



# SUSTAINABILITY REPORT 2021



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Sr Security Technician



# For a **more sustainable** world

You can't think about the future without thinking about sustainability. We know that anthropogenic changes on the planet have reached a critical point. This has created a pressing need to come up with solutions that alleviate society's challenges with the least possible social and environmental impacts and to include them in business strategies.

At Oxiteno, we believe that sustainability is part of who we are and how we think about the future. When we say that we have a unique way of doing chemistry, this is the route we are travelling – continual innovation, respect, and awareness of our role as a contributor to people's well-being through chemistry.

This belief translates into attitudes and results, all of them carefully monitored in our 2030 Strategic Sustainability Plan and shown in this report.

There are many challenges on this journey, but we are certain that the decisions made today can help build a more sustainable future.

Enjoy your reading!

 **SUSTAIN  
ABILITY**





+

SUSTAIN  
ABILITY





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## Message from the administration

102-14

**“By working with team spirit and respect and partnership with our employees, clients, and suppliers, we ended 2021 with record results and a substantial improvement in our return on capital employed.”**

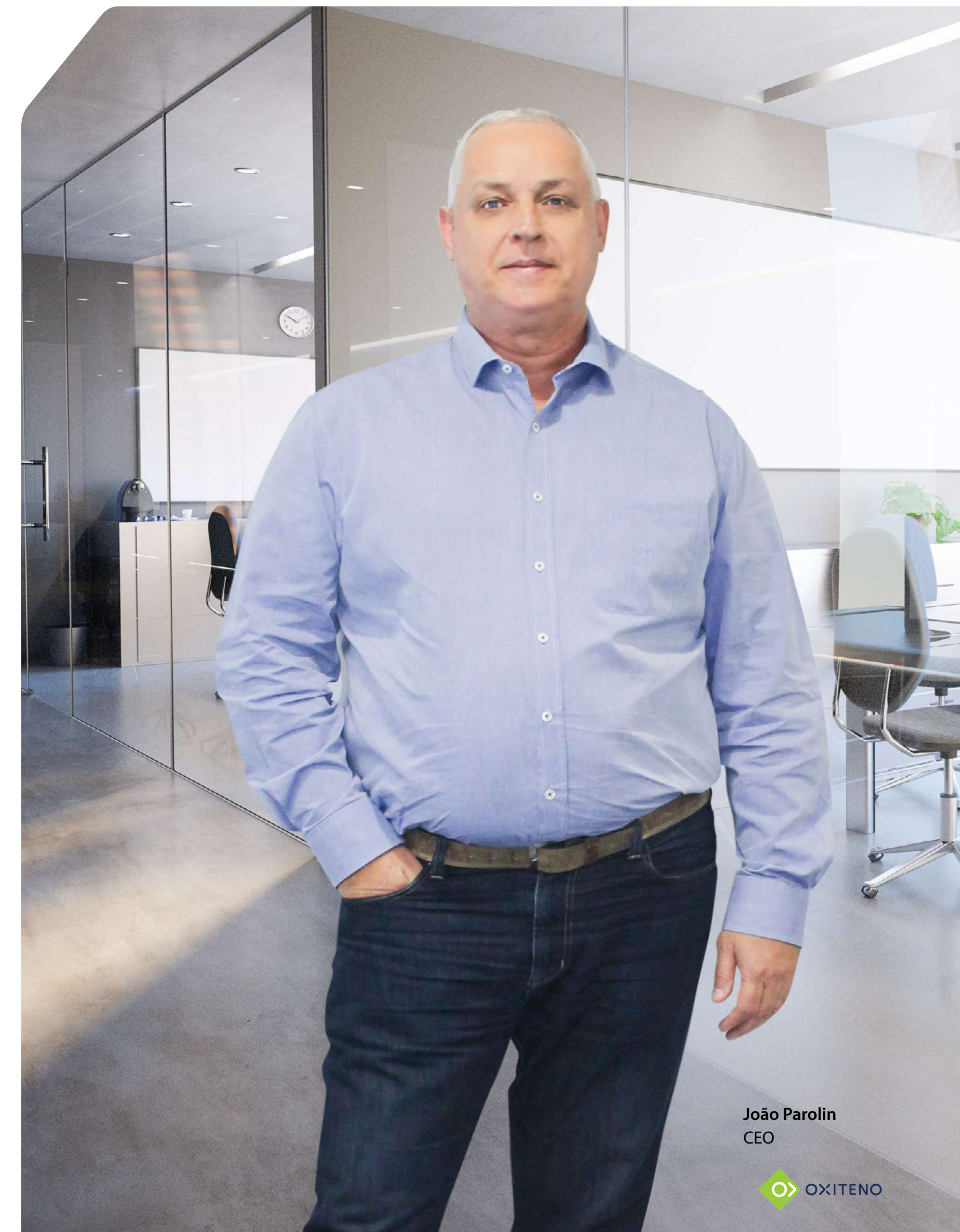
At Oxiteno, chemistry is made by everyone together. By working this way, with team spirit and respect and partnership with our employees, clients, and suppliers, we ended 2021 with record results and a substantial improvement in our return on capital employed.

It was also a year of hard work, still marked by the ongoing Covid-19 pandemic. We had the challenge of carrying out the scheduled shutdown of two of our plants in Brazil – Mauá, in São Paulo and Camaçari, in Bahia – which had already been postponed in 2020. Despite the country’s advances in vaccinations, we maintained all sanitary protocols during this process, with constant testing of our team and contractors involved in the process. We also implemented more extensive planning to prevent close contact between people in the plants and cases of infection. The strategy proved to be successful, and we even received praise from the workers’ union, with whom we negotiated the entire structuring of these shutdowns.

In the United States, our unit in Pasadena was affected by a severe winter storm that hit Texas in February 2021. Despite all the plant’s advance preparation, temperatures as low as -7° Celsius damaged the state’s energy supply infrastructure, resulting in the freezing of water and all operating systems of local industry, including Oxiteno.

But thanks to the efforts and commitment of the entire local team, we managed to quickly get our operations back to normal without neglecting the safety of processes, people, and the environment. We were among the first companies to restart production and, thanks to this agility, we were able to meet the demands of all our clients, almost exhausting our stock and ending the year with excellent results.

In Mexico, we expanded our business in the pharmaceutical and food industries despite some disruptions in the local supply of raw materials. In addition, our commercial and operations areas underwent several changes to prioritize exclusive products with higher margins for the company. Caring for and prioritizing the health of our professionals, in compliance with all hygiene and health standards, has always been a major concern; unfortunately, we recorded the death of two contractors in this region due to Covid-19.



João Parolin  
CEO



### Flexibility, resilience, and results

The year 2021 required a great deal of flexibility and resilience from everyone, but with vaccinations and the gradual weakening of the pandemic, the market is gradually picking up again. We have been working with all our production capacity and, like the rest of the industry, we had to cope with the impact of higher prices of raw materials, the soaring exchange rate, and difficulties in logistics. But despite these challenges, we ended the year with very positive results. Our total sales volume reached 779,000 tons, up 3% over 2020. Net revenue totaled R\$ 7.103 billion, a 36% increase over the preceding year, with an EBITDA of R\$1.104 billion. This was a record level, up 41% over 2020, mainly due to higher sales volumes and better margins.

In 2021, as previously communicated to the market, Grupo Ultra announced the execution of a contract for the sale of its stake in Oxitenó to Indorama Ventures PCL as part of its business portfolio readjustment. The sale process brings several growth opportunities for the business and for the operations of both companies in Latin America. We are confident that this new chapter in Oxitenó's history will further expand our innovation potential with a focus on sustainability.

### Much more Sustainability

This was also the year in which we launched the + Sustainability program on the market, a new way to communicate Oxitenó's actions in sustainability to all its stakeholders and that shows how the partnerships and various initiatives contribute for us to become more sustainable.

We continue to closely monitor the goals of our 2030 Strategic Sustainability Plan, which are now included in

the individual performance assessment of the members of the executive board. We have evolved at different rates in each of our pillars while always considering them as growth drivers and indicators of how we think the business. This is something that has been increasingly consolidated into the organization as a whole.

This is a core topic for us in all aspects, whether environmental, social, or governance. The commitment to offering the world the best in chemistry is at the heart of Oxitenó, and not only in the form of products and solutions, but also in the way we relate to all stakeholders.

Thus, in 2021 we advanced the global internal communication campaign "Nossa Fórmula Faz Bem" (Our Formula does Good); we advanced OxiEducation, our education platform; and we took our diversity program – Together – to all regions. Appreciation of our workforce is one of the pillars of our strategic plan, and I am proud to say that even in a scenario of social distancing for almost two years, our team has never been so cohesive and ready for growth. I wish to thank each of the nearly 2,000 employees for all their efforts and commitment in a year riddled with so many challenges.

Another major highlight was the launch of our volunteering program. Through Conectar, we want to boost our social action strategy on three fronts: fighting hunger and poverty; education; and employability and income generation for children and young adults. This is also a great opportunity for everyone within Oxitenó to become agents of social transformation, promoting a positive impact on the communities close to our operations.



Last but not least, in 2021 we launched the new Supplier Relationship Program, which establishes a way of working that takes into account not only prices or commercial terms, but also reputational and sustainability assessments applied across their production chain. With this, we lay the groundwork to create partnerships focused on transparency, ethics, and a more conscious world.

### Transition and outlook

For us, 2022 will be a year of transition and a year of connection and integration with the structure of the new shareholder. It will be a year of striving to show our essence and our way of working, while leveraging all synergies to make us even more innovative and sustainable. The goal is that in 2023, we will have a company with well-oiled operations and unique growth plans.

The opportunities are many, and I am certain that we are ready for this new page in our history.

**João Parolin**  
**CEO of Oxitenó**

**“For us, 2022 will be a year of transition and a year of connection and integration with the structure of the new shareholder. It will be a year of striving to show our essence and our way of working, while leveraging all synergies to make us even more innovative and sustainable”.**



## Word from the Executive Board



It was a tough year, but also a year full of opportunities. On one hand, we had to deal with the difficulties of two scheduled shutdowns in the midst of a pandemic and with disruptions in logistics and international raw material chains; on the other, we gained credibility as a reliable and excellent partner in the region. It was a year when we got very close to our clients and, through strong efforts in commercial and operational excellence, we proved that we were ready to meet their needs by consistently offering innovative and sustainable solutions. The results speak for themselves.

**Anna Paula Dacar - COO Mercosur**



In 2021 our focus was on growing the business, efficiency, and reliability in production. These goals became major challenges after the cyber attack, the Covid-19 waves in the region and, above all, the winter storm Uri, which led to a shutdown of the Texas plant earlier this year. It took two months of hard work and team effort to get the plant safely back into production to meet market demands – but we came out strengthened by great team spirit and collaboration. Despite the impact caused by the storm, we continued to invest in increasing productivity and innovation, focusing on markets where our products have strong differentiators (e.g. ethoxylates with low residual dioxane). The effects of this work can already be seen: in the second half of the year, the U.S. operation presented its first positive result.

**Alberto Slikta - COO EUA**



In 2021, MAC operations continued to be impacted by the inconsistency of the local supply of raw materials. Thanks to the deep understanding of our business and our team's proactive approach, we reviewed our strategy and made important adjustments in the way we operate our plants. This led to prioritizing certain products that were exclusive to the unit and that brought greater added value to the company and clients. One highlight is the expansion of business in the pharmaceutical and food industry. The certifications that Oxitenó's production units already have allow for greater and more focused operations in these two highly regulated segments and give the company a competitive advantage in the region.

**Carlos Brasil - COO MAC (Mexico, Andean and Caribbean)**



Despite a pandemic scenario that kept us working remotely, 2021 was a year of great results for Oxitenó. We demonstrated our resilience and proved that our sustainability agenda is increasingly part of our business strategy and is leveraged by innovation. It's no longer possible to dissociate the two in our daily lives, and this is perceived and valued by our clients and, above all, by our employees. In recent years we have taken an amazing leap in our ability to innovate sustainably, and every member of our team is a part of that, putting into practice solutions that address the needs of the market, society, and the planet.

**Andrea Soares - Global Director of Marketing & Innovation**



## Word from the Executive Board



We had a year of hard work and excellent results, even as we faced the challenge of balancing and adapting the remote work of several teams while operations were pressured by high demand. But we continued to adapt and make important deliveries such as product expansion projects, reengineering at the units, development of a pipeline of projects that need to be implemented to achieve our environmental goals – especially in emissions and water efficiency – and in the safe behavior program, with more than 400 leaders being trained. We also made significant progress in the governance of sustainability, which is now fully integrated into our strategy and operating across all areas of the company. We are strictly following our 2030 plan and are ready to further leverage our unique way of doing chemistry.

**Flávio Cavalcanti - Global Director of Technology and Operational Excellence**



In 2021, we had the opportunity to advance and consolidate some projects and people management processes that are very important for the moment we are experiencing. There were many challenging elements for us to address, but we knew how to weather the storm and managed to obtain a valuable engagement capital from people. Our intense communication process continues with a lot of transparency, regularity, closeness, and openness. We improved our education platform, launched a quality of life program with important pillars that cover mental and emotional health for our employees, and we included sustainability issues within our people training process. We continued to improve our processes to achieve the goals set out in our 2030 sustainability strategic plan, moving toward becoming an increasingly diverse, inclusive, and innovative company.

**Simone Albuquerque - Global Director of Human Resources**



Against all odds in this pandemic, the last two years have been very good for our business. We saw a strong and heated demand and managed to cater to all our clients' needs, even in an uncertain and volatile scenario. It was a period when sustainability was moved from plan to strategy, present in day-to-day discussions and in the rationale of every initiative and project developed by our teams. We have advanced significantly in our digital transformation process with the implementation of new technologies and management tools that are market benchmarks. Resilience, adaptability, and agility have brought us this far, and we are ready for the next steps in our growth.

**Fabiana Dias - Global Director of Administration and Control**



## 2 Main Achievements of the Year

Net revenue reached  
**R\$ 7.103 billion**,  
up **36%** over  
the previous year

Record EBITDA, reaching  
**R\$ 1.104 billion**

**779,000**  
tons sold, an increase of  
**3%** compared with  
the previous year

**ecovadis**  
We reached 78 points on EcoVadis  
and are in the Platinum category



In August 2021, Grupo Ultra  
announced the execution of  
a contract for the sale to  
Indorama Ventures

Launch of the



In March, we launched our  
affinity groups and extended  
the Together program to  
other regions



In partnership with  
Hand Talk, we  
launched our virtual  
translator of the  
Brazilian Sign  
Language –  
**Maya** – available  
in Portuguese on  
the pages of our  
institutional website

We joined the



**EQUIDADE É  
PRIORIDADE**  
(Equity is a Priority)



gender movement of the Global Compact Network  
Brazil to increase the number of women and Blacks  
in senior leadership and management positions



Rede Brasil

**AMBIÇÃO  
NET ZERO**



We joined UN's Net Zero Coalition Program



We held  
**Innovation Day**,  
centered on the social innovation  
theme and the importance of  
intrapreneurship



We developed the  
**Application  
Finder tool**,  
which allows for the  
mapping of all applications  
of Oxiten's products



In November, we launched  
our Volunteering Program  
– **Conectar**



Launch of the  
**New Supplier  
Relationship Program**

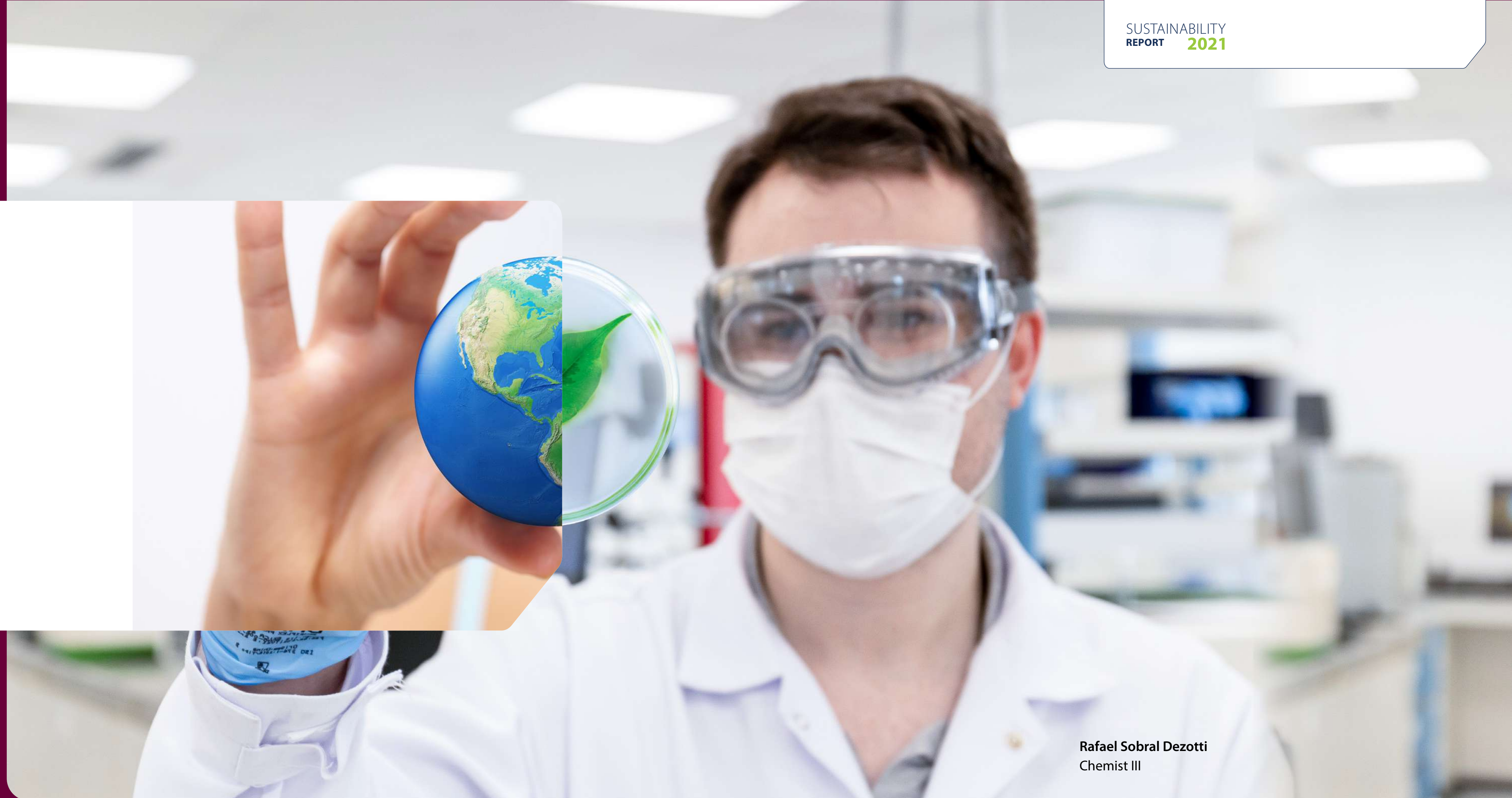


We defined our strategy to address  
**Climate Change**, had our  
internal carbon pricing model  
approved by senior management,  
and finalized the definition of the  
actions needed in the short,  
medium and long term for the  
decarbonization of Oxiten



Rafael Ribeiro dos Santos  
Chemical Process Operator I





Rafael Sobral Dezotti  
Chemist III

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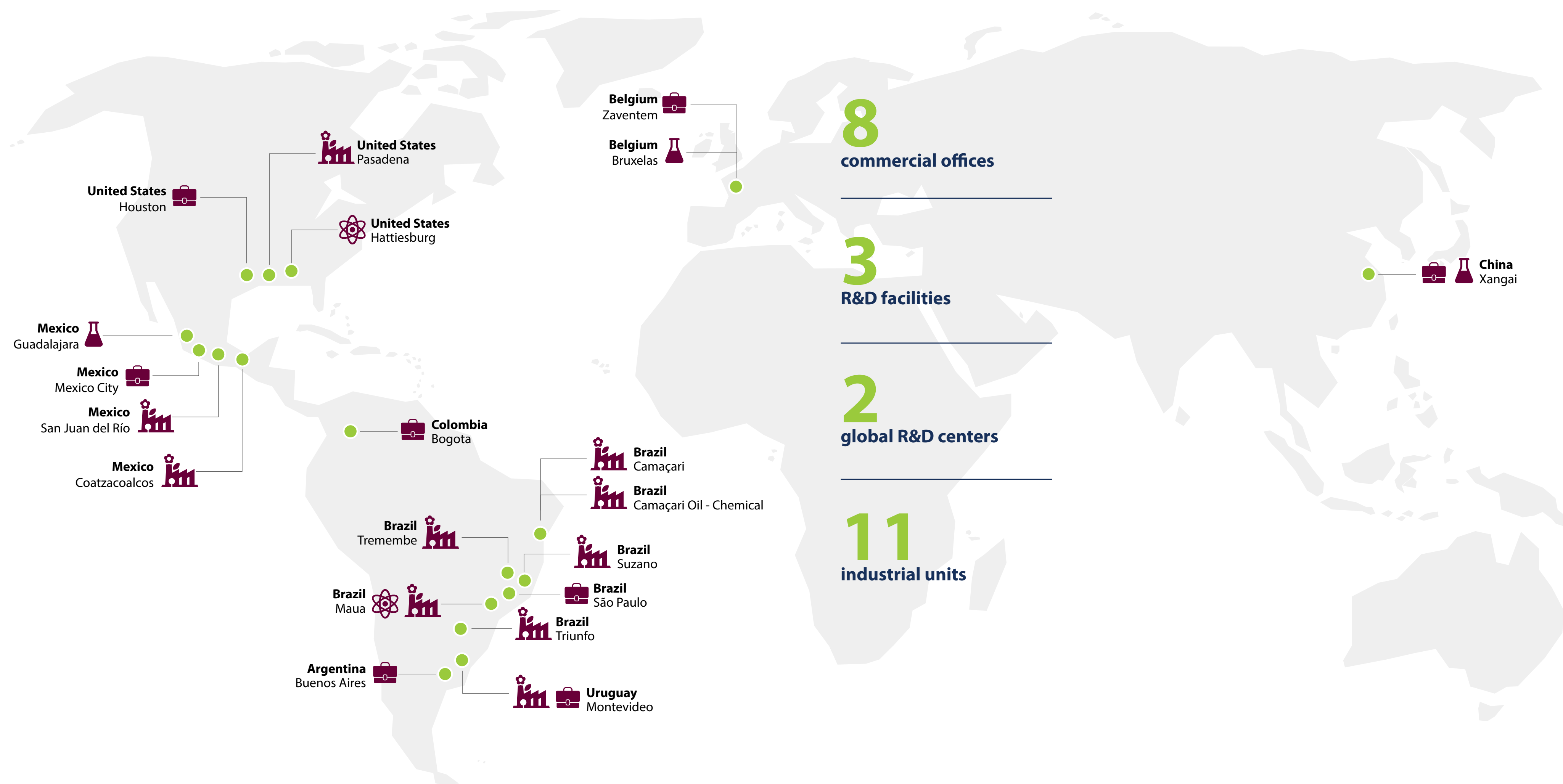
# The chemistry that advanced the world

102-2, 102-3, 102-4, 102-6, 102-7



For over 50 years, we have been working to create a unique way of doing chemistry: one that integrates innovation, awareness, and respect, and brings well-being to people in an increasingly sustainable manner through the efficiency of our products.

Our global presence gives us the agility to meet a wide variety of demands from our customers and a comprehensive view of the business and the main market trends. We are part of Grupo Ultra with headquarters in São Paulo. The group has 11 industrial units in Brazil, the United States, Mexico, and Uruguay, in addition to eight commercial offices in the Americas, Europe, and Asia, three laboratories, and two global research and development centers. Operations are divided into Mercosur, the United States, and MAC, with more than 95% of revenue concentrated in the Americas.





AWARD-WINNING  
CHEMISTRY



**Highlight in Technological Innovation:** we were recognized by the São Paulo State Paint and Varnish Industry Union (SITIVESP) as “Outstanding Company in Technological Innovation” at the 33<sup>rd</sup> edition of SITIVESP’s Supplier of the Year Award.



**Quality Survey by the Tintas e Vernizes Magazine:** for the sixth consecutive year, we were selected the best supplier in the Oxygenated Solvents category. The survey, taken by professionals in the paint industry, recognizes the best suppliers, distributors, and producers in the segment.



**Valor Inovação Award:** for the 7th consecutive year, we placed among the 150 most innovative companies in the country – we are 4th in the Chemicals, Paper, and Pulp category and 80<sup>th</sup> in the overall ranking.



**Seal of Ethnic Racial Diversity of Salvador City Government:** we were recognized for the second time.



**25th Paint & Pintura Magazine Award:** we were once again chosen as the best supplier of Coalescents and, for the tenth consecutive time, in Oxygenated Solvents.



**Inova 2030:** registered in the Young SDG Innovators Programme with the Lab 4.0 project, which proposes the creation of a methodology for digitizing R&D laboratories.



**Obras Sociais Irmã Dulce:** Selo Empresa Irmã, recognition made by the institution Obras Sociais Irmã Dulce, which reflected the partnership through social actions:

- Donation of 100 food baskets and hygiene kits
- Donation of 2,300 hygiene items collected by Oxiteno employees as part of a voluntary Christmas action
- Donation of 300 Covid-19 tests



**2021 Open Corps Ranking:** we were recognized in the Top 5 of companies responsible for open innovation in Brazil in the ranking released by the 100 Open Startups, a platform that since 2016 has monitored the evolution of open innovation practices and rewards leading companies and startups.



**4th Paint & Pintura Norte e Nordeste Award:** we were selected as the best supplier of Coalescents and were a finalist in the Solvents and Raw Materials categories for Resins and Emulsions .

**Igniting Networks Supplier Awards – USA 2021:** we were selected as part of the “Stronger than Ida” supplier team, which best supported BAYER in US to overcome supply challenges and raw material and product restrictions caused by Hurricane Ida.

ASSOCIATIONS AND EXTERNAL INITIATIVES

102-12, 102-13

Initiative	Year adopted	Participation	Coverage	Description
Roundtable on Sustainable Palm Oil (RSPO)	Members since 2010 and certified in 2015.	Voluntary	Global	Supports the certification of sustainable raw material (derived from palm) used by Oxiteno.
SEDEX – SMETA	2011	Voluntary	Brazil, Mexico	B Member of the supplier assessment platform and provision of Oxiteno’s evaluation of best practices through a SMETA audit.
United Nations Global Compact (UNGC)	2020	Voluntary	Brazil	Supports the actions of the UN Global Compact, corroborating to its commitment to the path toward achieving the Sustainable Development Goals
Responsible Care	1992 (The first to join were the units in Brazil. Afterward, each country joined the program in their country)	Voluntary	Brazil, Mexico, Uruguay, U.S.	The Responsible Care Program, a registered trademark of ABIQUIM (Brazilian Chemical Industry Association) is an initiative of the Brazilian and global chemical industry to show its voluntary commitment to the continuous improvement of its health, safety, and environmental performance.
Equality is a Priority (UNGC)	2021	Voluntary	Global	Commitment to the Equality is a Priority Program (Gender), in partnership with Global Compact Network Brazil. This is an international program of the United Nations Global Compact, supported by UN Women, which calls for actions seeking to include women in leadership positions in business. Our goal is to have 50% of senior management positions held by women by 2030.
Net Zero Coalition (UNGC)	2021	Voluntary	Global	Adherence to the Net Zero Coalition Program, whose objective is to challenge and support companies that are part of the UN Global Compact to set ambitious climate goals that align with science and that integrate Sustainable Development Goal 13 (Climate Action) and the goals of the Paris Agreement into their business strategies.



# SUSTAINABILITY IN OUR WAY OF WORKING

We work to make sustainability increasingly embedded in the company’s strategy. Since the structuring of our 2030 Strategic Sustainability Plan, we have rapidly evolved in the engagement and dedication of all teams to put our governance into practice.

Throughout 2021, we continued to train and engage internal and external stakeholders, finding ways for sustainability to help the segments meet their goals and do business, defining guidelines with the different areas to reduce the negative impacts generated, in addition to mapping market trends to seek leadership, not only in the sector, but in the industry as a whole.

## SUSTAINABILITY JOURNEY

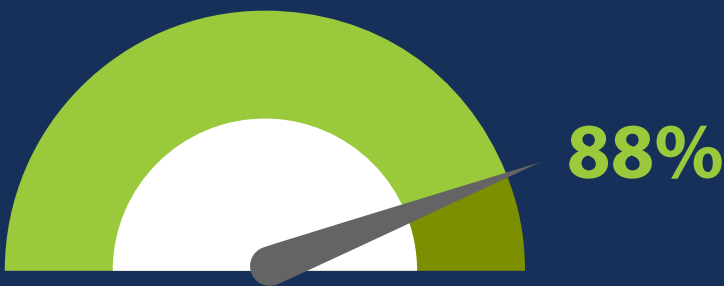


In line with our strategic plan, in 2021 we held the first edition of our Sustainability Journey, a project to educate and engage our employees (and contractors) in environmental, social, and governance topics. With the approach “Nós somos as pessoas por quem esperávamos” (“We are the people we were waiting for”), the methodology is grounded in three pillars: personal growth, strengthening of communities, and serving the Planet.

Carried out at the Camaçari unit, the project was conceived as the activities advanced and focused on the plant’s specific culture and needs and lasted nine months. In addition to disseminating the concept, the project helped capture ideas for other projects and initiatives associated with the goals set out in the sustainability plan and addressed practical examples to encourage actions within the company and in the personal life of all employees. The project should extend the practice to other Oxiteno units.

Our strategy has sustainability at its core, and through the plan we apply its concepts to our Strategic Sustainability Plan. This plan is comprised of eight pillars associated with the UN’s Sustainable Development Goals and that are based on our material topics and ambitious goals to help build a more sustainable future.

In 2021, we have already reached 81% of our global goals. The pillar with the highest percentage of projects developed is the environmental pillar, at 89%.



### 2030 Strategic Sustainability Plan - Roadmap 2021



Supply Chain: the initiatives application of the circular economy in the packaging portfolio, social project with a supplier in the renewable chain and development of new transport options with lower emissions started in 2021 but will be completed in 2022. Employees: The breastfeeding rooms in some plants will be completed in 2022 and we started the implementation of the action plan to increase the representation of PCDs, but it will continue next year. Ethics, Transparency and Integrity: the control actions to comply with the LGPD were discussed and defined. Implementation should take place in 2022. Financial: contribution margin of the specialties mix closed the year slightly below the expected result for 2021. Product Safety: Completion of the risk assessment pilot project report will take place in 2022. Product Portfolio: Guidebook launch will take place in 2022 after third party verification of methodology is completed.





Supply Chain

Promote sustainability in Oxiteno’s supply chain and create stable and long-term business relationships with our partners



Target 2030

- Have at least 95% of critical suppliers evaluated through EcoVadis



- Have an evaluation with action and monitoring plan in place for 100% of critical suppliers scoring less than 45 points in the EcoVadis



Highlights 2021

- Launch of the New Supplier Relationship Program in April 2021
- Review of the Value Chain Sustainability Goal pillar
- Conducting a Maturity Assessment on EcoVadis’ Sustainable Procurement
- Assessment of 87% of critical suppliers on the EcoVadis platform, with an action plan for suppliers scoring 45 points or less.
- Update of Responsible Sourcing Policy
- Improve monitoring of suppliers in the palm chain

Word from the team

**What contributed to meeting the 2021 goal**  
“Buyer engagement and joint monitoring of action plans with suppliers were critical. Another important point was the New Supplier Relationship Program, which includes the sustainability assessment applied to the supply chain as one of the requirements for recognition and awards.”

**Future challenges**  
“We need to disseminate a culture of sustainability across the supply chain to improve the performance of certain suppliers, in addition to greater attention in certain forums that have been gaining relevance, such as Diversity and Inclusion”.





Appreciation of the Workforce

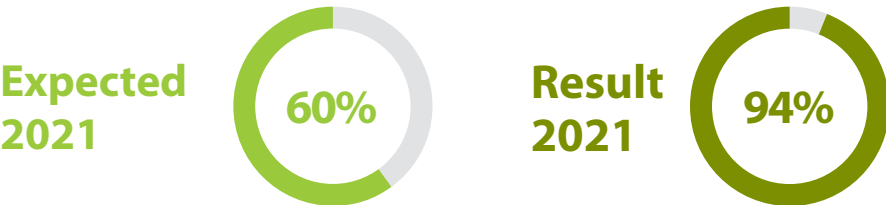
Develop a management model that delivers superior results, values people, and advances the work environment.



PEOPLE MANAGEMENT

Target 2030

- Conduct the Performance and Career Cycle with 100% of employees



Destaques

- Launch of the Catalog of Solutions to strengthen PDIs
- Implementation of the P&C Cycle
- Launch of OxiTrainer

QUALITY OF LIFE

Target 2030

- Obtain a favorability index in line with the best market practices\*



Highlights 2021

- Quality of Life Ebook in all regions
- Employee Support Program (health, psychological, financial, and legal)
- Psicologia Viva: online therapy sessions at a discount (employee and dependents)
- Nutritional and Sports Advisory
- Expectant Mothers' Program (improvements)
- Lactation room in the Triunfo unit

*\*Due to the pandemic, the climate survey was not carried out in 2020 and 2021*

DIVERSITY AND INCLUSION

Target 2030

- Ensure Equal Pay



- Mulheres na liderança



Highlights 2021

- Quality of Life Ebook in all regions
- Employee Support Program (health, psychological, financial, and legal)
- Psicologia Viva: online therapy sessions at a discount (employee and dependents)
- Nutritional and Sports Advisory
- Expectant Mothers' Program (improvements)
- Lactation room in the Triunfo unit

Word from the team

What contributed to the achievement of the 2021 goal?

"The Performance & Career Cycle was leveraged by the efforts of leaders and the Human Resources area, who took care of performance, development and succession actions. All employees were invited to specific training on each stage of the cycle, to ensure understanding and increase the depth of execution."



Environment

To be among the references for the chemical industry in terms of the environment in the countries where Oxiteno operates, along with world-class performance.



Target 2030

- Reduce the water consumption per ton produced by 10%
- Achieve 3,69 m³ per ton produced by 2030



- Double the consumption of reclaimed water
- Achieve 1.615.052 m³ by 2030



- Zero landfill for industrial waste per year (except Uruguay)



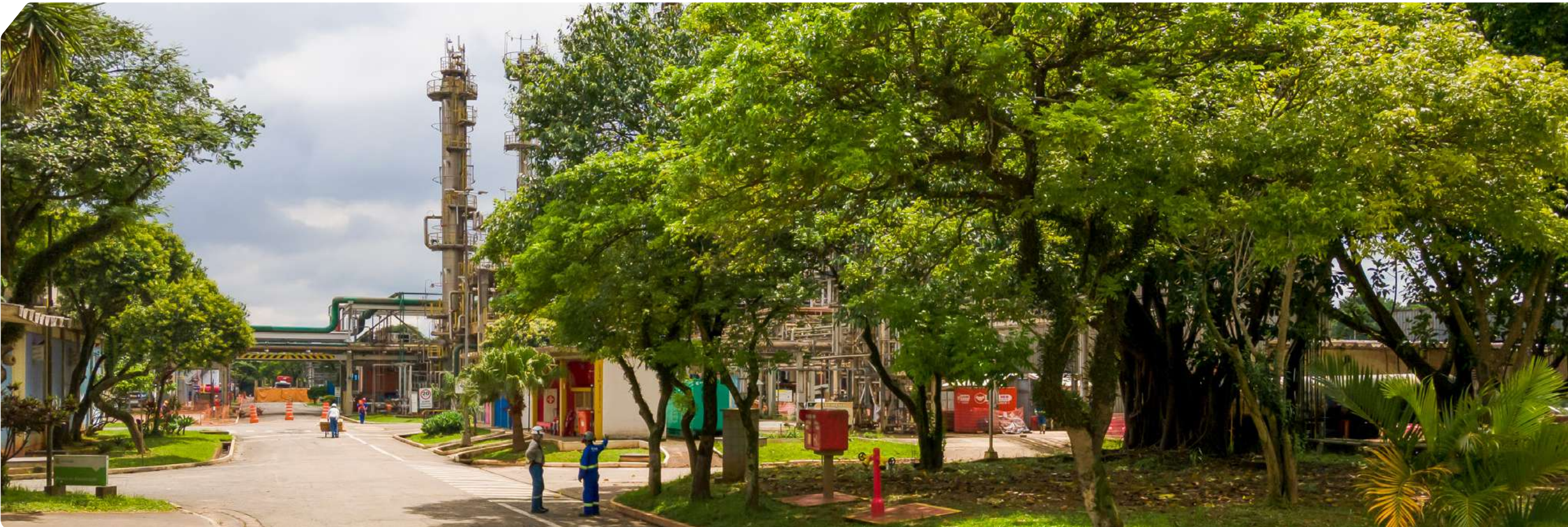
- 10% reduction in waste generation per ton produced
- Achieve 9,78 kg per ton produced by 2030



- 10% reduction in energy consumption per ton produced
- Reach 5.74 GJ per ton produced



- 25% reduction of GEE emissions per ton produced
- Achieve 0,35 ton CO2 per ton produced by 2030



Highlights 2021

- Workshop with sites about consumption and emissions more significant (Camaçari, Mauá and Triumph). Project prioritization for water, GHG, energy management and waste.
- Deepening of WRI's methodology on water stress areas
- Definition and approval of Climate Change Strategy
- Sustainability Guide for waste, energy, and GHG management
- Project to reduce generation of obsolete and off-spec waste
- Support for the Climate Change Project

Word from the team

What contributed to meeting the 2021 goal

“The continuous engagement of the units and company leaders in prioritizing short, medium and long-term projects has been essential for achieving the goals of the Environment pillar.”

Future challenges

“For the coming years, it will be important to increase the synergy between units that have successful projects for the Environment, allowing for standardization of actions. In addition, we need to increasingly connect our strategies to more sustainable technologies, interfacing with topics such as water, energy, greenhouse gases, and waste.”





Safety

To be among the references in the chemicals industry in terms of safety, along with world-class performance.



People

Target 2030

- Reduce OSHA accident rate (per million hours worked)
- Achieve 1,00 TRIR



Highlights 2021

- Behavioral Safety Project: action plans, training modules, Oxiteno USA assessment, and implementation of the HSE Committee at company headquarters
- Introduction of the Heat Map methodology and human factors
- Escalation of the Security Master Plan
- Safety of Hand Campaign
- Launch of new policies: rules that save lives, the golden principle, consequences
- Review of corporate guidelines on Investigation and Analysis of Undesired Events in HSE, Safety in Working with Electricity, Working with Heat, and Performance Indicators in HSE. Migration from OHSAS 18001 to ISO 45001 and reinforcement of the Safety Moment program
- Management of the Covid-19 pandemic

Word from the team

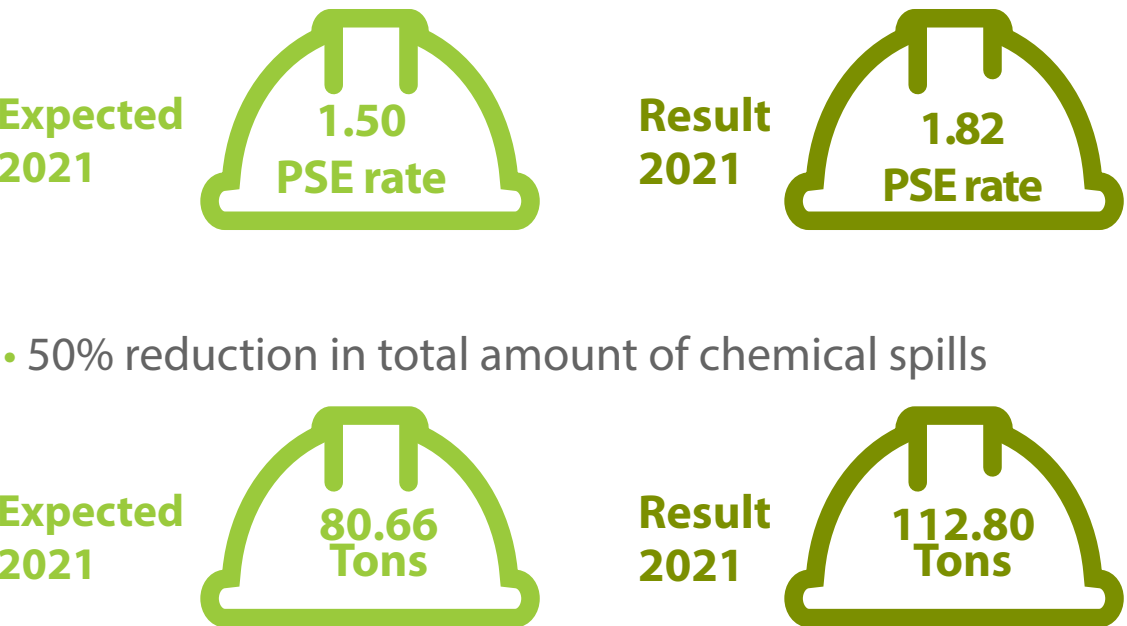
What contributed to meeting the 2021 goal

“Despite the increase in our accident injury rate, once again the severity of these events was lower than in previous years, providing clear evidence that all behavioral and improvement work in our programs, procedures, and facilities are proving to be effective. It is evident that safety is more talked about today than in the recent past. It is a process with no return and that seeks the greater good of the company: life.”

PROCESSES

Targets

- Reduce the accident rate (number of TIER I + TIER II accidents \* 1,000,000/hours of exposure)
- Achieve 0,50 PSE rate



Highlights 2021

- Completed 2nd PHA cycle in Pasadena and Uruguay
- Started 3<sup>rd</sup> cycle in Camaçari, Mauá, and Tremembé, using the HAZOP tool
- Discussion of proactive KPIs for management
- Support for the Mercosur Zero Accident Plan (PAZ)
- Affiliation of Oxiteno to CCPS
- PSM audits in Mexico
- Implementation of HHM initiatives

Word from the team

Future challenges

“The key to success in achieving our goals lies in understanding that operating procedures are based on best practices to avoid undesirable situations. We must have the discipline to identify small losses before they reach levels with more severe consequences. This early identification helps reduce the total amount of material lost, both directly and indirectly, in Level 1 or Level 2 events.”





Ethics, transparency, and integrity

To support the Culture of Ethics and Compliance with integrity and management transparency.



Target 2030

- Have an equal and consistent Ethics Program in all regions of operation
- 95% approval of the terms of the Code of Ethics and Anti-Corruption Policy
- Ensure a high standard by stakeholder assessment of the Ethics and Compliance Program



- 100% of employees trained in the Ethics and Compliance modules



Highlights 2021

- Disclosure of the Code of Ethics and Anti-Corruption Policy to the employees of the International Offices
- Communication of the Code of Ethics to all contractors operating in the company (receipt of acknowledgement)
- Development of a compliance video for the onboarding of contractor resources
- Launching of Policy on Conflicts of Interest and Transactions with Related Parties
- Disclosure of topics on Compliance at the Workplace
- Implementation of the Trade Control Clause

Word from the team

What contributed to meeting the 2021 goal

“The commitment and engagement of all employees contributed to achieving one of the 2021 Sustainability targets in the pillar of Ethics, Transparency, and Integrity. We are convinced that the key to success has been the continuous work for disseminating the Compliance Culture at Oxiteno, seeking to increasingly incorporate this topic in the daily routine of each employee.”

Future challenges

“We know we still have a lot of work ahead of us and we will continue to focus on raising awareness of our employees and business partners about the Ethics, Transparency, and Integrity pillar, because besides being part of our Strategic Sustainability Plan for 2030, these topics strengthen the company’s principles and values.”





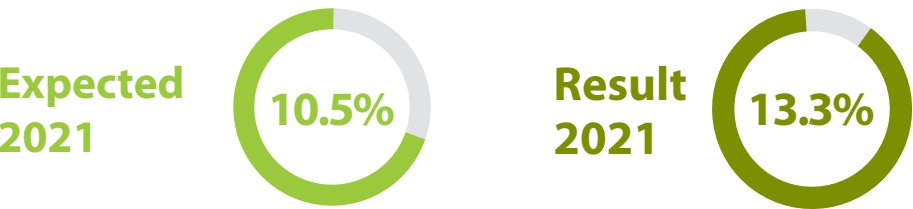
Economic

Create shareholder value through financial returns that exceed the cost of capital employed

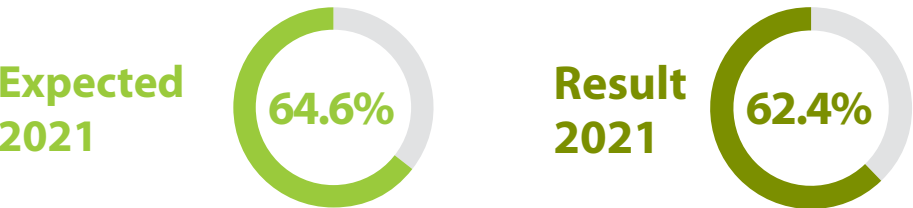


Target 2030

- Achieve a 15% Return on Capital Employed (ROCE).



- Margin of contribution for the mix of specialties greater than 70% of the company's total margin of contribution (except USA)



Highlights

- Despite the challenging year, we had an increase in sales and achieved strong margins, resulting in an improvement of company profitability.

Word from the team

What contributed to meeting the 2021 goal

"The commitment and joint work of all the teams were crucial for us to overcome several challenges in 2021 and deliver great results. Despite inflationary pressures on costs and strong price increases in the supply chain and logistics, the company increased sales and achieved strong margins, which improved the company's profitability."

Future challenges

"For the coming years, our goal is to consolidate the level of results achieved, expanding the specialties in the sales mix, and to increase the return on invested capital and the value created by the company."

Product safety

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



Deliveries/goals 2021

- Have 100% of the most relevant hazardous products evaluated through the Risk Management methodology

Expected 2021 3 products (pilot evaluation)

Result 2021 3 products

Highlights

- Launch of the application control tool for each Oxiteno product (Application Finder)
- Development of the tool to create the component database and to issue a safety report for Oxiteno's products
- Pilot risk assessment of the 3 most relevant products in the Crop, HPC, and Coatings segments in the new methodology



Word from the team

What contributed to meeting the 2021 goal

"The year 2021 was an important milestone to define the procedures and structure the technical data that will drive the outcome of the risk assessments planned for the Oxiteno portfolio. The product safety analysis has a robust hazard classification process. As part of the progress on this topic, the risk assessment, which is widely present in international guides, will integrate the basis for regulatory decisions for products and their applications."

Future challenges

"The biggest challenge starts now, as we will begin to implement what has been planned in the last two years with a working strategy that will cover 5% of the products in the portfolio that are considered priority."



Product portfolio

Develop, in partnership with our clients, solutions to meet the needs of society and that have a positive environmental and social impact.



OUR PORTFOLIO

Target 2030

- Evaluate 95% of the most relevant products in terms of revenue as per PSA methodology

Expected 2021	evaluate 50% of the most relevant products in revenue	Result 2021	evaluate 50% of the most relevant products in revenue
---------------	---	-------------	---

- Have 100% of action plans established for products classified as having low performance under the methodology

Result 2021	100% of products classified as Challenged by the PSA methodology had their action plans established
-------------	---

Destaques

- Development of the online PSA tool to automate and manage assessments
- Development of the Guidebook with a description of the methodology
- Expansion of analyses including the Oil & Gas segment, in addition to HPC, CROP, and Coatings, that account for 50% of Oxiteno's revenue
- Ongoing validation of the Oxiteno methodology (PSA) by KPMG with delivery planned for early 2022.



LCA

Goals 2030

- Through LCA, quantify the impacts of products and provide information to the development of new solutions

Expected 2021	36 products evaluated	Result 2021	34 products evaluated
---------------	-----------------------	-------------	-----------------------

Highlights

- CO<sub>2</sub> calculator under development
- QuickScan carried out in partnership with clients
- Start creation of the Oxiteno LCA database, Trainee project with some intermediate products from Oxiteno

PRODUCTS IN DEVELOPMENT

Metas 2030

- Have 100% of the products under development evaluated through the PSA methodology (implemented in 2021, with official launch scheduled for 2022)

Highlights

- Adequacy of the PSA tool to classify the sustainability degree for products already in the development phase.
- Training for R&D project leaders and their respective managers in all regions
- Prototyping of a complementary methodology to perform the sustainability assessment in the early stages of product development projects.

Word from the team

What contributed to meeting the 2021 goal

“We implemented a new way management to ensure that operational processes have fluidity in the routines of the areas involved. Furthermore, 2021 was marked by the scalability of Portfolio Sustainability Assessment: there were 4 Oxiteno businesses, 8 areas involved and more than 50 people participating directly to classify the products in application according to the target set for the year. It was also the year of adapting and implementing the methodology to classify products still in the development stages. We close 2021 with all the goals reached and knowing better our products.”



## A UNIQUE WAY OF DOING CHEMISTRY

103, 2, 103-3: INOVATION

Thinking sustainably means thinking innovatively, doing things in a unique way, and knowing that our actions can generate positive impacts.

We believe in our unique way of doing chemistry, treating innovation as a cross-cutting topic throughout the company and in line with our sustainability strategy. At Oxiteno, the Innovation area is responsible for promoting this in the various sectors of the company, driving integration internally and with external ecosystems, ensuring a future vision, mapping trends, and enabling a global and solid governance model for R&D project management, from ideation to launch, across the entire company.

**We are committed to ensuring that the culture of innovation is prevalent throughout the company and that the topic is recognized as a strategic tool for the development of solutions in every context.**

Our structure is composed of the IMO (Innovation Management Office) area, responsible for innovation management and open innovation, including topics such as technological intelligence and intellectual property, partnerships with the innovation ecosystem, startups, future innovation strategy, and advanced research platforms, in addition to the culture pillar.

The PMO (Project Management Office) area is dedicated to project and pipeline management and is responsible for

providing processes, tools, and indicators that support best practices in managing R&D projects throughout the company to ensure the prioritization and strategic allocation of resources, the evolution of projects, and the successful launch of new products, technologies, and solutions to the market.

For us, innovation is something that is alive and constantly improved. Thus, among several other initiatives in 2021, we have the following:

- ◆ We automated our ranking of product development projects, enabling a daily update routine that facilitates monitoring and dynamically supports the prioritization of resources
- ◆ We implemented project monitoring through milestones
- ◆ We provided new metrics to manage the pipeline, such as project useful life and mapping of cancellations.
- ◆ We launched monitoring dashboards to track the patent family portfolio.
- ◆ Together with the legal department, we developed a specific contract template for proofs of concept with startups.
- ◆ We implemented a new intellectual property assessment process for innovation projects.
- ◆ We expanded our understanding of the European innovation ecosystem and started to interact with new countries with a focus on technology and innovation.
- ◆ For our innovation projects, we implemented a new CNPq scholarship program in partnership with universities in Brazil.
- ◆ We increased the number of partnership agreements for innovation by more than 90% compared with the previous year.

### INNOVATION HIGHLIGHTS



**11 employees in the IMO and PMO teams**



**64 new product developments with sales already started in the year**



**14.1% innovation index (ratio between results of developments in the last 5 years and Oxiteno's total margin)**



**35 partnership contracts signed - 94.4% growth over the previous year**



**First green patent granted in Brazil**



**We reached the mark of 55 patents granted and active in 14 countries**



**18 patents filed and 9 patents in 2021**



**122 startups evaluated, 8 proofs of concept carried out, and 4 contracted as suppliers**



**12 new CNPq grants implemented together with Brazilian universities**

Rebeca Maria Neto  
Scholarship





**Rafael Sobral Dezotti**  
Chemist III

## LAB 4.0

IMO participated in the development process of the Lab 4.0 project, which was accelerated by the Global Compact's Young SDG Innovators program, and which is centered on the digital transformation of the company's Research & Development laboratories and the alignment of their practices with SDG 9, 12, and 17.

As part of a multidisciplinary team, IMO contributed with its vision of the future and maturity of available technologies, prospecting startups and potential partners, and conducting the project based on the Design Thinking methodology.

In addition to delivering the lab maturity map and technology deployment roadmap, Oxitenó's team represented Brazil by presenting the project results at the Young SDG Innovators Summit, one of the global events of the UN General Assembly, in September 2021.



## FIRST GREEN PATENT INPI BR

In 2021, we celebrated a major achievement: the granting of Oxitenó's first green patent in Brazil, under INPI's Green Patent program. The idea behind this priority Green Patent program is to streamline the assessment of technologies related to climate change and sustainability. The patent was granted to a technology developed by the Crop Solutions team, which facilitates water absorption by plants, and entered the program in the sustainable agriculture – irrigation techniques category. As a result, the patent was granted in record time – 11 months. This reinforces our focus on offering solutions that combine innovation and sustainability, positioning Oxitenó as an innovative company and reinforcing the company's strong intellectual property strategy in the Brazilian and global scenario, in addition to showing the potential of this solution as one of the main innovations to be launched by the Crop Solutions team.





### Expanding borders

Sustainability has no borders. And neither does innovation! We want to share our way of doing chemistry and further expand the scope of our solutions and initiatives. After an assessment of the entire European innovation ecosystem, in 2021 we began interacting with startups abroad. Among the main advances is our participation, through the Swedish-Brazilian Innovation Center (CISB), in Ignite Sweden. The Swedish initiative promotes interaction with the country's startup ecosystem through workshops and matchmaking sessions. A total of 17 startups were evaluated, some of which have technology for medium- and long-term initiatives at Oxitenó.

We also advanced through Business Finland, a Finnish government initiative that has 40 offices worldwide, including in Brazil, to finance innovation. After the initial contact, Oxitenó has already had interactions with seven Finnish startups, and one technology is already under analysis to carry out a proof of concept in 2022.

But this expansion calls for agility. So in 2021, the PMO developed a new management tool through milestones. The objective is to drive the continuous advancement of the company's project pipeline in a more visual way, through resources that facilitate the identification of any obstacles, improving response time and streamlining the completion of Research & Development projects and the solution's time to market.

### ACCELERATION AND PARTNERSHIPS

We participated for the first time as a co-sponsor in the seventh edition of Braskem Labs, a startup acceleration program created in 2015 to drive innovative and sustainable businesses using chemicals and/or plastics. In the 2021 edition, we worked together with the Braskem Labs team (Braskem + Quintessa + co-sponsors) in the selection process and in mentoring one of the chosen startups. In addition, Oxitenó also participated in a round of talks, interacting with 14 startups. Of these, one is in the process of internal evaluation to prepare a proof of concept in 2022.

In another process to connect with the Startup ecosystem, we participated in the first edition of Lab Vendas XP, a program sponsored by SEBRAE, which aims to establish connections between large companies and a base of scientific-technological startups in Brazilian universities. With FIEMG Lab, an open innovation hub resulting from a partnership between the Instituto Euvaldo Lodi (IEL) and the Federation of Industries of the State of Minas Gerais (FIEMG), we participated in speed dating sessions, where pre-selected companies present their products/services and the industry has a chance to interact to clarify questions, generating new connections and possibilities for new proofs of concept.

In the culture of innovation pillar, we held new sessions for Innovation Day, where we brought in external guests for interaction sessions on innovation topics with our management and employees. In 2021, we addressed the topics of Market-Creating Innovations, Social Innovations and Intrapreneurship Profile. We also participated in several awards to bring greater internal and external recognition:

### AWARDS IN 2021



#### Women in IP – AIPLA

We came in third place in the award that recognizes the representation of women as authors on patent applications.



#### Valor Inovação

Strategy& and the Valor Econômico journal will hold the 7<sup>th</sup> edition of the 2021 Valor Inovação Brazil Award, one of the most important innovation rankings in the country. In the industry ranking (Chemicals, Paper and Pulp) Oxitenó placed 4<sup>th</sup> (up one position over the previous year).



#### ICIS

Organized by Independent Commodity Intelligence Services (ICIS), the ICIS Innovation Awards recognize companies that have shown a high level of innovation in products and processes related to sustainable initiatives. Oxitenó participated for the first time in 2021 and was short-listed in the "Best Process Innovation" category.

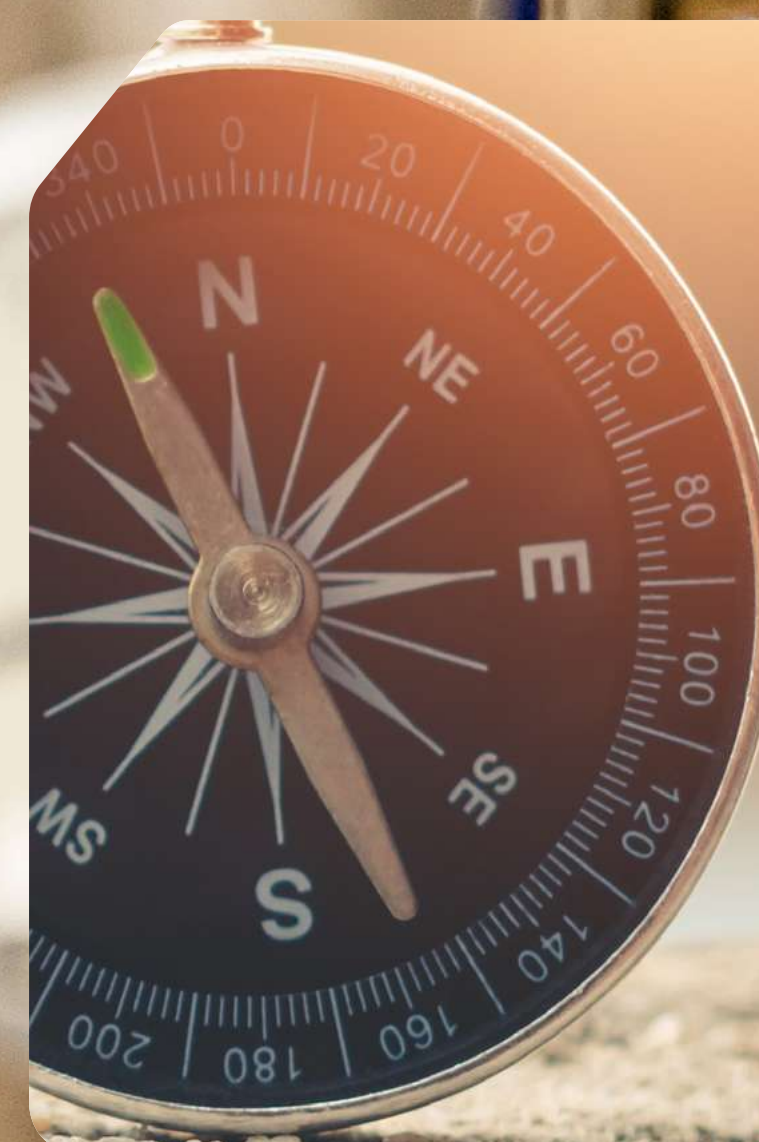


#### 100 Open Startups

The award annually acknowledges the most attractive startups for the corporate market and the leading companies in open innovation with startups. In the 2021 edition, Oxitenó was recognized and ranked in the TOP 5 in the Chemical Industry sector, recognizing the evolutions and advances that this topic has had in the company.



Valdecir Pacolla  
Moving Operator



 **SUSTAIN  
ABILITY**

4

# Responsibility in the form of operating

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



We live our brand purpose with integrity and connection. And that includes operating responsibly and conscientiously in how we do business and how we work with our stakeholders. Ethics, Transparency, and Integrity are topics included in our 2030 Strategic Sustainability Plan and that support our corporate governance pillar. We work within a solid structure that adopts the best market practices, recognized for their transparency and ethics.

As part of Ultrapar Participações S.A. (Ultra) – a privately held corporation – the company integrates the structure and governance model of the parent company. But much more than that, the values that govern corporate governance are part of our daily actions and are guided by an open dialogue and clear and reliable communication.

This way of operating reflects our Code of Ethics and other policies that support our Ethics and Compliance Program. To ensure compliance with the program’s guidelines, Oxiteno develops and implements controls that are reported and monitored by Grupo Ultra’s Risk, Compliance and Audit Department (DRCA) and by the Board of Directors, currently composed of 11 members, 6 of which are independent, with a term of office until August 2023.

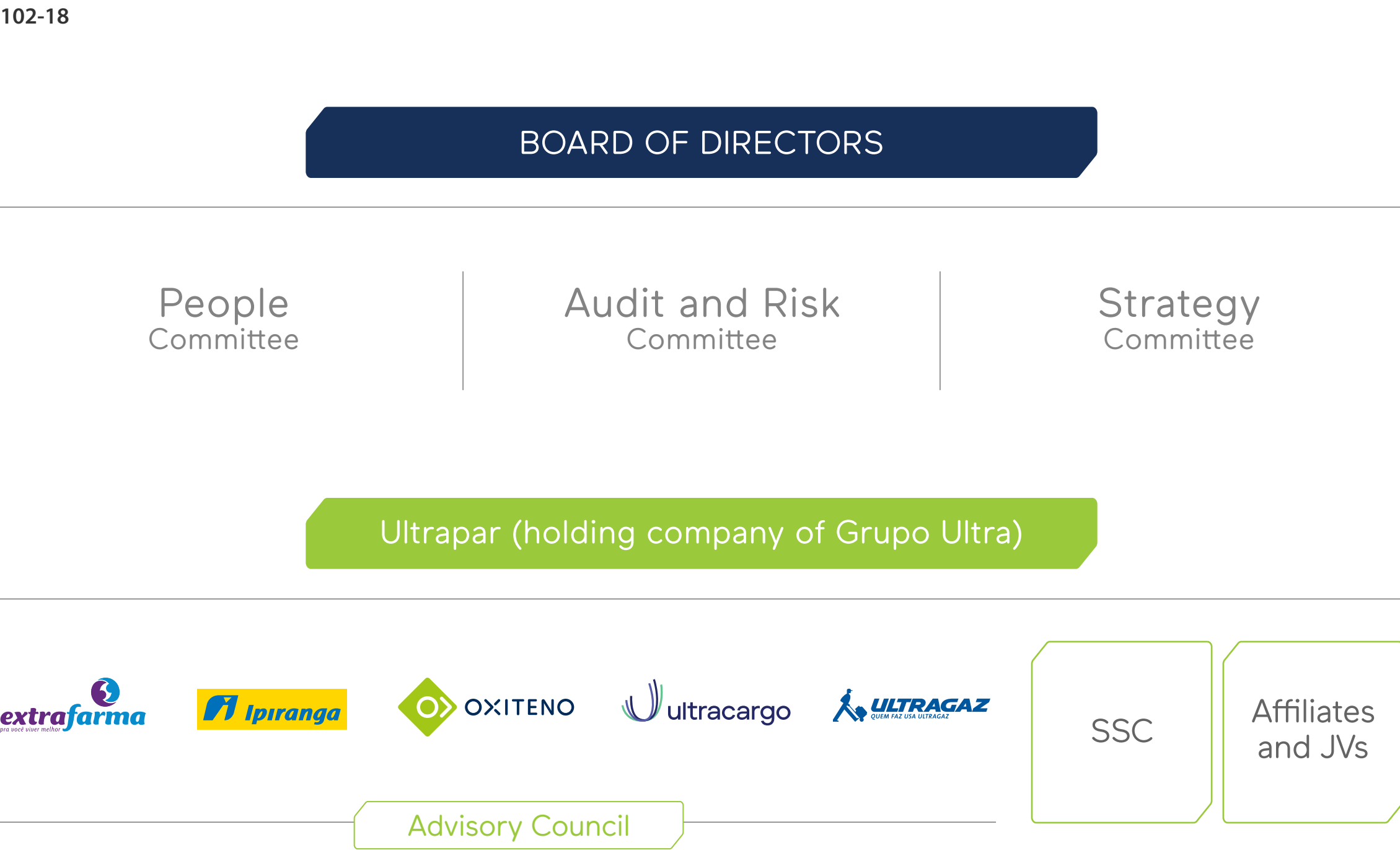


From left to right:  
**Alice Bruun Hoyer**, Crops Business Manager  
**Anggrainie Tielens**, Office Coordinator  
**Kurt Koninckx**, General Manager  
**Natalija Horvat**, Supply Chain Coordinator  
**Andrey Petrochenko**, HPC Manager



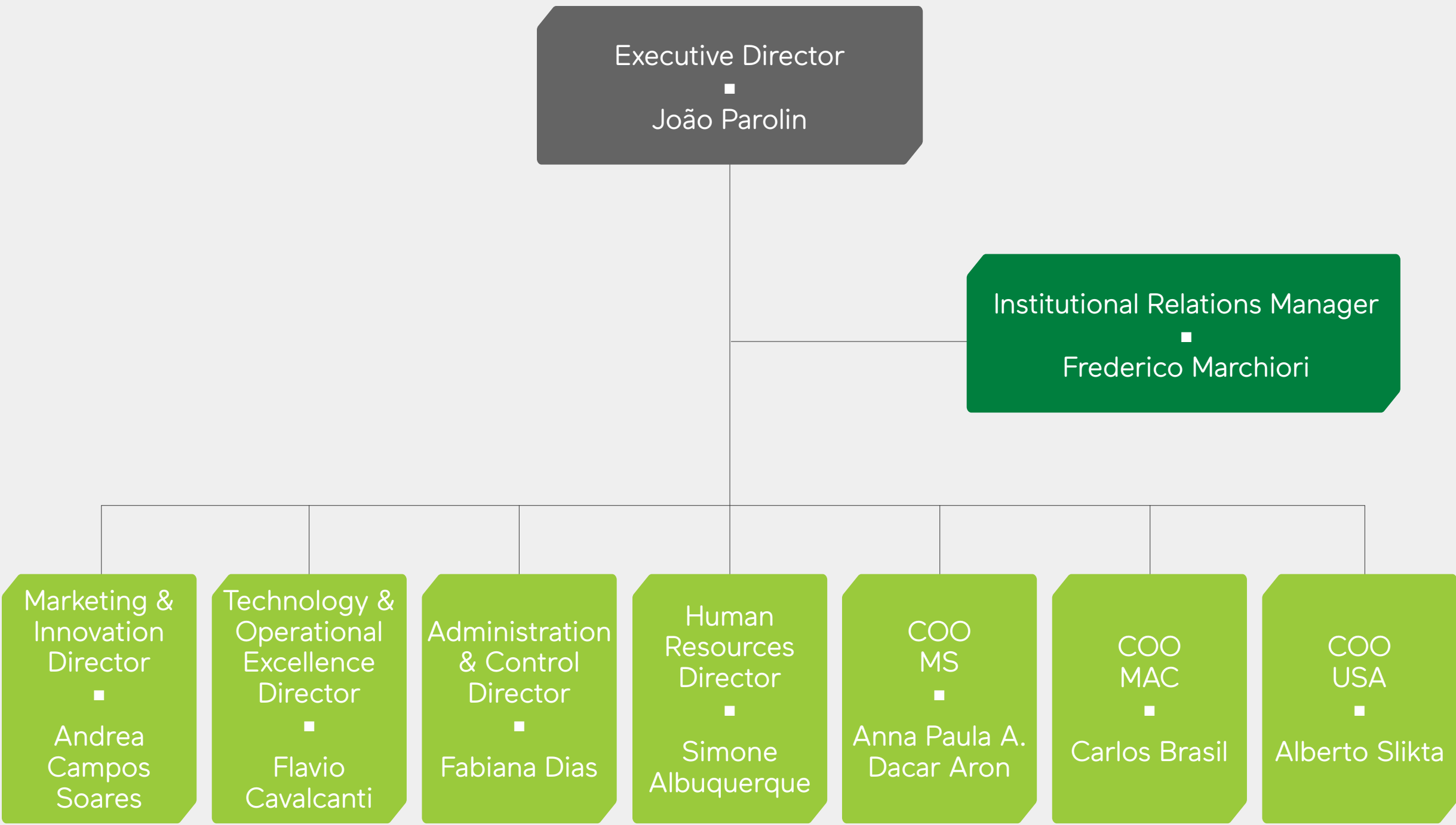
The presidents of all Group companies – Oxiteno, Ultragaz, Ultracargo, Ipiranga, and Extrafarma – make up the Executive Board, in addition to the parent company’s Finance and Investor Relations Director. This structure is also supported by the Audit and Risk, People, Strategy, and Conduct committees, in addition to the Audit Committee.

GOVERNANCE STRUCTURE



ORGANIZATIONAL STRUCTURE

Since 2017, Oxiteno has had in place an organizational structure in three regions (Mercosur, MAC, and the U.S.) and with the support of cross-cutting areas worldwide that report directly to the president.





+ AWARENESS

102-17, 406-1, 103-2, 103-3

Grounded in our Code of Ethics, we adopt values that promote respect for diversity and human rights. We carry out initiatives to prevent and combat any type of disrespect, harassment, offense, prejudice, or discrimination, always seeking to provide a healthy and motivating work environment for our employees. We observe applicable laws and regulations and condemn any type of practice that is illegal, unethical, or that is contrary to our values and principles.

Through Canal Aberto (Open Channel), all cases received are evaluated by an independent consultancy, which guarantees the confidentiality and impartiality of the evaluation. After examination of the reports received, action plans are adopted to mitigate the event that occurred and processes for monitoring the results and the people involved in the complaint. Of the total number of cases of discrimination received by Oxitenor in 2021, one was considered partially founded, with action plans already implemented. One was considered unfounded and one is under investigation.

OPEN CHANNEL ULTRA

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

Portal: [www.canalabertoultra.com.br](http://www.canalabertoultra.com.br)

Brazil: 0800-701-7172

United States: 1-800-880-6491

Mexico: 800-099-0646

Uruguay: 000-416-205-2740

+ ANALYSIS OF POTENTIAL CLIMATE RISKS

102-11, 102-15

The structure of Ultra features a committee of risks that cover all businesses, and Oxitenor internally conducts specific assessments focused in its operations. In 2021, construction began of its strategy to face the changes climate. The work carried out was divided into phases, starting with the analysis of the main factories and processes that contribute to greenhouse gas emissions. greenhouse effect, optimization projects and processes, equipment replacement and new sources of raw material and energy. Furthermore, it was carried out a preliminary study on possible risks financial linked to climate change and also the internalization of the pricing concept of carbon.

**2<sup>nd</sup> step** - Workshops with areas of engineering and industrial plants for identification of short, medium projects and long-term for potential reduction of GHG emissions, which are mostly focus on generating steam, energy electrical and chemical reactionary processes. Altogether there were more than 100 projects identified and the main ones to achieve the goals were prioritized until 2030.

**3<sup>rd</sup> step** - Started study for identification of financial risks to Oxitenor related to climate change. Based on guidelines of TCFD and best market practices, physical risks were mapped, that is, those who can physically impact operations, such as storms, hurricanes, blizzards and water shortages, as well as such as transition risks, which are related to the movements and efforts of the markets to contain the rise in temperature and reflect, for example, in public policies, market regulation and taxation of carbon emissions. Along 2022 the study will be refined with perspectives opening action plans for cases considered to be at high risk for the Oxitenor's business.

**4<sup>th</sup> step** - The implementation of the concept of Carbon pricing for taking decision on new investments aims to increase the visibility of the financial return beyond the traditional model. The idea is that the Oxitenor's biggest investment projects to include the full carbon potential issued by the equipment and/or operation and the value of the potential cost of the ton emitted. This is a preventive and preparatory measure in the face of global market advances carbon regulation and taxation on corporate emissions. The initiative must be implemented from 2022.

**1<sup>st</sup> step** - Identification of industrial units more contributors to generation of greenhouse gases.





## + ETHICS AND COMPLIANCE

103-2, 103-3: ethics, transparency, and integrity

The sustainability of our business is closely associated with the ethical and integral way we operate. Within our Ethics and Compliance program, we adopt strict guidelines to conduct all our national and international activities in a transparent manner through internal policies that address topics such as anti-corruption, competitive practices, the prevention and fight against harassment, and conflicts of interest.

All these topics are covered in our Code of Ethics, a document revised at the end of 2017 that guides the conduct of company members and their representatives for external audiences. These guidelines are approved by the Board of Directors and serve as a basis for training more than 16,000 Grupo Ultra employees and are a reference for the application of sanctions in cases of misconduct. Our Code of Ethics applies to all our suppliers and service providers and is made available to contractors as a form of knowledge, raising awareness about and strengthening Oxitenó's principles and values.

It is mandatory for all employees to be familiar with and adhere to the company's corporate documents. Training is available on the OxiEducation platform and can be accessed at any time. We constantly carry out awareness campaigns on all Ethics and Compliance Program topics. In 2021, there were no confirmed cases of corruption.

205-2

Communication on the fight against corruption [205-2]	
Employees (total)	99,1%
Presidency	100,0%
Executive Board	100,0%
Management	98,9%
Coordination	99,4%
Administration	98,5%
Operational	99,5%
Business partners	16,9%
Training on the fight against corruption [205-2]	
Employees (total)	94,3%
Presidency and directors	100,0%
Management	95,1%
Coordination	96,8%
Administration	94,6%
Operational	93,5%

## CORRUPTION RISK ASSESSMENT

For Operations, all 15 Oxitenó units that have registered suppliers or customers were considered. The five international offices (China, Argentina, Uruguay, Colombia, and the United States) were disregarded as an operational unit, since the registration of customers and suppliers is not applicable as they only represent sales or purchases that will be covered by the manufacturing units. In 2021, approximately 1,511 reputation surveys were carried out with an approval rate of 99%.

Corruption risks are covered in the Policy Anti-corruption, among the main ones: relationships with public officials, hiring of former public agents, bids and contracts with public agents and donation procedures, sponsorships and political contributions. This mapping is important in the fight against corruption and helps in the risk mitigation.

	2019	2020	2021
Total for the operations (units) of the organization	20	20	15
Number of operations assessed for risks related to corruption.	15	15	15
% of the operation	75,0%	75,0%	100,0%

205-1

Leomar Ramos da Silva  
Driver

The Processes and Internal Controls Area is responsible for evaluating and monitoring internal controls and reports to Oxitenó's Global Management and Control Department and to Grupo Ultra's Risk, Compliance, and Audit Department.

In 2021, 75% of the units were subjected to risk assessments related to corruption, with no cases confirmed. Approximately 1,511 reputation surveys were also conducted during the year, with a 99% approval rate.

205-1, 205-3



Gilmar Moral da Silva  
Intern



5

# Results that build the future

103-2, 103-3: Economic performance



2021 was full of challenges for Oxiteno, but it was also a year of solid and positive results, with substantial improvement in our returns on capital employed and in client satisfaction. We ended the period with a total sales volume 3% higher than in 2020, totaling 779,000 tons, driven mainly by the agrochemicals, paints, and varnishes segments, in addition to higher sales in the United States.

Due to higher sales volumes and the increase in average prices in dollars, our net revenue was R\$7.10 billion, up 36% over the previous year. We reached a record EBITDA of R\$1.104 billion, up 75% over the previous year, due to higher sales volumes and better margins.

In 2021, we invested R\$287 million, mostly geared toward maintenance and safety of operations at the production units, in addition to information technology projects.

## A NEW HOUSE

In August 2021, the Ultrapar Participações S.A. (B3: UGPA3; NYSE: UGP, “Ultrapar”) announced the signing of the contract for the sale of its interest in Oxiteno to the Indorama Ventures Public Company Limited by a total value of US\$ 1,300 billion. the sale of Oxiteno for IVL is part of a readjustment of Ultrapar’s portfolio. The acquisition brings several opportunities for growth for the business and for the performance of both companies in Latin America, especially in high-value niches such as care personal and domestic, agrochemicals, coatings and Oil and Gas. Furthermore, the commitment of companies with innovation and sustainability should accelerate the development of both themes.



Statement of income for the period		
IFRS - in thousands of reais		
	2020	2021
<b>Net revenue</b>	<b>5.210.704</b>	<b>7.102.771</b>
Domestic market	<b>3.586.400</b>	<b>4.900.374</b>
Commodities	344.701	403.425
Specialty Chemicals	3.241.698	4.496.949
Foreign market	<b>1.777.806</b>	<b>2.378.616</b>
Commodities	12.988	34.768
Specialty Chemicals	1.764.817	2.343.847
Cash flow hedge of bonds	(153.502)	(176.219)
<b>Cost of goods sold</b>	<b>(4.188.711)</b>	<b>(5.540.773)</b>
Variable	(3.501.628)	(4.724.611)
Ethylene	(819.244)	(1.358.764)
Other	(2.682.384)	(3.365.847)
Fixed	(485.765)	(586.609)
Depreciation and amortization	(201.317)	(229.553)
<b>Gross profit</b>	<b>1.021.993</b>	<b>1.561.998</b>
<b>Operating expenses</b>	<b>(819.599)</b>	<b>(968.248)</b>
Sales and commercial		(470.965)
General and administrative		(497.283)
<b>Other operating income</b>	<b>159.156</b>	<b>27.848</b>
<b>Result on disposal of assets</b>	<b>(5.625)</b>	<b>(915)</b>
<b>Operating income (loss)</b>	<b>355.925</b>	<b>620.684</b>
<b>Equity accounting</b>	<b>402</b>	<b>34</b>

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

Statement of income for the period		
IFRS - in thousands of reais		
	2020	2021
<b>EBITDA</b>	<b>784.892</b>	<b>1.103.727</b>
Total depreciation and amortization	275.063	306.791
Cost of goods sold		229.553
Sales and commercial expenses		2.266
General and administrative expenses		74.972
Cash flow hedge of bonds	153.502	176.219
<b>Sales volume</b>	<b>753.368</b>	<b>779.487</b>
Domestic market	534.742	551.339
Commodities	125.975	100.417
Specialty chemicals	408.767	450.921
Foreign market	218.627	228.148
Commodities	3.799	7.532
Specialty chemicals	214.827	220.615
<b>Prices - R\$/ton</b>	<b>6.917</b>	<b>9.112</b>
Domestic market	6.707	8.888
Commodities	2.736	4.017
Specialty chemicals	7.930	9.973
Foreign market	8.132	10.426
Commodities	3.419	4.616
Specialty chemicals	8.215	10.624
<b>Gross profit/ton</b>	<b>1.357</b>	<b>2.004</b>
<b>Operating income/ton</b>	<b>472</b>	<b>796</b>
<b>Ebitda/ton</b>	<b>1.042</b>	<b>1.416</b>
<b>Gross margin %</b>	<b>19,6%</b>	<b>22,0%</b>
<b>Ebitda margin %</b>	<b>15,1%</b>	<b>15,5%</b>

201-1



## MERCOSUR

Mercosur operations had a complex year from an operational standpoint due to scheduled maintenance shutdowns at the Camaçari and Mauá plants, which had been postponed due to the Covid-19 pandemic.

Even with the improvement in case numbers since the start of vaccinations, concerns about safety and compliance with health protocols were heightened to the maximum, from transportation to feeding contractors, and included hundreds of tests to prevent infected people from entering the units. Despite all the challenges, we managed to get through these processes without major problems or delays thanks to rigorous planning and the commitment of the entire team.

Another effect of the pandemic that proved to be an opportunity for operations in the Mercosur

region was the disruption in logistics chains, with a reduction in the flow of ships and maritime routes and the consequent delay in the arrival of raw materials and imported products. Given our large local production and an efficient purchasing and logistics process, as the market recovered, clients who used to resort to importation of inputs and products began to value and look to the regional market. This had a positive impact on Oxitenó in sectors such as agriculture and hygiene and cleaning products, among others.

As a result, throughout 2021, some of the industrial units worked at capacity, causing Mercosur to exceed planned results. This result also stems from the credibility gained by the company with its clients and its constant work in the search for commercial and operational excellence.



**In 2021, revenues in Mercosur reached R\$6.1 billion**



### + DATA INTELLIGENCE

In the first half of 2021, Oxitenó started a proof of concept with CUBi, an energy management startup, whose objective was to intelligently manage energy efficiency data at the Camaçari Oleochemicals unit. The analyses and results made possible by the startup's software helped to identify energy saving opportunities of nearly R\$400,000 within the plant's process.

The software's potential was tested as an important tool for making more assertive decisions and automating the analysis of site data in real time. This initiative is in line with the 2030 Strategic Sustainability Plan and was driven by Oleoquímica's Innovation, Sustainability, Automation, Engineering, and Operation teams.

### + ARTIFICIAL INTELLIGENCE

We completed a proof of concept using X-Machina's Artificial Intelligence (AI) technology for real-time monitoring of fluids in a manufacturing process at the Mauá plant. The action facilitates conformity diagnostics, generation of alerts, and reports on the performance of the operation without the need to collect material.

The technology was validated by Oxitenó's Automation team, which identified improvements in product quality, cost optimization, and reduction of material waste (disposal and reprocessing). After the successful proof of concept, the technology was implemented at the Mauá plant, and its application in different production processes at other Oxitenó units in Brazil is currently being studied.





**Scale-up in record time of a new surfactant for the pesticide industry: three months from the arrival of the first raw material sample at the Hattiesburg lab to the delivery of the first railcar containing the product manufactured in Pasadena.**

## THE UNITED STATES

One of the most notable events for the US unit was the winter storm that hit Texas in February 2021, causing severe impacts across the region. Despite prior preparation of the plant, interruptions to the supply of electricity, natural gas, and utilities for several days during the severe cold wave caused damage to the site's infrastructure due to the freezing of water and aqueous solutions of all local industry operating systems. Despite the seriousness of the situation, there were no leaks to the environment.

At Oxiteno, for approximately two months, the entire team worked tirelessly to get the operation back to normal. Initial focus was given to the safety of process, people, and the environment by detecting if any product had been lost or leaked.

In terms of process safety, the unit plans to install electrical backup projects in equipment and services. The local power

utility is also planning to implement measures that prevent freezing and do not interrupt supply.

In addition to the impact on the site, the company's employees also endured difficult times in their homes without power, water, and heat. We offered employees a salary advance so that they could repair damages without having to wait for home insurance payments.

With the factory back in operation, there was large demand from our clients, and we had to work with almost zero product inventory. Careful supply chain management has become a key priority. The entire logistics structure in North America is overburdened, leading to delays and reduced reliability in transportation. In this regard, a great effort was made to develop alternative local suppliers.

Despite all these challenges and the continuing waves of Covid-19 in the region, Oxiteno USA's business grew significantly and the drive for innovation, differentiation, and entry into new clients continued apace.

**In 2021, revenues in the United States were R\$656 million and the operation recorded its first quarter with positive results.**



## MAC

In 2021, MAC operations continued to be impacted by the inconsistency of the local supply of raw materials. As a result, strategic adjustments were made to the plant's operation and to the focus of production, prioritizing products exclusive to the unit and that also brought greater added value to the company and clients.

One highlight is the expansion of business in the pharmaceutical and food industry. The certifications that Oxiteno's production units already have allow for greater and more focused operations in these two highly regulated segments and give the company a competitive advantage in the region.

**In 2021, MAC revenue was R\$458 million**





## A UNIQUE WAY OF DOING CHEMISTRY

102-2

Thinking about chemistry in a different way, one that is connected to the needs of today, but without neglecting the positive impacts that we can – and want to – generate in the future. Today we lead the production of surfactants and specialty chemicals, developing solutions for the Crop Solutions, Home Care and I&I, Personal Care, Coatings, Oil & Gas, Industrial Applications, Functional Fluids, and Nutrition & Health markets. We are present in several markets and, in all of them, we seek to manage our product portfolio with a view to sustainable development.

As part of our strategy to develop more sustainable products that are in line with the needs of clients and society, we developed a methodology that follows best market practices and is based on the guidelines of the Portfolio Sustainability Assessment (PSA) of the World Business Council for Sustainable Development. In 2021, we analyzed the sustainability performance of strategic products in our existing portfolio for the HPC, CROP, Coating, and Oil & Gas segments, aiming to learn about our products' strengths and implement action plans that will improve those classified as underperforming. The methodology and internal evaluation process are undergoing validation third party. The expectation is that the communication of the entire method and results be made to stakeholders in 2022.

Also in 2021, the methodology was adapted for products under development. The purpose of this action is to ensure that Oxiten's current product portfolio is always updated with developments duly classified under Sustainability, also making it possible to monitor the project portfolio and the respective solutions developed in this regard. This initiative will give us a clear visibility of how well new developments adhere to Oxiten's Sustainability strategies, expanding management power over the company's solutions portfolio. For 2022, we expect to have the first diagnosis on the Sustainability classification of our launches based on Oxiten's official methodology.

**Our target is that in 2022 at least 50% of our products with relevant sales volume will be assessed for sustainability issues. For 2025, the target is 90%. Currently, Oxiten's portfolio has more than 700 products and 3,000 applications.**

The PSA assessment is made through a qualitative and quantitative questionnaire composed of 26 environmental, social, and economic criteria, which analyze the product being applied at different stages of its life – from intrinsic characteristics, manufacturing process, and use of the product by our client or even by an end client. Depending on the level of performance, the product must have an action plan for the adoption of control measures or, in positive evaluation, to leverage its sales.

Also as part of the strategy for more sustainable products, Oxiten measures the environmental impacts of its products and processes through Life Cycle Assessments, a methodology governed by the ISO 14040 and 14044 standards, which quantifies environmental impacts – from the extraction of raw materials, to the manufacturing and distribution stages, to use and final disposal. The results of the analysis can help the company make decisions regarding the choice of technological routes and raw materials with less impact. We also perform "Quick Scan" analysis, an assessment that also considers the rationale of the Life Cycle Assessment (LCA) but with a reduced scope of analysis. The main objective is to have a quick response that guides decision-making to implement processes with the least environmental impact. Generally, evaluations focus more on internal operational or logistics processes, such as changing transportation modes or packaging.



**Gilmar Moral da Silva**  
Intern



### New products

In addition to the PSA methodology, in order to build an increasingly sustainable portfolio, we adopt key enablers that focus on the development of solutions aligned with the needs of our clients, always looking for the lowest environmental and social impacts, in addition to the efficient use of resources for each segment.

201-2

# 100%

of our new products were evaluated for hazards according to criteria set out by the GHS (Globally Harmonized System of Classification and Labeling of Chemicals).

416-1

In 2021, we developed the

## Application Finder,



a project to map all applications of Oxiteno products consolidated on a single platform.





## YOU FIND THE FUTURE THROUGH OXITENO'S CHEMISTRY



### CROP SOLUTIONS

#### + CROP SOLUTIONS

Our products are designed to increase productivity without expanding planted areas, helping to enhance the performance of active ingredients in the field. With a specialized team and a broad portfolio of products, this segment also develops products on demand with more precise, effective, and sustainable applications.

##### What do we do?

We work to develop solutions that range from synthesis to the field, providing new products for formulations of agrochemicals, spray additives and adjuvants, biologicals, and nutrients that generate benefits for clients and farmers in terms of productivity in the fields. Our commitment to sustainability can be found in the design of solutions that have a positive impact on the safety of people, the environment, industry, and the fields.



Franci Lourdes de Sousa Leal  
Chemist



# YOU FIND THE FUTURE THROUGH OXITENO'S CHEMISTRY

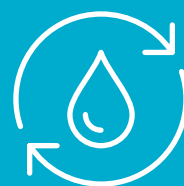


## + HOME CARE AND I&I

The Home Care and I&I segment is always looking for innovations that offer better performance and less impact on the environment, and it works with clients to develop customized products using renewable raw materials for care products for clothes, dishes, and surface cleaning.

**What do we do?**

Milder, non-sulfated surfactants that cause less skin irritation and preserve fabrics, in addition to solutions that enable the development of concentrated products.





## YOU FIND THE FUTURE THROUGH OXITENO'S CHEMISTRY



PERSONAL  
CARE

### + PERSONAL CARE

Personal care is important for promoting well-being and self-care. Through the Personal Care segment, we develop a wide variety of personal care and hygiene products with our clients ranging from skin care, hair, bath, and sunscreens, adding innovation and sustainability to each project.



#### What do we do?

Rheological modifiers for shampoos and liquid soaps; emollients for deodorants, sunscreens, hair dyes, and treatments; highly compatible and mild surfactants.



# YOU FIND THE FUTURE THROUGH OXITENO'S CHEMISTRY



COATINGS

## + COATINGS

We deliver solutions that serve the architectural, automotive, industrial, printing, and adhesive paint markets. With our innovation platforms, we develop solutions that yield products that have low toxicity, low odor, low content of volatile organic compounds (VOC), and are increasingly efficient.

### What do we do?

Additives (surfactants that help both in the manufacturing process and in product performance), building blocks (alkoxylated polyalcohols and functional monomers used in various paint formulations), coalescents (fundamental in the process of forming latex film), emulsifiers (added to emulsion processes to increase their stability making them stable and homogeneous), and solvents (acts on the solubility and evaporation rate of paints).



Joacir Cirino Junior  
Maintenance Engineer





## YOU FIND THE FUTURE THROUGH OXITENO'S CHEMISTRY



OIL & GAS

### + OIL & GAS

High performance solutions for all stages of drilling and production in onshore and offshore operations, always looking for cleaner technologies with a focus on optimizing drilling productivity, better performance in well intervention operations, and protecting equipment used in the exploration and production of oil and gas.

#### **What do we do?**

Drilling fluids, stimulation solvents, emulsion inhibitors, corrosion inhibitors, emulsifying agents, gas treatment products, and solutions for fracking fluids. In 2021, we launched an innovation platform in biofuels, which has been gaining more and more space in the generation of renewable energy.

Ana Caroline Fernandes de Souza  
Chemical Technician I



## YOU FIND THE FUTURE THROUGH OXITENO'S CHEMISTRY



### INDUSTRIAL APPLICATIONS

#### + INDUSTRIAL APPLICATIONS

Solutions for the construction, leather, mining, pulp and paper, textile, plastics, and polymer markets that look to eliminate the use of substances that are harmful to health and that are environmentally friendly.

##### **What do we do?**

Wetting agents, solvents, dispersants, and emulsifiers



### NUTRITION & HEALTH

#### + NUTRITION & HEALTH

Caters to the food and animal nutrition markets, fragrances, and pharmaceutical products to be used in tablets, binders and excipients, ointments and lotions, and gelatin capsules, among others, meeting the most stringent quality and performance standards.

##### **What do we do?**

Solubilizers, solvents, emulsifiers, wetting agents, dispersants



### FUNCTIONAL FLUIDS

#### + FUNCTIONAL FLUIDS

Portfolio for the industrial and automotive lubricants market

##### **What do we do?**

Solubilizers, solvents, emulsifiers, wetting agents, dispersants, and detergents.



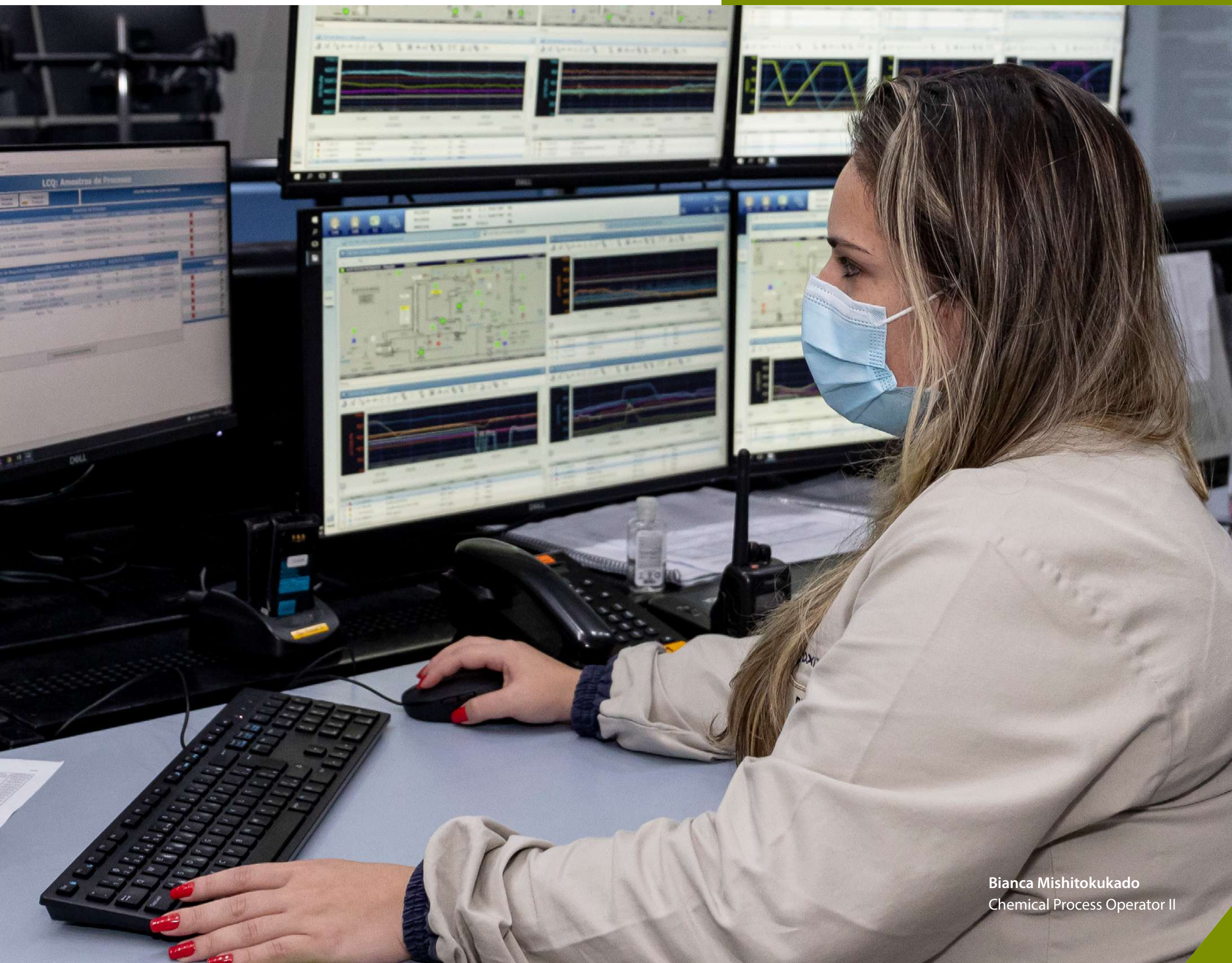


Gaspar Moreira Gonçalves Junior  
Sr Security Technician



## 6 Awareness and respect





**Bianca Mishitokukado**  
Chemical Process Operator II

Every day, we add sustainable and innovative initiatives to our way of doing chemistry. We manage our product portfolio and our operations guided by efficiency and reliability, ensuring that the pillars and targets outlined in our Strategic Sustainability Plan are included in every decision.

Water use, energy, waste treatment, effluents, and greenhouse gas emission levels are some of the aspects monitored by our teams at all units worldwide. Part of our strategy is to understand that climate change can affect the availability of these resources at any time. This poses a relevant risk not only to the continuity of our operations, but also to the lives and prosperity of our stakeholders.

Risks related to extreme weather events (such as storms, hurricanes, extreme temperatures), water balance, and energy availability are already monitored by our teams, who evaluate each scenario and outline improvement and mitigation plans. In 2020, as part of the development of Oxiten's Climate Change strategy, we began an internal study that took into account the physical risks that may be caused by climate change, such as blizzards, hurricanes, extreme rainfall, and droughts. The study is based on the TCFD methodology and recommendations and analyzes all regions where Oxiten operates.

The results provide an overview of the risk classification, which can range from no risk to high risk. For risks classified as high, action plans must be developed to mitigate possible effects. This study is preliminary and will be improved as of 2022, as well as the development of action plans.

All of Oxiten's industrial units are monitored and work to reduce their environmental impacts through continuous investments to improve process, performance, optimizing the steam, boilers and furnaces. We are also studying, where possible, the transition to cleaner sources of energy. The vast majority of our units consume natural gas in their boilers, in addition to using waste gases from production processes in neighboring industries and by-products from internal processes, such as hydrogen and alcohols, as sources of energy for steam generation. Consumption is monitored and tracked monthly in all plants.

#### 201-2

One of the pillars of our business strategy is to be among the environmental references for the chemical industry in the countries where Oxiten operates with world-class performance. Based on that, we work so that sustainability is applied and promoted by everyone, at all times.



# WATER EFFICIENCY AND EFFLUENT TREATMENT

103,2, 103-3: water, effluents, and waste

Water is an essential element in our production process and is used in heating and cooling systems and for steam generation. Water withdrawal and consumption in all industrial units is monitored and included in the environmental targets, which are monitored on a monthly basis.

**In the CDP Water Security 2021, Oxitenó was recognized as being at management level on this topic.**

Some units also use reclaimed water as an alternative in steam generation, heating, and cooling processes. Currently, the amount used in relation to raw water represents about 15% of the total use. In our target for 2030, we plan to double this percentage through the development of initiatives such as Aquapolo<sup>1</sup>, in the Mauá complex, where 96% of the water withdrawn comes from the project's reuse source.

In 2021, the relative water withdrawal was 4.07 m³/t, a small reduction compared with 2020.

## WATER WITHDRAWAL (IN THOUSAND LITERS)

303-3

	2019	2020	2021
Total water withdrawal	5.290.975,03	5.677.100,95	<b>5.474.818,4</b>
Surface water	8.725,58	23.160,11	35.683,3
Groundwater	189.521,83	181.799,00	181.115,0
Water from third parties	5.092.727,61	5.472.141,84	5.258.020,2
Withdrawal in areas of water stress	85.471,43	78.355,01	<b>78.736,7</b>
Groundwater	60.816,00	56.176,00	56.550,0
Water from third parties	24.655,43	22.179,01	22.186,7

## WATER CONSUMPTION\* (THOUSAND LITERS)

303-5

In 2021, the relative consumption of water was 2.37 m³/t – a reduction of 6.7% compared with 2020 (2.54 m³/t). Even with this reduction, we still have ongoing projects to expand the use of reclaimed water and reduce consumption in our operations.

	2019	2020	2021
Total consumption	3.130.185,2	3.361.304,1	3.183.876,03
Consumption in areas of water stress	64.431,4	61.232,0	57.981,7

*\*For the calculations contained in this report, we used water withdrawn less the volume effluents.*

<sup>1</sup>The largest industrial reclaimed water project in South America, a the result of a partnership between BRK Ambiental and the State of São Paulo water supply and treatment utility company (SABESP) to supply reclaimed water to the ABC Petrochemical Complex, where Oxitenó's plant is located.

## WATER DISCHARGE

303-4

In 2021, the total volume of effluents generated in production was 1.70 m³/t, a reduction of 2.9% compared with 2020 (1.75 m³/t). Considering Oxitenó's total water withdrawal, 2% was incorporated into the product, 56% evaporates in cooling towers during the production process and returns to the environment in the form of steam, and 42% is effluents sent for treatment.

Throughout the year, we continued investing to make the effluent network at the Camaçari (BA) and Mauá (SP) units visible and accessible. The new visible network allows for routine inspections and preventive maintenance in order to have better operational control and management of soil and groundwater contamination.

All Oxitenó units are located in areas that have standards established by the agencies responsible for the disposal of effluents. These standards are measured, monitored, and reported monthly by the units, which treat all their effluents and discharge them pursuant to the standards required by law and have a permit for discharging into fresh water bodies.

Water discharge (thousand liters)	2019	2020	2021
Surface water	574.049,8	591.454,5	558.160,2
Water from third parties	1.586.740,0	1.724.342,4	1.729.822,6
<b>Total water discharged</b>	<b>2.160.789,8</b>	<b>2.315.796,8</b>	<b>2.290.942,38</b>
<b>Total water discharged in areas of water stress</b>	<b>21.040,0</b>	<b>17.123,0</b>	<b>20.755,0</b>

303-4



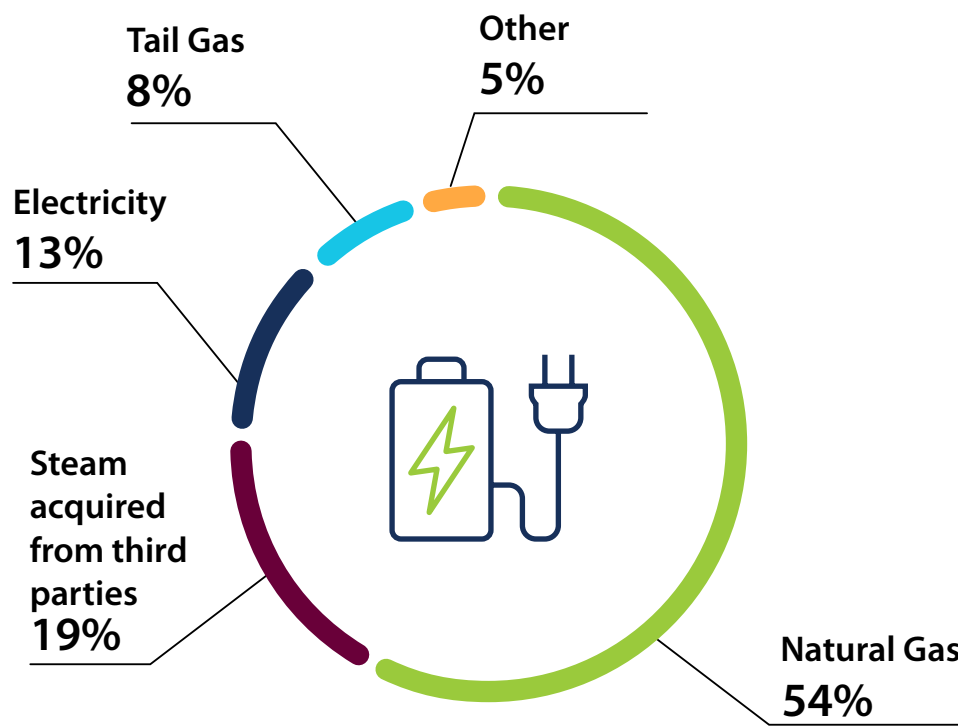
ENERGY EFFICIENCY

103,2, 103-3: energy

The vast majority of our units consume natural gas in the boilers, in addition to using tail gases from other production processes, hydrogen, and alcohols as energy sources for steam generation. Consumption is monitored and tracked monthly in all plants.

Aiming to optimize its energy consumption, a large portion of Oxitenó’s investments are to improve process performance – with an emphasis on the steam network, boilers, furnaces, and turbines – and to transition the company’s energy mix to cleaner sources whenever possible.

ENERGY MIX



ENERGY CONSUMPTION (GJ)

302-1

	2019	2020	2021
Fuels from non-renewable sources	5.256.184	5.340.727	5.540.041
Fuels from renewable sources	81.437	88.365	82.725

For Oxitenó industrial units: Data from the unit in Venezuela were not considered in 2019, since the unit was sold in October 2019.

ENERGY INTENSITY (GJ)

302-3

Comparing the absolute energy consumption in 2020 and 2021, there was an increase of 0.97% and a reduction of 0.37% in consumption by intensity. The target established for 2030 in the sustainability plan is a 10% reduction in energy consumption per ton produced (base 2019).

	2019	2020	2021
Energy consumption within the organization (GJ)	8.043.089	8.231.013	8.311.231
Denominator (Ton)	1.262.500	1.325.889	1.343.838
Energy intensity (GJ/ton)	6,37	6,21	6,18

There was a change in the production volume and energy intensity reported in 2020. The unit reviewed the data after the reporting period and identified an error, which was adjusted.

ENERGY CONSUMPTION EFFICIENCY (GJ)

302-4

Comparing the absolute energy consumption of 2020 and 2021, there was an increase of 8.6% and 7.2% in consumption by intensity. The goal established for 2030 in the sustainability plan is a 10% reduction in energy consumption per ton produced (base 2019)

	2019	2020	2021
Energy reductions directly resulting from improvements in conservation and efficiency	-126.965.804	187.923.324	80.218.492





EMISSIONS

103-2, 103-3: air emissions

Our goal is to reduce our emissions intensity per ton produced by 25% by 2030 (base year 2019). An important step toward achieving this goal was taken in 2021, following the approval of our Climate Change Strategy and the establishment of the actions required in the short, medium and long term to decarbonize our operations. Furthermore, in August we reinforced our commitment to this topic by joining the UN’s Net Zero Ambition Program.

Today, in order to reduce the emissions in the production of ethylene oxide, the gases generated are sold and used as raw materials in other production processes. In 2021, the Camaçari (BA) unit sold 44,478.54 tons of CO<sub>2</sub>e to its partner White Martins. The Mauá (SP) unit resumed CO<sub>2</sub> sales in September 2020 through a new partnership with Air Liquide. In 2021, the total CO<sub>2</sub>e sold was 7,412.61 tons.

The global greenhouse gas (GHG) emissions intensity in 2021, including Scopes 1 and 2, was 0.44 tCO<sub>2</sub>e/t, a 1.9% increase over the previous year. If we evaluate Scope 1 emissions alone, there is a 0.25% increase, with the emission of 0.33 tCO<sub>2</sub>e/t. It is worth mentioning that there was an increase in the GWP value of methane and nitrous oxide, which, together with an increase in production, contributed to an increase in emissions.

We received recognition as “level of management” for climate change in the CDP 2021.

GHG emissions (tCO <sub>2</sub> e)	2019	2020	2021
Direct (Scope 1) emissions	425.291,41	430.372,63	437.432,46
Biogenic CO <sub>2</sub> emissions	146,38	33,82	88,86

The gases included are: CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O. For refrigerant gases, CO<sub>2</sub>eq calculations are used. Oxiteno does not generate NF3 and SF6 gases. The methodology of ISO 14064 is used.

305-1

Compared with 2020, the absolute value of Scope 2 emissions increased by 6.9% in 2021. It should be noted that the average emission factor for electricity in the Brazilian Grid in 2020 was 0.0617, almost half the factor for 2021, of 0.1264. Consumption of electricity and imported steam was lower; however, the increase in the emission factor for electricity contributed to an increase in Scope 2 emissions.

GHG emissions (tCO <sub>2</sub> e)	2019	2020	2021
Indirect (Scope 2) emissions resulting from the purchase of energy	136.841,84	137.138,22	149.230,16

To calculate this number, Location Based and Market Based emissions are considered under Scope 2 emissions. CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O for all locations.

305-1

GHG EMISSIONS INTENSITY

305-4

	2019	2020	2021
Direct (Scope 1) emissions (tCO <sub>2</sub> e)	425.291,41	430.372,63	437.432,46
Denominator (tons)	1.262.500,49	1.325.889,62	1.343.838,33
Intensity	0,34	0,32	0,33
Indirect (Scope 2) emissions resulting from the purchase of energy (tCO <sub>2</sub> e)	136.841,84	137.138,22	149.219,86
Denominator (tons)	1.262.500,49	1.325.889,62	1.343.838,33
Intensity	0,11	0,103	0,111
Direct (Scope 1) emissions + Indirect (Scope 2) emissions resulting from the purchase of energy (tCO <sub>2</sub> e)	562.133,25	567.510,84	586.662,62
Denominator (tons)	1.262.500,49	1.325.889,62	1.343.838,33
Intensity	0,45	0,43	0,44

REDUCTION OF GHG EMISSIONS

305-5

	2019	2020	2021
Reduction of GHG emissions as a direct result of reduction initiatives (tCO <sub>2</sub> e)	-46.826,44	5.377,59	19.151,78

NOX, SOX, AND OTHER SIGNIFICANT AIR EMISSIONS (TONS)

305-7

Camaçari production represents 50% of Oxiteno’s total production and in 2021 there was a 2% increase in Camaçari production compared to 2020. In 2020 and 2021 the consumption of tail gas for steam production increased compared to 2019, generating the increase in NOx emissions between the years 2019 and 2021. In addition, comparing 2020 and In 2021, at the Camaçari unit, there was an increase in Natural Gas consumption.

The reduction in Particulate Matter (PM) emissions between 2019 and 2020 contributed to significant reduction in consumption of light end fuel in Camaçari and the change in the matrix energy in Tremembé (replacing OLC and Diesel with NG) carried out at the end of 2019. When compared 2020 with 2021, the small increase in Particulate Matter (PM) emissions is related to the general increase in the consumption of fuels for the generation of steam, in the Camacari unit.

Even considering the above points, Oxiteno’s units have atmospheric emissions within the applicable standards determined by environmental agencies.

	2019	2020	2021
NOx	356,74	525,13	691,81
SOx	184,17	151,49	142,40
Persistent Organic Pollutants (POP)	0,00	0,00	0,00
Volatile Organic Compounds (VOC)	1887,55	1969,68	1879,41
Hazardous Air Pollutants (HAP)	0,00	0,00	0,00
Particulate Matter (PM)	50,43	15,47	19,28





Adriana Luisa Borges  
Sr Process Engineer

## WASTE MANAGEMENT

306-1, 103,2, 103-3: effluents and waste

Our waste is classified as industrial and non-industrial and sub-classified as hazardous and non-hazardous. Industrial waste is generated by production processes and support or control activities (laboratories, maintenance, pollution control, etc.) and is classified as hazardous and non-hazardous. Non-industrial waste is waste generated by construction, bathrooms, and health services, among others, and is also classified as hazardous and non-hazardous.

We have procedures in place for all units regarding this topic, avoiding the generation of any type of waste whenever possible through process improvement. All waste generated is segregated for proper packaging and identification, stored in appropriate locations, and later undergoes characterization and classification processes for proper disposal.

The 2030 strategic plan includes two targets for this topic: zero landfill for industrial waste (except Uruguay) and 10% reduction in waste generation per ton produced (base 2019). All waste from the industrial units is monitored, and the generation and destination indicators are monitored every month

This includes recycling and energy use (co-processing) of the waste. As an alternative, we send it for incineration, and only if necessary, dispose of it in qualified industrial landfills. Waste is sent to industrial landfills only in Uruguay, a country where disposal options are restricted, and in Pasadena, in the United States.

The amount of non-hazardous waste generation and disposal increased in 2021 due to the higher volume of construction work in the Mauá (SP) and Camaçari (BA) units. Also, in Pasadena (USA) due to operational problems, the effluent is now disposed of as waste and is sent to landfills and other types of treatment.

In 2021, we had a 24% increase in waste disposal compared to 2020. The reuse rate was 54%.

### Innovation in waste treatment

In 2021, in the Uruguay unit, we developed a project in partnership with Aterra, a startup that develops strategic solutions for waste management and disposal with a focus on circular economy and ESG, to map new markets, processes, and economically and environmentally viable technologies for waste containing inorganic material. The goal of the project is to reduce the criticality of the waste and increase the economic and environmental efficiency of its destination.



### WASTE MANAGEMENT (T)

305-7

Hazardous waste	2019	2020	2021
Waste generated	5.301,0	7134,7	5.905,3
Waste diverted from disposal	896,7	792,3	821,2
Preparation for reuse	703,5	629,6	779,8
Recycling	193,2	160,7	40,5
Other recovery operations <sup>1</sup>	0,0	2,0	0,9
Waste directed to disposal	4.213,8	6611,2	5.366,3
Incineration (with energy recovery)	2.949,2	4582,2	4.250,4
Incineration (without energy recovery)	64,3	91,6	79,1
Landfilling	954,2	1.488,3	208,5
Other disposal operations <sup>2</sup>	246,1	449,2	12.191,0

Non-hazardous waste			
Waste generated	8.438,3	7399,2	12.191,83
Waste diverted from disposal	1.977,3	1.737,8	1.579,0
Preparation for reuse	223,4	173,9	28,2
Recycling	1.753,9	1.563,8	1.550,8
Other recovery operations <sup>3</sup>	0,0	0,0	0,0
Waste directed to disposal	6.456,1	5677,1	10.612,7
Incineration (with energy recovery)	2.008,4	2824,8	3.280,7
Incineration (without energy recovery)	468,5	408,4	505,8
Landfilling	2.469,3	2.322,2	5.043,7
Other disposal operations <sup>3</sup>	1.509,9	121,6	1.782,5

<sup>1</sup>Biological treatment. <sup>2</sup>Light bulb decontamination. <sup>3</sup>Composting and biological treatment

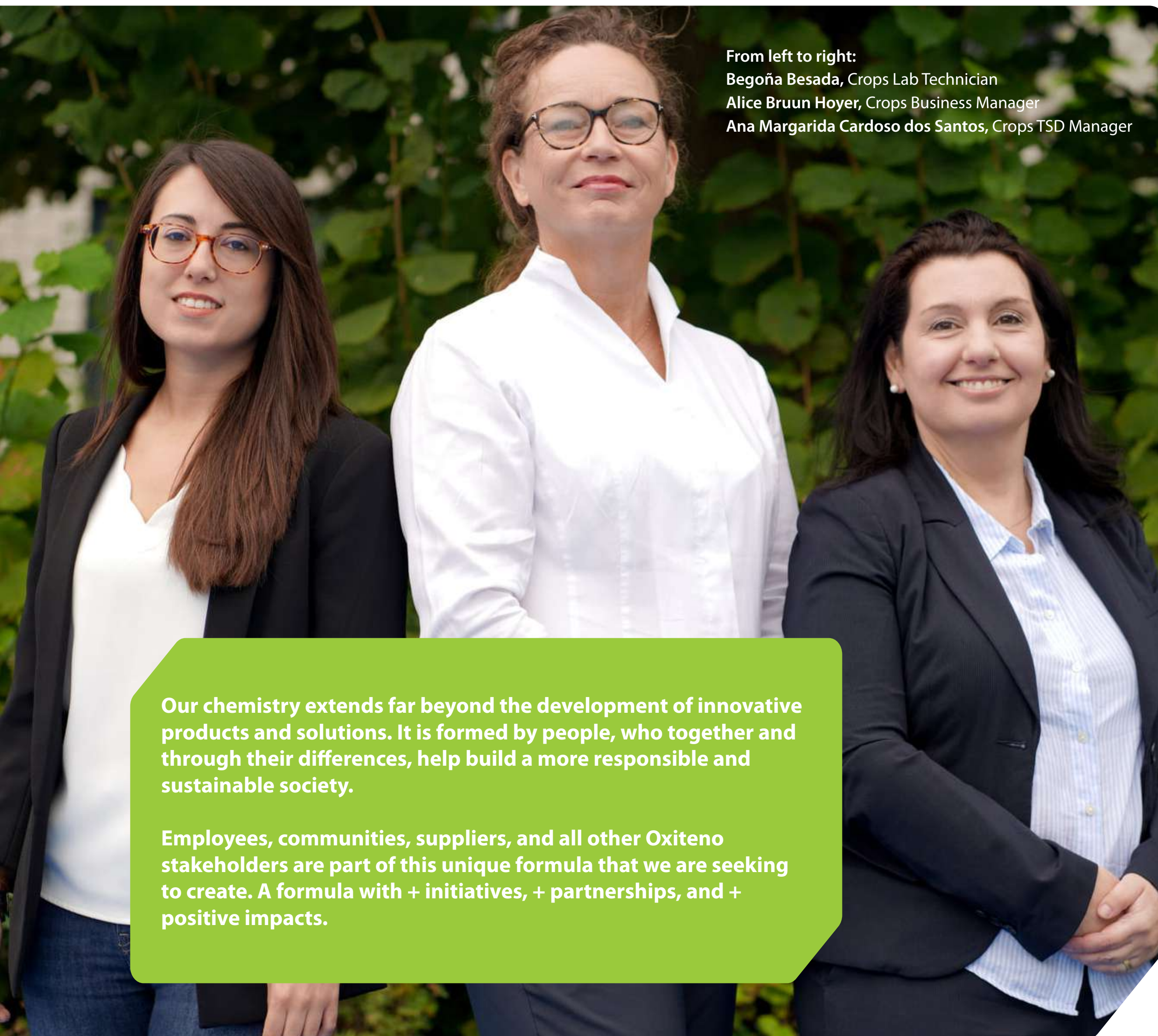




Luiz Gabriel de Almeida  
Chemical Process Operator I

## 7 Appreciation of people





## EMPLOYEES

The appreciation of our workforce – with a focus on people management, equity, and diversity – is one of the pillars that support our 2030 strategic sustainability plan. Our projects are designed to involve the 1,871 employees across our operations, offices, and laboratories worldwide, creating a unique culture, even during this time of social distancing.

In 2021, we proceeded with our global internal communication campaign “Our Formula Does Good,” launched the previous year to bring employees closer to the business, providing clarity not only on the performance of the segments, but also on the critical role that each one plays in this ecosystem. The project also seeks to spark a sense of belonging in people, connecting the concepts of purpose (“contribute to the well-being of people through chemistry”) with the company’s strategy.

Also, the Internal Communication channels, such as Workplace; the OxiCast podcast; the biweekly livestreams with the Executive Board; What’s Next, a quarterly forum of results and strategy; Exchange, an informal meeting between employees and the Executive Board; and XLead, an annual event for leadership, continued to be instrumental in our commitment to

transparency with people. Frequent and direct communication with employees is increasingly encouraged at Oxitenos, especially when it comes to sensitive issues, such as information about the pandemic and updates on the process of selling Oxitenos to Indorama Ventures.

We also made significant advances in our education platform – the OxiEducation. The platform was launched in September 2020 and has undergone a process of continuous improvement with the inclusion of content that meets the needs of more and more people within the company. We want it to become a single education channel that is accessible to everyone, regardless of their location or hierarchical level.

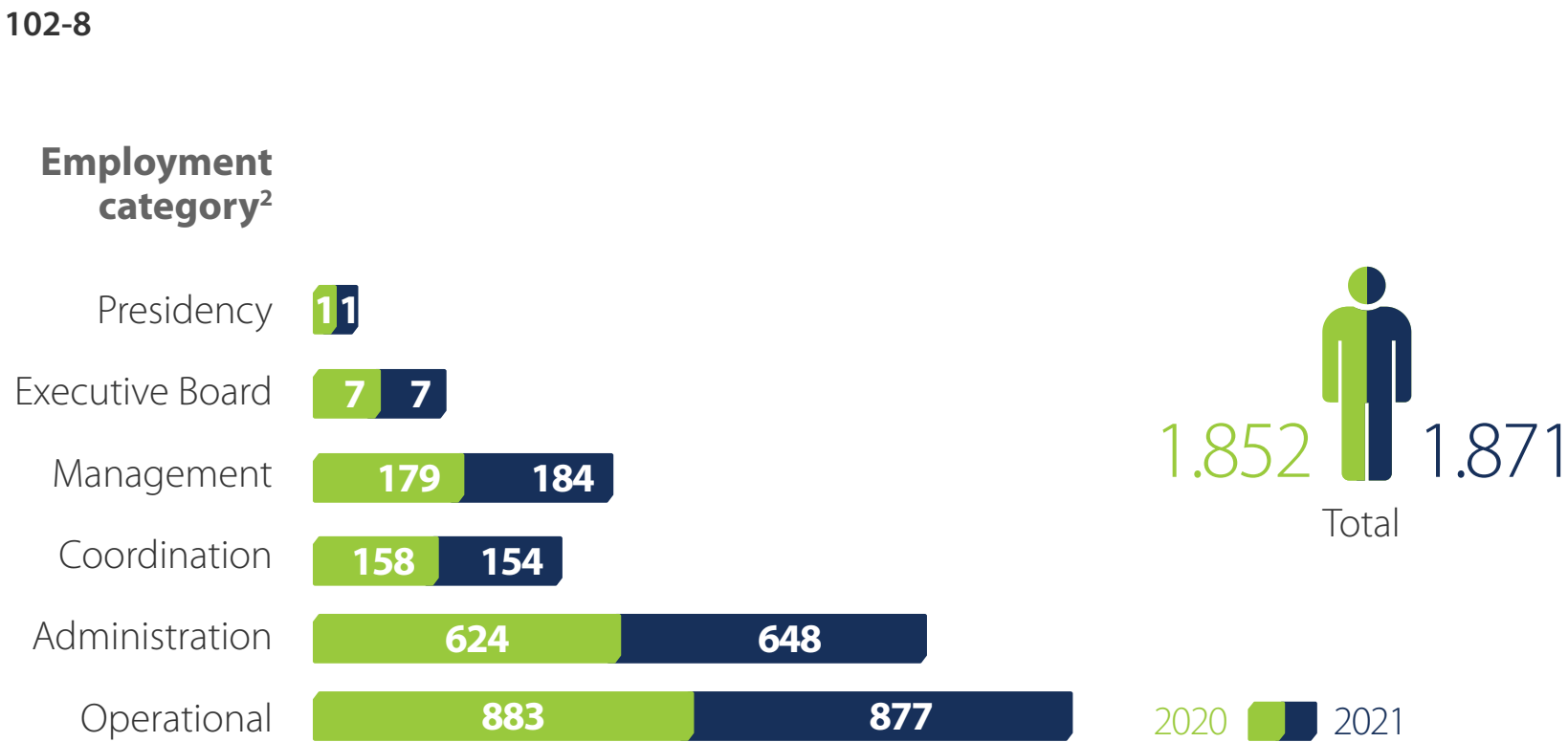
Also, driven by the continuing pandemic, we launched U live, with quality of life strategies that cover not only physical health, but also emotional and psychological health, self-knowledge tools and the encouragement of sports. As part of this plan, we also remodeled our onboarding program, including a kit for new employees containing gifts linked to the pillars of our quality of life program and reinforcing the pillars of Oxitenos’s culture.



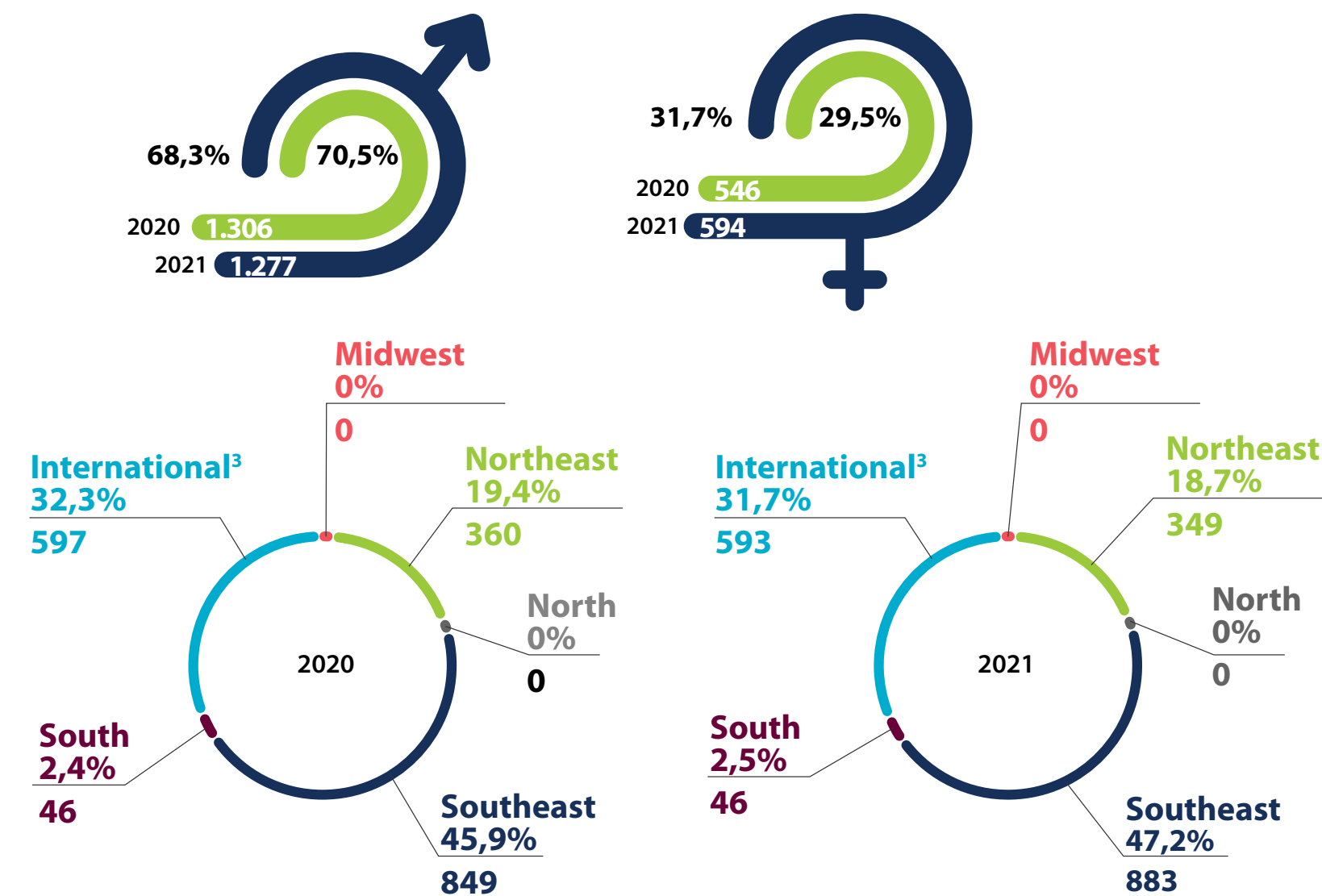


# OUR TEAM PROFILE<sup>1</sup>

## TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CATEGORY



## TOTAL NUMBER OF EMPLOYEES BY GENDER AND REGION



## NEW HIRES AND TURNOVER IN 2021

401-1

Brazil	Total employees	Hired employees	Employees terminated
By gender			
Men	851	77	97
Women	427	94	52
By region			
Midwest	0	0	0
Northeast	349	23	32
North	0	0	0
Southeast	883	141	110
South	46	7	7
By age group			
Under 30	277	81	30
30 to 50	821	86	100
Over 50	180	4	19
Total	1.278	171	149
Uruguay	Total employees	Hired employees	Employees terminated
By gender			
Men	82	4	5
Women	18	1	1
By age group			
Under 30	4	2	0
30 to 50	69	3	4
Over 50	27	0	2
Total	100	5	6

<sup>1</sup> Oxiteno does not have part-time or temporary employees.

<sup>2</sup> Oxiteno has 15 apprentices, 133 interns and 15 disability retirees and expatriates

<sup>3</sup> Referring to units in Mexico, United States, Uruguay and offices in Argentina, Colombia, Belgium and China.

Mexico	Total employees	Hired employees	Employees terminated
By gender			
Men	246	29	36
Women	90	15	18
By age group			
Under 30	95	27	17
30 to 50	211	17	33
Over 50	30	0	4
Total	336	44	54
United States	Total employees	Hired employees	Employees terminated
By gender			
Men	88	14	12
Women	44	11	3
By age group			
Under 30	14	5	3
30 to 50	87	18	11
Over 50	31	2	1
Total	132	25	15

In 2021, there were no new hires or terminations in the Argentina, Belgium, Colombia, or China offices.



# + DIVERSITY AND INCLUSION

In alignment with Oxiteno’s Strategic Plan, Together aims to anchor the topic of Diversity & Inclusion (D&I) in our organization in order to promote diversity with initiatives that strengthen inclusion. We anchored the project on three main pillars: Corporate Governance, People Development, and Communication. Our journey started with an agenda to raise awareness and develop senior management and create a Strategic and Tactical Committee with transversal action involving the organization as a whole.

More than having a diversity program, we are concerned about having an inclusive environment that understands that differences are here to complement and bring more creativity and innovation to Oxiteno. For this reason, this topic is being continuously discussed with the leadership and teams to ensure that the company has a physical, interactive, and cultural environment increasingly appropriate to actually enable inclusion.

With the launch of Together in 2020, we have driven the discussion and inclusion of topics such as diversity of people, opinions, and thoughts in Oxiteno’s day-to-day activities. In May 2021, we initiated our affinity groups, which support and leverage purposeful actions for inclusion at Oxiteno, an important step toward listening to various areas and positions within the organization, building action plans together, and making Oxiteno even more diverse and inclusive.

Today we have four affinity groups, each consisting of about 20 people who signed up voluntarily:

ETNIAS



Together

◆ **Race and Ethnicity:**  
to increase ethnic-racial diversity at Oxiteno, as well as sensitize and raise awareness of leaders and other employees about racial diversity in the company.

LGBTQIA+



Together

◆ **LGBTQIA+:**  
to be a company that is a reference for inclusion in the chemical sector, creating a safe place for LGBTQIA+ people to join, grow, develop, and be authentic in the organization.

WOMEN



Together

◆ **Gender – Women:**  
its mission is to support the creation and maintenance of spaces to ensure that all female employees feel welcome, are appreciated, and have equal opportunities.

PCDS



Together

◆ **People with Disabilities (PWD):**  
to promote an accessible, healthy, and safe place for people with disabilities, where raising awareness, inclusion, and equal opportunities can create a company where everyone – with or without disabilities – can learn, improve, and develop in an integrated way.

To create and monitor the affinity groups, we invited a consulting firm and managers to act as sponsors (two per group, for a period of one year). In all, eight formal meetings were held in 2021 to build the mission, goals, and action plans for 2022, which were submitted to the tactical committee for prioritization. Each affinity group has its own visual identity, which helps us to publicize the theme, reinforce its relevance to the organization and engage employees in relation to the implemented initiatives.

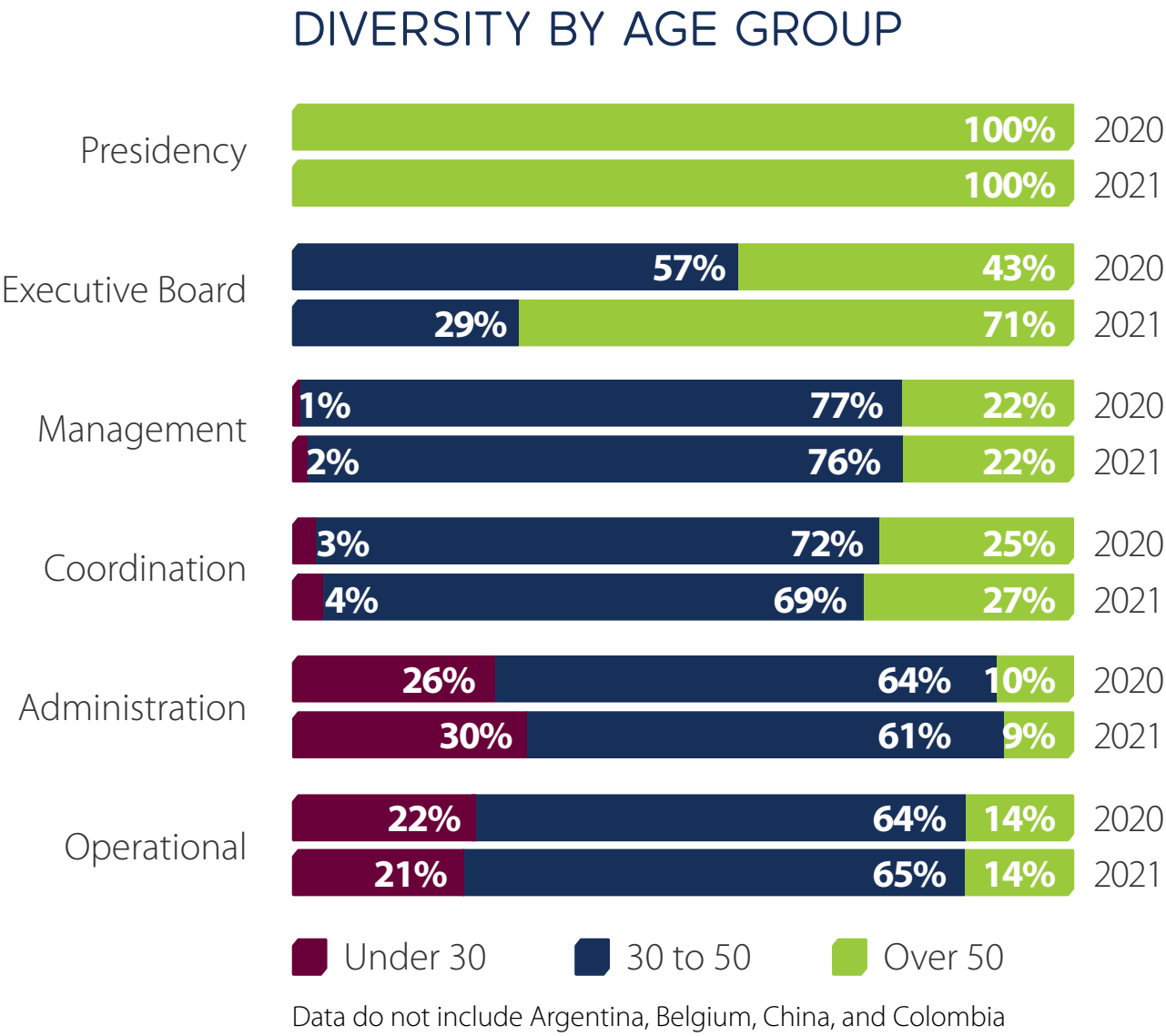
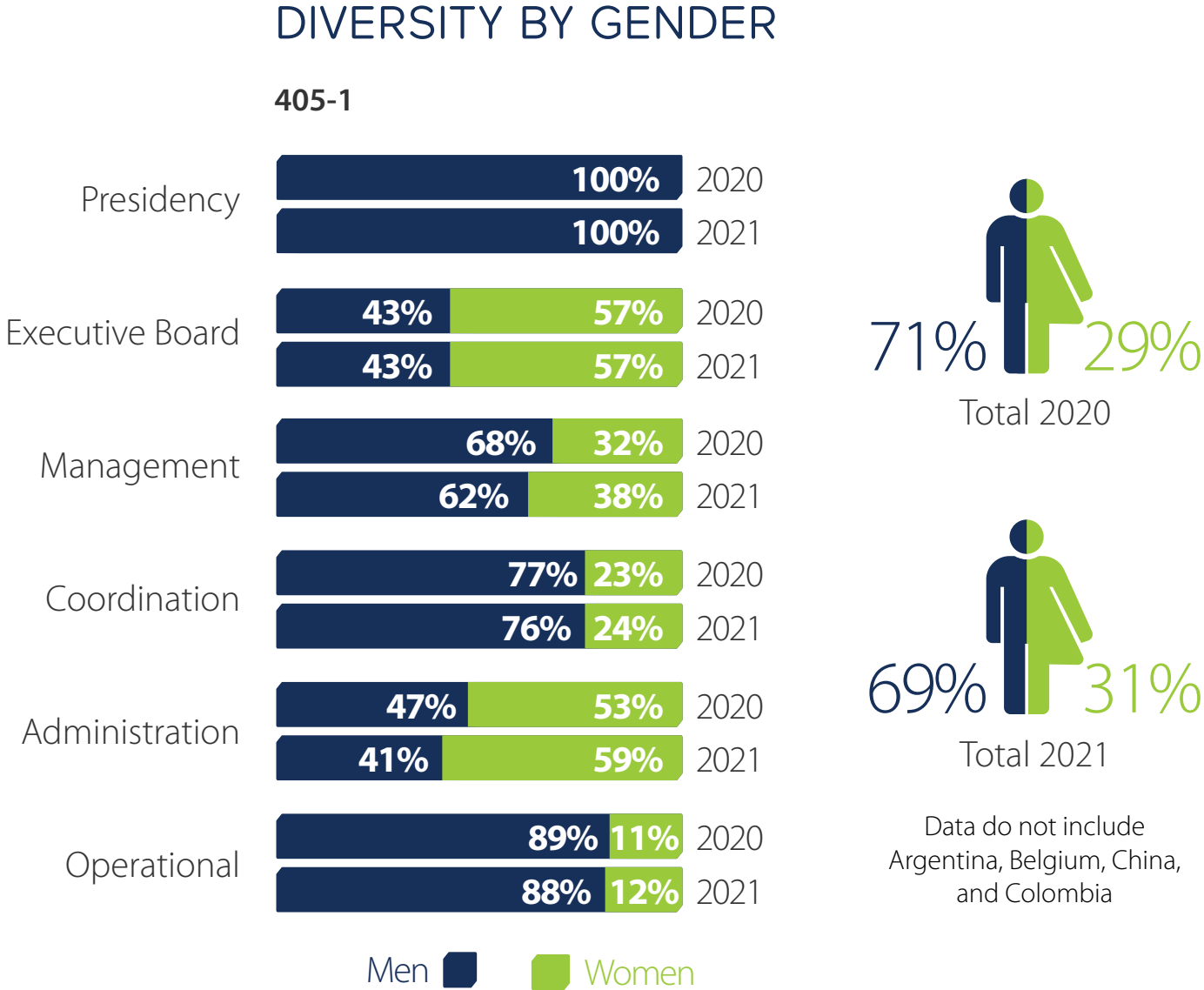
As part of our diversity strategy, the Tactical Committee seeks to turn this into a cross-cutting discussion in the company. In 2021, the committee played an essential role for the implementation of actions in different sectors of the company, such as Talent Acquisition, Legal, Procurement, Sustainability, Communication, Human Resources, Compensation, and Benefits.



In 2021, we took our diversity program to the other countries and now Together is present in all regions.

Among the advances of the theme in the year 2021, we also managed to increase the percentage of women at all hierarchical levels. We also became signatories to the UN Global Compact's Equity is a Priority initiative, in which we committed to have 50% women holding senior management positions. In addition, we now have the support of two consultancies to increase the search for professional candidates with disabilities and we changed our approach to the trainee and internship program, remodeling some criteria in the selection process. Our focus with these actions is to bring more diversity of people and inclusion of vulnerable groups at Oxitenó. Of those approved in 2021 in the internship and trainee program, 68% are women and 50% are non-white people.

For 2022, one of the company's main commitments will be to prepare a Diversity & Inclusion census that will give an accurate diagnosis of our scenario and of the advances made by Together. Development of a dashboard on the topic is also planned so that the entire organization can view the program's metrics, information, and key indicators.



DIVERSITY BY ETHNICITY, RACE, AND COLOR

405-1

	2020					2021				
	Black	Pardo	White	Asian	Indigenous	Black	Pardo	White	Asian	Indigenous
Employees										
Presidency	0%	0%	100%	0%	0%	0%	0%	100%	0%	0%
Executive Board	0%	0%	100%	0%	0%	0%	0%	100%	0%	0%
Management	2%	1%	96%	1%	0%	1%	0%	98%	2%	0%
Coordination	0%	11%	85%	4%	0%	0%	11%	86%	2%	0%
Administration	4%	8%	86%	2%	0%	3%	7%	88%	2%	0%
Operational	12%	22%	65%	1%	0%	13%	21%	65%	1%	0%

Ethnicity data only apply to units in Brazil

Graziele Araujo Batista  
Chemical Process Operator I







DIVERSITY – SHARE OF PEOPLE WITH DISABILITIES

405-1

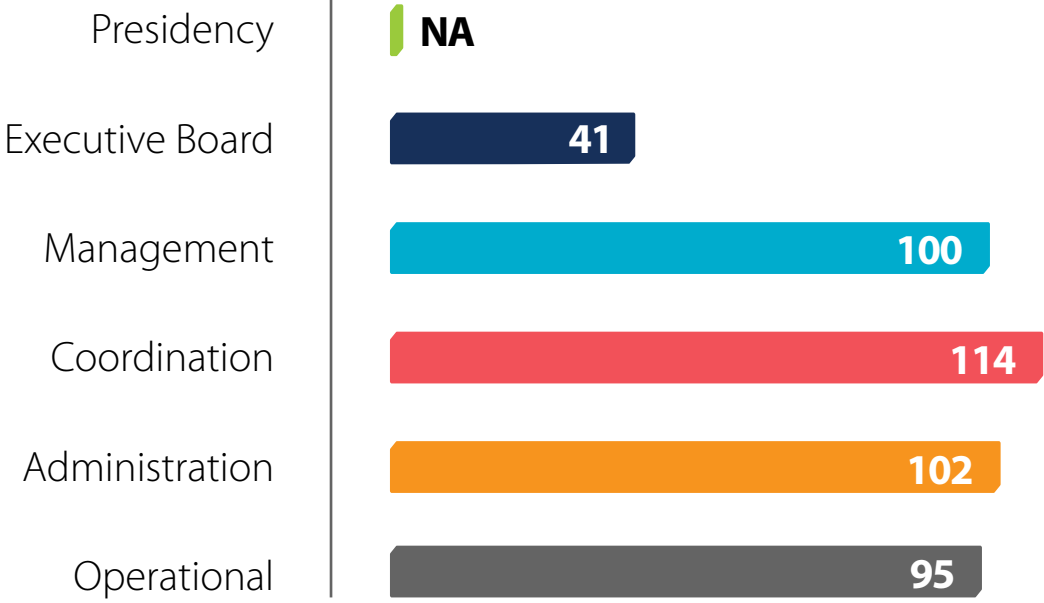
	2020	2021
	%	%
Employees		
Presidency	0,0%	0,0%
Executive Board	0,0%	0,0%
Management	1,8%	1,7%
Coordination	3,2%	3,4%
Administration	6,8%	5,7%
Operational	2,1%	2,4%
Total number of employees	3,8%	3,6%

PWD data only apply to units in Brazil

RATIO OF BASIC SALARY AND REMUNERATION  
OF WOMEN TO MEN IN 2021

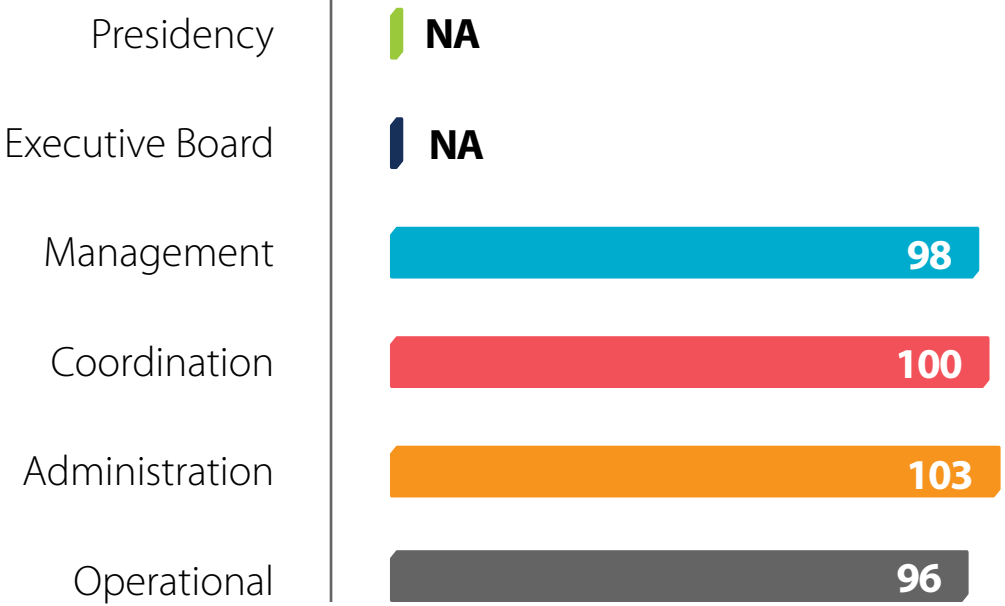
405-2

Average base  
salary



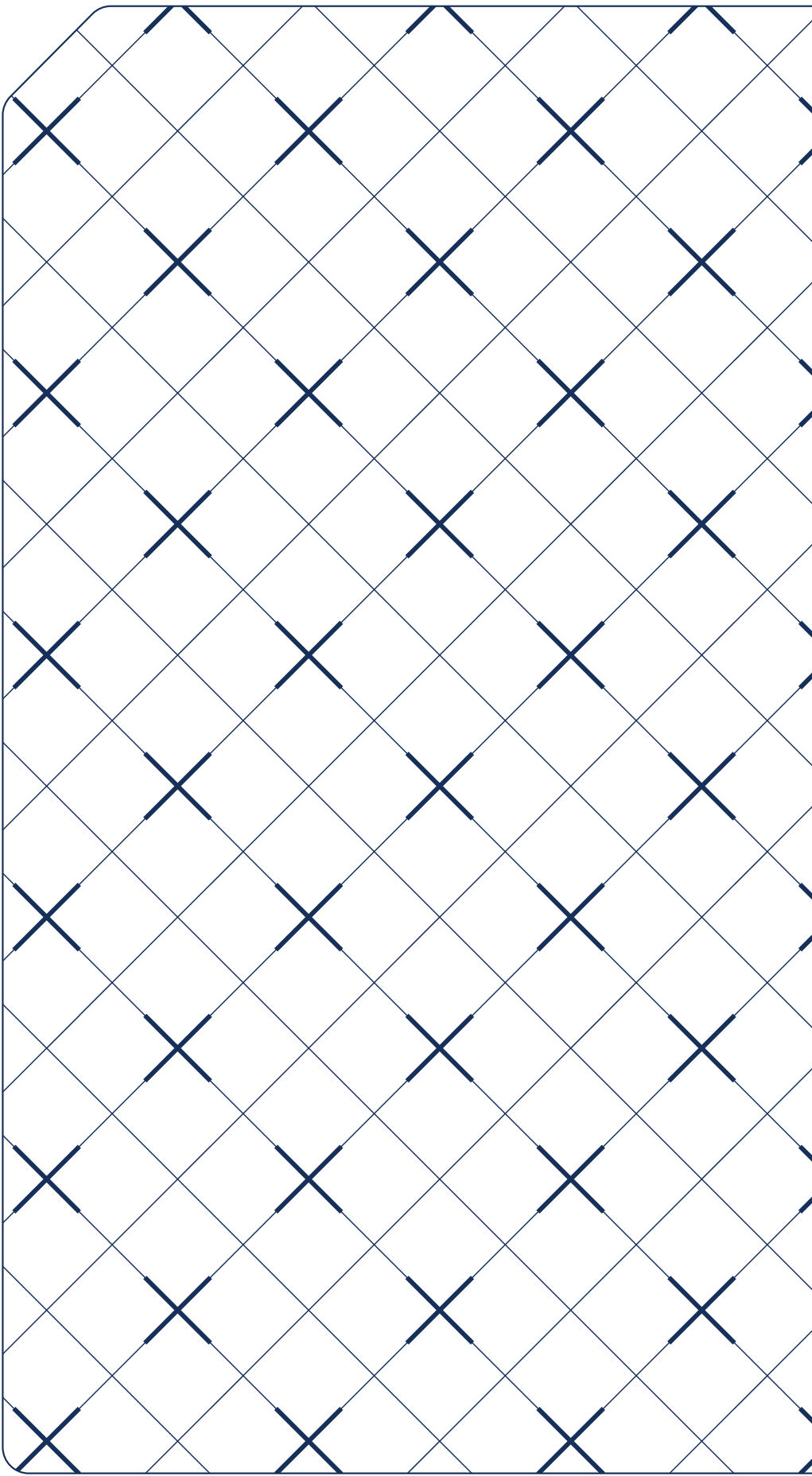
Total  
107

Average salary  
(base salary +  
additional)



Total  
101

Applies to people in Brazil only. The data presented above include the base salary + fixed monthly premiums, depending on the position/location.





# + TRAINING AND CAPACITY BUILDING

The continuous development through training and capacity building aims to enhance not only our employees' technique, but also encourages innovation and fosters their personal and professional growth, making Oxiteno an even richer environment for exchanging ideas.

Through OxiEducation, our internal education platform, we encourage knowledge exchange and management. Today, there are five learning centers: BeOxi, BeLeader, BeCustomer, BeIndustrial, and BeEfficient, with different tracks on topics such as customer focus, innovation, and skills development. BeOxi covers subjects that are cross-cutting for the company and that any employee – leader or otherwise – should know about. It is a great tool for sharing content on topics such as safety, sustainability, and culture.

During 2021, despite the pandemic, we maintained a high investment of time in training, totaling 63,000 training hours, an average of 30 hours per person. Investments totaled approximately US\$1 million, broken down into the technical, mandatory, behavioral, and leadership development pillars.

**Be Oxi:** offers experiences that involve all employees in Oxiteno's purpose, showcasing our way of being and doing things and providing knowledge about what is required to understand what it means to be Oxiteno.

**Be Customer:** experiences related to the areas of customer interface, innovation, segments. The objective is to develop the people with the purpose of leveraging results and new businesses.

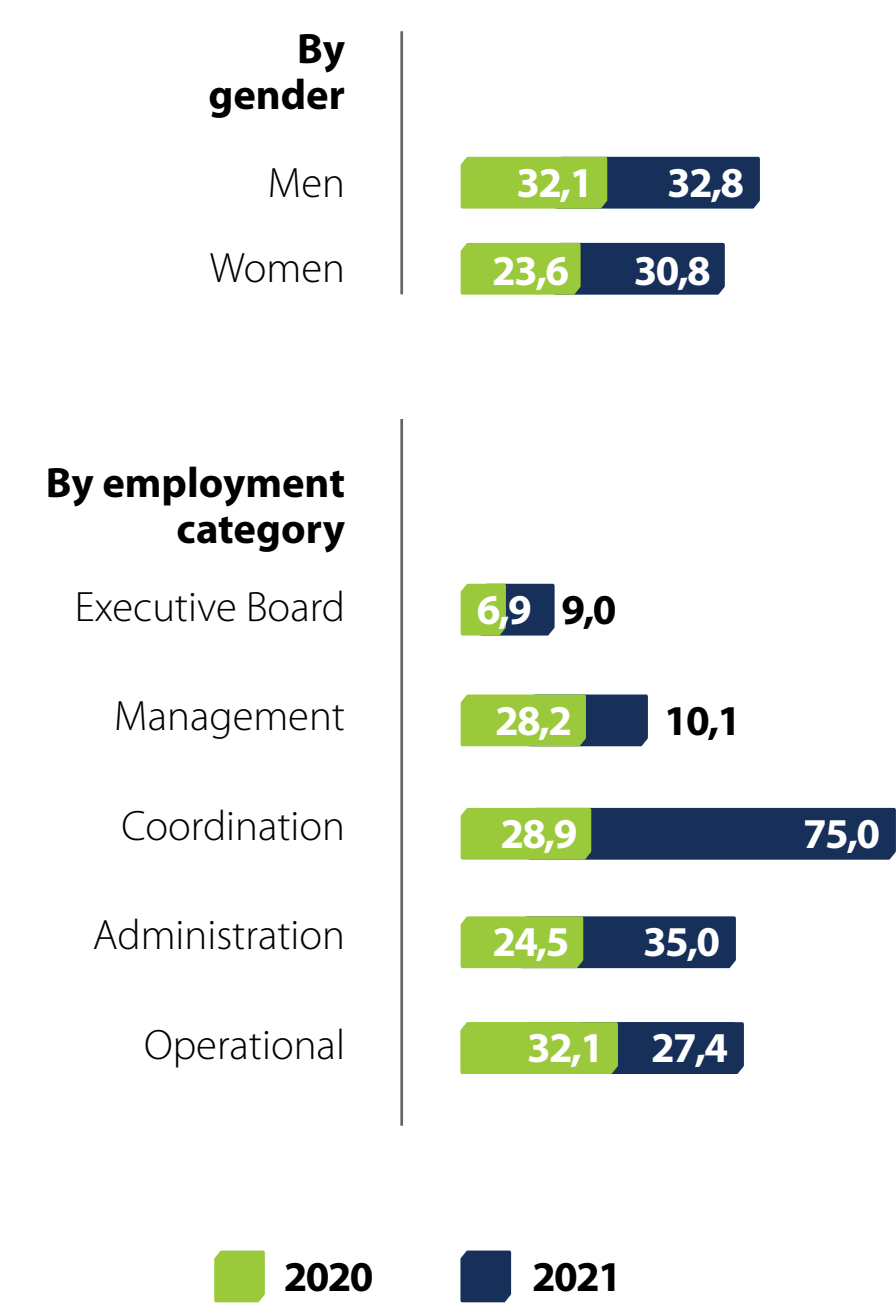
**Be Leader:** assists in the development of inspiring potential leaders who shape the culture and promote people's growth to achieve business initiatives, customer well-being, and the sustainability of the business.

**Be Efficient:** supports the execution of the strategy through knowledge, tools, and methods pertaining to management and continuous improvement.

Kezia Paola Mendes Martins,  
Apprentice Administrative Assistant  
Diego dos Santos, Chemical  
Process Operator

## TRAINING IN 2020 (AVERAGE HOURS/EMPLOYEE)

404-1





## + PEOPLE MANAGEMENT AND DEVELOPMENT

To increasingly improve our employees' experience, our development projects and actions are structured into different development initiatives, growth opportunities, and people retention.



**U Join:** our point of entry. Includes internship and trainee programs, internal and external recruitment, and an onboarding process.



**U Grow:** career management through goals, bonuses, recognition, succession, and career mobility.



**U Live:** promotes a continuous learning environment, with learning experiences that are appropriate for the development and growth of professionals.



**U Learn:** flexibility and benefits programs to keep your work productivity and personal life in balance.



**U Matter:** engagement, culture, climate, and retention strategies.







Adriana Luisa Borges  
Process Engineer

## SOME HIGHLIGHTS OF 2021:

### Point of Entry Programs (Internship and Trainee)

In 2021, we started a new internship development program. With the mission of developing the essential skills to prepare young talent, our new program has three pillars: behaviors, project, and presentation, which address contemporary themes for career building, fostering creativity, and providing tools for problem solving, time management, and continuity of professional life. More than seven classes were held during the year, with 100 participants and much positive feedback and recognition.

The trainee program was also revised in 2021, with new themes and teaching-learning methodologies. The focus is to enhance learning and accelerate the development and careers of young talent for strategic positions within the organization through mentoring, training, and strategic projects developed with the practice of job rotation.

### Recruitment and selection

In 2021, we also revised our recruitment and selection process, with the aim of achieving greater alignment with our internal and external positioning. We standardized processes at all levels, thus ensuring the quality and criteria for all areas and locations, focusing on more inclusive and accessible communication and providing more proximity and transparency throughout the selection process. We established partnerships with specialists to ensure diversity in selection and started the implementation of a system that, in addition to automating the process, facilitates the governance of the selection process for everyone involved.

### Onboarding

Our concern with the candidate's experience does not stop at the selection process; it extends throughout their entire cycle at Oxitenó. Onboarding is essential for candidates to feel a sense of belonging, welcome, and adaptation to a new culture and climate. Therefore, in 2021, we redesigned this process globally, paying attention to every detail and updating and standardizing institutional content such as introduction, welcome kits, emails, and communications. For 2022, we plan to invest in more technology to provide an even more agile and assertive experience for these new professionals.

### Global Performance & Career Cycle

The P&C Cycle, which was recently implemented, has exceeded expectations. All leaders are engaged in development and career discussions, ensuring that over 90% of our employees received feedback, had career conversations, and were included in development plans for the different areas. In addition, more than 70% of employees formally registered Individual Development Plans in the system.

These results demonstrate the engagement and seriousness with which our employees face this issue and reaffirm how people management processes support the individual and collective needs of each employee and the business. For the year 2022, our goal will go further in this topic and, for that, new tools, concepts and technologies are being evaluated. Our commitment is to value and recognize the potential of each employee to align expectations and work together to achieve the best results.

### Career Path - Strengthening the Y-Career

Throughout 2021, the Career Path project was implemented at Oxitenó. This project enables professional growth for employees in technical positions, strengthening the Y-Career in the company. The goal of the project is to differentiate the requirements of the positions, support the development programs, career planning, and, finally, deliver the company's strategy. To this end, the requirements of the positions were mapped in order to align them with the knowledge and skills of employees. As a result, it is possible to envision a structured career path, leading to a change in the nomenclature of positions with more defined roles and functions. So far, 116 positions have been revised, and the new growth possibilities have been presented to the teams involved. The project will continue and the other areas that were not included in the first phase will be mapped.





João Vitor Pires Diogenes  
Chemical Process Operator I

## + HEALTH AND SAFETY

403-1, 403-3, 403-4

We are concerned about the well-being and health of employees, both inside and outside the workplace. For this reason, one of the goals set out in our 2030 strategic sustainability plan includes reducing the OSHA (Occupational Safety and Health Administration) recordable incidents and process accidents and the mass quantity of chemicals spilled.

All Oxitenos units in Brazil are ISO 45001 and Responsible Care certified, meeting their occupational health and safety requirements in addition to the voluntary requirements established by the company regarding this topic. The units in Mexico and the United States are certified in the Responsible Care's OSH Management System.

In addition to these certifications, we provide ongoing education for and raise awareness of the professionals who perform the operations through programs and daily communication actions on Occupational Health and Safety, such as behavioral observation and approach, risk analysis conducted by multidisciplinary teams before performing any task, Safety Dialogues, and Safety Moments, among others.

We also monitor our employees' health periodically through the Occupational Health Surveillance Program, which is planned based on

the risk analyses made in the Environmental Risk Prevention Program. This program also includes ergonomic analyses of the tasks, where psychosocial risks, work organization risks, and risks related to body movements and postures are analyzed, always seeking to adapt the work to the professional.

All units have formal Occupational Health and Safety (OSH) committees, formed by employees and other professionals involved. These committees comply with local legal requirements regarding composition and management of meetings and topics covered. In 2021, aiming to mature the safety culture in the head office in São Paulo, we implemented a standing HSE committee with the participation of specialists in Behavioral Safety Tools, the HSE team, and guests from Grupo Ultra.

When hiring third-party services, compliance with the country's legislation related to Occupational Health is required by contract. The documentation submitted is validated by the local health teams prior to the commencement of activities in the company. All actions to improve and promote workers' health at Oxitenos are carried out considering all those who are exposed to the existing risks.





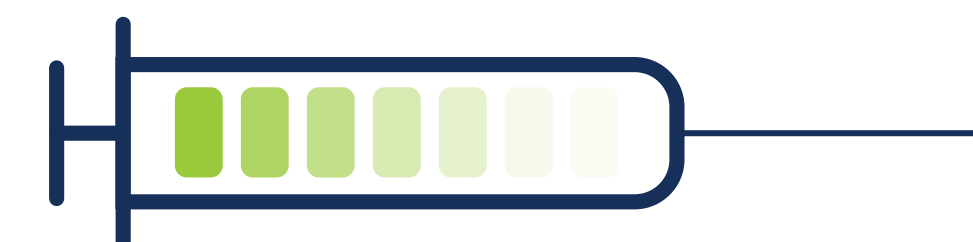
## + QUALITY OF LIFE

Oxiteno has been reinforcing its quality of life program across all regions, with actions and benefits such as “Hello Mom,” which follows female employees or dependents during pregnancy and until the baby is six months old, offering the following services: obstetric and pediatric nurses, breastfeeding consultants, nutritionists, video calls with specialists, and dedicated professionals, in addition to school aid. We also have partnerships with apps that give employees and their dependents access to thousands of gyms through a monthly subscription. In addition, through our nutrition and sports program, nutrition and physical education professionals guide employees with advice on healthy eating and physical exercise.

Due to the adjustments for remote work, we have created two ergonomics guides with good posture practices for administrative and domestic work. Throughout 2021, livestreams and posts with further guidance on this topic were broadcast on our corporate social media.

## VACCINATIONS

By early December 2021, over 80% of Oxiteno employees were fully vaccinated against Covid-19. Efforts and protocols remain intense, such as the application of antigen tests, implementation of safety measures, personal hygiene recommendations, maintenance of social distancing, and monitoring and follow-up of suspected and positive cases to minimize the impacts of the global Covid-19 pandemic. They are managed jointly by the company’s health and crisis committees. During the year, two contractors in Mexico died as a result of Covid-19.



**in 2021 early december,  
Oxiteno reached  
more than  
80%  
of employees were  
fully vaccinated  
against Covid-19**



### Global Safety Culture Transformation Plan<sup>4</sup>

Throughout the year, we implemented important actions as part of the culture diagnosis performed between 2018 and 2019 across the company’s industrial units, head offices, and research and development laboratories, which positioned us as “Calculative,” the third stage of a five-level scale of the Energy Institute’s Hearts & Minds methodology. Our goal is to advance to the next maturity stage called “Proactive.” To this end, we conducted the following actions in 2021:

◆ **Safety Master Plan:** implementation of the plan through communication actions and discussions with employees and leaders through webinars and formal training. The purpose of this document is to guide and disseminate the organizational competence “Safety First,” to structure long-term goals and deliverables for all hierarchical levels, and to reinforce the company’s structured programs and tools that serve as a basis to maintain and advance our maturity as an HSE culture.



◆ **Training of Specialists:** we completed the training course focused on training professionals in tools for Adult Safety Education (Andragogy) and Psychosocial Risk Management. These specialists will assist local HSE teams by working on the implementation of these tools. The specialists were indicated by the managers based on a profile defined for each tool. Each unit enrolled between 15 and 30 specialists in each module of this training course, totaling 271 specialists trained in 2021. In all, the five modules taught between 2020 and 2021 trained 436 specialists in twelve different locations.

◆ **Training of Leaders:** we completed the training with three new behavioral safety topics: Evolving in Safety Culture, Legal Issues, and Developing Social Skills for Safety. All 277 leaders from the MAC and Mercosur regions participated in this training.

These training courses were adapted to the Distance Learning model, respecting the health protocols related to the prevention of Covid-19. The virtual meetings were conducted by professionals from a specialized consulting firm and, to complement and reinforce the topics discussed, individual reading activities and exercises were assigned.

In addition to the Global Safety Culture Transformation Plan, each location has their own plan for carrying out specific actions identified in their individual culture diagnosis report. These local actions are monitored monthly by the global team, which makes a connection between these two levels of action plans.

### WORK-RELATED INJURIES

403-9

	2019	2020	2021
<b>Employees</b>			
Total number of hours worked	3.715.857,0	3.558.326,0	3.990.556
Fatalities as a result of work-related injuries (total)	0	0	0
Fatalities as a result of work-related injuries (rate)	0,00	0,00	0,00
High-consequence work-related injuries (total) - excluding fatalities (Lost Time Incident)	8	5	13
High-consequence work-related injuries (rate) - excluding fatalities (Lost Time Incident Rate - LTIR)	2,15	1,40	3,26
Recordable work-related injuries (total) - excluding fatalities (OSHA Recordables, formerly-LTI)	2	5	7
Recordable work-related injuries (rate) - excluding fatalities	0,54	1,40	1,75
<b>Number of workers (performing activity or working in locations controlled by the organization) (Contractors + Interns)</b>			
Total number of hours worked	3.402.093,0	3.306.966,0	3.697.341
Fatalities as a result of work-related injuries (total)	0	0	0
Fatalities as a result of work-related injuries (rate)	0.00	0.00	0,00
High-consequence work-related injuries (total) - excluding fatalities	3	3	11
High-consequence work-related injuries (rate) - excluding fatalities	0,88	0,91	2,98
Recordable work-related injuries (total) - excluding fatalities	4	6	5
Recordable work-related injuries (rate) - excluding fatalities	1,18	1,81	1,35

Rates calculated based on 1,000,000 hours worked.

<sup>4</sup>Note: the data considered for this indicator are scoped to Brazil and Mexico, but in 2021 we carried out the safety culture diagnosis in the US locations, and from 2022 onwards, actions will also be implemented aimed at advancing OSH maturity, according to the company’s strategic objectives.



103-2, 103-3

## WORKPLACE SAFETY

The hazards and risks associated with the main work-related injuries that occurred in 2021 are connected to the everyday use of utilities, mainly hot water and steam for cleaning and decontaminating process areas and equipment during the operational shifts. Lifting and moving parts and equipment manually also continues to be a source of injury in the company, mainly for operational activities of employees.

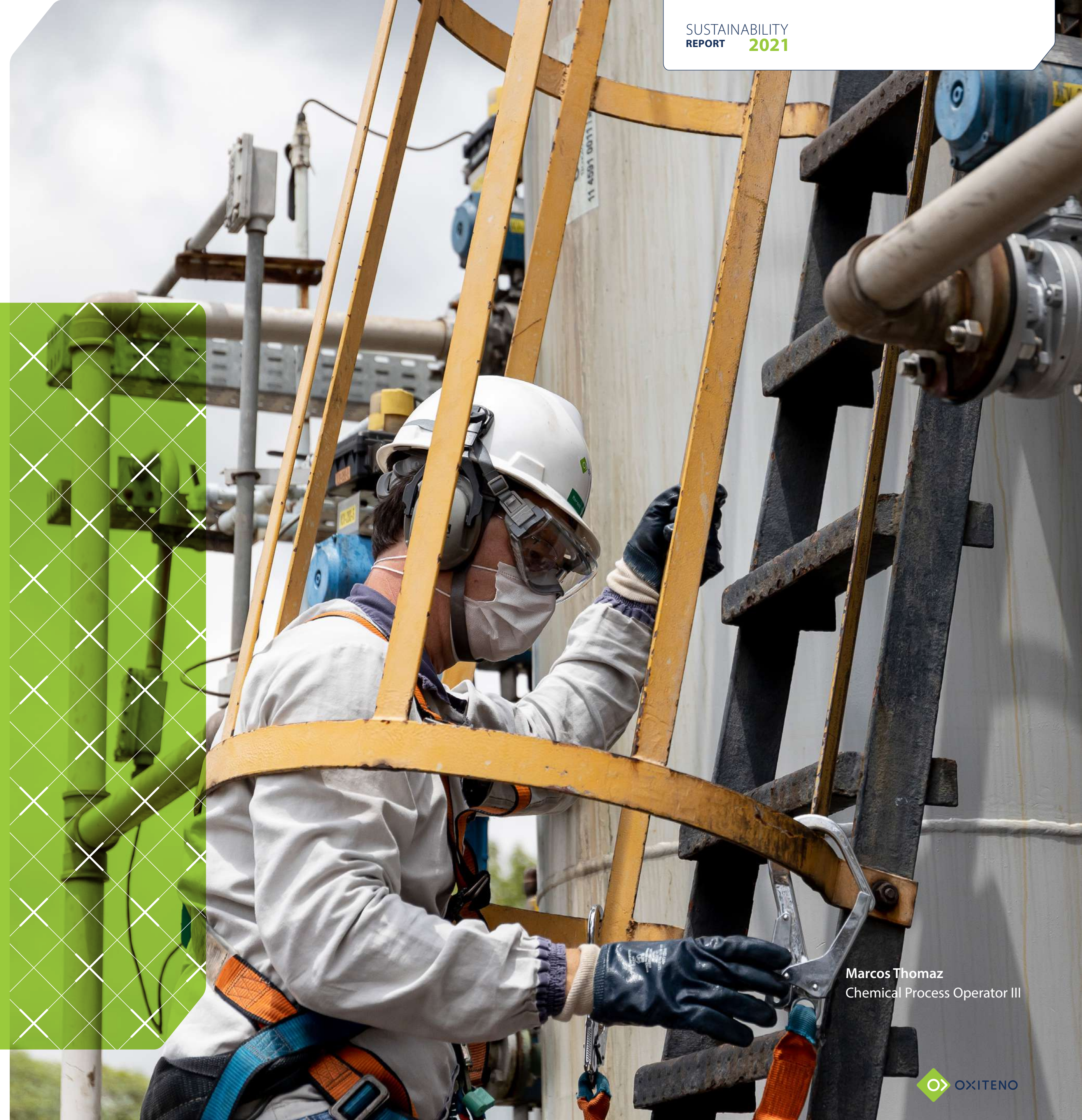
There was a reduction in the number of injuries caused by the spraying of chemicals and by contact with sharp surfaces. However, the risk in personal tasks involving chemicals exists, and accidents while performing these activities were recorded during the year.

Oxiteno's main tool for identifying hazards and risks and determining controls is the Task Risk Analysis (ART), which is mandatory for all activities performed at the company. Controls are defined according to a hierarchy, and risk is assessed

according to a significance matrix. Performing activities classified in the high-risk zone is prohibited until new controls are defined and the risk is reclassified as an acceptable risk.

Our accident rate increased last year. In absolute numbers, there were 24 recordable incidents (with and without lost time) versus 19 in 2020. The incidents that resulted in lost time were 12 in 2021 versus 8 in 2020, totaling 186 lost days versus 127 in 2020, a 46% increase. We ended the year with a Total Recordable Incident Rate of 3.12 and a Lost-Time Incident Rate of 1.56. This was due to an increase in the number of hours worked, mainly due to maintenance shutdowns.

We closed another year without recording occupational diseases. The Mercosur region (Brazil and Uruguay units) account for more than 80% of Oxiteno's MHW and in 2021, there was a 23% decrease in the accident rate compared to 2020. It was the best accident rate in the region in the last four years (also in absolute numbers: 2018 = 20, 2019 = 14, 2020 = 16, and 2021 = 13).



Marcos Thomaz  
Chemical Process Operator III



PROCESS SAFETY

103-2, 103-3: process safety

During 2021, process hazard analyses (PHA) were conducted in the Uruguay, Tremembé, Mauá, and Camaçari units. It is important to continually check for hazards related to fire, explosions, and the release of toxic substances that could impact people, the environment, or the unit’s assets.

Cycle 2 of the PHA was completed in Uruguay, and it found seven high-risk scenarios. Fourteen recommendations will be implemented for these scenarios aiming to reduce the risk to a moderate zone. Cycle 3 of the PHA began in the Brazilian units and had a remarkable differentiator – the implementation of the HAZOP (Hazard and Operability Study) tool – thereby achieving greater depth in the details of each piece of equipment and areas analyzed. The studies will continue in Brazil in 2022, and Cycle 3 of the PHA will start in Mexico, also using the HAZOP tool.

During 2021, we reaffirmed our commitment to process safety management and became a member of the CCPS (Center for Chemical Process Safety), a key association within the industry focused on identifying and meeting the process safety needs of the various facilities where management is involved, storage, use or processing, and transportation of hazardous materials.



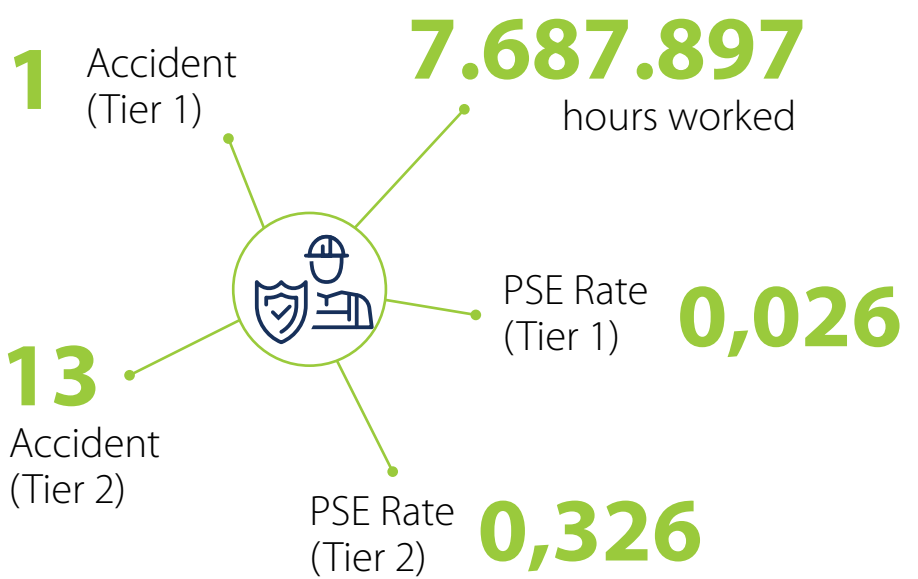
Kezia Paola Mendes Martins  
Apprentice Administrative Assistant

SASB - EM-RM-540a.1  
PROCESS HAZARD ANALYSIS (PHA) - TIER 1 AND TIER 2  
2021

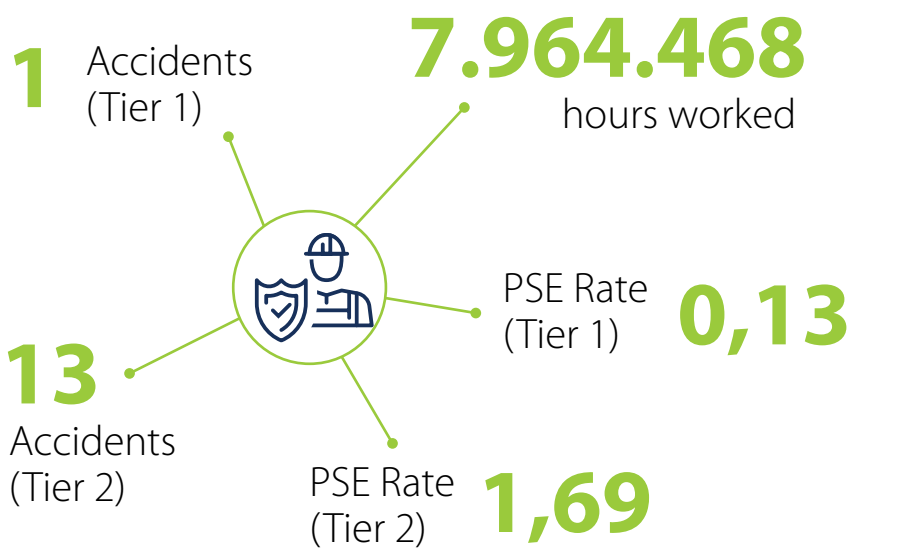
7 high-risk scenarios

14 recommendations

SASB - EM-RM-540a.1  
PROCESS SAFETY EVENTS (PSE)  
Overall PSE Rate  
(Total Tier 1 and Tier 2 PSE Events / Total Hours Worked) x 200,000  
2021



SASB - EM-RM-540a.1  
PROCESS SAFETY EVENTS (PSE)  
Overall PSE Rate  
(Total Tier 1 and Tier 2 PSE Events / Total Hours Worked) x 1,000,000  
2021





## IMPROVEMENTS IN THE WORK ENVIRONMENT

In 2021, we reinforced and expanded the implementation of the 5S Program in Oxitenó's areas. 5S is a continuous improvement model that applies the concepts of utilization, organization, cleanliness, standardization, and discipline, promoting ethical and behavioral aspects to the employees. The program provides for waste reduction, the creation of a healthier and safer work environment, and an increase in the company's operational efficiency, commitment, and sustainability.

The structure of the program is composed of implementation stages in which the Continuous Improvement area supports its execution, together with the requesting areas. It covers everything from the identification stages of the current scenario, mapping of opportunities, and development of action plans, to the implementation of improvements and audits for qualifying the actions taken and their adherence to the 5S concepts.

The following areas implemented the 5S program in 2021: the Quality Control laboratories in Mauá and Tremembé, the Pilot Plant, SEAC (Sample Control), the Crop Solutions laboratory in Belgium, the Analytical Laboratory, and the production areas in Tremembé and Suzano.



### Some of the results already achieved:



- ◆ Plans for cleaning and mitigating sources of dirt, providing a clean and safe environment, and properly treating residues and dirt from indoor activities.



- ◆ Identification, demarcation, and signage of equipment, benches, glass, and other items, facilitating and optimizing the workflow and safety of the site.



- ◆ Layout and rearrangement of activities that provide better ergonomics and promote employee safety.



- ◆ Placement of rubber material on workbenches and sinks to reduce or prevent glassware breakage and corrosion, as well provide containment for leaks from flasks and substances from equipment.



- ◆ Donation of unused items to schools, NGOs, or other institutions.



- ◆ Reuse of items considered obsolete.





# COMMUNITIES

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

In 2021, we revalidated our social action strategy and launched the volunteer program. Through these two new initiatives, we want to expand our activities in the communities where we are present, working for their sustainable development and fulfilling our purpose of providing well-being to people through chemistry.

Our social action strategy is currently based on two main pillars: transformation through chemistry and development of the local community. Three causes are supported by these pillars: Fight against hunger and poverty, Education, and Employability and Income Generation. This guideline is put into action by means of tools such as Tax Incentive Laws, private social incentives, donations, and social engagement.



**Our guideline for social action**

**Our purpose**  
Contribute to people's well-being through chemistry



**Transformation through chemistry**  
Use chemistry as an agent of social change



**Local development**  
Minimize social adversities in communities close to operations with a focus on local development.

## Our causes



Entrepreneurship and income generation



Education



Fight against hunger and poverty

## CORONA NO PAREDÃO, FOME NÃO (Fight against Covid-19 and hunger)

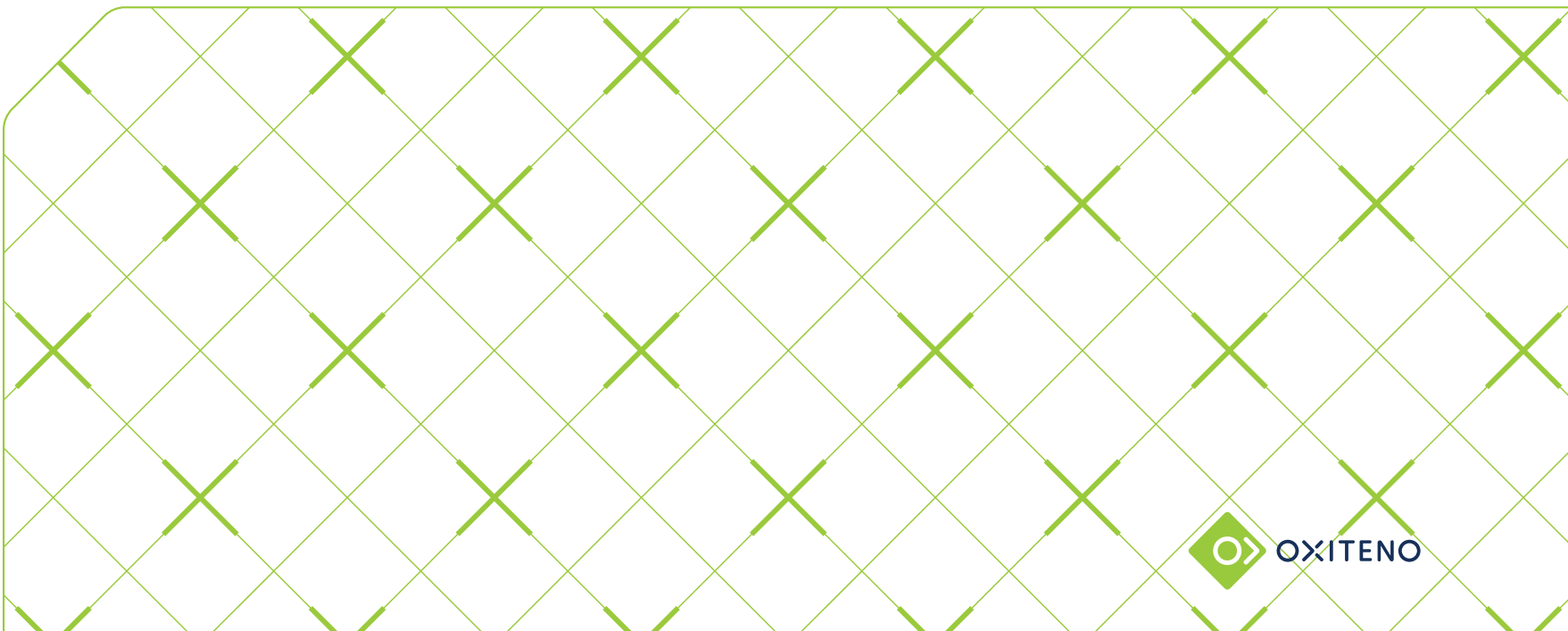
In 2021, we strengthened our partnership with Instituto Gerando Falcões, a Brazilian NGO created by the young social entrepreneur Eduardo Lyra, whose goal is to end the country's slums. From donations made by Oxiteno and employees, we raised R\$93,500 for the purchase of nearly 2,000 staple food baskets that were distributed to vulnerable families. Oxiteno also participated in the action Tudo em Dobro (Everything in Double), in which every donation made by employees would be doubled by the company.

The campaign raised a total of R\$23,500 worth of donations from the employees and an additional R\$46,500, totaling R\$70,000 for Gerando Falcões. In all, the program has assisted more than 1 million people through 629 institutions in 215 cities in the country.

## Other donations

**BRL 278 thousand reais, of which:**

- ◆ **1,350** basic food baskets and hygiene kits
- ◆ **200** liters of gel alcohol
- ◆ **20** kg of raw material
- ◆ **20** medical oxygen cylinders
- ◆ **300** Covid-19 tests
- ◆ **4,000** masks





OUR SOCIAL STRATEGY IN PRACTICE

Baú das Artes

Focused on the development of public school teachers, the goal of the project Baú das Artes (Chest of Arts) is to develop manual and emotional skills, forms of expression, creativity, and socialization of students through playful and educational tools. The work has been carried out for four years with schools in the region surrounding our operations – Mauá, Suzano, and Tremembé (SP) Camaçari (BA), and Triunfo (RS). The chests are delivered filled with materials, such as theater items, gardening objects, hygiene, sports, food, and a mini-library with books from the NGO Evoluir and partner publishers. During the pandemic, the project also helped educators facilitate the challenge imposed by distance learning.

Year	Schools	Chests	Educators	Students	Region
2018	8	8	74	1.740	Camaçari
2019	22	22	104	3.886	Camaçari, Mauá, Tremembé
2020	24	24	298	7.597	Camaçari, Mauá, Tremembé Suzano, and Triunfo
2021	26	24	227	7.805	Camaçari, Mauá, Tremembé Suzano, and Triunfo
Total	80	78	703	21.028	-



Integrate Art and Life

As part of our initiatives focused on social responsibility, this year we sponsored the social project Integrar Arte e Vida (Integrate Art and Life), which caters to children and adolescents enrolled in the state school Professor Sada Umeizawa, located in Mauá, São Paulo. The purpose of this project is to complement the educational process to prevent school dropout and offer alternatives by means of cultural and sports workshops, reducing social risks for young people from needy communities.

The educational program proposes an extension of the students’ curricular activities, thus configuring a model that is similar to a full-time school. Sports and leisure motivate and inspire the overcoming of socioeconomic barriers and help students with skills such as concentration, school performance, discipline, self-esteem, well-being, and quality of life.

The project lasts 12 months and started in August after the return to school in a restricted manner because of the pandemic. Oxitenó sponsored the entire project, which included the remodeling of the judo and ballet rooms and the sports court, the installation of mirrors, bars, tatamis, painting, and replacement of the futsal goalposts, as well as the judo, ballet, and futsal classes.



Maluquímica

Performed by a pair of scientists, the play provides children with an immersion in scientific experiments. In addition to entertaining the little ones and sparking their curiosity, the play reinforces the importance of caring for the planet and for others by presenting chemistry in a playful way as an instrument for preserving life.

With Oxitenó’s sponsorship, the company Kommitment produced this play, which is planned to take place in the public schools of Mauá and Suzano in 2022 in 18 sessions. Due to the pandemic, the play was adapted to the virtual environment and shared with the Boards of Educational of the cities.





## OUR SOCIAL STRATEGY IN PRACTICE



### Ajudôu and Ippon Social

This project was developed in Camaçari (BA) and offers judo classes outside school hours at public schools in the city of Camaçari. The goal is to have 100 students enrolled.

## RELATIONSHIP AND PARTNERSHIPS

Oxitenó, through its commitment to social responsibility by developing local community in which it operates, has a Social Risk Mapping. This mapping takes into account risks that may be applicable to different stakeholders, such as: suppliers, logistics chain, surrounding communities, employees, customers and society. Through internal procedural findings and relevant market studies (for example: ULTRA Group Code of Ethics, Matrix of Oxitenó's Environmental Aspects and Impacts (ISO 14001), Sustainable Development of the UN and ISO 26000) it was possible to map the risks which stakeholders are subject and classify them according to their severity and probability. Severity takes into account reputational and investment risk organization and the probability is based on the rate of documentation, initiatives and existing procedures for risk control and mitigation.

Another important social action tool is the Community Councils Consultative Councils (CCC), an initiative of the chemical industries that seeks to strengthen the relationship and expand the communication channels between the company and the community for environmental, health and safety matters. The CCC is made up of members of the

surrounding community, representatives of local businesses, schools, health area, public agencies (civil defense, environment). Board meetings are held periodically, in which, among themes, one of them the company reports to the main events and deviations of its operations, communicating what were the treatments and solutions and clarifying possible doubts. If there is any complaint, suggestion or any necessary contact from the community the CCC remain as a channel of communication of these demands in addition to having the Grupo Ultra's open channel available to the local community to making that contact.

In the United States, Oxitenó participates in monthly meetings of the BAYCAP (Bay Area Citizens Advisory Panel), which provides an open forum for dialogue between industry members and the local community: neighbors, community business leaders and owners

413-1



## SAFE BACK TO SCHOOL

In partnership with AkzoNobel, we donated 1,000 staple food baskets and hygiene kits, more than 3,000 masks, and 200 liters of hand sanitizer. We also revitalized the classrooms, hallways, and courts of two public schools in the region of Mauá in São Paulo.

The revitalization involved the collaboration of 12 artists who transformed the spaces of the state schools Professor Manoel Rodrigues and Professor Sada Umeizawa, located in Mauá (SP), through an initiative that uses color and urban art to connect students and teachers to the educational spaces. In total, 1,503 students, employees, and teachers were impacted by the action, which added color to more than 14,300 sqm in both schools.



**81%**  
said their sense of  
well-being increased

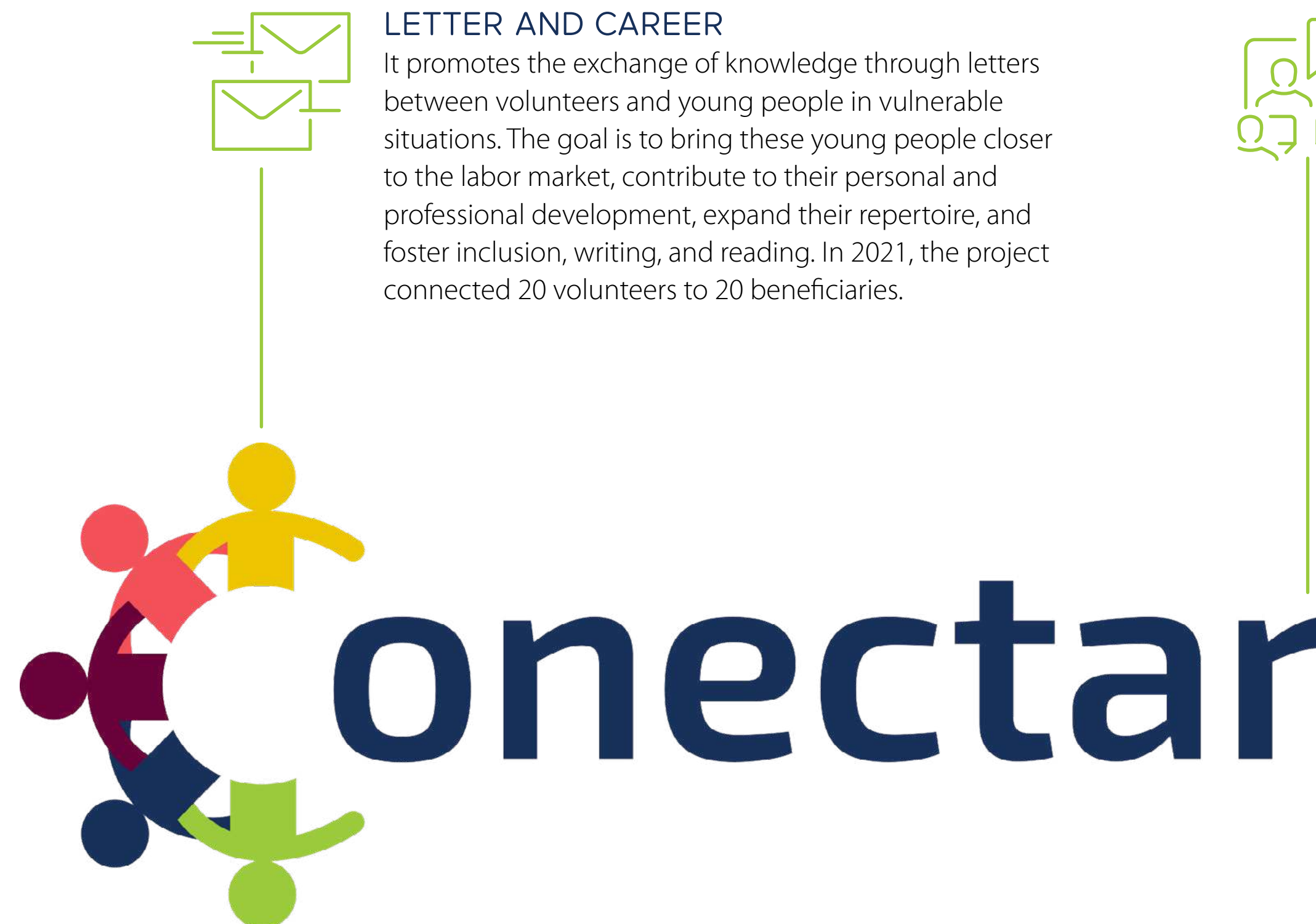
**89%**  
said they are more  
willing to take  
care of the place

**82%**  
feel more pride  
in attending the  
institution



The focus of the volunteer program Conectar is to boost Oxitenó's social action strategy and enable employees to act as social transformation agents to minimize social adversities in communities near the operations and promote local development. It has become one more tool in our social action strategy and will initially cover all locations in Brazil.

All our volunteer actions are managed through an exclusive platform. In 2021, we performed a total of 8 actions, with the participation of 66 volunteers and that benefited more than 600 people



### LETTER AND CAREER

It promotes the exchange of knowledge through letters between volunteers and young people in vulnerable situations. The goal is to bring these young people closer to the labor market, contribute to their personal and professional development, expand their repertoire, and foster inclusion, writing, and reading. In 2021, the project connected 20 volunteers to 20 beneficiaries.

### CONNECTED WITH TOMORROW

Aimed at a young audience, the program offers career information and behavioral skills required in the job market. This mentoring allows students to have the opportunity to reflect on their future, offering career perspectives and information about the behavioral skills desired in the job market. In 2021, the project had the participation of 14 volunteers and benefited 125 young people.



### OXITENO 2021 CHRISTMAS CAMPAIGN

A volunteer action of the Conectar Program that collected donations for the organizations Irmã Dulce in Camaçari, SOS Aldeias Infantis in Porto Alegre, and Gerando Falcões at the main office and units in São Paulo.





SUPPLIERS

102-9, 103-2, 103-3: supply chain

At Oxiteno, supplier relationships aim to promote the best business, create good practices that provide positive social impact initiatives, and recognize partners that stand out in their processes, thus strengthening our business partnerships. For this reason, the Procurement area has a strategic role with a well-defined scope in order to promote the following:

- ◆ The appreciation of Service, Reputation, and Responsible and Sustainable Operations, in addition to competitive cost and accuracy of supply.
- ◆ The development and monitoring of suppliers through a more consistent and comprehensive audit plan, based on continuous improvement plans.
- ◆ The creation of networks of consultants and offices to support us in the supplier audit process ( covering suppliers on all continents).
- ◆ The introduction of Ecovadis as a partner for the development and monitoring of the Sustainability of our suppliers’ operations and specificity for each category.
- ◆ The application of ESG elements in procurement strategies, with commercial preferences for outstanding suppliers.

In 2021, we implemented our new Supplier Relationship Program. This program establishes a way of working that

takes into account not only criteria such as price or delivery time, but also important elements such as the relationship between Oxiteno and suppliers, quality, safety, service level, reputational assessment, and sustainability applied across their production chain.

Also in line with the 2030 Strategic Sustainability Plan, we have an initiative in place that measures and monitors environmental and social performance in our supply chain. Through the EcoVadis platform, we can proactively assess and compare our suppliers on the main topics of Corporate Social Responsibility (CSR) – including the environment, labor practices and human rights, ethics, and sustainable procurement – and collaborate to create plans for improving their processes.

The methodology focuses on 21 sustainability criteria, based on globally recognized initiatives: International Labor Organization (ILO), UN Global Compact, Global Reporting Initiative (GRI), and ISO 26000. We believe that the use of this collaborative platform will enhance the performance of our suppliers while being transparent and making it possible to share CSR results with other clients as well.

In 2021, supplier spending was 55% higher than in 2020 due to an increase in sales volume.



Total number of suppliers



Total volume of purchases (US\$)



Main categories of suppliers



Basic Petrochemicals



Renewable Co-products



Utilities



Petrochemical Co-products



Packaging



204-1

PROPORTION OF SPENDING ON LOCAL SUPPLIERS

	Brazil		Mexico		United States		Uruguay	
	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
2019	77%	23%	71%	29%	72%	28%	39%	61%
2020	75%	25%	70%	30%	54%	46%	10%	90%
2021	74%	26%	70%	30%	65%	35%	7%	93%

All suppliers located in the same country as the corresponding industrial unit are considered "local" suppliers.

In 2020, there was a decrease in the volume of purchases from local suppliers due to the pandemic, which required the purchase of imported raw materials to supply the units

RESPONSIBLE OPERATIONS

Our responsibility regarding ethics and decent and respectful labor relations must extend beyond our operations. We have clear guidelines that prohibit any kind of forced or child labor at our suppliers and a communication channel (our Open Channel) for employees and third parties to report the existence or suspicion of violations. We also conduct due diligence procedures on suppliers prior to their registration to identify reputational risks of the third parties with which Oxiteno has a relationship.

Supplier monitoring does not yet include sustainability criteria for selecting and approving suppliers in the Mexico and United States regions.

% OF NEW SUPPLIERS THAT WERE SCREENED USING SOCIAL AND ENVIRONMENTAL CRITERIA

2019	2020	2021
100	100	100

308-1, 414-1



SANITIZATION  
AND SAVINGS

In a joint effort between Innovation and Procurement, we worked on the application of Aurratech’s sanitization technology for our tank trucks. The use of this technology resulted in a 90% savings in sanitization process time, 88% less energy consumption, 99% less water consumption, and an increase in the duration of the sanitization, which increases the availability of vehicles at a time of high demand in logistics. The technology is currently being used by one client with two Oxiteno products and in transfer operations between Oxiteno’s Tremembé and Suzano units.

INTERNATIONAL  
MONITORING

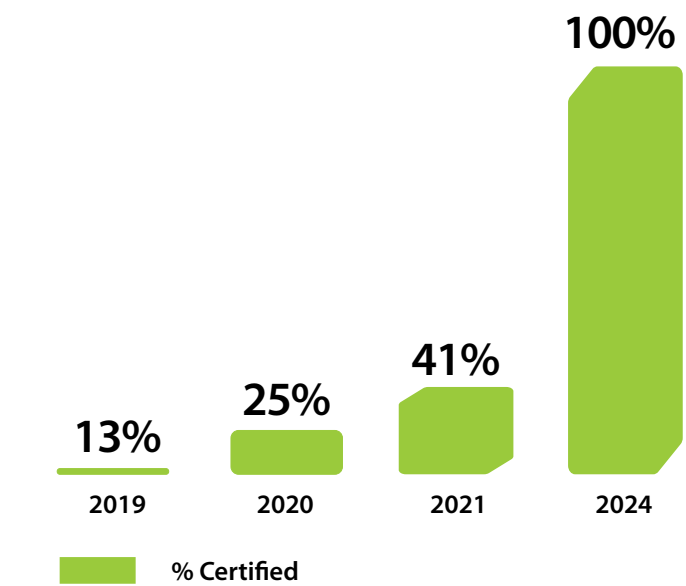
In international logistics, Oxiteno started 2021 by performing a proof of concept using the Startup Quattro technology for the implementation of a system for managing and monitoring its imports and exports. The system was approved in the proof of concept and contracted in the second half of 2021.

The tool allows for a better management view, unifying data from the beginning to the end of the process, making this information accessible to both the team and the clients. It also makes it possible to identify the main bottlenecks in the operation and monitor maritime shipping. This provides clarity for a more effective operation and opportunities for improvement on a daily basis.



RESPONSIBLE  
RAW MATERIALS

In 2021, we increased our percentage of purchases of palm kernel oil and derivatives certified by the Roundtable on Sustainable Palm Oil (RSPO), a non-governmental organization that evaluates suppliers of this raw material for social and environmental aspects and facilitates the traceability of supply flows from ports, refineries, factories, and, in time, from plantations. This action is part of our commitment to sustainable development and is in line with our 2030 strategic plan. Compared to the total volume, 41% of the purchased palm kernel oil and derivatives were certified. Considering only palm kernel oil, the percentage rises to 43%. Our goal is to reach 100% certified products by 2024.





# About the report

102-50, 102-52, 102-54, 102-56

This is the seventh consecutive edition of our report, prepared in accordance with the standards of the Global Reporting Initiative (GRI) in its Standards version, Core option. In it, we provide a clear and transparent presentation of Oxitenó's main results for the period of January 1 to December 31, 2021, in line with the 2030 Strategic Sustainability Plan, the UN Sustainable Development Goals (SDG), and the ten Universal Principles of the UN Global Compact.

The reporting of indicators is in line with the topics considered material by the company's main stakeholders: shareholders and investors, employees, clients, consumers, external representatives, business partners, suppliers and service providers, competitors, the media, public authorities, and trade associations and entities.

## 102-40

It should be noted that we chose to continue with the material topics defined in 2018 for the development of this report, since they remain relevant and integrate the pillars of the 2030 Strategic Sustainability Plan. For the most recent materiality process, the company's managers and a representative of the group of shareholders were directly involved. They identified the topics considered most impactful and those that are in line with the topics deemed material. Also, to provide greater transparency and robustness to the process, for the second year Bureau Veritas (BV) provided external assurance of the data.

102-42, 102-43, 102-44

## 102-46, 102-47, 103-1

Material topic	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
Appreciation of the workforce	Yes	No
Local communities*	Yes	Yes
Economic performance*	Yes	Yes

*\*The topics of Local Communities and Economic Performance were considered material by Oxitenó's Senior Management and are also in line with the materiality of Grupo Ultra.*

**Leandro Nunes de Castro**  
Chemical Process Operator II



# GRI content index

102-55





GRI Standard	Disclosure	Comment	Page
GRI 101: foundation 2016			
General disclosures			
Organizational profile			
GRI 102: General Disclosures 2016	102-1: Name of the organization		9
	102-2: Activities, brands, products, and services		9 e 32
	102-3: Location of headquarters		9
	102-4: Location of operations		9
	102-5: Ownership and legal form	Privately-held corporation and part of the multi-business company Ultrapar Participações S.A. (Ultra)	
	102-6: Markets served		13
	102-7: Scale of the organization		13
	102-8: Information on employees and other workers		48
	102-9: Supply chain		57
	102-10: Significant changes to the organization and its supply chain	There were no significant changes in the organization and its supply chain during the year 2020.	
	102-11: Precautionary Principle or approach		26
	102-12: External initiatives		11
	102-13: Membership of associations		11
Strategy			
GRI 102: General Disclosures 2016	102-14: Statement from senior decision-maker		4
	102-15: Key impacts, risks, and opportunities		26
Ethics and Integrity			
GRI 102: General Disclosures 2016	102-16: Values, principles, standards, and norms of behavior		23
	102-17: Mechanisms for advice and concerns about ethics		26
Governance			
GRI 102: General Disclosures 2016	102-18: Governance structure		25

GRI Standard	Disclosure	Comment	Page
GRI 101: foundation 2016			
Stakeholder engagement			
GRI 102: General Disclosures 2016	102-40: List of stakeholder groups		67
	102-41: Collective bargaining agreements	80.1% of employees are covered by collective agreements. Only Brazil, Mexico and Uruguay have collective bargaining agreements (countries considered: Argentina, Brazil, China, Colombia, Belgium, USA, Mexico and Uruguay).	
	102-42: The basis for identifying and selecting stakeholders with whom to engage		67
	102-43: Approach to stakeholder engagement		67
	102-44: Key topics and concerns raised		67
	Reporting practices		
GRI 102: General Disclosures 2016	102-45: Entities included in the consolidated financial statements	The information reported includes the performance in Brazil, the most significant operation, but, whenever possible, extends to international units. The financial statements are disclosed by the holding company Ultrapar and cover all units of Oxiteno.	
	102-46: Defining report content and topic Boundaries		67
	102-47: List of material topics		67
	102-48: Restatements of information	Changes were made to the history of environmental indicators as a result of the start-up of Pasadena and the closure of activities in Venezuela. The indicator 406-1 on cases of discrimination was also revised.	
	102-49: Changes in reporting	There were no changes	
	102-50: Reporting period		74
	102-51: Date of most recent report	2019	
	102-52: Reporting cycle	Annual	
	102-53: Contact point for questions regarding the report		74
	102-54: Claims of reporting in accordance with the GRI Standards		68
	102-55: GRI content index		68
	102-56: External assurance	The information reported has not been externally assured.	73



GRI Standard	Disclosure	Comment	Page
GRI 101: foundation 2016			
Material topics			
Economic performance			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		67
	103-2: The management approach and its components		28
	103-3: Evaluation of the management approach		28
GRI 201: Economic Performance 2016	201-1: Direct economic value generated and distributed		29
	201-2: Financial Implications and Other Risks and Opportunities Resulting from Climate Change		41
Procurement practices			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		67
	103-2: The management approach and its components		65
	103-3: Evaluation of the management approach		65
GRI 204: Procurement practices	204-1: Proportion of spending on local suppliers		65
Anti-corruption			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		67
	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		27
	205-2: Communication and training about anti-corruption policies and procedures		27
	205-3 Operations assessed for risks		27

GRI Standard	Disclosure	Comment	Page
GRI 101: foundation 2016			
Environment			
Energy			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		67
	103-2: The management approach and its components		43
	103-3: Evaluation of the management approach		43
GRI 302: Energy 2016	302-1: Energy consumption within the organization		43
	302-3: Energy intensity		43
	302-4: Reduction of energy consumption		43
Water and effluents			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		67
	103-2: The management approach and its components		42
	103-3: Evaluation of the management approach		42
GRI 303: Water 2016	303-3: Water consumption by source		42
	303-4: Total water discharge		42
	303-5: Total water consumption		42
Emissions			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		67
	103-2: The management approach and its components		44
	103-3: Evaluation of the management approach		44
GRI 305: Emissions 2016	305-1: Direct (Scope 1) GHG emissions	Oxiteno's GHG emissions inventory adopts operational control to measure results.	44
	305-2: Energy indirect (Scope 2) GHG emissions	Oxiteno's GHG emissions inventory adopts operational control to measure results.	44
	305-4: GHG emissions intensity		44
	305-5: Reduction of GHG emissions		44
	305-7: NOx, SOx and other significant air emissions		



GRI Standard	Disclosure	Comment	Page
GRI 101: foundation 2016			
Waste			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		57
	103-2: The management approach and its components		45
	103-3: Evaluation of the management approach		45
GRI 306: Waste 2018	306-3: Waste generated		45
	306-4: Wastes not destined for final disposal		45
	306-5: Waste sent to final disposal		45
Supplier environmental assessment			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		67
	103-2: The management approach and its components		65
	103-3: Evaluation of the management approach		65
GRI 308: Supplier environmental assessment	308-1: New suppliers that were screened using environmental criteria		65
Social			
Employment			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		60
	103-2: The management approach and its components		47
	103-3: Evaluation of the management approach		47
GRI 401: Employment 2016	401-1: New employee hires and employee turnover		48

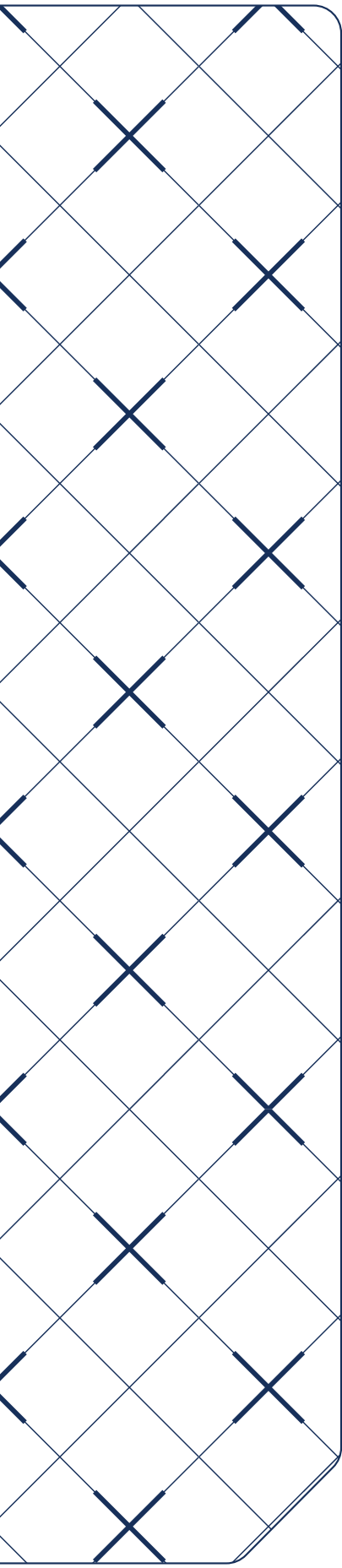
GRI Standard	Disclosure	Comment	Page
GRI 101: foundation 2016			
Occupational health and safety			
GRI 103: Management Approach 2018	103-1: Explanation of the material topic and its Boundary		67
	103-2: The management approach and its components		55
	103-3: Evaluation of the management approach		55
GRI 403: Saúde e Segurança do Trabalho 2018	403-3: Occupational health services		55
	403-4: Employee participation, consultation and communication regarding occupational health and safety		55
	403-9: Accidents at work		57
Training and education			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		67
	103-2: The management approach and its components		52
	103-3: Evaluation of the management approach		52
GRI 404: Training and Education 2016	404-1: Average hours of training per year per employee		52
Diversity and equal opportunity			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		67
	103-2: The management approach and its components		49
	103-3: Evaluation of the management approach		49
GRI 405: Diversity and Equal Opportunity 2016	405-1: Diversity of governance bodies and employees		48, 50, 51
	405-2: Ratio of base salary to remuneration received by women and men		51



GRI Standard	Disclosure	Comment	Page
GRI 101: foundation 2016			
Non-discrimination			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		67
	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	There were no reported cases in the period	
Local communities			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		67
	103-2: The management approach and its components		61
	103-3: Evaluation of the management approach		61
GRI 413: Local Communities 2016	413-1: Operations with local community engagement, impact assessments, and development programs		61
Supplier social assessment			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		67
	103-2: The management approach and its components		65
	103-3: Evaluation of the management approach		65
GRI 414: Supplier Social Assessment 2016	414-1: New suppliers that were screened using social criteria		65

GRI Standard	Disclosure	Comment	Page
GRI 101: foundation 2016			
Customer health and safety			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		60
	103-2: The management approach and its components		33
	103-3: Evaluation of the management approach		33
GRI 416: Customer Health and Safety 2016	416-1: Incidents of non-compliance concerning the health and safety impacts of products and services		33
Customer Privacy			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		67
	103-2: The management approach and its components		
	103-3: Evaluation of the management approach		
GRI 418: Customer Privacy 2016	418-1: Proven complaints regarding breaches of privacy and loss of customer data	Zero complaints	
SASB - Oil and Gas: Midstream			
Critical Incident Risk Management	EM-RM-540a.2	Challenges for Security Systems	59





102-13 - Membership of associations

BRAZIL
American Chamber of Commerce (AMCHAM Brasil)
Associação Brasileira da Indústria de Higiene Pessoal, Perfumaria e Cosméticos (ABIHPEC)
Associação Brasileira da Indústria Química (ABIQUM)
Associação Brasileira das Indústrias de Química Fina, Biotecnologia e suas Especialidades (ABIFINA)
Associação Brasileira de Automação (GS1)
Associação Brasileira de Comunicação Empresarial (ABERJE)
Associação Brasileira de Engenharia Química (ABEQ)
Associação Brasileira de Normas Técnicas (ABN)
Associação Brasileira dos Defensivos Genéricos (AENDA)
Associação Brasileira dos Distribuidores de Produtos Químicos e Petroquímicos (ASSOCIQUIM)
Associação Brasileira dos Fabricantes de Tintas (ABRAFATI)
Associação Brasileira Engenharia Automotiva (AEA)
Associação Nacional de Pesquisa e Desenvolvimento das Empresas Inovadoras (ANPEI)
Comitê de Fomento Industrial de Camaçari (COFIC)
Comitê de Fomento Industrial do Polo do Grande ABC (COFIP-ABC)
Comitê de Fomento Industrial do Polo do Rio Grande do Sul (COFIP-RS)
Instituto Brasileiro de Petróleo, Gás e Biocombustíveis (IBP)
Sindicato do Comércio Atacadista, Importador e Exportador de Produtos Químicos e Petroquímicos no Estado de São Paulo (SINCOQUIM)
Sindicato Nacional da Indústria de Componentes para Veículos Automotores (SINDIPEÇAS)
Sindicato das Indústrias de Produtos Químicos (Sinproquim SP)
Sindicato dos Químicos do Rio Grande do Sul (Sindiquim RS)
Sindicado Nacional dos Trabalhadores em Instituições e Fundações Públicas Federais de Pesquisas Estatísticas e Geográficas (Sinpeg BA)

U.S.
American Chemistry Council (ACC)
American Cleaning Institute (ACI)
American Coatings Association (ACA)
Council of Producers & Distributors of Agrotechnology (CPDA)
East Harris County Manufacturers Association (EHCMA)
Household & Commercial Products Association (HPCA)
National Association of Chemical Distributors (NACD)
Personal Care Products Council (PCPC)
MEXICO
Asociación De Industriales De El Salto (AISAC)
Asociación Nacional De Fabricantes De Pinturas y Tintas (ANAFAPYT)
Asociacion Nacional De La Industria Quimica (ANIQ)
Cámara Nacional De La Industria De La Transformación (CANACINTRA)
Instituto Mexicano de Ingenieros Químicos (IMIQ)
Sociedad De Química Comestelógicos De México (SQCM)
URUGUAY
Asociación de Industrias Químicas del Uruguay (ASIQR)
Unión de Exportadores del Uruguay (UEU)
WORLDWIDE
Asociación Petroquímica y Química Latinoamericana (APLA)
The European Petrochemical Association (EPCA)



# Letter of assurance

102-56

## INDEPENDENT ASSURANCE STATEMENT BUREAU VERITAS



### INTRODUCTION

Bureau Veritas Certification Brazil (Bureau Veritas) was engaged Oxitenó S.A. Indústria e Comércio (Oxitenó), to conduct an independent assurance of its Sustainability Report for the year 2021 (hereinafter referred to as the Report).

This assessment was conducted by a multidisciplinary staff with expertise in non-financial data.

### SCOPE OF WORK

The scope of this verification encompassed the Standard and Principles<sup>1</sup> of the Global Reporting Initiative™GRI for Sustainability Reports, for the period from 1 January to 31 December 2021.

### OXITENO AND BUREAU VERITAS RESPONSIBILITIES

The collection, calculation and presentation of the data published in the report are Oxitenó's management sole responsibility. Bureau Veritas is responsible for providing an independent opinion to the Stakeholders, pursuant to the scope of work defined in this statement.

### METHODOLOGY

The assurance work covered the following activities:

1. Interviews with the personnel responsible for material issues and Report content;
2. Review of documentary evidence provided by Oxitenó in relation to the reporting period (2021);
3. Verification of performance data relating to the principles that ensure the quality of the information, pursuant to the GRI Standards;
4. Remote verification regarding corporate and operational indicators;
5. Desk review of Oxitenó's stakeholder engagement activities;
6. Evaluation of the method used to define material issues included in the Report, taking into account the sustainability context and the scope of the information published.

The level of verification adopted was Limited, according to the requirements of the ISAE 3000 Standard<sup>2</sup>, which were incorporated to the internal assessment protocols of Bureau Veritas.

### LIMITATIONS AND EXCLUSIONS

Excluded from the scope of this work was any assessment of information related to:

- Activities outside the defined reporting period;
- Statements of position (expressions of opinion, beliefs, goals, or future intentions) on the part of Oxitenó;
- Accuracy of economic and financial data contained in this Report which has been taken from financial statements verified by independent financial auditors;
- Inventory of Greenhouse Gas (GHG) emissions, verified externally by a independent party;
- Data and information regarding related companies that are not under operational control of Oxitenó;

The following limitations apply for this assurance engagement:

- The principles of Accuracy and Reliability were limited to data samples related to material aspects published within the Report;
- Economic and financial data presented within the report were assessed against the GRI reporting principle of Balance and Completeness.

### TECHNICAL REPORT

- Throughout the verification process, we found a reliable system of data collection and consolidation that make up the Report. Those responsible for material issues, who responded to the verification, demonstrated adequate knowledge of the indicators and the report preparation process;
- Oxitenó chose to once more elaborate the Report based on the material topics defined in 2018. We are of the opinion that the method adopted made it possible to prepare a Report that addresses the main impacts of the company's activities in a balanced way. However, the Report does not fully include information on the definition of its stakeholder groups and the ways of engaging with them (approach and frequency of engagement);
- Oxitenó considers the concept of national scope when calculating the proportion of spending on local suppliers (GRI 204-1), which makes it impossible for the reader to understand whether there are effective actions related to local development, through local purchasing policies;
- The data presented to meet the GRI indicators 302-1, 302-2, 305-2, 305-3 e 305-5 are part of Oxitenó's GHG Emissions Inventory, certified by a third party in 2021, based on NBR ISO 14.064-1 / 07;
- We evidence the publication of the NOx, SOx and other significant emissions indicator (GRI 305-7), such as particulate matter, in compliance with a recommendation by Bureau Veritas in the previous verification cycle;
- We noticed that Oxitenó started in 2021 an assessment of the sustainability performance of its products, to implement action plans that drive improvements reducing environmental risks and impacts and the emission of greenhouse gases (GHG). The company is committed to presenting the actions and/or schedules related to these improvements, within the scope of environmental impacts, in the next publication;

- Oxitenó publishes information on indicator 413-1 (social sphere), with emphasis on development programs aimed at local communities. We evidenced data and information on environmental impact assessments and ongoing monitoring, as well as formal complaints processes by the local community (neighborhoods).

### RECOMMENDATIONS

- Define and publish the stakeholder groups with which the company seeks engagement to define the report preparation process, as well as the approach and frequency of this engagement (GRI 102-42 and 102-43) – Recommendation from the last cycle;
- Demonstrate the effectiveness of the company's local purchasing policy (GRI 204-1), reducing the scope of the concept of local purchasing, currently established at the country level – Recommendation from the last cycle.

### CONCLUSION

As a result of our assurance nothing has come to our attention that would indicate that:

- The information presented in the Report is not balanced, consistent and reliable;
- Oxitenó has not established appropriate systems for the collection, aggregation and analysis of quantitative and qualitative data used in the Report;
- The Report does not adhere to the Principles for defining report content and quality of the GRI Standards and does not meet its Core level.

### DECLARATION OF INDEPENDENCE AND IMPARTIALITY

Bureau Veritas Certification is an independent professional services firm specializing in Quality, Health, Safety, Social and Environmental Management, with more than 185 years' experience in independent assessment.

Bureau Veritas has a quality management system that is certified by a third party, according to which policies and documented procedures are maintained for the compliance with ethic, professional and legal requirements.

The assessment team has no links with Oxitenó and the assessment is performed independently.

Bureau Veritas implemented and follows a Code of Ethics throughout its business, in order to assure that its staff preserve high ethical, integrity, objectivity, confidentiality and competence/ professional attitude standards in the performance of their activities.

At the end of the assessment, a detailed report was drawn up, ensuring traceability of the process. This Report is kept as a Bureau Veritas management system record.

### CONTACT

Bureau Veritas Certification is available for further clarification on [www.bureauveritascertification.com.br/faleconosco.asp](http://www.bureauveritascertification.com.br/faleconosco.asp) or by telephone (55 11) 2655-9000.

São Paulo, Brazil, March 2022.

**Alexander Vervuurt**  
Lead Auditor, Assurance Sustainability Reports (ASR)  
Bureau Veritas Certification – Brazil

<sup>1</sup> Materiality, Stakeholder Inclusiveness, Sustainability Context, Completeness, Balance, Comparability, Accuracy, Periodicity, Clarity, and Reliability  
<sup>2</sup> International Standard on Assurance Engagements 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information



# Corporate credits

**General coordination**  
Global Sustainability Area

**General coordination  
of graphic project**  
Global External Communication Area

**Copy, editing, review,  
and gri consulting**  
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**Translation**  
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**Graphic design and layout**  
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Hirano

**Photographs**  
Image Bank  
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Valdecir Pacolla  
Moving Operator