Innovation Platforms**

- Develop more sustainable solutions in partnership with customers to meet the needs of society.

Portfolio management

- 2022: 50% of relevant products in terms of sales volume assessed for sustainability according to defined methodology.
- 2025: 90% of relevant products in terms of sales volume assessed for sustainability according to defined methodology.
- Promote and increase sales of products classified as high performance in sustainability according to defined criteria.
- Via Life Cycle Assessment (LCA) Program to quantify the environmental impacts of products and provide information to develop solutions.

Innovation is in the DNA of Oxiteno, which since the beginning of its operations has invested in the development of research and trained professionals, in addition to having a modern infrastructure, enabling the company to materialize its desire for evolution.

In 2017, with the creation of the Marketing & Innovation department, an area focusing on innovation management was structured. This area is composed of two departments: IMO (Innovation Management Office) and PMO (Project Management Office), which operate in a cross-cutting manner, guaranteeing an integrated vision of processes and governance, in addition to offering tools that enable and accelerate innovations at Oxiteno.



IMO

Responsible for conducting studies of new technologies and their trends to help develop Oxiteno's strategy for the future. It is also responsible for all Innovation Management fronts, such as funding and promotion management, for developments within the open innovation model for resource optimization and risk sharing, for processes that encourage ideation and creativity for the development of new projects, for management of intellectual property and preparation of technological dossiers, in addition to the inclusion and active participation in the innovation ecosystem.



PMO

Manages R&D projects and the entire product development process, composed by these projects, in coordination between business segments and regions. Prioritizes and directs efforts to the main projects in the company, offers support and oversees the launch of new products, monitors and reports goals and, grounded on a strong governance model, supports strategic decision making involving management of Oxiteno's project pipeline.

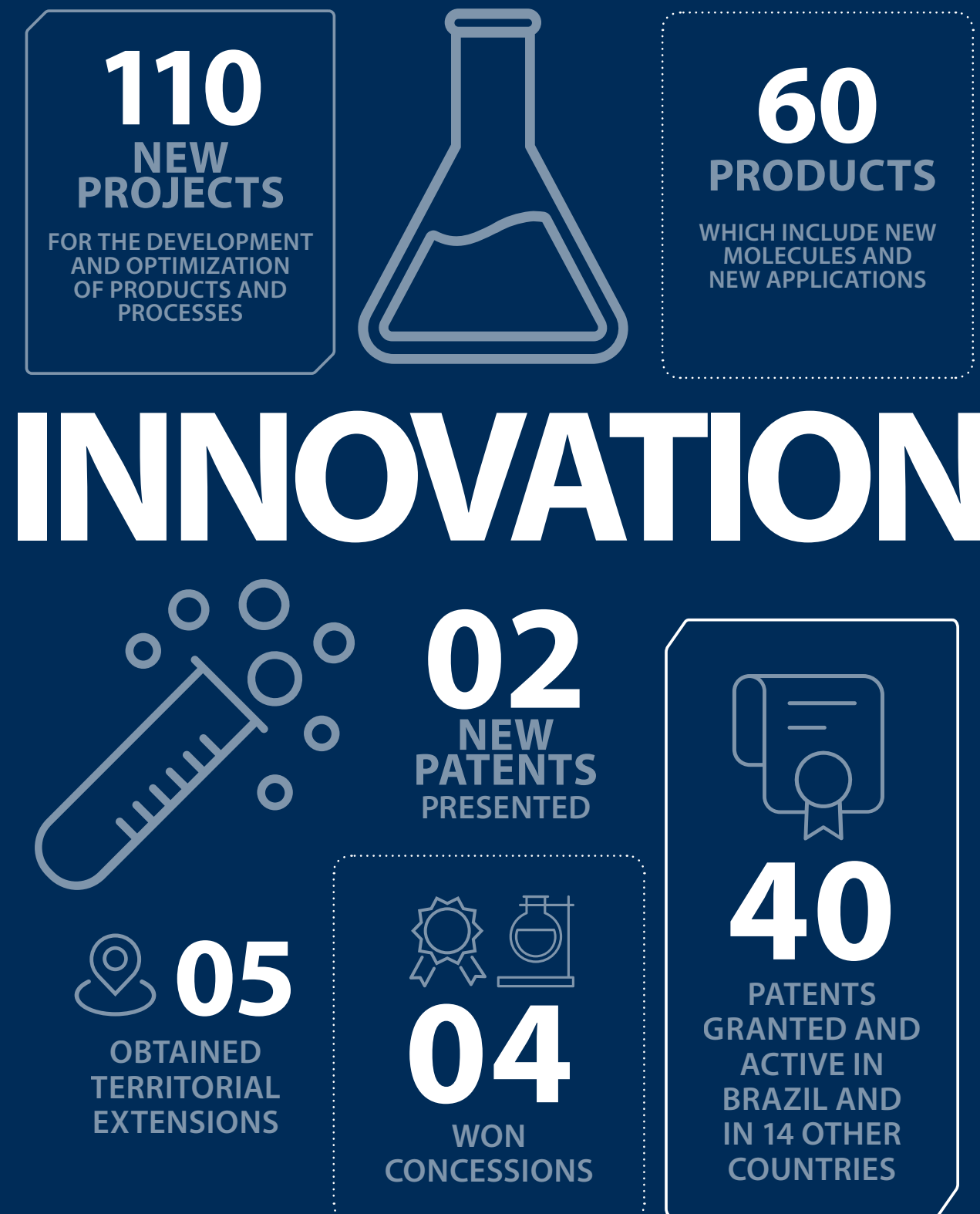
In 2019, several initiatives were structured and implemented, such as training and mentoring sessions for operational executive committees in order to promote access to information and encourage the implementation of best practices in managing projects, innovation and intellectual property. In the PMO, a more structured process to rank projects was created to provide greater transparency in and optimization of resource management in the company and, the IMO actions included the implementation of a patent filing, extension and maintenance strategy with a process linked to the governance of innovation projects.

R&D projects for new products are now classified into development horizons (H1, H2, H3), which allows for differentiated project management and the allocation of adequate resources in all layers of innovation. Thus, it will be possible to strengthen the current markets and technologies, expand into new markets and generate the knowledge and skills necessary for the development of new technologies and solutions.



INNOVATION DAY

In order to disseminate and engage different areas of the company, IMO promotes the Innovation Day: a dedicated day to discuss current and highly relevant topics within the company's reality. Two editions were held in 2019, the most recent of which focused on startups, where we discussed with our teams about this important player in the ecosystem. During the event, in addition to concepts and inquisitive moments, the startups with high potential for synergy with our businesses were invited to present a pitch in order to generate possible new business opportunities.



The company also expanded its research fronts to provide new opportunities, by implementing advanced research technology platforms that are already operational and help overcome current technological challenges and barriers, placing Oxiteno at the forefront of scientific areas aligned with the development of more sustainable products.

To build and establish technological platforms, development tools are used to assist the company in initiatives with greater technological uncertainty or in more radical innovations. Through the *Inova Talentos* Scholarship Program (IEL/CNPQ), Oxiteno will have the support of academia doctors to generate new knowledge and expand technical capabilities with complementary expertise.

Another highlight in the year was Oxiteno's connection with startups. The company participated in two important programs on the topic: SBQ *Acelera*, the first initiative in Brazil to accelerate the creation of startups in the field of chemistry, in partnership with SBQ, INCT Midas (UFMG), Solvay and Wylinka; and the development program of ABDI - Conexão Startup Indústria. In this program, two proofs of concept were initiated with two startups, on topics that are in line with Oxiteno's strategic future trends and initiatives, such as Industry 4.0.

Oxiteno's growth strategy relies on pillars, including: internationalization and innovation

Oxiteno believes in Open Innovation and in the importance of the Innovation Ecosystem to accelerate its developments.

SOLUTIONS IN SUSTAINABLE PRODUCT

Oxiteno uses the Life Cycle Assessment (LCA) methodology to support the development of more sustainable solutions, quantifying the environmental impacts of a product from extraction of its raw materials, to its processing, use and disposal. Using this information, it is possible to compare with equivalent solutions, identify in which stages of the process the environmental impacts are more intense and propose modifications for improvement. In 2019, three studies were carried out, two for the Personal Care segment and one for Oil & Gas.

In addition, the company has advanced in the concept Management of Sustainable Product Portfolio, a platform still under development, intended to identify the level of sustainability of the portfolio and to properly adjust or discontinue products that do not meet the minimum requirements pre-established by Oxiteno. The methodology will be tested and validated throughout 2020. It is expected that 50% of the products in the portfolio will have been evaluated by 2022.

MARKETS SERVED

Oxiteno offers specialized chemical solutions to different markets, always concerned with the well-being of people and the environment, and with a focus on innovative products aimed at sustainable development.



CROP SOLUTIONS

In this market, Oxiteno develops innovative and customized solutions for the needs of each client through additives that maximize the performance of active ingredients in the fields. More than a supplier of agrochemical additives, Oxiteno works in a co-creation process with the client, testing prototypes in state-of-the-art laboratories, scaling production from a pilot plant, allowing tests to be conducted with greater agility and lower consumption of reagents.

Main product line
SURFOM®



To learn more about Crop Solutions, go to www.oxiteno.com.br/crop-solutions



PERSONAL CARE

Oxitenó has a comprehensive portfolio to cater to the market for hair, skin, bath and sun protection, working in partnership with customers to meet their main challenges. In addition, through innovation platforms, Oxitenó considers consumer needs, market trends and specific requirements of the personal care industry in order to develop solutions that deliver pleasant experiences in daily hygiene routines.

Main product line
OXIFLOW®, OXISENSE®, OXISMOOTH®



HOME CARE AND I&I

In this segment, Oxitenó develops products and solutions to drive better performance in cleaning, optimize resources in formulations and guarantee protection and health in caring for clothes, dishes and surfaces.

Main product lines
OXIZYMES®, OXISENSE®, OXIFLOW®

Featured in 2019

OXIFLOW® F 1700: a rheological modifier developed by Oxitenó and present in the product *OMO Lavagem Perfeita para Diluir*, a concentrated liquid laundry detergent launched by Unilever. The solution, which guarantees adequate viscosity for the best consumer experience even after dilution, contributes to the dissemination of concentrated products in the Brazilian market. *OMO Lavagem Perfeita para Diluir* is sold in a 500 ml packaging, which contains 75% less plastic compared to conventional size packaging. Solutions such as OXIFLOW F1700, which contribute to lower volumes of packaging and waste generation, are part of the strategic direction of the Home Care and I&I segment. It is worth mentioning that 49% of the solutions in the segment are readily biodegradable, 16% are completely natural, and 60% are based on natural sources, reinforcing this commitment.



To learn more about Personal Care, go to www.oxiteno.com.br/personal-care



To learn more about Home Care and I&I, go to www.oxiteno.com.br/home-care-and-i-and-i



OIL & GAS

Characterized by extreme conditions, including high and low temperatures, high pressure and salinity, in this segment Oxitenó has solutions for drilling fluids, solvents for stimulation, demulsifiers, corrosion inhibitors, emulsifiers, gas treatment products, and solutions for hydraulic fracturing fluids.

Main product lines
ULTROIL®, ULTRAWET®



To learn more about Oil and Gas, go to www.oxiteno.com.br/oil-gas

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PRODUCT PORTFOLIO



COATINGS

This segment serves the markets for decorative paints, automotive paints (Original Equipment Manufacturer-OEM and refinishing), industrial paints, printing inks and adhesives. With market-oriented work and development in partnership with customers, Oxitenó increasingly seeks to offer eco-efficient alternatives with low toxicity, low odor, low levels of volatile organic compounds (VOC), and higher content of renewable carbon that provides high performance in production and application.

Main product lines

OXITIVE®, ULTRATINT®, ULTRAFILM®, OXIMULSION®, ULTRASOLVE®

Featured in 2019

ULTRAFILM® 5000: developed from 100% renewable sources, the new molecule was designed to be versatile in use in various paint technologies and have greater compatibility with resins. The product anticipates trends such as low odor, low levels of VOC (volatile organic compounds) and is suitable for the main latex used in formulations of architectural paints. The reduction of VOC in formulations has been one of the guidelines in product development for a variety of applications in Coatings.



To learn more about Coatings, go to www.oxiteno.com.br/coatings

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SUSTAINABILITY REPORT | 2019

06



PRODUCT SAFETY



PRODUCT SAFETY



Develop safer products for people and the environment and provide support to customers in using the products.

Goals 2030 Product risk assessment

- 100% assessment of risks of product use by customers for the most relevant hazardous products.

Associated material topics: Chemical product safety, innovation in portfolio management, sustainable products and solutions for society

103-2, 103-3: Customer health and safety; marketing and labeling

To fulfill the company's purpose of contributing to the well-being of people through chemistry, Oxiteno works every day to develop safer products and understands that the impacts of its actions go far beyond the industry.

As a leader in the production of surfactants and specialty chemicals for the Crop Solutions, Personal Care, Home Care and Industrial & Institutional, Oil and Gas and Coatings markets, the company seeks to assess 100% of the environmental, health and safety impacts of products and services. **102-2, 416-1**

This process requires that eventual product revisions be reassessed by several experts to detect changes in hazards, exposure information, handling or other information that requires

communication to customers through the Safety Data Sheet (SDS) for Chemicals. In 2019, 100% of the new products were analyzed for toxicological and ecotoxicological requirements for hazard classification according to the GHS (Globally Harmonized System of Classification and Labeling of Chemicals).

Audits, guidelines and alerts are carried out in order to minimize non-conformities, improve operations and comply with laws, resolutions and regulatory standards.

Of the audits carried out in 2019, non-conformities related to product safety were registered, but none of them resulted in fines, relevant penalties or warnings, and all were resolved immediately with no consequences detected. **417-2**

All Product Safety activities are planned, executed, implemented and monitored through indicators that make it possible to monitor the evolution in managing this topic. Efficacy is evaluated both internally and by relevant stakeholders.

Transportation and storage of chemicals require specific permits from government agencies and all providers of such services are subject to approval. All vehicles used to transport the products are subjected to a checklist, and failure to comply will result in interruption of the work originally hired.

07



SAFETY

Employee safety

Process safety



SAFETY



To be among the benchmarks in the chemical industry in terms of safety, with world-class performance

Goals 2030
Employee safety

Frequency rate of OSHA recordable incidents (per million hours worked)

- 2020: 2.00 / 2025: 1.50 / 2030: 1.00

Process safety

Accident rate (number of accidents TIER I + TIER II*1,000,000/ exposure hours)

- PSE Rate by 2020 = 1.6 (2019 baseline)
- PSE Rate by 2025 = 0.86 (2019 baseline)
- PSE Rate by 2030 = 0.50 (2019 baseline)
- 50% reduction in total amount of chemical spill/released classified as a loss of primary containment (TIER Level) (2019 baseline)

Related material topics: Employees, process safety

EMPLOYEE SAFETY
103-2, 103-3: health and safety; 403-5

Safety—whether of people or processes—is a priority value for Oxiteno. A topic considered as one of the main pillars of the company's strategic sustainability plan, which seeks to be among the benchmarks of the chemical industry in terms of safety, with world-class performance.

The goals set for 2030 (2019 baseline) involve reducing the frequency rate of OSHA (Occupational Safety and Health Administration) recordable incidents, the rate of process incidents, and the mass volume of chemicals spilled.

The year 2019 was one of the best in Oxiteno's history in terms of occupational safety. With a focus on continuously improving results, the company has been working hard on a cultural transformation program to enhance maturity in terms of safety. Developed according to the Hearts & Minds methodology of the Energy Institute, the program trains specialists in behavioral safety and invests in continuous leadership training in aspects involving human behavior.

This plan was based on the result of the culture diagnostic applied in all industrial units, central offices and research laboratories. Among the five levels of maturity in the methodology, Oxiteno is in the third, which considers that the company has all the systems necessary to manage safety-related problems. The goal today is to reach the next level of maturity, with more proactive safety culture and a continuous improvement process.

 To learn more about the Hearts and Minds methodology visit <https://heartsandminds.energyinst.org/>



To this end, the company developed a plan containing actions to strengthen the main preventive processes, prepare and implement the Safety Master Plan, train local specialists in behavioral safety tools, and prepare senior leaders in managing a culture of safety.

This set of actions has already allowed the company to improve its indicators, reducing lost-time accidents by 8% between 2018 and 2019. It is worth mentioning that, in eight years, for the first time, Oxitenor recorded a reduction in the frequency of lost-time accidents for two consecutive years. No fatalities or serious injuries were recorded in 2019. **403-9**

403-9

Employee deaths	0
Third part deaths	0
Accidents with leave (employees)	8
Accident rate (employees)	2,134
Accidents with leave (third parties)	3
Accident rate (third parties)	0,933
Accident frequency rate (employees + third parties)	1,579

Integrated management

403-1, 403-2

Through the Integrated Management Policy and principles of Health, Safety and Environment (HSE), Oxitenor includes the internal audience and the community in its commitments to business sustainability. Employees and contractors are advised on critical procedures that must be strictly followed to prevent occurrences while performing high-risk activities.

To this end, the Golden Rules and International Operating Procedures were developed, containing the guidelines and applications of the organization's legal requirements and best practices in HSE for working at heights, in confined spaces, exposed to heat, opening of lines and equipment, and others. These procedures, in line with a prior analysis of the risks associated with the tasks, guarantee the safety of people, the environment, and business continuity.

The risk assessment process of routine tasks is a part of audit programs and critical analyses that generate systemic actions for improvements in the methodology and in the management process as a whole.

In addition, to develop its strategy in this area, the company follows the Global Health, Safety and Environment Policy, whose role is to define requirements based on an integrated management system (ISO 14001, OHSAS 18001, ISO 9001) and on the Responsible Care Program, which contain criteria and practices to be followed by all business units.



The management system is in place at Oxitenor's industrial units and includes all processes, employees and third parties.



For more information on the Responsible Care Program, visit <https://responsiblecare.americanchemistry.com>

Occupational Health 103-2, 103-3: health and safety at work; 403-3, 403-6, 403-8, 403-10

The main risks identified are related to exposure to chemicals and noise. In addition to the actions in the Environmental Risk Prevention Program, which include qualitative and quantitative assessments of chemical and physical agents, Oxiteno routinely monitors the health of employees through the Occupational Health Control

Medical Program that includes actions that go beyond those legally required. The health area reviews the program annually based on information collected from the previous cycle and programs in the area of safety.

The units in Brazil and Mexico have outpatient clinics with a specialized health team, provide care focused

on occupational health as well as individualized care with a focus on promoting health and preventing diseases. The *Bella Materna* program, which provides special care for pregnant women, was implemented at the headquarters. This program will be extended to industrial units in 2020.



All Oxiteno professionals are covered by an occupational health and safety management system

PROCESS SAFETY

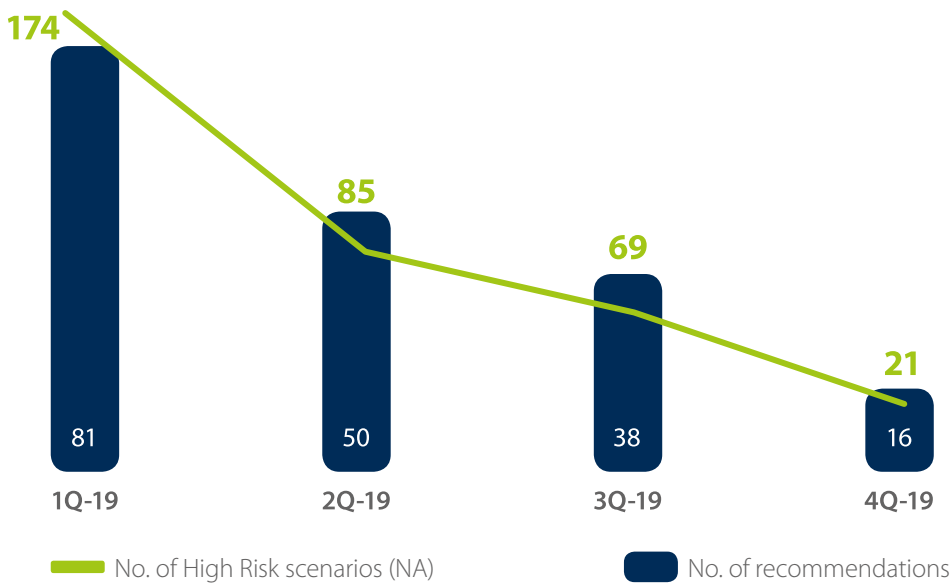
Always focused on the continuous improvement of processes and safety at the units, Oxiteno completed a detailed safety culture diagnostic that generated a Cultural Transformation Plan containing local and global actions. In 2019, 100% of the actions related, directly and indirectly, to this project were completed according to plan.

Concerning the risk analysis program, the company completed the study in 83% of the units (will reach 100% in 2020), referring to the second 5-year cycle and meeting the proposed schedule. This process is based on qualitative, semi-quantitative and quantitative analyses to identify and manage potential risk scenarios, the mechanical integrity of the protective barriers and the metric of the potential impact of critical equipment. A Global Task Force was also created to implement the recommendations from this study, resulting in an 80% reduction in scenarios classified as high risk.

The number of accidents was also monitored using a new metric (API 754³), with an overall result of 1.81 PSE rate⁴ (four TIER I accidents and nine TIER II accidents). Always seeking excellence in Process safety, the company's goal for 2020 is to achieve a rate of 1.6 and lower/equal to 0.5 for 2030 (considering 1 million hours of occupational exposure).

Globally, Oxiteno has implemented best practices for all of its industrial operations, in line with the U.S. Occupational Safety and Health Administration (OSHA) and with the CCCPS (Center for Chemical Process Safety of AIChE - American Institute of Chemical Engineers) related to process safety. In a structured and preventive manner, the company manages the integrity of operating systems, assets and processes that deal with hazardous conditions and substances, applying design principles, world-class engineering and proper operating practices.

EVOLUTION OF THE 2019 ACTION PLAN



³Identifies leading and lagging process safety indicators useful for driving performance improvement. As a framework for measuring activity, status or performance, this document classifies process safety indicators into four levels of leading and lagging indicators. (www.api.org)

⁴PSE Rate = [(No. of TIER I Accidents + No. of TIER II Accidents) x 1000000] / MHW

08



EMPLOYEES

A diverse company

Recruitment and selection

Qualification and Training

Organizational climate

Internal communication and engagement

People management

Performance evaluation and variable pay



EMPLOYEES



Develop a management model that generates greater results, values people and promotes the advancement of the work environment.

**Goals 2030
People management**

- Conduct the people management cycle for 100% of employees
- Equal Pay**
- Ensure Equal Pay
- Diversity, inclusion and quality of life**
- Determine the favorability index according to the baseline value of best market practices

103-2, 103-3: employment

The year 2019 was marked by many challenges, especially for the global chemical industry, which was strongly impacted by the downturn in global growth, by the U.S. - China trade war, and by the persistent economic stagnation scenario in Brazil and Latin America.

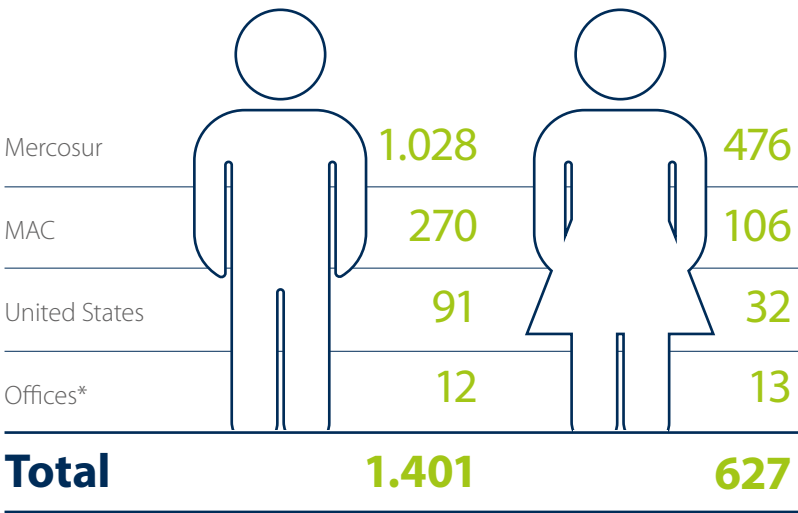
Thus, to guarantee the sustainability of the business and resume growth in the short and medium-term, adjustments were necessary for the way the company operates, with a special focus on reducing costs and expenses. Throughout 2019, the organizational structure was reviewed involving readjustment of the workforce and reallocation of others, seeking opportunities for simplification that would not affect the quality of service and production.

With human capital as its main asset, the value proposition of Oxiten's Human Resources Department has been to focus on a people management process

that value employees and promote the evolution of a productive and inspiring work environment.

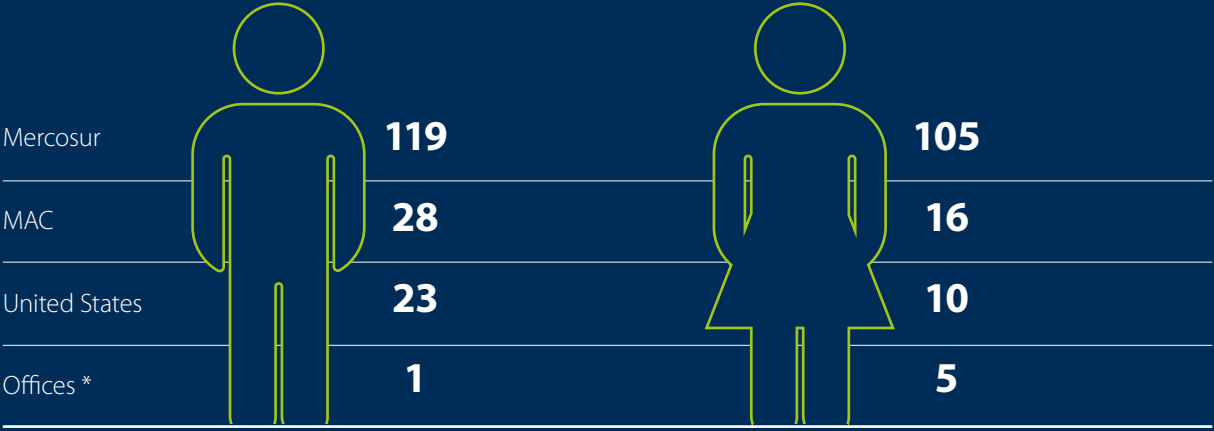
Creation and management of structured programs in 2019 focused on advancing the company's organizational culture, training its leaders and talents in new skills and engaging its employees in the various stages of their professional cycle.

**TOTAL NUMBER OF EMPLOYEES BY GENDER
(INCLUDING INTERNS AND APPRENTICES) 102-8**



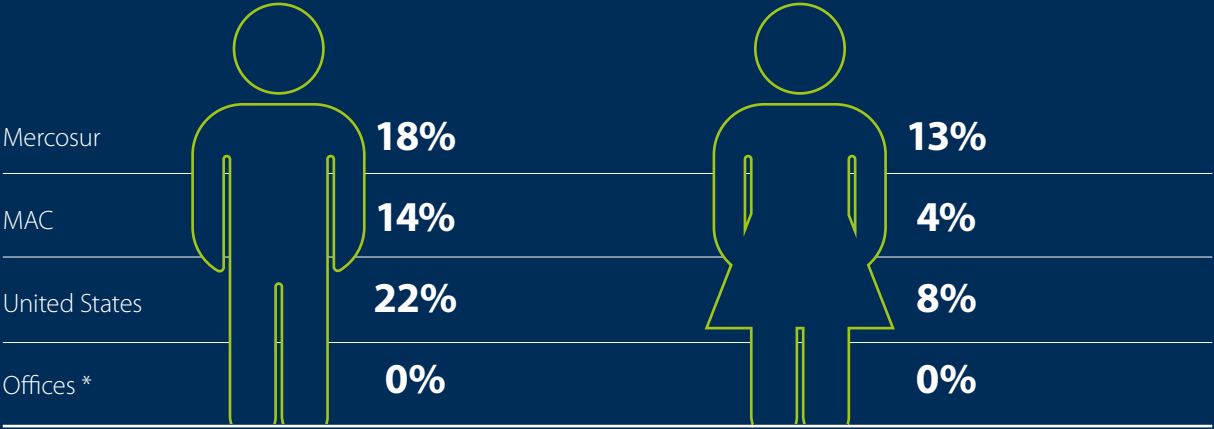
*Argentina, Belgium, China and Colombia

NUMBER OF HIRES BY GENDER AND REGION 401-1



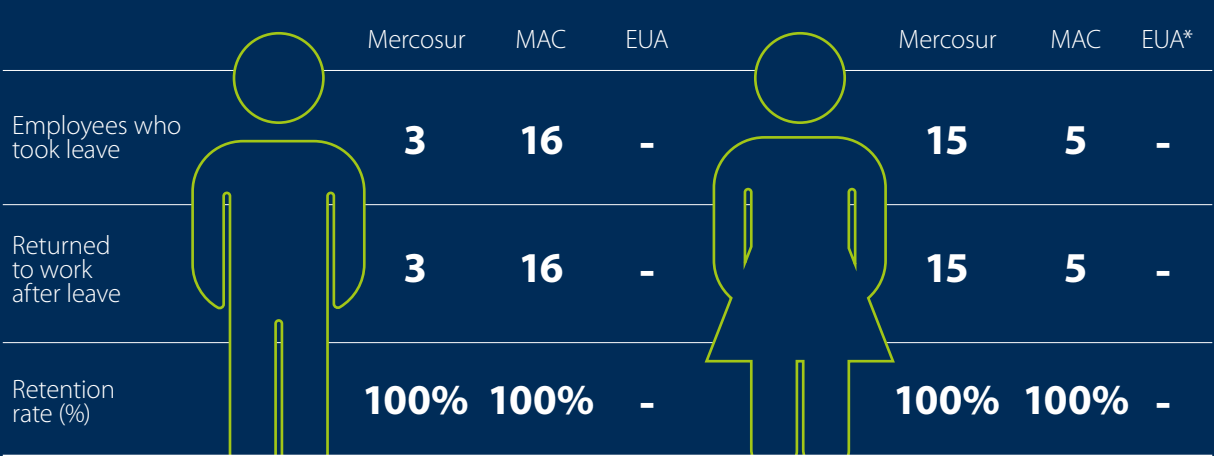
*Argentina, Belgium, China and Colombia

TURNOVER RATE BY GENDER AND REGION 401-1



*Argentina, Belgium, China and Colombia

PARENTAL LEAVE 401-3





* Data for the United States is not yet available.

A DIVERSE COMPANY 103-2, 103-3: diversity; 405-1

The development of a diversity program is part of the 2030 Strategic Sustainability Plan. The company has long believed in gender diversity as one of the keys to its success and in the development of all its professionals to hold leadership positions. As a result, in Brazil, 50% of its Executive Board is formed by women. In the offices of Argentina, Belgium, China and Colombia, there is a balance between women and men between 30 and 50 years old.

DIVERSITY BY POSITION, AGE AND GENDER, IN %

	Under 30		30-50		Over 50	
	Men	Women	Men	Women	Men	Women
Board of Directors	0	0	0	50	33	17
Management	1	2	48	30	17	3
Coordination Supervision/Consultancy	2	0	52	23	22	0
Administrative	17	13	38	19	8	3
Operational	14	2	62	1	20	0
Interns	47	51	2	1	0	0
Young Apprentices	22	78	0	0	0	0

	Under 30		30-50		Over 50	
	Men	Women	Men	Women	Men	Women
Board of Directors	0	0	0	0	0	0
Management	0	0	33	0	33	33
Coordination Supervision/Consultancy	0	0	14	14	71	0
Administrative	0	0	39	57	0	4
Operational	0	0	58	1	38	3
Interns	0	0	0	0	0	0
Young Apprentices	0	0	0	0	0	0



	Under 30		30-50		Over 50	
	Men	Women	Men	Women	Men	Women
Board of Directors	0	0	100	0	0	0
Management	0	0	38	12	50	0
Coordination Supervision/Consultancy	0	0	73	10	13	3
Administrative	1	5	37	46	8	4
Operational	11	13	66	5	18	0
Interns	43	57	0	0	0	0
Young Apprentices	0	0	0	0	0	0



	Under 30		30-50		Over 50	
	Men	Women	Men	Women	Men	Women
Board of Directors	0	0	0	0	100	0
Management	0	0	48	7	30	15
Coordination Supervision/Consultancy	0	0	71	0	29	0
Administrative	9	6	34	30	4	17
Operational	22	0	56	2	17	2
Interns	0	0	0	0	0	0
Young Apprentices	0	0	0	0	0	0



RECRUITMENT AND SELECTION

Oxitenó has a very well-defined process to recruit and select professionals and works in partnership with specialized companies recognized in the market. The ongoing improvement of the process has resulted in a significant reduction in hiring time for open jobs and in matching profiles to Oxitenó's technical and cultural demands.

In 2019, the Internal Recruitment process was officially launched, with Brazil as a pilot, and was well evaluated by employees, who recognized it as an opportunity to better manage their careers and acquire new experiences, in addition to giving transparency to existing opportunities in the company. Within this scenario, 26% of the jobs open in Brazil were filled with internal professionals.

The trainee program has been held annually in Brazil since 1989 and since 2016 in Mexico, with more than 180 professionals trained. The first two months of this one-year program are dedicated to onboarding, with basic training, presentations of

the areas, and tours of plants and research centers. After this period, the trainees develop projects proposed by the business areas, coached by a professional responsible for each project and by a mentor who guides them throughout the program. At the end of 12 months, trainees are allocated to a business area, according to the mutual interests of these professionals and Oxitenó.

In 2019, the program had approximately 13,000 registrants in Brazil and 1,000 in Mexico, with five trainees hired—three in Brazil and two in Mexico—who completed the program and were allocated to the areas of Research & Development, Innovation, Products, and Finance.

It is worth noting that the internship program is also a strong pool of talents for Oxitenó. It is the result of a training effort carried out with managers, who are instructed to assign activities that both develop students through learning and exposure and are relevant to the business.

QUALIFICATION AND TRAINING

103-2, 103-3: training and education

Historically, Oxiteno seeks to foster a continuous, challenging learning environment that encourages employees to learn every day, not only through formal training but also through new technologies and methodologies.

In 2019, we offered more than 58,000 hours of training and qualification to our employees, with an average of 29 hours per employee and investments of approximately US\$ 1 million, based on technical, mandatory, behavioral and leadership development pillars. 404-1

Novelties and additional investments in corporate education with a new online training platform with mobile access and new content in three languages were also offered in 2019. This investment had an immediate response, with an increasing number of visits to the platform, as shown in the table below.



	2018	2019
Users	575	537
Visits	1991	1259
Δ	-	-37%

To further leverage the preparation of leaders and the development of internal talents, the **Education System** project was also launched in 2019, aiming to:

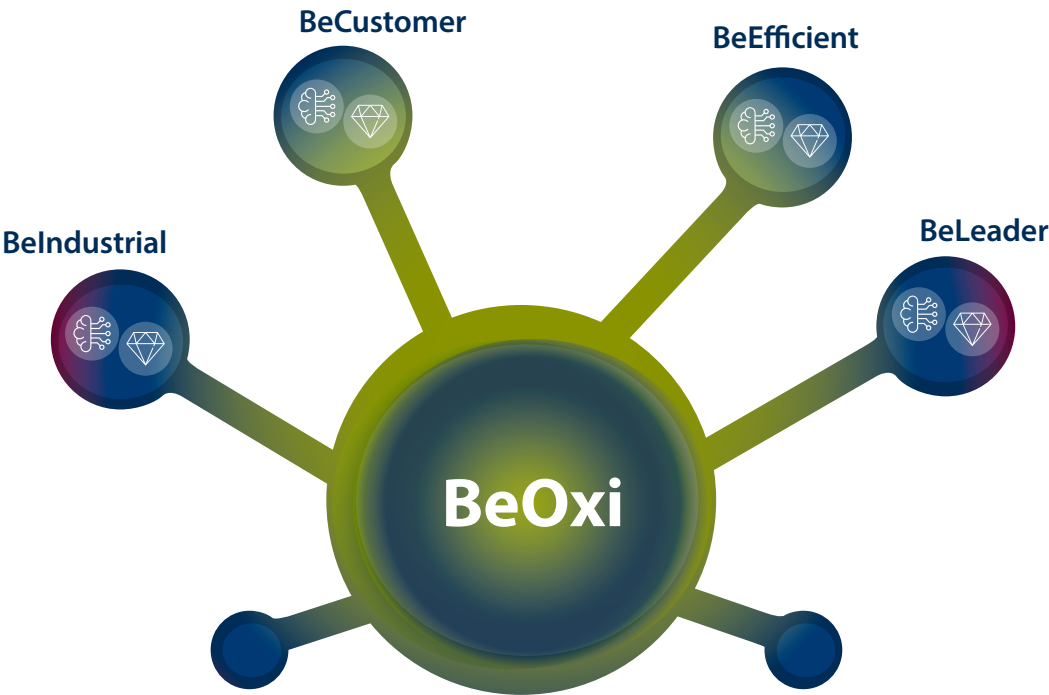
Support corporate values and cultural evolution.

Develop key skills for both leadership and the functional team.

Reorganize existing education actions/ programs.

Establish Knowledge Management practices.

The inspiration for designing Oxiteno's Learning Architecture was the **ethylene oxide molecule**, developed in a project involving more than 100 employees. Each of its parts: BeOxi, BeLeader, BeCustomer, BeEfficient and BeIndustrial represent Learning Centers, responsible for guiding education initiatives related to culture and business, inspirations and leadership tools, knowledge and methods to enhance customer experience, management methodologies and industrial-related content:



ORGANIZATIONAL CLIMATE

Expanding internationally is one of the strategic pillars and a challenge for Brazilian companies. In an effort to train its team of employees for the coming years, Oxiteno invested in language courses and studies and established partnerships with suppliers for distance learning of English and Spanish. The company also developed an in-company program with a renowned language school and allows employees to choose an institution that offers a methodology that more closely matches their learning needs.

In 2019, a total of 166 employees had access to the language grant and more than 50 employees have an educational grant, such as undergraduate or graduate/MBA.

Managing organizational climate may be challenging, but it is necessary and important, since engaged professionals establish strong bonds with the company, its culture and strategy. In other words, they put in the effort, energy and enthusiasm to leverage the results, seeking to go even further.

Several factors influence the collective perception of the work environment. The company's practices and policies, processes and systems, the scope of activities, the relationship between leaders and their teams and the way people interact with each other are some examples. The sum of these factors forms the organizational climate. Once the company knows the perceptions of employees, it can better direct behaviors and adapt them to organizational needs.

INTERNAL COMMUNICATION AND ENGAGEMENT

We understand that in order to achieve strategic objectives, we need a team that is engaged, committed and motivated by the challenges proposed by Oxitenó. For this reason, since 2008, we have conducted organizational climate surveys every two years.

A new round of the survey was held in August, with 1,846 respondents and 95% adherence, representing an increase of one percentage point in relation to the survey conducted in 2017. We recorded 74% favorability (includes the number of positive answers, which agree with the practices presented, representing a climate thermometer), with a significant increase in nine of the twelve categories evaluated.

In October 2019, we invited teams and managers to develop action plans. This is the crucial stage in organizational climate management, in which the results are addressed in manageable and tangible actions, enabling a continuous evolution of the work environment. A total of 267 plans for the sector were created and, throughout 2020, we will monitor the execution together with the teams.

Internal communication 4.0 was a highlight in 2019 for employee engagement. With in-person and digital channels, it was an important pillar directly connected to the company's strategy and to Oxitenó's ongoing cultural transformation.

One important focal point was the consolidation of the corporate social network. In addition to bringing out the important role of employees, it proved to be the communication hub that addresses the company's main topics. The numbers prove this: throughout the year, 96% of all Oxitenó professionals accessed the platform, 80% of all leaders were active, and we recorded an average of 900 posts per month.

Another program worth mentioning is the network of digital influencers - Digital Experts. Formed by employees from different levels, areas and locations, the purpose of the group is to enhance digital communication within the company through the Workplace platform. To this end, they participate in training connected to communication and influence, in missions, and are evaluated and recognized. An example of recognition was the participation of those

who achieved the best scores in the lecture by former U.S. President, Barack Obama, during the 2019 VTEX Day, an event held in São Paulo.

Another major milestone for Internal Communication in 2019 was XLead, a forum aimed at Oxitenó's global leaders to align the company's main strategic topics. The event, which was attended by important personalities from the market, was a great driver to involve participants in discussions about the future of the company. During the forum, a review of the company's strategy, which is connected to Oxitenó's cultural and digital transformations was presented first hand.

The other channels also showed excellent results in the year. As a highlight, every three months Oxitenó's Executive Board presents What's Next, a live streaming event directed to all employees showing the main achievements and results of the business, helping to reduce the feeling of distance between senior management and professionals. They now have access to important information in a clear and transparent way, with the opportunity to participate by asking questions that are answered in real time.

These advances in Oxitenó's internal communication have already been reflected in the result of the climate survey, which showed an increase of thirteen percentage points in favorability on issues related to clarity and transparency of communication in the company.

Oxitenó is recognized internally and externally as a solid company with highly trained professionals.



PEOPLE MANAGEMENT

Oxitenó is recognized internally and externally as a solid company with highly trained professionals. In recent years, the company has proposed to continually review its people management practices, seeking ways to value its talents through development, growth opportunities and talent retention.

These topics are constantly discussed by the Human Resources area and shared with the Executive Board, providing a broad view of the different market practices with regard to people management. This process is supported by investment in the education of leaders on topics related to team management—a way of giving greater transparency to the decision-making and feedback processes.

Also in 2019, a more in-depth strategy to communicate Oxitenó's strategic objectives was initiated to better understand teams in relation to the contribution given by each level of the organization to the business results. In addition, the focus in the year was on identifying and training successors, with all Directors and Executive Managers having a goal in this regard in order to ensure a healthy succession process for the main positions.



In order to achieve Oxitenó's strategic objectives, it is important to have a team engaged, committed and motivated with the company's challenges



Oxiteno discloses its main policies and processes through an internal system, accessible to all company professionals. These policies include: **Compensation Policy, Goal Policy, Bonus Policy, Career and Succession Policy, Recruitment and Selection Policy, Training Policy, Language Policy, Internal Communication Policy.**

PERFORMANCE EVALUATION AND VARIABLE PAY ⁴⁰⁴⁻²

Oxiteno has in place a well-defined process for evaluating the performance of its entire managerial level, cascaded down from senior management, with the benchmarks of 80%, 100% and 120% and eventual mid-year reviews according to strategic priorities. Variable pay is based on both the results of the business and the results of the areas.

Performance evaluation is also considered in the Career and Succession process. Comprised of three pillars (performance with individual goals, 360° evaluation, and evaluation of potential), it

also involves an individual conversation between manager and employee to explore career aspirations, engagement with the company and possibilities for growth.

After the evaluations, collegiate committees are held to jointly discuss talents and career decisions, ensuring the appropriateness of the decisions, the identification of successors for key positions and, above all, the exposure of the company's main talents, expanding the possibilities for mobility and planned knowledge management

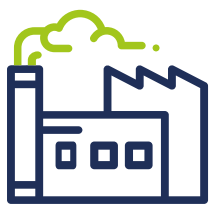
O9



SUPPLY CHAIN



SUPPLY CHAIN



Promote sustainability in Oxitenos supply chain. Create stable and long-term business relationships with our partners.

Goals 2030
Supplier assessment

- 2025: more than 80% of suppliers assessed within "Best Practices" in supply
- - 2030: more than 50% of suppliers assessed in "Practices of Excellence"

Related material topic: Supply Chain

102-9; 103-2, 103-3:
purchasing practices

At Oxiteno, supplier relations follow Grupo Ultra's Corporate Policies and the company's Technical and Commercial Guidelines. The procurement area has a strategic role and is structured according to an international standard established by Oxiteno, which defines the scope of operations and processes such as:

- Development of supply plans, mapping capacities and global trends.
- Definition and implementation of purchasing strategies.
- Purchases in line with company strategy.
- Management of contracts

and of relationship with business partners.

- Monitoring of market trends.
- Recording and reporting on price trends and market movements.
- Management of the Supplier Monitoring Program in the value chain.
- Internal and external audits.
- Definition of Policies and Procedures for maintaining the supplier program.
- Addressing complaints involving the value chain.

To work on the goals established in the new strategic sustainability plan, which seeks to have more than 80% of suppliers evaluated within the "Best Practices" in

supply by 2025 and to have more than 50% of suppliers evaluated in "Practices of Excellence" by 2030, Oxiteno is modernizing the Supplier Monitoring Program, establishing a new form of work and relationship that takes into account important elements such as relationship, quality and sustainability applied to the value chain.

In 2019, a Risk Mitigation project was also carried out for the main commercial contracts and agreements. This project includes the analysis of all contracts or agreements in relation to disbursement, quality, history of stockout and number of non-conformities.

The structure of the global procurement area is headquartered in São Paulo and has three regional units:



Mercosur, MAC and EUA



Oxitenos procurement area is responsible for supplying raw materials, packaging, utilities for all industrial units and for contracting industrialization, logistics, tanking and inventory services.

Of this work, 25 contracts and agreements considered moderate to high risk were selected and action plans were established for each of them to mitigate contractual risks. The execution of this action plan is scheduled for the coming years and includes everything from the auditing process, to investment in new systems, maintenance of assets and development of new sources.

Currently, the Mercosur region accounts for approximately 70% of global transactions, with 315 approved suppliers, 77% of which are local. Oxitenos considers as local suppliers located in the same country as the corresponding industrial unit. Among the main items sold, five of them stand out: ethylene (Oxitenos main feedstock), palm kernel oil, natural gas, heavy C4 and electricity. Together, they account for approximately 56% of the region's annual spending.

PROPORTION OF SPENDING ON LOCAL SUPPLIERS (IN %) 204-1

	2017	2018	2019
Mercosur			
Brazil			
Local	74,66	79,66	77,00
Foreign	25,34	20,34	23,00
Uruguay			
Local	15,73	19,08	39,00
Foreign	84,27	80,92	61,00
MAC (Mexico)			
Local	65,97	67,99	71,00
Foreign	34,03	32,01	29,00
United States			
Local	5,45	33,06	72,00
Foreign	94,55	66,94	28,00

Social and environmental criteria 103-2, 103-3: supplier evaluation; 308-1, 404-1, 414-1

Oxitenos has a purchasing program that takes into account requirements for quality, environment, social responsibility, health and safety and best manufacturing practices. All suppliers must sign a term of commitment that addresses specific issues regarding the eradication of child labor, slave labor, discrimination, and labor laws. In 2019, we had a 10% increase in our total supplier base, all of which selected based on social criteria.

The Supplier Qualification, Approval and Monitoring Program does not yet include sustainability criteria for selecting and approving suppliers in the Mexico and United States regions.

Distribuidores

In Brazil, Oxitenos has five distribution partners that serve 90% of the companies with which the company does business—whether small-, medium- or large-sized companies. Thus, the company has a strong partnership with its distributors and a commitment to guarantee the best service to its customers.

Suppliers must commit to specific issues regarding the eradication of child labor, slave labor, discrimination and labor laws



10



ENVIRONMENT

Water efficiency and effluent treatment

Waste management

Energy efficiency

Emissions



ENVIRONMENT



To be among the benchmarks for the chemical industry in terms of the Environment in the countries where Oxiteno operates, with world-class performance

Goals 2030

Water

- 10% reduction in water consumption per ton produced (2019 baseline)
- To double the use of recycled water (2019 baseline)

Waste

- Zero landfills for industrial waste/year (except Uruguay)
- 10% reduction in waste generation per ton produced (2019 baseline)

Energy

- 10% reduction in energy consumption per ton produced (2019 baseline)

GHG

- 25% reduction in emissions intensity per ton produced (2019 baseline)

Related material topics: water, energy (thermal and electric), liquid effluents, waste management, air emissions

WATER EFFICIENCY AND EFFLUENT TREATMENT 103-2, 103-3: water

To be among the global benchmarks in issued related to the environment in the chemical sector, Oxiteno works to maintain all its operations within the highest technology standards in terms of reduction of greenhouse gas emissions, waste management and efficiency in use of energy and water resources.

As part of the sustainability plan, the company's public goals today are already part of the strategic business plan and operating plan for all production units that, through innovation and technology, work to build solutions that contribute to sustainable development of the business.

At Oxiteno, withdrawal and consumption of water in all its industrial units are monitored monthly and are part of the goals of the environment pillar in the strategic sustainability plan that establish a 10% reduction in water consumption per ton produced and double consumption of recycled water—both based on the 2019 numbers.

The company is constantly assessing all opportunities to maximize the use of recycled water and reduce consumption. In 2019, two units stood out: the unit in Mauá (SP), where 96.45% of the water withdrawn comes from a recycled source through the Aquapolo project, the largest undertaking for the production of recycled industrial water in South America⁵, and the unit in Coatzacoalcos (Mexico), where 493 m³ of rainwater was harvested as a result of a rainwater harvesting project that directs and stores water for use in common areas. In the Olequímica (BA) unit, 8,233 m³ were used using this same rainwater harvesting model.

In 2019, relative water consumption was 4.38 m³/t, up 1.5% from the previous year and reflecting scheduled and unscheduled plant shutdowns.

⁵Learn more at www.aquapolo.com.br

VOLUME OF WATER REUSE (2019)

1% increase in consumption of recycled water compared to 2018
For 2020, the new baseline year is 2019, as defined in the strategic sustainability plan. 303-3

807.525,58 m³ consumed



TOTAL WATER WITHDRAWN (in m³/ton) 303-1

	2017	2018	2019
Mercosur	4,05	4,22	4,30
MAC	2,63	2,58	2,69*
Global	3,97	4,12	4,19

*There was no production in Venezuela in 2019

WATER DISCHARGE BY QUALITY AND DESTINATION (in m³/ton) 306-1

	2017	2018	2019
Mercosur	1,50	1,73	1,74
MAC	0,91	1,05	0,73*
Global	1,45	1,69	1,70

*There was no production in Venezuela in 2019

As a chemical company, waste and effluent management is an important part of the company's sustainability strategy and risk mitigation work. Thus, indicators are routinely monitored by all Oxiteno units.

All effluents generated in the production units are treated and monitored according to discharge parameters, in compliance with all applicable laws. At Oxiteno, some of the operations have their own effluent treatment stations, while others, due to their location, have a pre-treatment process at the unit and send this effluent for treatment by accredited companies. These companies are regularly monitored and audited according to the parameters established by Oxiteno and local legislation.

In 2019, the total volume of effluents generated by production was 1.70 m³/t, remaining stable compared to 2018 (1.69 m³/t) and a result of the ongoing investments to raise the effluent network in the units of Camaçari (BA), Tremembé (SP) and Mauá (SP). The design of a new visible network allows for routine inspections and preventive maintenance for operational control and management of soil and groundwater contamination.

WASTE MANAGEMENT

103-2, 103-3: effluents and waste

A benchmark in waste management, Oxitenó's goal in its strategic sustainability plan is zero landfills for industrial waste, except Uruguay, and a 10% reduction in waste generation per ton produced (base year 2019).

In 2019, Brazil's operations sent 82% of the waste for recycling, recovery or energy use. Waste from thermal insulation and health services was incinerated and represents 0.005%. Non-hazardous construction and cafeteria waste was sent to landfills and represent 18%.

As part of its commitment to reducing impacts, the company continuously seeks to identify opportunities for improvement in its management process. All waste is stored in appropriate places and are classified prior to disposal. In addition, Oxitenó conducts qualification and maintenance audits of services providers, always with prior authorization from the relevant environmental agency

In 2019,
Brazilian
operations sent
82%
of the waste to
recycling, recovery or
energy recovery



DISPOSAL OF HAZARDOUS WASTE (t) 306-2

	2017	2018	2019
Landfill	1.463,9	1.012,9	947,9
Incineration	65,9	53,8	64,29
Recycling	483,6	304,4	193,2
Recovery (+ co-processing)	3.498,7	3.811,2	3650,90
Other destinations	141,2	6,0	245,4
Total	5.653,4	5.188,3	5101,74

NON-HAZARDOUS WASTE (t) 306-2

	2017	2018	2019
Landfill	2.403,1	1.185,6	1834,69
Incineration	445,8	540,5	468,5
Recycling	1.284,8	1.402,1	1704,62
Recovery (+ co-processing)	1.017,8	808,5	2.224,0
Other destinations	28,0	1.292,2	1301,52
Total	5.179,4	5.229,0	7533,28

ENERGY EFFICIENCY

103-2, 103-3: energy; 302-1, 302-3

In its continuous efforts to improve energy efficiency, Oxitenó monitors all its industrial units on a monthly basis and invests in optimizing the performance of processes, with emphasis on steam lines, boilers, furnaces and turbines, and works to transition the energy mix to cleaner sources whenever possible.

In 2019, the Tremembé unit replaced fuel oil by natural gas in its boilers. In Camaçari (BA), the new electric energy substation entered into operation. In addition to improving consumption efficiency, it will yield financial gains for the company, since the unit can operate in the free energy market, which should represent annual savings of approximately R\$ 12 million.

It is worth mentioning that Oxitenó also consumes energy from the use of waste gases from other production processes and uses hydrogen and ethanol as sources of steam generation.

ENERGY CONSUMPTION (in GJ)

	2017	2018	2019
MAC	295.150,83	314.707,71	296.631,10
Mercosur	8.875.823,96	7.964.798,99	7.648.159,65
Total	9.170.974,79	8.281.076,50	7.994.790,75

OTAL ENERGY IN PROCESSES/PRODUCTION* (GJ/t product)

	2017	2018	2019
MAC	4,34	4,71	4,23*
Mercosur	6,76	6,49	6,56
Total	6,64	6,40	6,44

*The 2019 data does not consider Venezuela, since there was no production in the unit in that period



Annual savings of approximately
R\$12 million
with the start of operation of the
new electric substation in Camaçari

EMISSIONS

103-2, 103-3: emissions

Since 2019, Oxiteno has been monitoring emissions from its operations on a monthly basis through its Greenhouse Gas (GHG) Monitoring and Reduction program. Data collected through this monitoring process populate an inventory, prepared in accordance with ISO 14064-1 and undergo independent external assurance annually. In addition, based on the critical analysis of the indicators collected, the company develops action plans to reduce environmental impacts.

The company's main sources of emissions come from generation of steam, production of ethylene oxide and consumption of electricity. To reduce emissions in the production of ethylene oxide, the gases produced are traded and used as feedstock in other production processes. In 2019, sales at the Camaçari unit totaled 44,588 tons of CO₂ to White Martins.

Emissions avoided by using residual gases represent a 15.4% reduction in Oxiteno's total emissions, approaching the goal established for 2020 to reduce emissions by 25%. Since the beginning of the operation until 2019, a total of 650,779.94 tons of CO₂e emissions have been avoided. 305-5

Oxiteno's global GHG emissions intensity in 2019, considering scopes 1 and 2, was 0.44 tCO₂e/t. Emissions avoided by using residual gases were 0.40 tCO₂e/t produced in the same period. 305-4



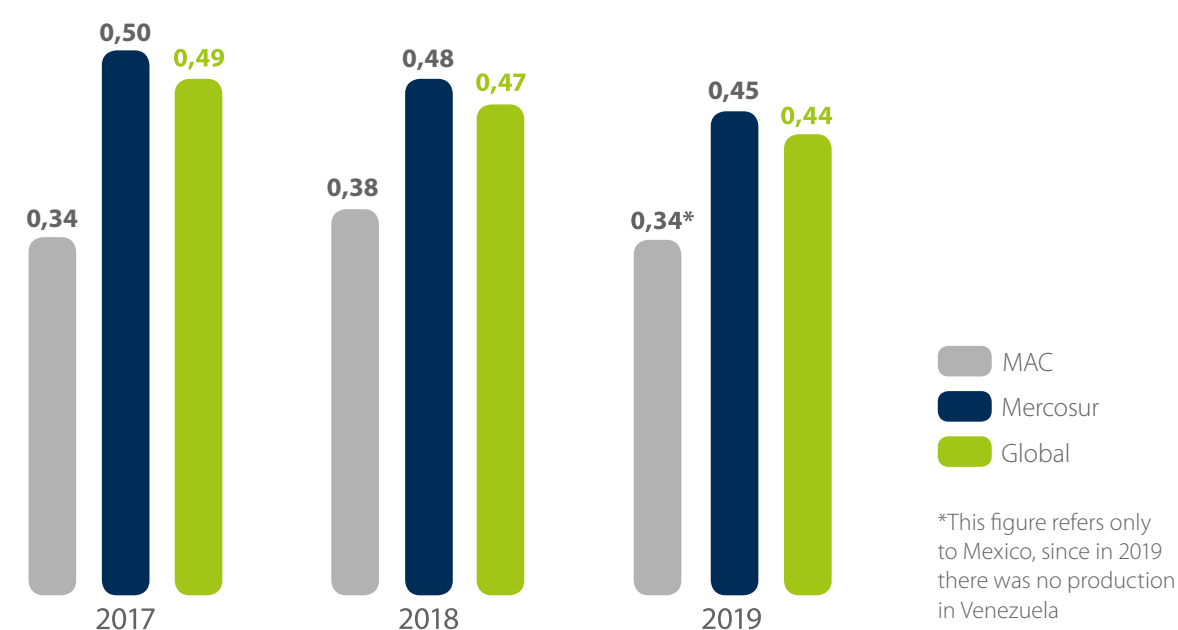
In 2019, Oxiteno received recognition at CDP for its level of management on climate change

SCOPE 1 AND SCOPE 2 EMISSIONS (tCO₂e)

305-1, 305-2

	2017	2018	2019
MAC			
Scope 1 and 2	23.357,58	25.437,31	24.506,87
Mercosur			
Scope 1 and 2	658.065,86	584.824,65	523.548,46
Total Global (Scope 1 and 2)	681.423,44	610.261,96	548.055,33

EMISSION INTENSITY (tCO₂e/t) 305-4



11



COMMUNITIES

Joint action



COMMUNITIES

103-2, 103-3: local communities; 413-1

Oxiteno believes that a relationship of respect, transparency and partnership with neighboring communities is essential for continuity of its operations and local development. Thus, the company invests and strengthens this relationship through two aspects:

HEALTH, SAFETY AND ENVIRONMENT

Oxiteno relies on qualified teams that work to identify any action that may directly or indirectly cause problems for the neighboring communities, acting preventively to avoid possible damage. All Oxiteno units in Brazil have an active Community Advisory Committee, serving as a direct relationship channel between the company and the surrounding community for discussions, to answer questions and develop related projects

SOCIAL ISSUES

the company understands that it plays an important role in the development of communities. For this reason, it invests in projects that focus on education to expand opportunities and help to broaden the horizons for citizens. These social projects are selected by an internal committee that evaluates all requests for sponsorships, donations and investments, allocating resources to the projects that best match the company's social strategy.

R\$ **847.000**
invested in 2019

 **8.622**
students benefited

 **367**
teachers trained

 **24**
schools served

 **61**
volunteers from Oxiteno

It is worth noting that all social projects have goals and assessments to track activities. In addition, the proponent submits monthly and annual reports to the company's Social Responsibility team.

Projects developed

Integrar Arte e Vida (Integrating Art and Life): in partnership with the National Sports Association (ANE) and the Board of Education of the city of Mauá (SP), the project is developed at the Municipal School Cora Coralina. The initiative involves nearly 230 students every month and focuses on encouraging children and young adults to complete their educational journey through cultural and sports workshops.

Baú das Artes (Chest of Arts): in partnership with the institution Evoluir and Boards of Education, Oxiteno, for the second consecutive year, supports this initiative that distributes complementary teaching material to schools in the municipal networks. The collection has more than 300 children's books, educational games, toys, costumes and musical instruments, and teachers are trained to link the materials to the National Curriculum Parameters (PCNs - *Parâmetros Curriculares Nacionais*). In 2019, a total of 22 schools benefited in the municipalities of Camaçari (BA), Mauá and Tremembé (SP), 367 teachers were trained and a potential 8,188 children were impacted by the project.

Young Apprentice Project: Oxiteno's volunteer employees regularly visit the Manuel Cabral State School in Tremembé (SP) to provide vocational guidance to junior and senior students. By talking about their work experiences, employees assist students in choosing a profession and/or undergraduate course and encourage them to seek personal and professional qualification. In total, 21 employees participated in the initiative and addressed ten different topics in weekly meetings. In all, 175 students benefited from the Young Apprentice project.

Formare Program: a partnership between Instituto Ultra, Fundação lochpe and companies of Grupo Ultra, the educational project offers to young adults in situation of vulnerability a professional training course for assistants in administrative and commercial services. The project is held at company headquarters, in São Paulo (Brazil), through classes taught by volunteer employees. Throughout 2019, a total of 25 students benefited and 40 Oxiteno volunteers.

JOINT ACTION

In Camaçari (BA), Oxiteno actively participates in social initiatives promoted by the Camaçari Industrial Development Committee (COFIC), a private business association that represents more than 90 companies in the Camaçari Industrial Complex. The activities of the association focus on the development of communities surrounding the complex in areas such as environment, industrial and property security, occupational health, and people development. The main actions in 2019 include:

Education award

Program involving 202 teachers (118 in the municipality of Dias D'Ávila and 84 in Camaçari) and 3,309 students (1,350 in Camaçari and 1,959 in Dias D'Ávila) in 2019. The goal is to foster improvement in the performance of students from municipal public schools in three important areas of the Portuguese language - reading, speaking and writing.

Education Incentive Program (PIE)

In 2019, a total of 159 activities were carried out through PIE, including courses, teaching workshops and lectures for teachers, students, staff and parents of students from public schools in Camaçari and Dias D'Ávila, as detailed in the table below:

Class hours			
	2017	2018	2019
Schools	45	34	79
Activities	68	91	159
Teachers	265	287	552
Students	1.897	2.676	4.573
Employees	98	105	127
Parents of Students	29	432	461

Ver de Dentro Program

Organizes tours of the Industrial Complex for students from public schools in Camaçari and Dias D'Ávila and representatives of neighboring communities. The purpose is to increase the level of information of visitors about the companies in the complex, with an emphasis on HSE and social responsibility programs. In 2019, a total of 24 tours were made, with 694 students from 18 schools in Camaçari and Dias D'Ávila. In addition to Memorial and Parque Sauípe, tours included Continental, Deten, Birla Carbon, Basf, Paranapanema, Bayer, Braskem PVC-1, EDN, and Acrinor.

Building the Future

The program consists of lectures at schools given by professionals from companies in the complex, intended to arouse the interest of students from public schools in Camaçari and Dias D'Ávila in industrial careers. In 2019, a total of 6,329 students were involved from 32 participating schools.

Oxiteno actively participates in social initiatives promoted by the Camaçari Industrial Promotion Committee (Cofic)



GRI STANDARDS
CONTENT SUMMARY

12

GRI STANDARDS CONTENT SUMMARY 102-55

GRI 101: FOUNDATION 2016

Standard GRI	Disclosure	Comment	Page
General disclosures			
Organizational profile			
GRI 102: General Disclosures 2016	102-1: Name of the organization		15
	102-2: Activities, brands, products, and services		15, 53
	102-3: Location of headquarters		15
	102-4: Location of operations		15
	102-5: Ownership and legal form		25
	102-6: Markets served		15, 33
	102-7: Scale of the organization		15, 33
	102-8: Information on employees and other workers		65
	102-9: Supply chain		79
	102-10: Significant changes to the organization and its supply chain	There were no significant changes in the supply chain in 2019	-
	102-11: Precautionary Principle or approach		27
	102-12: External initiatives	Responsible Care Program Carbon Disclosure Project (CDP) Report	-

Standard GRI	Contenido	Comentario	Página
		<ul style="list-style-type: none">American Chamber of Commerce for Brazil/ São PauloAssociação Brasileira da Indústria de Higiene Pessoal, Perfumaria e CosméticosAssociação Brasileira da Indústria de Química Fina, Biotecnologia e suas EspecialidadesAssociação Brasileira da Indústria e Comércio de Ingredientes e Aditivos para AlimentosAssociação Brasileira da Indústria QuímicaAssociação Brasileira da Indústria Têxtil e de ConfecçãoAssociação Brasileira das Indústrias de Produtos de Limpeza e AfinsAssociação Brasileira de Comunicação EmpresarialAssociação Brasileira de CosmetologiaAssociação Brasileira de Engenharia AutomotivaAssociação Brasileira de Engenharia QuímicaAssociação Brasileira de Normas TécnicasAssociação Brasileira dos Defensivos GenéricosAssociação Brasileira dos Distribuidores de Produtos Químicos e PetroquímicosAssociação Brasileira dos Fabricantes de TintasAssociação Nacional de Pesquisa e Desenvolvimento das Empresas InovadorasAssociação Técnica Brasileira de Cura por RadiaçãoCentro das Indústrias do Estado de São PauloComitê de Fomento Industrial do Polo de CamaçariComitê de Fomento Industrial do Polo do Grande ABCComitê de Fomento Industrial do Polo do Rio Grande do SulGS1 Brasil Associação Brasileira de AutomaçãoInstituto Brasileiro de Petróleo, Gás e BiocombustíveisRede Empresarial Brasileira de Avaliação de Ciclo de VidaSindicato das Indústrias de Produtos Químicos para Fins Industriais e da Petroquímica do Estado de São PauloSindicato das Indústrias de Produtos Químicos para Fins Industriais, Petroquímicas e de Resinas Sintéticas de Camaçari, Candeias e Dias D'ÁvilaSindicato das Indústrias Químicas no Estado do Rio Grande do SulSindicato do Comércio Atacadista, Importador e Exportador de Produtos Químicos e Petroquímicos no Estado de São PauloSindicato Nacional da Indústria de Componentes para Veículos AutomotoresSindicato Nacional da Indústria de Produtos para Defesa Vegetal	
	102-13: Membership of associations	<p>International entities</p> <ul style="list-style-type: none">American Chemistry CouncilAmerican Cleaning InstituteAsociación Argentina de Químicos CosméticosAsociación de Industriales del Estado de VeracruzAsociación de Industrias Químicas del UruguayAsociación Industrial del Salto ACAsociación Mexicana en Dirección de Recursos Humanos ACAsociación Nacional de Fabricantes de Pinturas y Tintas ACAsociación Nacional de la Industria Química ACAsociación Petroquímica y Química LatinoamericanaAssociation of Bayport CompaniesCámara de Industrias del UruguayCámara de la Industria Alimenticia de JaliscoCámara de la Industria Química y PetroquímicaCámara Mexicano-Alemana de Comercio e IndustriaCámara México Brasil de ComercioCámara Nacional de Comercio y Servicios del UruguayCámara Nacional de la Industria de la TransformaciónCámara Nacional de la Industria de Productos CosméticosAsociación Nacional de la Industria de Productos de Cuidado Personal y del Hogar ACCámara Nacional de la Industria Panificadora y Similares de MexicoConsejo Mexico-Brasil de America Latina ACCouncil of Producers & Distributors of AgrotechnologyEast Harris County Manufacturers AssociationNational Association of Chemical DistributorsPersonal Care Products CouncilRoundtable on Sustainable Palm OilSociedad de Químicos Cosmólogos de Mexico ACThe European Petrochemical AssociationUnión de Exportadores del UruguayUnión Mexicana de Fabricantes y Formuladores de Agroquímicos AC	-



Standard GRI	Disclosure	Comment	Page
Strategy			
GRI 102: General Disclosures 2016	102-14: Statement from senior decision-maker		7
	102-15: Key impacts, risks, and opportunities		27
Ethics and Integrity			
GRI 102: General Disclosures 2016	102-16: Values, principles, standards, and norms of behavior		27
	102-17: Mechanisms for advice and concerns about ethics		28
Governance			
GRI 102: General Disclosures 2016	102-18: Governance structure		26
Stakeholder engagement			
GRI 102: General Disclosures 2016	102-40: List of stakeholder groups		10
	102-41: Collective bargaining agreements	In Brazil, 98% of the total number of professionals were covered by collective bargaining agreements, with the exception of executive managers, managed by the Corporate Policy of Ultrapar Participações S.A. (Ultra).	-
	102-42: The basis for identifying and selecting stakeholders with whom to engage		10
	102-43: Approach to stakeholder engagement		10
	102-44: Key topics and concerns raised		10

Standard GRI	Disclosure	Comment	Page
Reporting practices			
GRI 102: General Disclosures 2016	102-45: Entities included in the consolidated financial statements	The information reported includes performance in Brazil, the most significant operation—but, whenever possible, it extends to international units.	-
	102-46: Defining report content and topic Boundaries	The financial statements are disclosed by the holding company Ultrapar and cover all Oxiteno units.	10
	102-47: List of material topics		10
	102-48: Restatements of information	There were no content restatements in relation to the previous year.	-
	102-49: Changes in reporting	There were no changes in the report compared to the previous year.	-
	102-50: Reporting period		10
	102-51: Date of most recent report	2018	-
	102-52: Reporting cycle		10
	102-53: Contact point for questions regarding the report		10
	102-54: Claims of reporting in accordance with the GRI Standards		10
	102-55: GRI content index		102
	102-56: External assurance	The information reported has not been externally assured.	-

Standard GRI	Disclosure	Comment	Page
Material topics			
Economic performance			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		10
	103-2: The management approach and its components		33
	103-3: Evaluation of the management approach		33
GRI 201: Economic Performance 2016	201-1: Direct economic value generated and distributed		36
Procurement practices			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		10
	103-2: The management approach and its components		33, 79
	103-3: Evaluation of the management approach		33, 79
GRI 204: Procurement practices	204-1: Proportion of spending on local suppliers		80
Anti-corruption			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		10
	103-2: The management approach and its components		27
	103-3: Evaluation of the management approach		27
GRI 205: Anti-corruption 2016	205-1: Operations assessed for risks related to corruption		28
	205-2: Communication and training about anti-corruption policies and procedures		28

Standard GRI	Disclosure	Comment	Page
Environment			
Energy			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		10
	103-2: The management approach and its components		89
	103-3: Evaluation of the management approach		89
GRI 302: Energy 2016	302-1: Energy consumption within the organization		89
	302-3: Energy intensity		89
Water			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		10
	103-2: The management approach and its components		85
	103-3: Evaluation of the management approach		85
GRI 303: Water 2016	303-1: Water consumption by source		87
	303-3: Water recycled and reused		86
Emissions			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		10
	103-2: The management approach and its components		90
	103-3: Evaluation of the management approach		90

Standard GRI	Disclosure	Comment	Page
GRI 305: Emissions 2016	305-1: Direct (Scope 1) GHG emissions		91
	305-2: Energy indirect (Scope 2) GHG emissions		91
	305-4: GHG emissions intensity		90, 91
	305-5: Reduction of GHG emissions		90
Effluents and waste			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		10
	103-2: The management approach and its components		88
	103-3: Evaluation of the management approach		88
	306-1: Liquid effluents		87
	306-2: Waste by type and disposal method		88
Supplier environmental assessment			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		10
	103-2: The management approach and its components		81
	103-3: Evaluation of the management approach		81
GRI 308: Supplier environmental assessment	308-1: New suppliers that were screened using environmental criteria	In Brazil: 2017 = 52,0% 2018 = 62,5% 2019 = 60,5%	81

Standard GRI	Disclosure	Comment	Page
Social			
Employment			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		10
	103-2: The management approach and its components		65
	103-3: Evaluation of the management approach		65
GRI 401: Employment 2016	401-1: New employee hires and employee turnover		66
	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	Dental assistance, outpatient clinic in all units, flu vaccination campaign, regular medical check-ups, medication assistance (50% co-pay), meal and food voucher, cafeteria, Christmas kit, toy voucher, funeral assistance, attendance award, length of service award, payroll loan, profit sharing, sickness benefit, transportation or charter voucher, daycare assistance, sports incentive, sabbatical	-
	401-3: Parental leave		66
Occupational health and safety			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		10
	103-2: The management approach and its components		57, 60
	103-3: Evaluation of the management approach		57, 60
GRI 403: Occupational Health and Safety 2018	403-1: Workers representation in formal joint management– worker health and safety committees from different hierarchical levels		59
	403-2: Types and rates of injuries, occupational diseases, lost days, absenteeism and number of work-related deaths		59

Standard GRI	Disclosure	Comment	Page
GRI 403: Occupational Health and Safety 2018	403-3: Workers with high incidence or high risk of diseases related to their occupation		60
	403-5: Worker training on occupational health and safety		57
	403-6: Promotion of worker health		60
	403-8: Workers covered by an occupational health and safety management system		60
	403-9: Work-related injuries		58
	403-10: Work-related ill health		60
Training and education			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		10
	103-2: The management approach and its components		70
	103-3: Evaluation of the management approach		70
GRI 404: Training and Education 2016	404-1: Average hours of training per year per employee		70
	404-2: Programs for upgrading employee skills and transition assistance programs		75
	404-3: Percentage of employees receiving regular performance and career development reviews	Currently, this process only covers managers. Thus, in 2019 7.7% of the total employees were evaluated in Mercosul, 5.1% in MAC and 24.6% in the United States	-

Standard GRI	Disclosure	Comment	Page
Diversity and equal opportunity			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		10
	103-2: The management approach and its components		65
	103-3: Evaluation of the management approach		65
GRI 405: Diversity and Equal Opportunity 2016	405-1: Diversity of governance bodies and employees		67
Non-discrimination			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		10
	103-2: The management approach and its components		-
	103-3: Evaluation of the management approach		-
GRI 406: Non-discrimination 2016	406-1: Incidents of discrimination and corrective actions taken	One case of discrimination was recorded in the operations in Brazil, which was addressed and led to a review of the procedures at the reception of the units.	-
Local communities			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		10
	103-2: The management approach and its components		95
	103-3: Evaluation of the management approach		95
GRI 413: Local Communities 2016	413-1: Operations with local community engagement, impact assessments, and development programs		95

Standard GRI	Disclosure	Comment	Page
Supplier social assessment			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		10
	103-2: The management approach and its components		81
	103-3: Evaluation of the management approach		81
GRI 414: Supplier Social Assessment 2016	414-1: New suppliers that were screened using social criteria		81
Customer health and safety			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		10
	103-2: The management approach and its components		53
	103-3: Evaluation of the management approach		53
GRI 416: Customer Health and Safety 2016	416-1: Incidents of non-compliance concerning the health and safety impacts of products and services		53
Marketing and labeling			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		10
	103-2: The management approach and its components		53
	103-3: Evaluation of the management approach		53
GRI 417: Marketing and labeling	417-2: Incidents of non-compliance concerning product and service information and labeling		53





CORPORATE CREDITS

102-3, 102-53, 102-55

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GRAPHIC DESIGN COORDINATION

Global External Communication Management (Oxitenó)

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