

2015 Sustainability Report





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Stage of the crop protection package recycling process (pellets)

Image on cover: A truck from Campo Limpo Reciclagem e Transformação de Plásticos S.A. transporting Ecoplastics, crop protection packaging made from recycled empty packaging resins collected by the Campo Limpo System.

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MESSAGE FROM
THE PRESIDENT

**Strategic
planning and
the quest towards
self-financing**

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**NEW FRONTIERS
inpEV opens its
third self-managed
central station**



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2015 IN NUMBERS
**45,537
tons**
of disposed packages



39

**ELECTRONIC
SCHEDULING**

Scheduling the return of Empty Packages (adEV) expands the outreach of central stations with internet access to 100% and allows producers to schedule delivery of materials



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**RECYCLER
Lid factory is
inaugurated in
Taubaté (SP)**



**The Campo Limpo
System [Clean Field
System] starts receiving
improper products
and leftover post-
consumption products**

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**LEFTOVER
AND IMPROPER
PRODUCTS**

Message from the president

| GRI G4-1, G4-2 |

“Our objectives are clear since the creation of inpEV: contribute towards preserving the environment and be a reference in reverse logistics”



Brazilian production has reached 209.5 million tons in 2015, a 7.7% growth according to IBGE. The high dollar has favored the export of commodities and the negative impacts of the exchange rate came later, with the import of inputs. Despite the widespread crisis, the agricultural GDP was the only one that grew in the country.

At the end of the agricultural chain, the return of crop protection packaging was impacted in the fourth quarter, and the Campo Limpo System ended 2015 with lower inventories. However, aware of the unstable scenario that set on since the beginning of the year, we focused on productivity by doing more with less and were thus able to achieve our goal of receiving 45,500 tons of empty packaging, reaching 45,537 tons by December, 2015. The efforts made regarding efficiency and productivity coupled with an action plan to reduce costs contributed towards a 4% budget reduction in 2015.

Our objectives are clear since the creation of inpEV: contribute towards preserving the environment and be a reference in reverse logistics. Plus, we continue to pursue self-financing in order to reduce the System's costs, which are shared among the links in the chain. We look at this issue from different perspectives: increase efficiency, reduce costs and capture value.

In 2015, we took an important step in this direction when we started our activities at the lid factory in Taubaté, in the São Paulo state countryside, by adding value to the recycled material. Campo Limpo Tampas e Resinas Plásticas Ltda. symbolizes another breakthrough in our history.

We moved forward once we achieved a 15% reduction in our incineration costs, which generated yearly savings of nearly R\$ 1 million. We are also continuing our work to achieve tax reductions. Our argument that the Tax

on Circulation of Goods and Services (ICMS - Imposto sobre a Circulação de Mercadorias e Serviços) upon the packages was already levied at their origin was rejected by Confaz - National Council on Finance Policies, but we believe that this is in fact double taxation and will insist on trying to get this exemption.

Attentive to the expansion of the plantation areas in Brazil, we have invested in knowledge and infrastructure in order to increase the capillarity of the Campo Limpo System, mainly in the Matopiba region (Maranhão, Tocantins, Piauí & Bahia), where we inaugurated our third self-owned central station in Alto Parnaíba (MA).

We have standardized itinerant receipts and have implemented the receipt of leftovers and unsuitable materials. Currently, 24 central stations of the Campo Limpo System are ready to receive packages with leftover products. Our goal is to expand this type of receipt to an additional 45 stations in 2016 and to the remaining ones in 2017. We are working so that by 2020 100% of the System units (central stations and outposts) are prepared to receive packages containing leftover products.

The receipt of leftovers complies with a requirement of the Solid Waste National Policy (PNRS – Política Nacional de Resíduos Sólidos) – to also implement reverse logistics for such products - besides benefiting the environment and human and animal health, since this mitigates the risks of improper disposal.

The continuous improvement of our transportation and reverse logistics operations in 2015 achieved success due to the expansion of the Empty Packages return Scheduling System (adEV - Agendamento de Devolução de Embalagens Vazias), via the web, at

all receiving stations having access to internet. And in order to reinforce our commitment regarding emissions, we have adhered to the Climate protocol of the State of São Paulo Government, a voluntary initiative to stimulate companies to reduce greenhouse gas (GHG) emissions and adopt actions to adapt to climate changes.

The value of sustainability is in inpEV's essence. Recycling brings about environmental, social and economic-financial gains; it adds value to the System and helps in achieving self-financing. We have many reasons to celebrate the System's results and now, for 11 years, we have developed various activities on the National Clean Field Day (DNCL – Dia Nacional do Campo Limpo). Celebrated on August 18, it has already become a consolidated milestone with the participation of over one million people since its first edition.

We also invest in education in order to focus on future generations. The Campo Limpo Environmental Education Program (PEA – Programa de Educação Ambiental Campo Limpo) material was reformulated in 2015 and, has gained a digital platform in 2016, thus increasing its outreach and taking transformational and sustainable knowledge to the school communities surrounding the receiving units.

We continue pursuing innovation in the Campo Limpo System. Launched in November, the corporate project "A new tomorrow now! How?" will support our mid-term strategic objectives by using the experience gained along this 14-year journey to continue adding to our success.

Our tomorrow has arrived.
And it starts now!

João Cesar M. Rando
Chief Executive Officer

Innovation is part of our history

In its 14 years of existence, inpEV has overcome several challenges. Below, the main milestones of our journey



2001

Creation of inpEV

December 14: constitutional assembly in São Paulo. inpEV is born having as members 7 sector representative entities and 27 crop protection sales and manufacturing companies.

2002

SIC

With 80 SCL receiving stations, the Stations' Information System (SIC) becomes operational, which computerizes operations at the stations.

2005

DNCL

August 18: The first National Clean Field Day (DNCL) on which date the yearly results of the reverse logistics of empty crop protection packages in Brazil are celebrated. Since then, more than 1 million people have been involved.

2006

Global leadership

Brazil becomes leader in the reverse logistics of empty crop protection packages. The Campo Limpo System gains worldwide projection and inpEV becomes a reference.

Mission, Vision & Values | GRI G4-56 |

MISSION

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

VALUES AND PRINCIPLES

- Integrating attitude
- Innovation
- Integrity
- Socio-environmental responsibility
- Safety

VISION

Be acknowledged worldwide as a center of excellence in the final disposal of empty plant health packages and a reference in providing services in the solid waste and self-sustainable area in Brazil.

Ecoplastic manufacturing at Campo Limpo Plastic Transformation and Recycling S.A.

2008 Campo Limpo Plastic Transformation and Recycling

- Creation of Campo Limpo Reciclagem e Transformação de Plásticos S.A., a company that closes the management cycle for packages within the chain itself.
- Federal law 11,657 of April 16, 2008 establishes that August 18 is the National Clean Field Day on the National Calendar.

2010 PEA

Start of the Clean Field Environmental Educational Program (PEA) intended for elementary school students in the vicinities of the central stations

2013 adEV and RIs

- Implementation of the pilot project for the Scheduled Return of Empty Packages (adEV), via web, at seven central stations.
- Systematization of the Itinerant Receipts (RIs) in regions where production levels do not justify keeping a fixed infrastructure.

2015 Campo Limpo Lids and receipt of leftovers

- Inauguration of Campo Limpo Tampas e Resinas Plásticas Ltda. in Taubaté, (SP), a new partner of the Campo Limpo System to recycle package lids.
- Start of the receipt of leftover and improper products (those manufactured and sold on a regular basis, but past their valid date or damaged, which makes them impossible to be used).

About this report | GRI G4-18 |

Elaborated based on the GRI methodology, this publication reconfirms the institute's commitment towards the final disposal of empty crop protection packages in Brazil

The 2015 inpEV (National Institute for Empty Packages Processing) Sustainability Report has been elaborated based on the Global Reporting Initiative (GRI) methodology - the main international reference for sustainability reports - and for the second consecutive year follows the GRI-G4 Essential version guidelines. | GRI G4-32 |

By bringing together information on inpEV's economic, social and environmental performance from January 1 to December 31 of 2015, this document presents references of the Campo Limpo System, clearly discussed herein. The legal entity that represents the institute is fully covered in the financial statement, the only contents submitted to outside verification, audited by Price Waterhouse Coopers (PWC). The consolidation of economic-financial data complies with Brazilian accounting standards and the social-environmental indicators were collected internally. | GRI G4-17, G4-28, G4-33 |

The content definition of this report took into account the commitments made by inpEV in previous reports and its strategic planning, as well as the same materiality matrix of the 2014 Report, which classifies the main priority topics for the organization and its stakeholders.

inpEV's stakeholders are:



- Farmers
- Collaborators
- Distributors/cooperatives
- Member companies and entities
- Receiving unit collaborators
- Communication media
- Public power
- Partnering recyclers and incinerators
- Society | GRI G4-24 |

Materiality | GRI G4-19, G4-20, G4-21 e G4-27 |

Validated by the inpEV leadership, the materiality was determined based on two pillars; the internal, which analyzed press releases, conducted online consultations with employees and associates, and interviews with professionals in the field; and the external pillar, for which information and perceptions were gathered through the analysis of sector studies and reference documents on sustainability regarding agricultural crop protection products in addition to interviews with subject-matter specialists. |GRI G4-26|

The crosschecking of identified material topics and sustainability aspects covered by the report's guidelines led to the selection of the reported GRI aspects and performance indicators.

The chart below shows the relationship between the material topics and public of interest that indicated such topic as relevant.

Material topic	Stakeholders that highlighted the topic	Limit inside and outside of inpEV
<ul style="list-style-type: none"> inpEV's activities on awareness and education Prevention against inadequate packaging reuse 	Report leaders, internal and external specialists, collaborators and member companies	<ul style="list-style-type: none"> Receiving units Distributors, farmers and recyclers
<ul style="list-style-type: none"> SCL's role as a reference to other sectors Economic feasibility 	Report leaders, focal group, internal and external specialists and collaborators	<ul style="list-style-type: none"> Member companies and collaborators Sectors affected by the National Solid Waste Policy
Feasibility of System's information	Focal group (internal audience – representatives from different areas)	<ul style="list-style-type: none"> Member companies and receiving units Distributors and farmers
Legal compliance	Associated internal and external specialists	<ul style="list-style-type: none"> Member companies Farmers and public power
Logistics	External specialists	<ul style="list-style-type: none"> Member companies and receiving units Farmers, distributors and recyclers



Profile

inpEV, a reference in reverse logistics, mobilizes the links in the agricultural chain in order to properly dispose of empty crop protection packages

inpEV (National Institute of Empty Packaging Processing) is a private non-profit organization company, formed by 98 member companies. Created in 2001 to represent the agrochemical manufacturing sector and promote the environmentally appropriate disposal of post-consumption crop protection packaging in Brazil, its operations are based on the dynamics of reverse logistics, being responsible for the integration and coordination of all the links of this chain.

[| GRI G4-3, G4-6, G4-7 |](#)

By having as members manufacturers and sellers of products registered by the Ministry of Agriculture, Cattle and Supply (Mapa), inpEV was constituted to comply with Federal Law Nr. 9.974/2000 and Decree 4.074/2002, which instituted the concept of shared accountability

regarding the correct disposal of empty crop protection packaging. The legislation defines reverse logistics and assigns to farmers the obligation to return the material to retailers who, in turn, must return it to the manufacturers for final disposal.

inpEV is considered the coordinator and intelligence center of the entire Campo Limpo System (SCL), having 98 crop protection manufacturing companies as members, besides 260 distribution and cooperative members throughout Brazil, 12 recycling partners and three incinerators. It has 63 employees between the São Paulo office, the self-owned management central stations in Taubaté. (SP), Rondonópolis (MT) and Alto Parnaíba (MA), besides ten regional coordinators spread throughout Brazil.

By the end of 2015, SCL had 410 receiving units (113 central stations and 297 outposts) located in 25 states of the country and in the Federal District. In order to facilitate the return by small producers and increase the System's capilarity, Itinerant Receipts (RIs) are carried out, which mainly cover locations where production dynamics do not justify maintaining a fixed infrastructure. [| GRI G4-4, G4-8, G4-9 |](#)

2015 in numbers



45,537

tons of disposed packages;
over 365,000
since 2002

4,800
itinerant
collections



77
central

stations offering electronic
scheduling services to return
packages (adEV)

24
units

already equipped to receive
leftovers and improper products



1,872

schools participating in the
Clean Field Environmental
Educational Program (PEA)
with the involvement of
almost 190,000 students



108

receiving stations directly
involved in the Clean Field
National Day (DNCL) and over

100,000
mobilized people

R\$ 954,000

in savings generated along the
year with a 15% reduction in
incineration costs

63
collaborators

nearly

5,400

spontaneous articles
published about inpEV and
the SCL



125,000

Facebook fans

Future goals and objectives

• Receipt of leftovers and improper products

An additional 45 stations prepared in 2016 and 100% of SCL ready by 2020.

• Self-financing

Increase the System's self-financing from the current 35% to between 40% and 45% until 2019.

• Cost reduction

R\$ 420,000 savings in 2016 with the new final disposal of IBCs (Intermediate Bulk Containers), which will reduce incineration costs.

• Process quality

Conduct an internal audit entitled Quality Revision of Administrative Processes (RQPA) at all stations by the end of 2016.

• Technology

Enable access to the Central Stations' Information System (SIC) for tablets and smartphones in 2016.

• New projects

- Automate stations having a double press.
- Implement knowledge management.

Commitments for 2016

- ➔ Cost per kg (total – R\$): 1.83
- ➔ Total disposed packages (t): 46,500
- ➔ Total recycled packages (t): 42,000
- ➔ Weight shipped per truck (in kg): 13,500
- ➔ Media exposure (clippings): 6,000
- ➔ Clean Field Environmental Educational Program (PEA): 1,800 schools and 190,000 students
- ➔ Clean Field National Day (DNCL): activities at 100 receiving stations

Campo Limpo [Clean Field] System

An ally of the Brazilian agribusiness sustainability and environmental preservation, the Campo Limpo System (SCL) is the program managed by inPEV to carry out the reverse logistics of empty crop protection packages in Brazil.

All crop protection value chain links comprise the SCL, starting with manufacturers, including distributors or resellers up to producers who use such products in the field. Every one of these holds co-responsibilities in the system in order to dispose of the packaging in an environmentally proper fashion after use. inPEV, an institution that represents the manufacturing industry and/or license holders, articulates all these chain links in order to dispose of packagings in an environmentally proper way. The public power is responsible for regulating and supervising the process.

Being a global reference on this matter, the System is responsible for receiving and disposing of 94% of the primary crop protection packaging (that having direct contact with the product) and 80% of the entire commercialized packaging volume (plastic, cardboard and metal). These rates place Brazil as a global leader in this business, followed by Germany, with 76% and Canada, with 73%, according to a sector study by BNDES¹.

In order to achieve these results, the engagement and education of all links is fundamental and they are constantly improved by inPEV; as with a gear, the commitment of all directly involved agents of the sector is essential.

¹ SILVA, Martim F. de O. e COSTA, Letícia M., A indústria de defensivos agrícolas, "Estudo Setorial de Química". In: *BNDES Setorial Química*, 2012, p. 233-276.



Present in

25 states

and the Federal District

113 central stations + 297 outposts =

410 unidades

receiving units



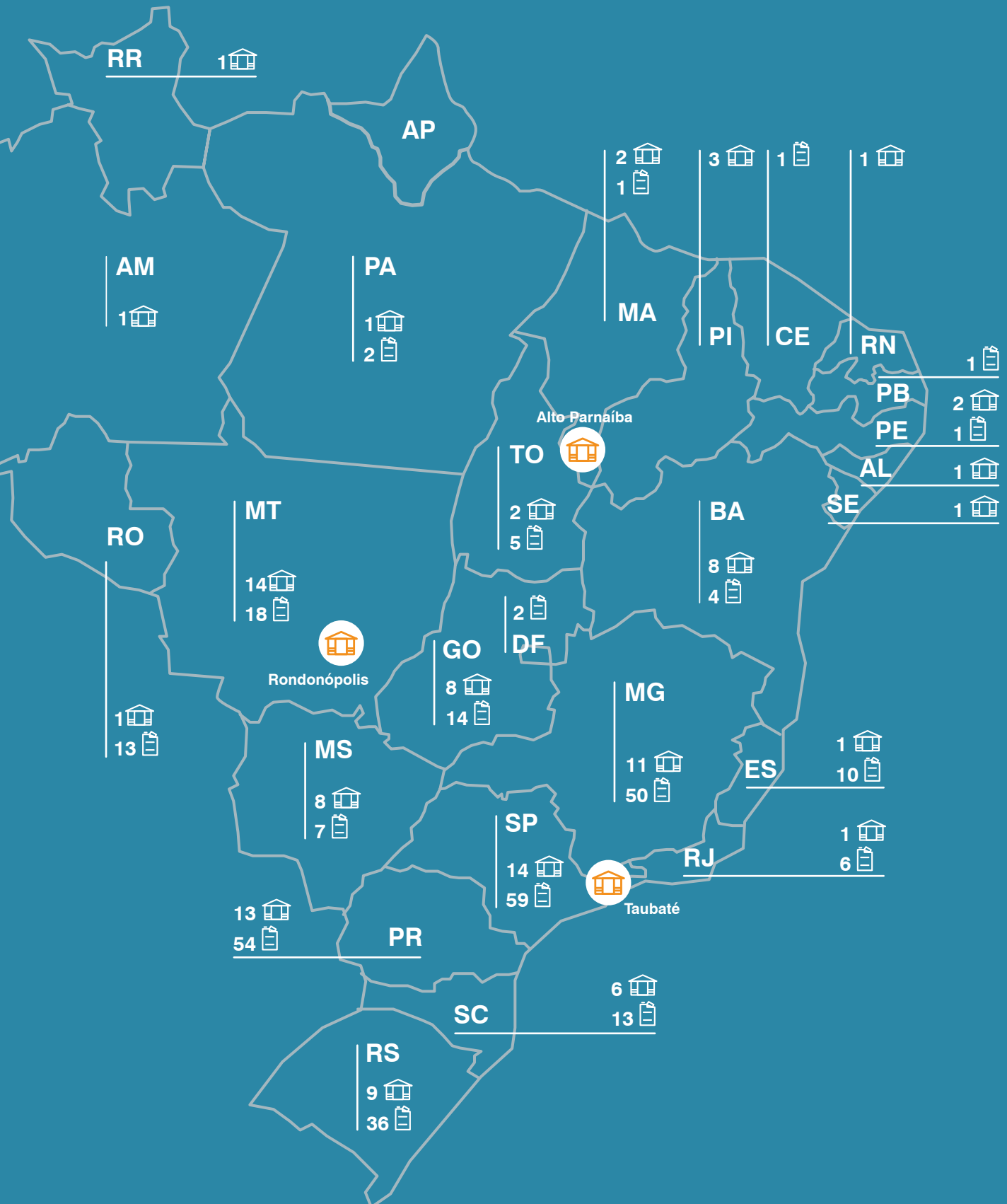
Central Stations



Outposts



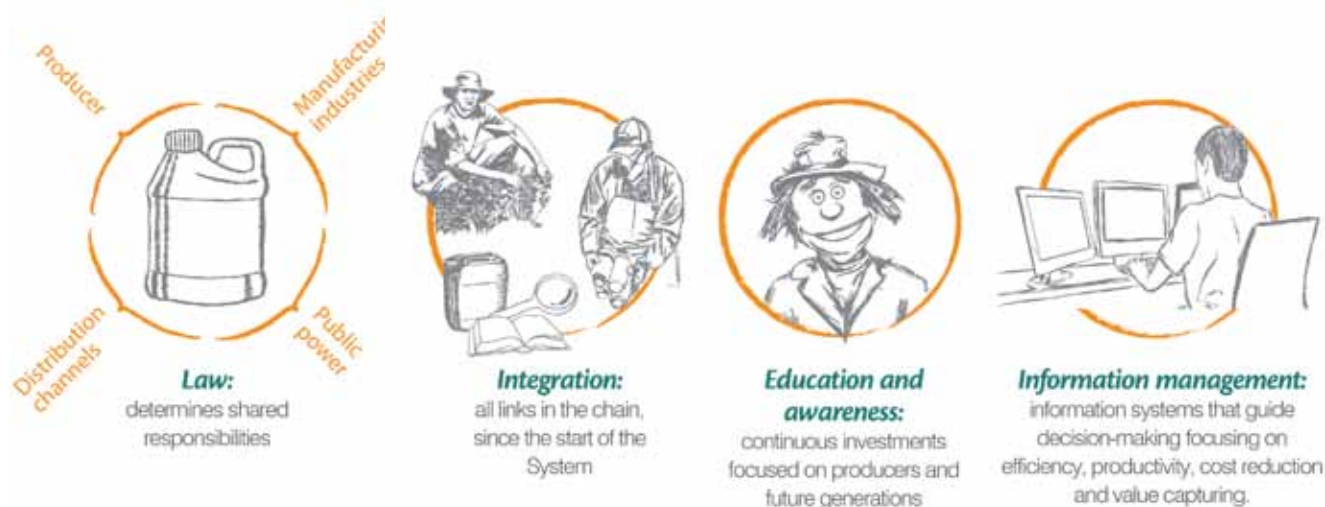
**Directly
under inPEV
administration**



Chain integration | GRI G4-DMA |

The Campo Limpo System is based upon four pillars:

- 1 The Law;
- 2 Integration;
- 3 Education and awareness;
- 4 Information management.



Shared responsibility

All chain links are fundamental within the SCL: producers, cooperatives/ distribution channels, manufacturing industry and the public power.

These agents act under a shared responsibility fashion, in accordance with Law nr. 9.974/2000. The

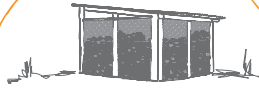
legislation requires that each agent acting in agricultural production in Brazil fulfill a specific role in the receipt and final disposal process of empty crop protection packagings, as links in an integrated chain.

➔ Producer



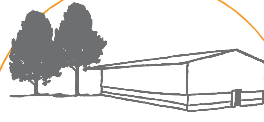
Wash

Wash the packages



Store

Temporarily store



Return

Return to the location indicated on the bill of sale



Prove

Keep the proof of return for one year

➔ Cooperatives/distribution channels



Indicate

When selling the product, indicate the return location on the bill of sale



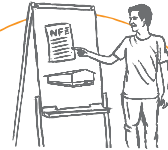
Receive

Make available and manage the receiving location



Comprovar

Issue proof of return to farmers



Educate and Develop Awareness

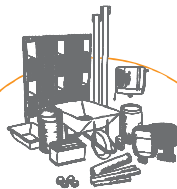
Educate and develop awareness among farmers

➔ Manufacturing industry (represented by inpEV)



Collect

Collect the empty packages returned to the receiving units



Dispose

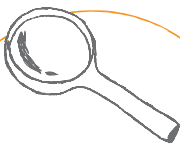
Provide proper final disposal to packaging (recycling or incineration)



Educate and Develop Awareness

Educate and develop awareness among farmers

➔ Public Power



Supervise

Supervise compliance with shared responsibilities



License

License the receiving units



Educate and Develop Awareness

Educate and develop awareness among farmers

System Flow Diagram





Commercialization

The retailers and cooperatives indicate on their Bills of Sale the location where the empty packages must be returned by farmers



Triple wash

At the time the solution is prepared for application on the crop, the farmer does a triple wash or wash under pressure and temporarily stores the empty package at an adequate location on his property

Return

Farmers return the empty packages to the receiving unit of the System as noted on the Bill of Sale



Packaging processing

During this phase the empty crop protection packages are prepared by employees of the receiving unit to be sent to their final destination (recycling or incineration). Currently more than 400 units, including offices and stations, are located throughout Brazil



Environmentally correct disposal

Represented by inpev, crop protection product manufacturers are responsible for transporting the empty packages from the receiving units to their final destination

Appropriate disposal

|GRI G4-DMA|

In 2015, 45,500 tons of empty packages were disposed of in an environmentally proper fashion by SCL. This volume represents 94% of primary packages (that have direct contact with products) commercialized during the preceding year and exceeds by 6.8% the total received in 2014. For the following year, our goal is to reach 46,500 tons.

Around 90% of the received packages were sent to recycling and the remainder to incineration where this option is only adopted for flexible materials or packages containing products immiscible in water or also those not properly washed by producers while

preparing the product solution applied to the crops. |GRI G4-EN23, G4-EN28|

Most of the material that returns to the System becomes raw material for partnering recycling companies, which produce sewage piping, lubricant packaging, power transmission pole crossheads, conduits and electric trays, among other products.

In 2008, Campo Limpo Reciclagem e Transformação de Plásticos S.A. (Campo Limpo Plastic Transformation and Recycling Inc.), a recycler producing new agrichemical packaging from packages received at the SCL receiving units, was created.

6.8% ↑

was the total growth of packages received by SCL when compared to 2014

94%

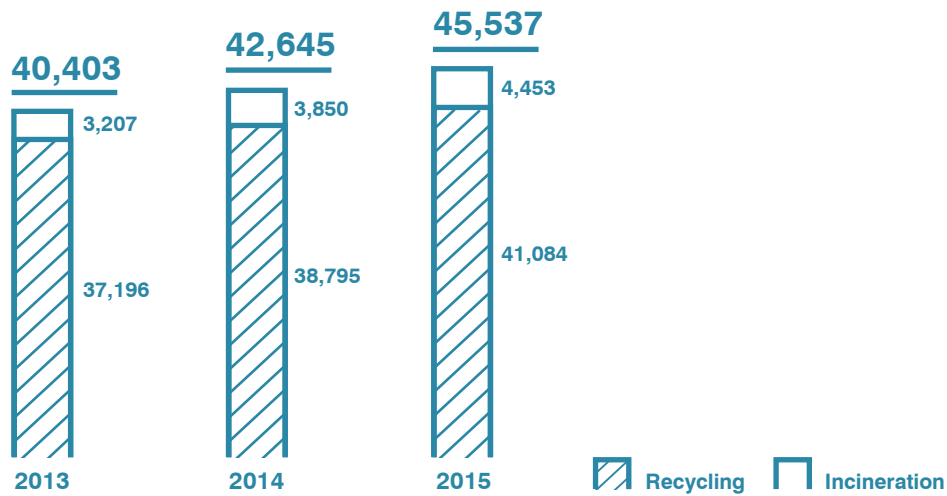
of the entire volume of commercialized primary packages was properly disposed of by the System

DISPOSAL PER STATE (T)			
STATE	2014	2015	VARIATION (%)
Mato Grosso	9,852	10,391	5
Paraná	5,367	6,110	14
Rio Grande do Sul	4,479	4,856	8
Goiás	4,454	4,649	4
Mato Grosso do Sul	2,933	3,498	19
Minas Gerais	3,228	3,454	7
Bahia	3,298	3,413	3
Santa Catarina	824	940	14
Maranhão	848	873	3
Tocantins	400	498	24
Pará	142	170	20
Rio de Janeiro	57	61	8
All other states	6,763	6,624	(2)
Total*	42,645	45,537	7

*variations in the amount disposed of between one year and another in any given state are the result of specific factors, among which: variation in crop protection consumption due to climate changes, shipping availability, optimizations in logistics and expansion in agricultural frontiers.

Disposed of packages (t)

| GRI G4-EN23 |



When selling products, cooperatives and distribution channels indicate the packaging return location on the bill of sale

Governance favors sharing experiences and generating value through improved organization, which ensures representation of all links of the agricultural chain.

Corporate governance

| GRI G4-34 |

Governed by its by-laws that reiterate the need to pay attention to the principles of legality, impersonality, morality and equality, inpEV employs the best market practices to achieve its strategic vision of being a reference in its core business.

Its governance consists of the members General Assembly, Board of Directors, Executive board and Fiscal Council. There are also tax, Logistics, Packaging and Product Approval committees, which provide support to the Executive board, and the National Council of Central Stations, an important communication channel between inpEV and the System's units.

The management model based on strict audit and control rules to manage the Campo Limpo System carries out the operational management, supports and guides the industry, the distribution channels and producers in order to fulfill the responsibilities set forth by legislation, besides promoting environmental education.

According to the guidelines of external auditors and with the opinion of its Fiscal Council, the institute discloses the result of its activities and operations on an annual basis in accordance with Brazilian accounting principles as part of its transparency commitment towards associated companies and entities and the other links of the chain.

Organs that establish the governance

General Assembly – The maximum instance of governance, formed by members and summoned twice a year in order to validate mid- and long-term strategic guidelines, besides approving economic and operational statements.

Board of Directors – Defines the guidelines to assure fulfillment of the by-laws, certifies that laws are fulfilled, that assets are protected and that the relationships with links in the chain are closely maintained, among other roles. It is formed by 13 full members - five representatives of the contributing partners (elected

during a General Assembly) and eight representatives of the member entities (collaborating members). This format ensures the representation of all links of the agricultural chain such as the agribusiness segments, manufacturers, distributors and cooperatives and rural producers.

The entities that represent these links have the responsibility of disseminating information and deliberations about the Campo Limpo System, as well as adding knowledge and guidelines for the smooth operation of the SCL.

Fiscal Council – It is formed by three members (from among the contributing members) elected during the General Assembly. It offers support to and supervises other governance instances.

Executive Board – Responsible for managing the Institute, it is led by the presiding director, a professional hired by the Board of Directors, and holds no bond to member companies.

inpEV's Code of Conduct addresses topics such as the work environment, conflict of interests, discrimination, relationships with government entities, the responsibility of people managers, and information security.

Code of conduct | GRI G4-56

inpEV's Code of Conduct seeks to fulfill the principles, values and mission of the institute and guides its social standpoint taking into account its different stakeholders. This document defines the precepts that can sponsor knowledge, skills, experience, and cooperation among all links in the agricultural chain that comprise the System.

Signed by all inpEV employees at the time of admission, the scope and range of this instrument includes guidelines for suppliers, service providers, partners, companies and associated entities. It sets forth that the conduct of the institute depends on each one so that all shall be subject to ethical principles and values that satisfy

members and other stakeholders, environmental responsibility, safety, respect for differences, transparency, innovation, team spirit and solutions developed in partnership with clients.

The document addresses topics such as the work environment, conflict of interests, discrimination, relationships with government entities, the responsibility of people managers, and information security.

In 2015, due to the serious allegations of corruption involving the public power and other organizations, the institute initiated a revision process of its code of conduct and trained its employees in order to observe good practices and transparency in institutional relations with public entities.

100%

of inpEV's employees sign the **Code of Conduct** at the time of admission

Human Capital | GRI G4-DMA |

With the goal of achieving greater efficiency in all its processes, people management has focused on the areas of Health and Safety and training in 2015. With regard to benefits, improvements were made to the dental plan of the office professionals, which were also extended to the field staff.

inpEV ended 2015 with 63 professionals, of which 37 are male and 26 female, including four third-party workers. In addition to having staff located at the administrative headquarters in São Paulo City, at the regional operational coordination centers and at the central stations located in Rondonópolis (MT) and Taubaté (SP), the Human Resources area expanded its activities to the states of Maranhão, where the Alto Parnaíba central station was inaugurated, the third SCL managed directly by the institute. |GRI G4-9, G4-10, G4-23|

Consolidation of the Performance Evaluation and the Results Contract (AdCR) were the highlights for this year. This tool, which is an important indicator in the performance evaluation and composition of variable remuneration of collaborators, started to be applied to operators at the central stations managed by the institute, thus covering 100% of the staff. The AdCR, which was seen as a positive tool by the entire team, also became an instrument to guide training and qualification.

Training

inpEV promoted 2,207 hours of training for its employees in 2015, 151 hours more than the previous year. More than 20 different types of training were offered, which

increased the average training hours per professional from 32.6 to 34.5 hours. |GRI G4-LA9|

With regard to management practices, the course Leading Teams and Optimizing Results was given to the young leadership of the organization and the coordinators of inpEV. The Executive development program (pdE) also included employees of the Campo Limpo System.

Organized by the Dom Cabral Foundation, pdE consists of three modules in which the participants – two employees of inpEV and two of SCL – develop a project applied to the business model.

Central station manager formation program

Upon completing two years, the inpEV program to standardize management at the System's central stations focused on practical activities in 2015. The topics were the budget, cash flow and safety.

Trained to prepare budgets and manage the cash flow, the managers of the central stations have developed a standard budget model. The institute believes that the financial results of this initiative will be perceived in 2016, once the program starts focusing on Human Resources training using talent retention and contracting tools.



HR expansion

to the Maranhão region with the inauguration of its self-managed central station

Improvement in the dental plan of

office professionals, with the benefit extended to employees in the field

Employee profile

[GRI G4-10]

	2013		2014		2015	
	Males	Female	Males	Female	Males	Female
FUNCTIONAL LEVEL						
Directors	1	0	1	0	1	0
Managers	3	2	5	2	7	2
Leaders/coordination	12	6	9	7	9	6
Technicians/supervisors	0	3	0	1	0	2
Administrative	4	9	10	12	6	12
Operational	12	0	9	0	12	0
Third Parties	1	4	1	3	1	3
Apprentices	2	0	1	1	1	1
Interns	2	0	1	0	0	0
TYPE OF CONTRACT						
Fixed period	4	0	2	1	1	1
Indefinite period	33	24	35	25	36	25
TYPE OF EMPLOYMENT						
Full-time	33	24	35	25	36	25
Part-time	4	0	2	1	1	1
TOTAL	61		63		63	

Safety indicators

[GRI G4-LA6]¹

	Males	Female	Total
Number of injuries (work-related accidents)	2	0	2
Injury rate (frequency) ²	25.79	0	15.29
Number of occupational illnesses	0	0	0
Occupational illness rate ³	0	0	0
Number of days lost	22	6	28
Lost days rate ⁴	286.66	112.71	214.08
Absenteeism number	27	7	34
Absenteeism rate ⁵	2,826	1,052	2,104
Number of deaths	0	0	0

¹ inpeV started to report this indicator in 2015 due to the relevance of the topic.

² ILO recording system: number of injuries /MHW (man hours worked including overtime hours) x 1,000,000

³ ILO recording system: number of diseases/MHW (man hours worked including overtime hours) x 1,000,000

⁴ ILO recording system: number of days// MHW (man hours worked including overtime hours) x 1,000,000

⁵ ILO recording system: number of lost hours/MHW (man hours worked including overtime hours) x 1,000,000

Employee profile per Region – 2015

[GRI G4-10]



Average training

[GRI G4-LA9]

	2014			2015		
	Males	Female	Total	Males	Female	Total
Directors	50	0	50	50	0	50
Managers	30	45	34	26	59	33
Leaders/coordination	25	29	27	25	36	29
Technicians/supervisors	0	25	25	0	18	9
Administrative	22	16	19	34	16	22
Operational	29	0	29	26	0	26
Third Parties	10	20	18	8	23	19
Apprentices	288	288	288	302	302	302
Interns	0	0	0	0	0	0
TOTAL	32,5	32,8	32,6	34,5	34,4	34,5

Work safety

In the area of safety, several management training actions have been developed regarding control tools, thus making this formation constant, since the central stations inform their indicators on a monthly basis. For upcoming years inpeV intends to extend such indicator control to the outposts as well.

The Weekly Safety dialogs (DSS) that take place every Monday at the central stations have been consolidated as well as the Bi-weekly Safety dialogs at the inpeV headquarters and the adoption of safety practices and PPEs (Personal Protection Equipment) at 100% of the stations. Thus, inpeV believes to be perpetuating its safety culture within the SCL in order to maintain a level of excellence when compared to the International Labor Organization (ILO) standards.

More Health

Once the goal of providing tools that promote the wellbeing and quality of life to the inpeV collaborators was achieved by developing a culture focused on health and prevention throughout the team, the More Health program was converted into a process in 2015, two years after its creation.

Along the year collaborators had the opportunity to consult three times with a nutritionist. Starting in 2016 this appointment will be done annually together with the periodical exams, at which time they will do the nutritional check-up and the routine occupational medicine exams.

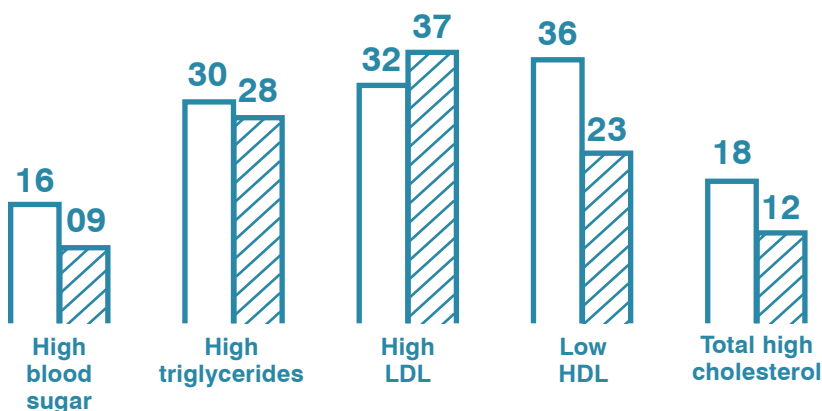
The program also includes the distribution of fruit and workplace exercise twice a week at the Sao Paulo office. In addition, the practice of physical activities is encouraged among employees.

Control

Central receiving stations disclose their safety indicators on a monthly basis. In upcoming years, inpeV intends to expand this follow-up to also include the outposts.

More Health (%)

The results of the biochemical exams of the participants proves the health benefits.



Employees of the
Rondonópolis (MT) central
station, the first to be
managed by inpeV





Performance

Certified systems add quality to management, thereby promoting efficiency and achievement of better results

The focus on maintaining its activities in accordance with high quality standards has led inpeEV to accumulate important achievements in 2015.

At the beginning of the year, in January 2015, the institute received the NBR ISO 9001:2008 re-certification, valid for three years. The assessment process for certification purposes, obtained for the first time in 2012, is ongoing and ensures that the appropriate procedures of the Quality Management System are being complied with.

For this, the co-management process carried out by inpeEV at the central stations of the Campo Limpo System, the receiving processes, packaging segregation, compression, storage, and shipment for final disposal by the plants managed directly by the institute - which until then were two, Rondonópolis (MT) and Taubaté (SP) - logistics management and final disposal of empty crop protection

packagings returned to the SCL receiving units was monitored.

The management carried out by the institute's board of directors was publicly acknowledged. inpeEV's presiding director, João Cesar M. Rando, received the Agribusiness Lide award in September, in the Agricultural Crop Protection category. Promoted by the Business Leaders Group (Lide), this award ceremony took place during the 4th National Agribusiness Forum in Campinas (SP). In December, Rando was considered one of the top one hundred most influential names in agribusiness in the fertilizers and inputs, Crop / Animal protection category in a list published by magazine Dinheiro Rural [Rural Money].

Acknowledgment

- Finalist of the 2015 Agrow Awards, one of the most important celebrations for the global agrochemical industry that awards institutions that stand out in the areas of creativity and innovation. inpeEV competed in the Best Stewardship Programme category with an implementation project of the Itinerant Receipts in Ceará.
- Finalist (and 4th place) in the Abrasca Annual Report award in the non-Corporate organizations category.

Certification

inpeEV received the Quality Management ISO 9001:2008 recertification for another three years

Economic-financial administration

Macroeconomic scenario

Brazil increased its agricultural production by 7.7% in 2015 when compared to 2014, reaching for the first time 209.5 million tons, according to data from the Brazilian Geography and Statistics Institute (IBGE - Instituto Brasileiro de Geografia e Estatística). In 2015, the share of agribusiness in the Brazilian trade balance hit a record high, accounting for 46.2% of everything that was sold abroad.

Throughout the year, two driver strikes caused some delays to the SCL's operations. The planting of genetically modified seeds (transgenic) has resulted in reduced use of crop protection products. Climate issues also played a role here. The El Niño phenomenon has strongly influenced agriculture, causing excessive rainfall in some regions of the country, droughts in others, delay and replanting of some crops – as is the case with the corn double crop.

Aware of this unstable scenario, inpev mobilized further efforts to optimize processes and reduce costs starting at the beginning of the year.

New agricultural frontiers

The expansion of agricultural areas in Brazil, mainly in the Cerrado (tropical Savannah) and in regions where pastures are being replaced by crops, has led inpev to develop new actions in order to deal with new challenges. One of them is to service the so-called Matopiba region, the initials of the states forming it: Maranhão, Tocantins, Piauí and Bahia.

In 2015 inpev developed a study to map the growth of agriculture in this region and thereby define investments to consolidate the receiving infrastructure in these areas for the next decade. In 2016, the System will inaugurate the Placas central station in the district of Barreiras in West Bahia as well as an outpost in Redenção in the South of Pará.

Expansion

The institute monitors the development of new agricultural borders in order to consolidate its infrastructure and define investments.

inpev develops new actions to meet the demand in agricultural expansion regions. In 2016, the System will inaugurate a central station in West Bahia and an outpost in the South of Pará.

By means of a KPI panel, inpEV monitors its performance regarding its main managerial aspects on a monthly basis. This tool allows managers to monitor performance evolution in order to make changes quickly.

The Alto Parnaíba central station is inaugurated in Maranhão

In November, the third central station to receive crop protection packaging, managed by inpEV itself, was inaugurated. The Alto Parnaíba central station, located in the city with the same name in the state of Maranhão (Km 01 of highway MA-06, Gleba Brejo da Prata), services the cities of Alto Parnaíba and Tasso Fragoso (MA) and Santa Filomena (PI), Monday through Friday, from 7 a.m. to 12 p.m. and from 1:12 p.m. to 5 p.m. |GRI G4-13|

PERFORMANCE INDICATORS	2013	2014	2015
Cost per kg (total)	●	●	●
Cost per kg (excluding the projects area)	●	●	●
inpEV budget (excluding the projects area), in R\$ x1,000)	●	●	●
Total disposed packages (t)	●	●	●
Total recycled packages (t)	●	●	●
Total disposed packages (Mono HDPE in t)	●	●	●*
Total disposed packages (of Coex in kg)	●	●	●
Media exposure (clippings)	●	●	●
Weight shipped per truck (in kg)	●	●	●

● Exceeded ● Performed ● performed, yet close to the limit (caution) ● Below the estimated

* climate factors, lower incidence of pests and delays in planting caused a divergence between the planned and performed volumes.

Financial management

|GRI G4-DMA|

Created by the agrochemical industry in order to fulfill its responsibility to correctly dispose of empty packages containing its products, the institute's main source of financing comes from contributions made by member companies while the rest comes from accreditation fees from SCL partnering recyclers, from fees charged to cover costs of receiving units and from the lease of the Campo Limpo Reciclagem e Transformação de Plásticos S.A.

In 2015, of the R\$ 81.7 million inpEV budget, R\$ 60.7 million came from members, R\$ 13 million from accreditation fees, R\$ 6.3 million from leases and R\$ 3.1 million from Campo Limpo dividends. However, the percentage of company contributions has dropped year after year, thanks to the revenue generated by the System itself.

Around 35% of the System's costs already self-funded. Mid-term projects are expected to increase this percentage to around 40% to 45% by 2019. This is because inpEV's financial management focuses on reducing costs of the System and its main objectives are to achieve self-sufficiency, which is pursued by capturing value from the chain managed by the institute and by expanding its operational area.

With regard to expanding its range of services, one of the challenges is to transform the entire asset of the team's expertise and already built infrastructure into tangible value by providing consulting services.

As to cost reductions, the renegotiation of incineration contracts resulted in a 15% reduction in the value of incineration, which

corresponds to R\$ 954,000 a year. For 2016, the new final disposal of IBCs (Intermediate Bulk Containers), which will separate the plastic container of this type of packaging from its cage (which will be reused), has estimated annual savings of R\$ 420,000.

Taxation

Challenged to achieve the proper taxation regime for its reverse logistics program including by means of legislation changes, inpEV conducted internal restructuring in 2015 in order to optimize the fiscal area, which now centralizes the receiving process for payable documents.

Regarding the Tax on the Circulation of Goods and Services (ICMS), levied on the shipment of post-consumption packaging, the argument that these packages have already been taxed at their origin and there is no circulation of the goods at the time of their return was rejected by the National Finance Policy Council (Confaz), an agency of the Ministry of Finance. Therefore, inpEV will continue to push in 2016 for Agreement 51/99, which rules on the ICMS exemption benefit for the circulation of post-consumption packaging, to no longer be simply authorizing but rather imposing, applicable to the entire national territory.

In its current format, each state can decide to adopt or not this agreement. inpEV, which already has regulations for tax exemption in the states that represent a large part of its volume (Bahia, Mato Grosso and Mato Grosso do Sul), has obtained exemption of the state of Piauí in 2015 and continues talks with Rio Grande do Sul. Besides the work at a national level to present a new rationale to Confaz, the fiscal team will attempt to make agreements with more states in 2016.

The lid factory is a new source of resources

A big step in reaching the self-financing status was the inauguration of Campo Limpo Tampas e Resinas Plásticas Ltda., a lid factory in Taubaté in the countryside of São Paulo state. This unit produces Ecocap, a high performance sealing system that is a technological innovation. The cornerstone ceremony of this new project took place in August, 2015 even though the commercial process started its operations already in January.

Regulatory affairs

inpEV participates in discussions of the sector and accompanies the initiatives of the National Solid Waste Policy (PNRS). In 2015, 39 bills were monitored, two of which were archived since they could bring negative implications to the System (one defined rules differing from the current ones for the Federal District (DF) and the other prohibited waste incineration outside the state of origin). [| GRI G4-26 |](#)

Itinerant collection becomes consolidated

A best practices booklet launched in 2013 standardized the Itinerant Collections (RIs) model. 4,800 itinerant collections took place in 2015, a volume similar to that of 2014. The locations are communicated in advance so that farmers may prepare themselves. In order to communicate this initiative, the institute launched, with the support of CropLife Latin America, the film "Itinerant Collection - a continually more active Campo Limpo System".

To define new collection strategies is one of inpEV's goals, which created two work groups to plan models that complement the central stations, outposts and RIs. The challenge is to reduce costs and increase the percentage of received packages - currently around 94% of all primary packages sold are returned to the System.

ECONOMIC AND FINANCIAL PERFORMANCE (R\$ MILLION)	2013	2014	2015
Total assets	97.6	95.4	101.6
Total resources that finance the program (inpEV + chain links) accumulated since 2002	700	801	910
Net revenue of the activities	98.8	107.3	115.6
Member contributions	56	55	61
Accreditation fee ¹	10	12	13
Campo Limpo Property Lease ²	6	6	6
Net equity	77	76	77
Net indebtedness ³	N/D	0.3	1.2

¹ paid by the recyclers for shipping packages and for the cooperation with inpEV.

² Rent paid by Campo Limpo Plastic Transformation and Recycling S.A. to inpEV.

³ As of 2015 only obligations with suppliers are considered, excluding obligations with central stations and outposts. The 2014 number was recalculated in order to ensure comparability. The 2013 value is not available in this new format.

ADDED VALUE STATEMENT (R\$ X1,000) GRI G4-9 E G4-EC1	2013	2014	2015
1. Revenue ¹	99,102.00	106,747.00	115,069.00
2. Inputs acquired from third parties	70,857.00	89,601.26	94,266.87
3. Gross added value (1-2)	28,245.00	17,145.74	20,802.13
4. Withholdings	5,078.00	6,497.83	6,737.15
5. Net added value produced (3-4)	23,167.00	10,647.91	14,064.98
6. Transferred added value received	1,579.00	1,894.00	3,213.62
7. Total added value to be distributed (5 + 6)	24,746.00	12,541.91	17,278.60
Collaborators (wages, benefits and encumbrances)	10,341.00	10,258.06	11,619.43
Government (taxes, encumbrances and contributions)	2,733.00	3,567.63	3,674.81
Withheld profit/loss during the period	5,337.00	-1,676.44	1,577.12
Remuneration of third-party capital (interest and leases))	453	392.67	407.23
Accumulated added value	1,579.00	3,352.88	-3,154.25

¹ Includes the reversal of provisions, rental Cofins and non-operational expenditures.

inpEV starts to receive leftovers and improper products

The receiving of leftovers and improper crop protection products expanded the scope of the Campo Limpo System receiving units, and some of them are already equipped to receive improper products and/or leftovers of post-consumption products, besides empty packaging.

Until 2014, Conama Resolution 334/03, which established criteria for licensing the System units, prohibited the receipt of leftovers and product waste. This resolution was superseded in 2014 by Conama Resolution 465/14, which allows units to be licensed for this type of service, according to new criteria and infrastructure adjustments.

By the end of 2015, 24 SCL units were prepared and licensed to receive inappropriate product leftovers. In 2016, the project is expected to be expanded to another 45 central stations - reaching 100% of them until the end of 2017. It is expected that the entire Campo Limpo System (central stations and outposts) will be prepared for this by 2020.

Packaging containing leftover material is sent to incineration.

Leftovers and inappropriate products

24 units

ready to receive in 2015

100%

of the System by 2020



What are inappropriate products?

Products manufactured and marketed on a regular basis in Brazil, registered at the applicable federal agencies, but which have expired or their packaging has been damaged, making their use impossible.



Booklet developed by inpEV to guide the SCL central stations on how to receive inappropriate products

Elimination of obsolete products

In 2015, inpEV made an agreement with the Government of the State of São Paulo to eliminate obsolete products remaining in the field. |GRI G4-26|

Signed in April by means of the Environmental Agency of the State of São Paulo (Cetesb), this document sets forth that the institute, in conjunction with the Agricultural Protection Office (CDA - Coordenadoria de Defesa Agropecuária), implement the logistics to collect at the listed locations, including conditioning and shipping operations for obsolete products to incinerators, where the collected materials will be destroyed. This project intends to incinerate 420 tons of declared products, removed from more than 320 rural properties in the state of São Paulo.



What are obsolete products?

Banned products, which fabrication and sales have been prohibited by law, mainly organochlorides.



Photo: Signing of the agreement with the Government of São Paulo in April to eliminate obsolete products remaining in the field. From left to right, São Paulo State Secretary of Agriculture and Supply, Arnaldo Jardim; the São Paulo State Governor, Geraldo Alckmin; the President of Cetesb, Otavio Okano; Mayor of Ribeirão Preto, Darcy Vera, and inpEV presiding director, João Cesar M. Rando

Innovation & technology

|GRI G4-DMA|

As one of the Values and Principles that guide inpEV, innovation works in a transverse fashion within the organization, by supporting processes and operations.

The corporate project “A new tomorrow now! How?”, held in November, had a workshop and lectures offered by external consultants focusing on innovation and other topics. It consisted of two days of meetings in Taubaté (SP) with leaders of inpEV and of the Campo Limpo Plastics Recycling and Processing S. A. in order to define projects to support the mid-term strategic objectives.

Another management initiative is the Quality Review of Administrative processes (RQpA), an internal audit done by inpEV with the assistance of a consultancy to understand how administration works at each central station, by mapping risks and suggesting action plans. In 2015, 35 central stations were subject to this review. The remainder will be remotely assessed until the end of 2016.

In order to further increase the efficiency of the technology and innovation programs developed by inpEV, the information technology management (IT) was created in January, 2015, which implemented various projects such as Scheduling the return of Empty Packages (adEV), the Central Stations' Information System (SIC), the Logistics System (SisLog) and the migration of the datasul system to the Totvs 2015 version, offering new resources and forms of usage, among which is the module that allows purchases to be approved by mobile phone.

SIC gets a web platform

Responsible for processing the central stations' operations and provide, in real time, the amount and type of material handled up to the previous day, thus providing traceability to the process, the Central Stations' Information System (SIC) has progressed in 2015. The system was upgraded to provide a better user interface: all central station operations are on a web-based platform that works on all major browsers; before this, only management modules were on the network. The goal for 2016 is for the SIC to also be accessible by smartphones and tablets.

SisLog – SIC module created by the Logistics Committee which purpose is to offer support to the best practices involving logistics. The Logistics System (SisLog) makes it possible to evaluate and optimize shipping and transportation costs. Expanded in 2015, it is able to scale the shipping values per kilometer interval throughout Brazil, thereby comparing SCL costs to those of other industries.

The SCL transportation structure relies on 45 carriers suitable for the seasonality of the business, which during peak periods handle up to 70 trips a day in a network that services outposts, central stations and final destinations with precision: 91.4% of the trucks are tandem (up to 13.5 tons of payload), where in 2015 the truck equivalent/tandem was of 13.75 tons. |GRI G4-EN30|

International model

In October, inpEV participated in the CropLife Latin America event, an organization that defends agricultural productivity and sustainability through the supply of better seeds, biotechnology and plant health products, held in Panama, to present the SIC functionalities. The system is acknowledged as a model for other countries that are structuring their management process for empty packaging and reverse logistics.

adEV allows logistic planning to be anticipated

Another option for producers to return post-consumption packaging, the Empty Packages Return Scheduling (AdEV) allows farmers to schedule the returns using a computer, mobile phone or tablet via internet.

Implemented as a pilot project at seven central stations in 2013, it has been expanded to 35 in 2014 and was already operational at 77 central stations by the end of 2015, i.e., 100% of those having internet access.

Analysis of the adEV information facilitates planning and allows projections to be made on the amount and type of material the central station will receive, thus ensuring greater efficiency in the logistics operation and better labor utilization at the units.

The topics of innovation and technology act in a cross-sectional fashion within inpEV management by providing support to both administrative processes and operations.



A farmer performing electronic scheduling at an integrated farm (Correntina/Bahia)

Society

[GRI G4-DMA, G4-SO1]

Different stakeholders participate in the activities of engagement, mobilization and awareness promoted by inpEV, which take place in a systematic and evolutionary fashion by means of various channels. The Campo Limpo Environmental Education program (PEA), which promotes the debate on environmental conservation among students, and the National Clean Field Day (DNCL), celebrated every August 18 among all links of the chain, involved over 253,000 people in 2015.

The relationship with the media is also consolidated: approximately 5,400 articles were spontaneously published about the institute in 2015, a number similar to that of the previous year.

New institutional materials were created, such as the IME on Itinerant Collections of the world. The You Tube channel was reactivated and received more than 790,000 views along the year. inpEV is also featured on Facebook, where it has over 125,000 fans. On Instagram, there were over 3.5 billion interactions.

The Environmental Educational Program reaches out to more students

Launched in 2010, the Campo Limpo Environmental Education program (PEA) consists of distributing educational material to schools in the receiving station surroundings and during the annual drawing and composition competition for 4th and 5th grade elementary school students. Its goals are to be a relationship channel between the System and the local community and encourage future generations to preserve the environment.

Participation of schools has increased gradually in 2015. 1,872 schools from 274 municipalities participated in the program, involving almost 190,000 students. The number of participating schools is 20% higher than in 2014.

e-Learning

inpEV's e-learning platform was completely reformulated in 2015 and has become a more dynamic and interactive tool. The free course "The Clean Field System: Reverse Logistics of Empty Packages" totals three hours and offers

190,000

elementary school 4th and 5th grade students participated in the Environmental Educational program. Over 1,800 schools were involved, 20% more than in the preceding year

100,000

people were involved in the National Clean Field Day activities in 23 states

the online course

available at the iwebsite inpEV.org.br discusses topics such as legislation, shared responsibilities and environmentally friendly disposal of packaging received by the SCL

ENVIRONMENTAL EDUCATIONAL PROGRAM	2013	2014	2015
Cities involved	190	245	274
Central Stations	93	103	102
Schools	1,861	1,572	1,872
Classrooms	7,164	6,223	7,289
Involved students	128,904	156,946	189,060

information on legislation, shared responsibilities and final disposal of packaging received at the SCL. Even though its target audience is the agricultural productive chain, any interested person can take the virtual course on the inpeV website (www.inpev.org.br). Upon conclusion of the course it is possible to print out a certificate.

Since it first became available online in 2007, the Campo Limpo System EAD has been accessed more than 9,500 times.

The National Clean Field Day celebrates positive results

The 11th edition of the DNCL mobilized more than 100,000 people at 108 receiving units in 23 states. The official opening of the celebration, on August 18, took place at the central station in

Patrocínio (MG) and was broadcast live by the Dia Dia Rural (Rural Day) program on the subscription TV channel Terra Viva.

During the entire month of August, several engagement activities aimed at different audiences were organized by the receiving centers, such as: Open Doors, which allows farmers, surrounding communities and students to visit the stations and see up close how the System operates; the university DNCL, the Field Day DNCL; Community Actions; the Solemnity DNCL and DNCL at school.

On Facebook, the outreach exceeded 7.8 million people with more than 70 publications on DNCL.

Social networks

Reactivation of the
You Tube channel

+ 790,000
views

+ 125,000
fans on Facebook

+ 3,5,000
billion interactions on Instagram



University DNCL at the
Patrocínio (MG) central station

Environmental management

| GRI G4-DMA |

In 2015, inpEV invested R\$ 14.9 million in environmental protection. In a business in which the essence is to mitigate environmental impact by means of waste management and material recycling as well as using return shipment to create further positive impacts, inpEV also develops environmental protection actions in its management process to preserve natural resources.

| GRI G4-EN27, G4-EN31 |

Energy

The campaign to develop collaborator awareness regarding the use of resources, "Responsible Consumption is Sustainable", monitored electric power consumption, office material, travel expenditures and amount of color printouts.

Electric power consumption at inpEV was 5.31% lower than last year, totaling 290.6 GJ in 2015, of which 202 GJ are from the São Paulo office, 77.72 GJ from the Rondonópolis (MT) station and 10.88 GJ from the Alta Parnaíba (MA) station, which despite having been inaugurated in November, accounted for 12 months of consumption because until then it was operating under an adjustment process. However, the AP consumption was not considered in the 2014 calculation, i.e., considering the same calculation basis, the consumption reduction would reach 8.86%. | GRI G4-EN3 |

Water

inpEV consumed 678.3 m³ of water during the year, a 31% reduction compared to the 983.7 m³ in 2014, which accounts for the São Paulo office and the Rondonópolis station and informed by the

local supply concessionaires. It was not possible to individualize the Taubaté (SP) central station consumption because this unit is in the same area as the Campo Limpo Plastic Transformation and Recycling. The water used at the Alto do Parnaíba station was drawn from an artesian well and its volume was also not accounted for.

| GRI G4-EN8 |

Emissions

The return shipment concept is a great ally in reducing greenhouse gas (GHG) emissions: the same vehicle that delivers the crop protection products from the industry (manufacturer) to distributors and cooperatives uses the return trip to transport the empty packages, which are returned to the receiving units.

Besides this, manufacturing of the Ecoplástica crop protection packaging, produced by Campo Limpo Plastic Recycling and Transformation, emits four times less greenhouse gases than a conventional package: 0.61 kg of CO₂ versus 2.62 kg of CO₂e for 20-liter packages. This innovative package offers high resistance and is the first in its category to receive UN certification (group II, 1.4 g/cm³ density) for maritime and ground shipment of hazardous products.

| GRI G4-EN19, G4-EN27 |

The eighth ecoefficiency study, performed by the Espaço Eco foundation, confirmed the beneficial impact of SCL on the environment. In order to have an idea of this effect, between 2002 and 2015 514,000 tons of CO₂ atmospheric emissions were avoided, equivalent to the extraction of 1.2 million barrels of oil.

| GRI G4-En27 |

System benefits (since 2002)

Appropriate packaging disposal avoided:

Generation equivalent to

9 years

of waste generated by a

500,000
inhabitant city

Consumption of

1.2 million

barrels of oil



Emissions of

514,000
tons of CO₂e

source: Espaço Eco foundation

inpEV's commitment to reduce emissions was ratified in 2015, with its voluntary adhesion to the recently launched Climate Protocol of the São Paulo State Government in November. The

purpose of this initiative is to stimulate companies to reduce greenhouse gas emissions and adopt actions to adapt to climate changes. |GRI G4-15, G4-EN19|

INVESTMENT IN ENVIRONMENTAL PROTECTION (RS X1,000) GRI G4-EN31 1	2013	2014	2015
Waste treatment and disposal	12,470	11,682	11,405
Incineration of unwashed packagings	8,460	11,072	11,405
destination of improper and obsolete products ^{2 3}	2,990	359	0
Destination of illegal products ⁴	686	251	0
Disposal of bags, seeds and sanitary products (pilot project)	334	0	0
Environmental management and prevention	3,229	3,296	3,575
Awareness and educational actions ⁵	3,090	3,145	3,384
Monitoring actions ⁶	139	151	191
Total	15,699	14,978	14,980

1 Numbers revised in relation to those published in RS 2014. The costs of analyses done on post-consumption resins were not accounted for

2 In 2013 and 2014, the values refer to programs involving obsolete products in the states of SP & PR.

3 No value has been reported in 2015 since the phase of the obsolete product disposal project has not been started yet in SP, as well as the disposal of improper materials received at the central stations starting this year.

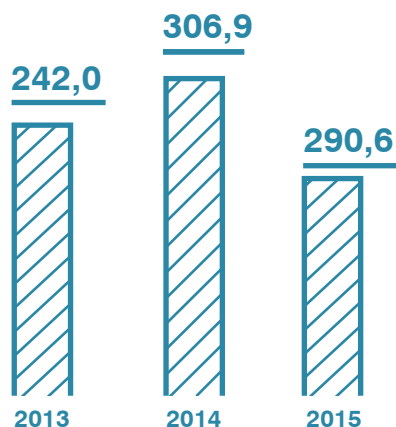
4 The costs associated with the disposal of illegal products were fully transferred to Sindiveg starting in 2015.

5 These include the investments in awareness and education, such as events, the DNCL, materials produced to be used in presentations and field days, besides materials used by multipliers.

6 Monitoring actions after the wash of empty packaging done by producers, including the analyses of water and soil quality, besides related consultancies.

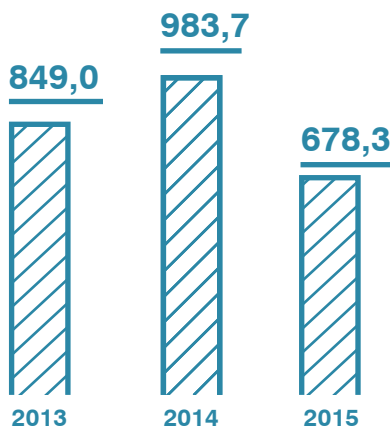
Energy consumption

(GJ) | GRI G4-EN3 |



Water consumption

(m³) | GRI G4-EN8 |



Summary of the GRI Contents

| GRI G4-32 |

GENERAL STANDARD DISCLOSURES

Miscellaneous Standard Content	Page/Response	External check
STRATEGY & ANALYSIS		
G4-1 Message from the president	4	No
G4-2 Description of main impacts, risks and opportunities	Environmental Management System Due to climate changes, inpev is committed to minimizing its impacts on the climate by means of its direct operation and management of the SCL, thereby reducing waste generation and consequently energy consumption. The main developed actions are addressed in the sections that discuss the Campo Limpo and the.	No
ORGANIZATIONAL PROFILE		
G4-3 Name of organization	11	No
G4-4 Main brands, products and/or services	11	No
G4-5 Location of the organization's main office	71	No
G4-6 Countries in which the main or most relevant operational units are for the report's sustainability aspects	11	No
G4-7 Property legal type and nature	11	No
G4-8 Markets in which the organization acts	11	No
G4-9 Size of organization	11, 25, 35	No
G4-10 Employee profile	25, 26, 27	No
G4-11 Percentage of employees covered by collective bargaining agreements	All inpev collaborators are covered by collective bargaining labor agreements negotiated with local São Paulo, Rondonópolis and Alto Parnaíba unions and abide by labor contracts governed by the Consolidation of Labor Laws (CLT - Consolidação das Leis do Trabalho.	No
G4-12 Description of the organization's supply chain	Based on the nature of inpev's activities as manager of the Campo Limpo System, the main inputs used are the empty crop protection packages themselves, which are returned to the 410 SCL units.	No
G4-13 Significant changes regarding size, structure, shareholder equity and supply chain	33	No
G4-14 Description on how the organization adopts the precaution principle or approach	inpev does not directly adopt the precaution principle, but manages risks when receiving and disposing of packages, thus contributing to reduce the environmental impacts in the field.	No
G4-15 Letters, principles or other externally developed initiatives	43	No

Miscellaneous Standard Content	Page/Response	External check
G4-16 Participation in associations and organizations	inpEV is a member of CropLife Latin International and participates in committees of two of its associated entities: the National Plant Health Association (Andef - Associação Nacional de Defesa Vegetal) and the National Union of the Plant Health Products Industry (Sindiveg - Sindicato Nacional da Indústria de Produtos para Defesa Vegetal).	No
LIMITS AND IDENTIFIED MATERIAL ASPECTS		
G4-17 Entities included in consolidated financial statements and entities not covered by this report	8	No
G4-18 Process to define the report content	8	No
G4-19 List of material topics	9	No
G4-20 Limit, within the organization, of each material aspect	9	No
G4-21 Limit, outside the organization, of each material aspect	9	No
G4-22 Reformulation of information provided in prior reports	The total energy consumed (G4- En3), reported in 2014, was reformulated.	No
G4-23 Significant changes of scope and limits of material aspects regarding prior reports	25	No
STAKEHOLDER ENGAGEMENT		
G4-24 List of stakeholder groups engaged by the organization	8	No
G4-25 Basis used to identify and select stakeholders with which to engage	Identification and selection processes consider inpEV's level of influence on audiences and their impact on the institute	No
G4-26 Approach to involve stakeholders	9, 35, 37	No
G4-27 Main topics and concerns raised during engagement per stakeholder group	9	No
REPORT PROFILE		
G4-28 Period covered by report	8	No
G4-29 Date of most recent preceding report	2014.	No
G4-30 Report issuance cycle	Annual.	No
G4-31 Contact information for questions on this report or its content.	Contact Us channel on website www.inpev.org.br .	No
G4-32 GRI table location and guidelines application option	8, 44	No
GOVERNANCE		
G4-33 Current practice and policy relative to seeking external verification for this report	8	No
G4-34 Organizational governance structure	22	No
ETHICS AND INTEGRITY		
G4-56 Values, principles, standards and norms of organizational behavior.	7, 24	No

SPECIFIC STANDARD CONTENTS

Aspect	Description	Page/Response	External check
ECONOMIC PERFORMANCE	G4-DMA Form of management	34, 35	No
	G4-EC1 Direct generated and distributed economic value	35	yes, pg. 51
	G4-EC4 Significant financial aid received from government	inpEV does not receive any financial assistance from governments nor funds from credit agencies.	No
INDIRECT ECONOMIC IMPACTS	G4-DMA Form of management	16	No
	G4-EC8 Description of significant indirect economic impacts	inpEV contributes to society mainly by improving environmental conditions by means of receiving and providing the final disposal of post-consumption crop protection packaging, carried out by SCL, a reference in Brazil and the world (see global comparison on page 14). It focuses on economic development by generating around 1,500 direct jobs in the Campo Limpo System, besides the 63 jobs of the institute itself. inpEV also disseminates knowledge and contributes to improve other reverse logistics systems to share the SCL information with other productive sectors.	No
ENERGY	G4-DMA Form of management	42	No
	G4-EN3 Energy consumption within the organization	42, 43	No
WATER	G4-DMA Form of management	42	No
	G4-EN8 Total water drawn per source	42, 43	No
EMISSIONS	G4-DMA Form of management	42, 43	No
	G4-EN19 Reduction in greenhouse gas emissions	42, 43	No
EFFLUENTS AND WASTE	G4-DMA Form of management	20	No
	G4-EN23 Total weight of waste, per disposal type and method	20, 21	No
	G4-EN25 Weight of transported hazardous waste	inpEV does not import nor export hazardous waste. The waste considered hazardous and transported by SCL are non-washable packages and those that were not properly washed by farmers at the time the product solution was prepared. In 2015, 4,400 tons of this type of product were transported	No
	G4-DMA Form of management	20, 42	No
PRODUCTS AND SERVICES	G4-EN27 Extension of products and services environmental impact mitigation	42	No
	G4-EN28 Percentage of recovered products and packages, per product category	20	No
COMPLIANCE	G4-DMA Form of management	42	No
	G4-EN29 Value of fines and total number of sanctions arising from legal and environmental regulation non-compliances	inpEV complies with all valid environmental standards relative to the performance of its activities and did not suffer any sanctions in 2015.	No
TRANSPORTATION	G4-DMA Form of management	38	No
	G4-EN30 Significant environmental impacts involving transportation of products and workers	39	No
MISCELLANEOUS	G4-DMA Form of management	42	No
	G4-EN31 Total investments and expenses with environmental protection, discriminated by type	42, 43	No

Aspect	Description	Page/Response	External check
COMPLAINT MECHANISMS RELATING TO ENVIRONMENTAL IMPACTS	G4-DMA Form of management	42	No
	G4-EN34 Number of complaints relating to environmental impacts	No complaints were recorded in 2015.	No
HEALTH AND SAFETY AT WORK	G4-DMA Form of management	25	
	G4-LA5 Percentage of workforce represented in formal health and safety committees, composed of employees from different hierarchical levels, who help monitor and guide the programs of health and safety at work	There is a Fire brigade in the Sao Paulo office consisting of five employees from different hierarchical levels, who represent 100% of the employees at this location (27 people), that is, up 42.9% of the total employees of inpEV. In December, the brigade members organized a drill to simulate exiting the PBK Building, the office building where the inpEV headquarters are located.	No
	G4-LA6 Types and rates of injuries, occupational diseases, lost time, absenteeism and number of work-related deaths, broken down by region and gender	26	No
TRAINING AND EDUCATION	G4-DMA Form of management	25	No
	G4-LA9 Average training hours per year per employee, broken down by gender and functional category	25, 27	No
LOCAL COMMUNITIES	G4-DMA Form of management	40, 41	No
	G4-SO1 Percentage of operations with local community engagement programs, impact assessment and local development	40, 41	No
COMPLIANCE	G4-DMA Form of management	40, 41	No
	G4-SO8 Monetary value of significant fines and total number of non-monetary sanctions.	The Institute was sanctioned with two labor lawsuits with an approximate value of R\$ 310,000. There are no other sanctions or penalties	No
COMPLAINT MECHANISMS RELATED TO IMPACTS ON SOCIETY	G4-DMA Form of management	40, 41	No
	G4-SO11 Recorded complaints related to impacts on society, filed and resolved by means of formal mechanisms	During the period covered by this report, no complaints were registered in the Customer Service channel which is used for such purpose.	No
CLIENT HEALTH AND SAFETY	G4-DMA Form of management	38, 39	No
	G4-PR1 percentage of significant products and services categories for which health and safety impacts are assessed in order to seek improvements.	inpEV's activities ensure the proper disposal of post-consumption crop protection packages, thus reducing risks and impacts on the health and safety of society. Every received package is inspected upon arrival at the SCL central stations and outposts and a delivery compliance receipt is provided to farmers. On the other hand, non-complying packaging (not properly washed) generates a notification and is forwarded to the segregated area (unwashed product shed) and non-pertinent packages (those not used for crop protection products) are returned to producers. The health and safety impacts and improvements sought in products are also assured by means of ISO 9.001 certification, besides actions like: a) equipment preventive maintenance program; b) weight and dimensional monitoring of all finished products; c) non-compliance program for products evaluated by the recycler; d) non-compliance treatment case by case; and e) chemical residue monitoring in packages.	No
	G4-DMA Form of management	38, 39	No
COMPLIANCE	G4-PR9 Significant monetary fine values applied due to non-conformities with laws and regulations relating to the supply and use of products and services	There are no non-conformities in the administration of reverse logistics of empty crop protection packaging.	No

Corporate information

How to join inpEV

Manufacturing industries, crop protection product registrants or importers and duly registered similar entities according to law 7802/89 can become members of inpEV provided that, at the time of registration (a) they manufacture (directly or indirectly by means of “tolling” contract), formulate or import at least one crop protection product already commercialized in the Brazilian market; and (b) are the titleholders of the manufacturing, formulation or import rights relating to the registration of said product before the competent organ.

The company must contact inpEV by e-mail or phone to receive the information necessary to schedule an in-person meeting. During this meeting the inpEV reverse logistics system will be explained, as well as the affiliation procedures, internal processes and costs.

The membership proposal is submitted to the Board of Directors once a month for final approval.

Member companies

- Adama Brasil
- ADM do Brasil Ltda.
- Agecom Produtos de Petróleo Ltda.
- Agro Import do Brasil Ltda.
- Agrocete Indústria de Fertilizantes Ltda.
- Agrovant Comércio de Produtos Agrícolas Ltda.
- Alamos Brasil Agroquímicos
- Allierbrasil Agronomia Ltda.
- Alta – América Latina Tecnologia Agrícola Ltda.
- Ameribrás Indústria e Comércio Ltda.
- Amvac do Brasil Representações Ltda.
- Anasac Brasil Comércio e Locação de Máquinas Ltda.
- Arysta Lifescience do Brasil Indústria Química e Agropecuária Ltda.
- Atanor do Brasil Ltda.
- Atar do Brasil Defensivos Agrícolas Ltda.
- Atta-Kill Indústria e Comércio de Defensivos Agrícolas Ltda.
- AVGUST Crop Protection Importação e Exportação Ltda.
- Ballagro Agro Tecnologia Ltda.
- Basf Agricultural Specialities Ltda.
- Basf S.A.
- Bayer S.A.
- Besquisa Indústria Química do Brasil Ltda.
- Biocontrol Sistema de Controle Biológico Ltda.
- BIO CONTROLE Métodos de Controle de Pragas Ltda.
- Bio Soja Indústrias Químicas e Biológicas Ltda.
- Biotech Controle Biológico Ltda.
- BRA Defensivos Agrícolas Ltda.
- CCAB Agro S.A.
- Cheminova Brasil Ltda.
- Chemotécnica do Brasil Ltda.
- Consagro Agroquímica Ltda.
- COPALLIANCE – Cooperativa de Consumo de Produtos.
- Cropchem Ltda.
- Cross Link Consultoria e Comércio Ltda.
- De Sangosse L.A. Ltda.
- Degesch do Brasil Indústria e Comércio Ltda.
- Dinagro Agropecuária Ltda.
- Dow Agrosiences Industrial Ltda.
- Du Pont do Brasil S.A.
- Evonik Degussa Brasil Ltda.
- Fênix Agro Pecuária Industrial Ltda.
- FMC Química do Brasil Ltda.
- Genbra Distribuidora de Produtos Agrícolas Ltda.
- Helm do Brasil Mercantil Ltda.
- Iharabrás S.A. Indústrias Químicas
- Indústria Química Dipil Ltda.
- Inquima Ltda.
- Irrigações Dias Cruz Ltda.
- Isagro Brasil Comércio de Produtos Agroquímicos Ltda.
- Isca Tecnologias Ltda.
- Koppert do Brasil Holding Ltda.
- Koppert do Brasil Sistemas Biológicos Ltda.
- Laboratório de Biocontrole Farroupilha Ltda.
- Lanxess Indústria de Produtos Químicos e Plásticos Ltda.
- Luxembourg Brasil Comércio de Produtos Químicos Ltda.

- Macdermid Agricultural Solutions Comércio de Produtos Agrícolas Ltda.
- Macroseeds Indústria e Comércio de Insumos Agrícolas Ltda.
- Microquímica Indústrias Químicas Ltda.
- Microsal Indústria e Comércio Ltda.
- Momentive Performance Materials Indústria de Silicones Ltda.
- Monsanto do Brasil Ltda.
- Morsoletto Santos e Vicente Cano Ltda.
- Nortox S.A.
- Novozymes Bioag Produtos para Agricultura Ltda.
- Nufarm Indústria Química e Farmacêutica S.A.
- Ouro Fino Química Ltda.
- Oxiquímica Agrociência Ltda.
- OXON Brasil Defensivos Agrícolas Ltda.
- Petrobras Distribuidora S.A.
- Pilarquim BR Comercial Ltda.
- Plato do Brasil Comércio Ltda.
- Poland Química Ltda.
- Prentiss Química Ltda.
- Prophyto Comércio e Serviços Ltda.
- PRTrade Repres. Com. Importação e Exportação Ltda.
- Rainbow Defensivos Agrícolas Ltda.
- Rohm and Haas Química Ltda.
- Rotam do Brasil Agroquímica e Produtos Agrícolas Ltda.
- Sabero Organics América S.A.
- Samaritá Indústria e Comércio Ltda.
- Sharda do Brasil Comércio de Produtos Químicos e

- Agroquímicos Ltda.
- Simbiose Indústria e Comércio de Fertilizantes e Insumos Microbiológicos Ltda.
- Sinon do Brasil Ltda.
- Sipcam Nichino Brasil S.A.
- Stockton-Agrimor do Brasil
- Stoller do Brasil Ltda.
- Sumitomo Chemical do Brasil Representações Ltda.
- Syngenta Proteção de Cultivos S.A.
- Tagros Brasil Comércio de Produtos Químicos Ltda.
- Taminco do Brasil Produtos Químicos Ltda.
- Tecnicontrol Indústria e Comércio de Produtos Biológicos Ltda.
- Terra Nostra Indústria, Comércio, Importação e Exportação de Fertilizantes Ltda.
- Unibrás Agroquímica Ltda.
- Union Agro Ltda.
- United Phosphorus do Brasil Ltda.
- UPL do Brasil Indústria e Comércio de Insumos Agropecuários S.A.
- VectorControl Indústria e Comércio de Produtos Agropecuários Ltda.
- W. Neudorff Serviços de Agricultura do Brasil Ltda.

Member entities

- Abag – Associação Brasileira do Agronegócio
- Aenda – Associação Brasileira dos Defensivos Genéricos
- Andav – Associação Nacional dos Distribuidores de Insumos Agrícolas e Veterinários
- Andef – Associação Nacional de Defesa Vegetal
- APPS – Associação Paulista dos Produtores de Sementes e Mudanças
- Aprosoja – Associação Brasileira dos Produtores de Soja
- CNA – Confederação da Agricultura e Pecuária do Brasil
- OCB – Organização das Cooperativas Brasileiras
- Sindiveg – Sindicato Nacional da Indústria de Produtos para Defesa Vegetal



Attachments



FINANCIAL STATEMENTS AT DECEMBER 31, 2015 AND INDEPENDENT AUDITOR'S REPORT

(A free translation of the original in Portuguese)

Independent auditor's report

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

We have audited the accompanying financial statements of Instituto Nacional de Processamento de Embalagens Vazias - inpEV, which comprise the balance sheet as at December 31, 2015 and the statements of surplus, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Instituto Nacional de Processamento de Embalagens Vazias – inpEV as at December 31, 2015, and its financial performance and cash flows for the year then ended, in accordance with accounting practices adopted in Brazil.

São Paulo, February 22, 2016

PricewaterhouseCoopers

Independent Auditors
CRC 2SP000160/O-5

Renato Barbosa Postal

Accountant CRC 1SP187382/O-0

BALANCE SHEET AT DECEMBER 31

ALL AMOUNTS IN THOUSANDS OF REAIS

ASSETS	2015	2014	LIABILITIES AND EQUITY	2015	2014
Current assets			Current liabilities		
Cash and cash equivalents (Note 6)	38,912	29,112	Accounts payable	1,227	311
Accounts receivable (Note 7)	5,067	4,289	Payables to centers and stations (Note 12)	4,030	2,992
Advances granted (Note 8)	6,321	6,358	Centers surplus (Note 13)	1,923	2,070
Prepaid expenses	177	186	Salaries and social charges	2,414	2,608
	50,477	39,945	Taxes payable	294	249
			Provision for contingencies (Note 14)	55	56
			Advances from associates (Note 15)	13,943	11,128
				23,886	19,414
Non-current assets			Non-current liabilities		
Long-term receivables			Provision for contingencies (Note 14)	529	445
Security deposit for rent (Note 9)	61	61			
Property and equipment (Note 10)	50,707	55,107	Total liabilities	24,415	19,859
Intangible assets (Note 11)	315	314	Equity (Note 16)		
	51,083	55,482	Net worth	77,145	75,568
Total assets	101,560	95,427	Total liabilities and equity	101,560	95,427

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

STATEMENT OF SURPLUS (DEFICIT) – YEARS ENDED DECEMBER 31

ALL AMOUNTS IN THOUSANDS OF REAIS

	2015	2014
Net revenue from activities (Note 17)	115,602	106,747
Expenses with activities		
General and administrative (Note 22)	(117,015)	(109,199)
Other gains, net	95	8
Provision for impairment of accounts receivable, net of reversals (Note 7 and Note 22)	(88)	(803)
	(116,832)	(109,994)
Operating deficit	(1,230)	(3,247)
Finance costs	(405)	(323)
Finance income	3,212	1,894
Finance income, net	2,807	1,571
Surplus (deficit) for the year	1,577	(1,676)

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

STATEMENT OF CHANGES IN EQUITY

ALL AMOUNTS IN THOUSANDS OF REAIS

	NET WORTH	ACCUMULATED SURPLUS	TOTAL
At January 1, 2014	77,244		77,244
Deficit for the year		(1,676)	(1,676)
Absorption of deficit for the year	(1,676)	1,676	
At December 31, 2014	75,568		75,568
Surplus for the year		1,577	1,577
Allocation of surplus for the year	1,577	(1,577)	
At December 31, 2015	77,145		77,145

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

STATEMENT OF CASH FLOWS – YEARS ENDED DECEMBER 31

ALL AMOUNTS IN THOUSANDS OF REAIS

	2015	2014
Cash flows from operations		
Surplus (deficit) for the year	1,577	(1,676)
Adjustments		
Depreciation and amortization	6,737	6,419
Net book value of property and equipment and intangible assets disposals	709	300
Provision for contingencies	1,894	1,840
(Reversal of) provision for impairment of trade receivables	(88)	803
	10,829	7,686
Changes in assets and liabilities		
Accounts receivable	(690)	317
Advances granted	37	(2,654)
Prepaid expenses	9	(21)
Judicial deposits	(1,811)	(1,663)
Security deposit for rent		(1)
Accounts payable	916	(673)
Accounts payable to centers and stations	1,038	830
Centers surplus	(147)	682
Salaries and social charges	(194)	328
Taxes payable	45	15
Advances from associates	2,815	(1,852)
Net cash provided by operations	12,847	2,994
Cash flows from investing activities		
Purchases of property and equipment and additions to intangible assets	(3,047)	(2,232)
Net cash used in investing activities	(3,047)	(2,232)
Net increase in cash and cash equivalents	9,800	762
Cash and cash equivalents at the beginning of the year	29,112	28,350
Cash and cash equivalents at the end of the year	38,912	29,112

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

1 GENERAL INFORMATION

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

In order to achieve those objectives, the Institute fundamentally depends on the contributions made by the associates.

In accordance with current legislation, the Institute benefits from certain federal tax exemptions because it is an association-type entity.

Law 9,718 of December 1998 established the rules for those entities which are exempt from the payment of income tax (such as the Institute) and social contribution. According to this law, in order to maintain the tax exemption, the Institute cannot have a surplus for the year, or if there is a surplus, it must be fully allocated to the maintenance and development of the Institute’s social purposes.

In December 2015, 99 agrochemicals manufacturers in Brazil were associates of the Institute (2014 - 102 associated companies).

1.1 BUSINESS MODEL DESCRIPTION

The Institute, which represents the agrochemicals industry, has the legal responsibility to carry out the proper disposal of empty agrochemical containers.

In order to achieve this, units for the receipt of empty containers were created to collect containers coming from rural areas, which the Institute subsequently disposes of in the proper environmental manner.

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

final disposal of these empty containers, which may be recycled or incinerated, depending on their technical characteristics.

The Institute enters into agreements with recycling companies for the purposes of technical and operational cooperation regarding the recycling of materials from empty containers of phytosanitary products received at the UREs, whenever recycling is possible.

The containers are sent for recycling by the Centers, under the responsibility of the Institute, through a simple shipping operation performed by the receiving center to the recycling company.

(a) Accreditation fee for recycling companies

The Institute receives an accreditation fee from recycling companies, which corresponds to (i) the transfer of know-how to the recycling companies regarding the utilization of empty containers from agrochemical industries in the development of new products; and (ii) training sessions offered to employees of recycling companies concerning the proper handling of empty phytosanitary containers.

(b) Contributions to the costing of UREs

In addition, the recycling companies make payments to the Institute for the containers received as contributions to the costing of UREs. The contributions to the costing of UREs are used as a reimbursement for the costs incurred by collection centers and units when receiving empty containers and preparing them for final disposal.

This contribution made to the Institute by the recycling companies is transferred to dealer associations (responsible for the management of UREs) as reimbursement for expenses and costs incurred when preparing empty containers for final disposal, through a strict periodic accounting process.

Management carried out, together with its lawyers, an in-depth analysis of the Institute’s business model and, as from December 2009, made changes in its processes, one of which consisting of the dealer associations delivering empty containers to recycling companies for just a symbolic amount and with the issue of a simple shipping invoice.

The accreditation fees and contributions to the costing of URE are calculated based on the product weight

delivered to the recycling companies and represent, respectively, about 30% to 40% and 60% to 70% of the volume of processed products.

(c) Allocation of resources

While the contributions to the costing of UREs are periodically transferred to dealer associations for the maintenance of URE operations, the resources obtained as accreditation fees from recycling companies were allocated to the expansion of the body of assets owned by the Institute ad lased to Campo Limpo - Reciclagem e Transformação de Plásticos S.A. ("Campo Limpo"), whose stockholders are associates of the Institute (Note 10), in the city of Taubaté, state of São Paulo. From 2013, when the investments in Taubaté were concluded, the accreditation fee started to be fully allocated to the reduction of the associate contribution.

(d) Centers surplus

The finance result from the shipment of empty packages made by the receipt centers to the recycling companies, excluding the costs shared between the Institute and the resale associations are, in general, deficits. However, giving the improvements in the operating processes and growth in the volume of empty packages, it may be possible that in certain months the centers have superavit which might compensate deficit of prior months. After the deficit amounts are compensated, in cases where the final result is a surplus, the Institute accounts for it for as "Centers surplus". Since the Institute is responsible for managing the financial resources, the balances from the "Centers surplus" are controlled in a specific current account and divided individually as per the related centers.

The agreements the Institute enters with the resale associations establish that the centers with surplus will have the right to use it, upon mutual consent with the Institute, provided the following order:

1st Improvements (expansion, renovation, and necessary equipment) in the Receiving Unit;

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

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

4th Improvements in the Empty Package Receiving stations in the same State;

5th Improvements in the Receiving Units and Country Stations according to the aforementioned sequence.

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

Together with the analysis of the new business model and, for the purposes of mitigating the risks arising from possible different interpretations about the taxes levied on the operations carried out by the Institute, management requested from its lawyers a detailed study on the taxation of its operations. This study includes the matter related to the revenue from the operation of the new shipping model, which is not subject to any taxes or contributions.

1.2 MANAGEMENT OF THE BUSINESS UNIT

The management of the Institute is divided into three segments, as follows:

(a) Basic processes - This comprises the construction, maintenance and granting of subsidies to the UREs; the transportation of empty containers from the stations to the centers and then to the final destination (to be recycled or incinerated); and the costs regarding the final destination of containers for incineration (Note 22).

(b) Support processes - This comprises the communication and publicity regarding the Institute's operations; the education, training and awareness of related parties and stakeholders; legal support; and projects for the system self-sustainability (Note 22).

(c) Administrative process - this segment includes the maintenance of the Institute's administrative area, including all personnel.

1.3 BUSINESS UNIT – RECYCLING

With the purpose of providing self-sustainability to the Institute's business model, a recycling unit was constructed to receive parts of the containers sent to the UREs. These parts are used for the manufacture of new plastic containers. In 2008, the group of assets was leased to Campo Limpo Reciclagem e Transformação de Plásticos S.A - "Campo Limpo S.A.". The Institute's investments in the construction, assembly, and expansion of the factory currently amount to R\$ 61,555 (2014 - R\$ 61,891) (Note 10).

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

One of the Institute's objectives is to obtain the economic self-sustainability for the reverse logistics program of agrochemicals empty containers. This will be made through the verticalization of the container receipt and destination process. To achieve this, an investment plan has been established as initially structured in the following four stages: 1st - rigid plastic recycling; 2nd - turning rigid plastic into containers; 3rd - recycling of flexible plastic; and 4th - flexible plastic transformation.

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

At the Annual General Meeting held on April 18, 2011, the associates decided to cancel stages 3 and 4 and to expand stages 1 and 2, making investments in the purchase of blow molding equipment (manufacture of containers).

The expansion of stages 1 and 2 required the purchase of four new blow molding machines, totaling an investment of R\$ 20,000 (unaudited). All of these machines were installed up to December 2013, when the project investments were completed.

In order to make the operations of Campo Limpo S.A. Feasible, a lease agreement was entered into with the Institute regarding the assets described in Note 10, with a remuneration for the Institute of about 10% of the net billings of Campo Limpo S.A. (Note 21).

1.5 CAMPO LIMPO TAMPAS E RESINAS PLÁSTICAS LTDA.

In order to compete the container's life cycle within its chain, Campo Limpo Tampas e Resinas Plásticas Ltda. ("Campo Limpo Tampas") was established, whose 99.99% of its quotas are held by Campo Limpo S.A. Its purpose is to produce a high-performing sealing system known as Ecocap. Accordingly, the customer will be offered a complete solution with containers (produced by Campo Limpo S.A.) and caps (produces by Campo Limpo Ltda.).

For the performance of the operations in Campo Limpo Ltda., the Institute leased a space within Campo Limpo S.A. with a remuneration of 0.5% of its monthly billing.

In 2015, the Institute obtained lease revenue from the Campo Limpo Ltda. operations amounting to R\$ 82 (2014 - R\$ 60), which is recorded within "Operating lease agreement" in the statement of surplus (deficit).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 BASIS OF PREPARATION

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

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

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

These financial statements were approved by the Institute's Statutory Audit Board and Management on February 22, 2016.

2.2 CASH AND CASH EQUIVALENTS

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

2.3 FINANCIAL ASSETS

2.3.1 Classification

The Institute classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets. The Institute's loans and receivables comprise "Cash and cash equivalents", "Accounts receivable", "Security deposit for rent" and "Judicial deposits".

2.3.2 Impairment of financial assets

Assets carried at amortized cost

The Institute assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flow from the financial asset or group of financial assets, and this impact can be reliably estimated.

The criteria used to determine that there is objective evidence of impairment include, among others:

- . significant difficulty to receive amounts from the associate;
- . default or delinquency in interest or principal payments.

For financial assets recognized at amortized cost, impairment is the difference between the asset's recorded amount and the present value of the estimated future cash flows, discounted at the effective original interest rate of the financial asset. The carrying amount is reduced directly by the impairment loss for all financial assets.

2.4 ACCOUNTS RECEIVABLE

The balances of accounts receivable, represented by the amounts due from associates and relating to the consideration for the services rendered by the Institute in the course of its business, are recognized initially at transaction value and subsequently measured at amortized cost, less the provision for impairment of accounts receivable.

A provision for impairment of accounts receivables is established when there is objective evidence that the Institute will not be able to collect all amounts due according to the original terms of the receivables.

The average receipt term of accounts receivable is 30 days.

2.5 ADVANCES GRANTED

Advances granted are represented by funds transferred in advance to collection centers and units with the purpose of supporting short-term cash needs. They are carried at cost.

2.6 JUDICIAL DEPOSITS

Judicial deposits are those amounts in local currency deposited in court in a bank account linked to a lawsuit, whose purpose is to ensure the settlement of a possible future obligation and which can only be used after a judicial order. These deposits are monetarily restated according to legal rules and are presented in the balance sheet net of the provision for contingencies (Note 14).

2.7 PROPERTY AND EQUIPMENT

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

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

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

	YEARS
Buildings	50-60
Equipment and installations	10-15
Vehicles	5
Furniture and fittings	12-16
Other	10

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

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

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

2.8 LEASES

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments (net of all incentives received from the lessor) are charged to the statement of surplus on the straight-line basis over the term of the lease.

2.9 INTANGIBLE ASSETS

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

2.10 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purposes of

assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash-generating units (CGUs)). Non-financial assets other than goodwill that suffered impairment are subsequently reviewed for possible reversal of the impairment at each reporting date.

2.11 Accounts payable

These refer to obligations payable and are substantially represented by expenses incurred by dealer associations for the maintenance of units responsible for the receipt of containers.

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

2.12 Provisions

The Institute recognizes provisions when: (a) the Institute has a present legal or constructive obligation as a result of past events; (b) it is probable that a transfer of economic benefits will be required to settle the obligation; and (c) the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate before tax effects that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the time elapsed is recognized as interest expense.

2.13 Employee benefits - bonus

The Institute recognizes a liability and an expense for payment of bonus based on targets achieved by its employees. The bonus is commonly recognized at the end of the year, when the amount can be accurately calculated by the Institute.

2.14 Revenue recognition and related expenses

Revenue comprises the present value of contributions made by associates, revenue of recycling companies (accreditation fee paid by recycling companies, contributions to the costing of UREs), revenue from operating leases and extraordinary contributions made by associates for the investment in Campo Limpo S.A..

The amounts related to the business unit dealing with the management of the reverse logistics systems for empty containers of agrochemicals are recognized as revenue for the year to the extent the costs and expenses with the management of the system are incurred.

(a) Associate contributions

Considering that the contributions of the associates are made for the costing of all expenses with the container receipt, transportation and incineration processes, among others, the amount considered as associate contribution corresponds to the related costs and expenses incurred. Those contributions in excess of the costs and expenses incurred are accounted for in "Advances from associates" in current liabilities.

(b) Accreditation fee for recycling companies

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

(c) Contributions to the costing of UREs

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

(d) Operating leases

Operating lease revenue is recorded on the accrual basis based on a percentage of the monthly net revenue of the sales of Campo Limpo S.A. products.

(e) Extraordinary contributions (transfer of dividends of Campo Limpo S.A.'s associate/ stockholders)

These are funds transferred by the Institute's associates (who are also stockholders of Campo Limpo S.A.)

arising from dividends paid by Campo Limpo S.A. to the associate-stockholders at the end of each year. Therefore, the Institute recognizes as revenue the amounts approved at the Annual General Meeting of Campo Limpo S.A., which is expected to occur in April of the following year.

The extraordinary contributions are used to reduce the amount of the annual contribution made by the Campo Limpo S.A. associate-stockholders.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

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

Up to November 2009, dealer associations were selling the empty containers to the recycling companies. The Institute received amounts from the recycling companies as an accreditation fee, which was due for the accreditation of the recycling companies, for the transfer of know-how related to the recycling process of plastic residues, for the manufacture of new products from such material and for the training of employees of the recycling companies regarding the proper handling of empty containers of phytosanitary products.

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

With the implementation of the new business model on December 1, 2009, the sales of empty containers to recycling companies were discontinued, and the amounts that the recycling companies used to pay to dealer associations for the empty containers were incorporated into the amount of contributions to the costing of the UREs and started to be charged directly by the Institute. On the other hand, a portion of such contributions received by the Institute started to be used as a subsidy for some of the costs incurred by those units receiving empty containers, which include dealer associations.

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

(b) Provision for tax and labor contingencies

As described in Note 12, the Institute is challenging in court the Social Contribution on Revenues (COFINS) levied on the accreditation fee, in addition to the payment of termination benefits to former employees. Provisions are established for all contingencies referring to litigation that represents probable losses and can be reliably estimated. The assessment of the likelihood of an unfavorable outcome in these lawsuits and administrative proceedings includes the analysis of the evidence available, the hierarchy of the laws, available former court decisions, the most recent court decisions and their importance in the Brazilian legal system, and the opinion of external legal counsel. Management believes that the provisions for tax and labor risks are fairly presented in the financial statements.

4 FINANCIAL RISK MANAGEMENT

4.1 FINANCIAL RISK FACTORS

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

(a) Credit risk

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

Accounts receivable are associate advances which have not been received yet. When the associate is in default (Note 7), the Institute's management starts an out-of-court collection to set out the receipt of the debit balance and, if it becomes a problem, the Institute's management may file a judicial collection proceeding.

(b) Liquidity risk

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

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

4.2 CAPITAL MANAGEMENT

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

5 FINANCIAL INSTRUMENTS BY CATEGORY

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

Financial liabilities, such as accounts payable, advances from associates and recycling companies and provisions for contingencies, are classified in other financial liabilities.

5.1 CREDIT QUALITY OF FINANCIAL ASSETS

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

	2015	2014
Cash and cash equivalents and securities		
Banco do Brasil S.A. BBB A-2	3,466	2,863
Banco Itaú S.A. - BBB A-2	35,439	26,241
	38,905	29,104

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

6 CASH AND CASH EQUIVALENTS

	2015	2014
Cash	7	8
Banks - current accounts	11,399	16,951
Investment funds (*)	27,506	12,153
	38,912	29,112

(*) This amount represents applications in financial investment funds remunerated at 100% of the Interbank Deposit Certificate (CDI) rate with Banco Itaú S.A. and Banco do Brasil S.A. (2014 - 102%).

7 ACCOUNTS RECEIVABLE

	2015	2014
Associate contributions - Agrochemicals	3,901	4,077
Recycling companies		
Accreditation of recycling companies	1,073	1,037
Contributions to the costing of UREs	3,218	2,727
Provision for impairment of accounts receivable	(3,971)	(4,059)
Operating lease - Campo Limpo S.A.	608	499
Other accounts receivable	238	8
	5,067	4,289

Changes in the Institute's provision for impairment of accounts receivable are as follows:

	2015	2014
At January 1	(4,059)	(3,256)
Additions (i)	(296)	(1,121)
Reversal due to receipt	384	318
At December 31	(3,971)	(4,059)

The provision for impairment of accounts receivable was recorded in accordance with the following criteria:

- . Outstanding balances of associates overdue for more than 90 days.
- . Renegotiated debts overdue.

(i) In 2014, the Institute, after out-of-court collections, through its lawyers decided to file a lawsuit against an associate in default, Fersol Indústria e Comércio Ltda., whose outstanding balance at December 31, 2015 amounted to R\$ 3,667 (2014 - R\$ 3,383).

The amounts receivable by maturity are as follows:

	2015	2014
Not yet due	5,067	4,067
Overdue		
Up to 60 days		328
From 61 to 90 days		178
From 91 to 180 days	16	154
From 181 to 360 days	288	382
Over 360 days	3,667	3,239
	9,038	8,348

8 ADVANCES GRANTED

	2015	2014
Advances to collection centers and units (*)	5,973	5,907
Advances to employees	63	70
Vacation pay advances	39	260
Other advances	246	121
	6,321	6,358

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

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

9 SECURITY DEPOSIT FOR RENT

The balance of R\$ 61 (2014 - R\$ 61) comprises the amount of the deposit in a saving account, plus interest, which refers to the security deposit established in the

lease agreement of the building where the Institute is headquartered. This amount will be redeemed at the end of the lease agreement.

10 PROPERTY AND EQUIPMENT

								CONSTRUCTION AND INSTALLATIONS IN PROGRESS	TOTAL PROPERTY AND EQUIPMENT
	BUILDINGS AND LAND IMPROVEMENTS	EQUIPMENT AND INSTALLATIONS	VEHICLES	FURNITURE AND FITTINGS	OTHER	TOTAL IN OPERATION			
At December 31, 2013	431	14,343	32,252	751	376	20	48,173	11,413	59,586
Acquisition		134	1,335	573	27	35	2,104		2,104
Disposal			(54)	(244)	(2)		(300)		(300)
Transfer			11,408	4	1		11,413	(11,413)	
Depreciation		(714)	(5,271)	(228)	(62)	(8)	(6,283)		(6,283)
At December 31, 2014	431	13,763	39,670	856	340	47	55,107		55,107
Total cost	431	17,519	55,009	1,421	728	114	75,222		75,222
Accumulated depreciation		(3,756)	(15,339)	(565)	(388)	(67)	(20,115)		(20,115)
Net book value	431	13,763	39,670	856	340	47	55,107		55,107
At December 31, 2014	431	13,763	39,670	856	340	47	55,107	-	55,107
Acquisition		20	2,602	236	58		2,916		2,916
Disposal			(641)	(66)			(707)		(707)
Depreciation		(743)	(5,465)	(319)	(70)	(12)	(6,609)		(6,609)
At December 31, 2015	431	13,040	36,166	707	328	35	50,707		50,707
Total cost	431	17,538	56,545	1,470	784	114	76,882		76,882
Accumulated depreciation		(4,498)	(20,379)	(763)	(456)	(79)	(26,175)		(26,175)
Net book value	431	13,040	36,166	707	328	35	50,707		50,707

With the purpose of promoting the economic self-sustainability of the system Campo Limpo (reverse logistics for empty containers of plant protection products), thus benefiting all those who are part of the chain, the associates established a separate entity denominated Campo Limpo Reciclagem e Transformação de Plásticos S.A. ("Campo Limpo S.A."). The assets of Campo Limpo S.A. were acquired by the Institute and are recorded in the Institute's property and equipment. The total assets in 2015 amounted to R\$ 61,555 (2014 - R\$ 61,891).

On May 1, 2008, the Institute entered into an agreement with Campo Limpo S.A. for the lease of property, industrial equipment, electric, hydraulic and gas installations, tools, vehicles, furniture and fittings, computers and peripherals as well as other assets which are already installed and operating, in addition to other spare equipment attached to the property. Should this agreement not be terminated by one of the parties, it will be effective for ten years and automatically renewed for the same period.

The assets leased to Campo Limpo S.A. are the following:

DESCRIPTION	2015		
	COST	ACCUMULATED DEPRECIATION	NET BOOK VALUE
Buildings and improvements	16,831	(4,002)	12,829
Equipment and installations	43,808	(14,926)	28,882
Vehicles	401	(231)	170
Furniture and fittings	492	(273)	219
Other	23	(23)	
	61,555	(19,455)	42,100

DESCRIPTION	2014		
	COST	ACCUMULATED DEPRECIATION	NET BOOK VALUE
Buildings and improvements	16,811	(3,334)	13,477
Equipment and installations	44,167	(10,969)	33,198
Vehicles	401	(173)	228
Furniture and fittings	489	(224)	265
Other	23	(22)	1
	61,891	(14,722)	47,169

11 INTANGIBLE ASSETS

	SOFTWARE ACQUIRED	LICENSE	TOTAL
At December 31, 2013	295	27	322
Acquisition	76	51	127
Transfer	62	(62)	
Amortization	(119)	(16)	(135)
At December 31, 2014	314		314
Total cost	1,438		1,438
Accumulated amortization	(1,124)		(1,124)
Net book value	314		314
At December 31, 2014	314		314
Acquisition	131		131
Disposal	(2)		(2)
Amortization	(128)		(128)
At December 31, 2014	315		315
Total cost	1,537		1,537
Accumulated amortization	(1,222)		(1,222)
Net book value	315		315

The intangible assets related to Campo Limpo S.A. on December 31, 2015 are as follows:

DESCRIPTION	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE
Hardware and software	422	(277)	145

12 ACCOUNTS PAYABLE TO CENTERS AND STATIONS

These amounts refer to accounts payable to the receiving units (UREs), that is, centers and stations, due to the operating maintenance shared costs established in the agreement entered into by the Institute and the managers of such units (dealers), whose balance, on December 31, 2015, amounted to R\$ 4,030 (2014 - R\$ 2,992).

13 CENTERS SURPLUS

As described in Note 1.1. (d), the this exceeding balance from certain centers, amounting to R\$ 1,923 (2014 - R\$ 2,070), is segregated in a specific bank account controlled by each center, and will only be used upon previous approval of the Institute and provided that the hierarchy of priorities, as established in the agreement entered into by the parties, is respected.

14 CONTINGENCIES

The litigations and corresponding judicial deposits are as follows:

	JUDICIAL DEPOSITS		LITIGATION	
	2015	2014	2015	2014
Tax - Social Contribution on Revenues (COFINS) (i)	10,971	9,160	11,026	9,216
Labor (ii)			529	445
	10,971	9,160	11,555	9,661
Judicial deposits related with litigations	(10,971)	(9,160)	(10,971)	(9,160)
Net amount under litigation			584	501
Less current liabilities			(55)	(56)
Non-current liabilities			529	445

In 2015, the changes in the litigations were as follows:

	TAX	LABOR	TOTAL
On December 31, 2013	7,544	277	7,821
Complement/additions	952	168	1,120
Monetary restatement	720		720
On December 31, 2014	9,216	445	9,661
Complement/additions (iv)	854	207	1,061
Reversal/write-off (iii)		(68)	(68)
Monetary restatement	901		901
On December 31, 2015	10,971	584	11,555

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

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

On the other hand, the Regional Superintendency of Federal Revenue stated that COFINS is to be levied on this type of revenue. The Institute, supported by its tax lawyers, maintained its contrary interpretation to the RFB decision and, on February 2009, filed for a writ of mandamus in order to assure its right for the non-payment of COFINS on the accreditation fee. This injunction was denied on May 13, 2009.

The sentence handed down in October 2013 denied the Institute's claim and determined in favor of the payment of COFINS. In November 2013, the Institute lodged an appeal with the Federal Regional Court, which is currently pending judgment.

As a preventive measure, and in order to safeguard the original amount of the tax obligation, the Institute deposited in court the total balance of the provisioned amount plus interest and fines, referring to the period from 2004 to December 2015, totaling R\$ 9,160 (2014 - R\$ 7,497). The corresponding judicial deposit is presented at net value in liabilities.

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

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

(ii) In 2015, an addition labor provision of R\$ 152 was recorded for the proceedings filed by two employees against the Institute.

(iii) In 2015, a labor provision of R\$ 68 of the employee of Associação AEAGRO, with which the Institute collaborates by paying 70% of the association's expenses was partially written-off.

(iv) The amount of R\$ 854 (2014 - R\$ 952) refers to the legal dispute over the levying of COFINS on the accreditation fee.

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

During 2015, some labor proceedings were filed by former employees of the UREs, for which the Institute, as joint obligor, regularly carries out a follow-up with its legal area.

The purpose of this follow-up is to advise the dealers, which are legitimated employers, for better conducting of its processes. On December 31, 2015, it amounted to R\$ 1,985.

In the event of an unfavorable outcome, the Institute will incur the cost as proportional to its contribution in the monthly expenses of these UREs.

15 ADVANCES FROM ASSOCIATES

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

The changes in advances from associates are as follows:

	JANUARY 01, 2015	ADDITIONS	DISPOSALS	DECEMBER 31, 2015
Associate contributions (i)	10,933	63,775	(60,767)	13,941
Associate advances - seeds	194		(194)	
Crop Life Associados - sanitizers (ii)	1	47	(46)	2
	11,128	63,734	(60,919)	13,943

	JANUARY 01, 2014	ADDITIONS	DISPOSALS	DECEMBER 31, 2014
Associate contributions (i)	12,786	54,291	(56,144)	10,933
Associate advances - seeds	194			194
Crop Life Associados - sanitizers (ii)		35	(34)	1
	12,980	54,326	(56,178)	11,128

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

The associate contribution additions amounting to R\$ 63,775 (2014 - R\$ 54,291) mainly corresponds to estimated associate contributions amounting to R\$ 82,679 (2014 - R\$ 77,092) (Note 17), deducted from the contribution reduction plan amounting to R\$ 22,000 (2014 - R\$ 22,000) (Note 16). This amount is considered as necessary in order to meet the needs of the Institute's activities during 2015, according to the annual budget approved in the general meeting.

The disposals in 2015, representing the revenue recognition of the associate contributions of R\$ 60,767 (2014 - R\$ 56,144), correspond to the total expenses incurred in 2015, amounting to R\$ 116,927 (2014 - R\$ 110,002) (Note 22), net of the revenues generated by the system.

The remaining balance at December 31, 2015, of R\$ 13,941 (R\$ 10,933), resulted from the positive differences between the amounts estimated and realized during the year and in prior years, and is available for the associates to ensure the Institute's activities continue in the following years, as well as commitments entered into with third parties, as approved in the 2015 budget, to be incurred in 2016 (Note 24).

(ii) In August 2013, the Institute was invited to propose a self-sustainability project which, after the

selection, would be financed in part with resources provided by CropLife América Latina. In order to receive the financial support of CropLife, proposed projects should satisfy the following requirements:

- Present a local compensation, the financial support of which should cover, at least, 30% of the total cost. Fixed expenditures relating to the local association's operations could not be allocated as part of the investments of the project.
- The maximum amount to be invested in the project by CropLife is US\$ 15 thousand per annum over two years.
- Projects lasting two or three years, as well as those with proposals for financing which include the participation of other entities linked to the local association, would be prioritized.

The Institute's proposed project is entitled "Project for Implementation of Itinerant Receiving of Empty Pesticide Containers in the State of Ceará (Brazil)".

In December 2013, the Institute was informed that its project was chosen and the first transfer, amounting to R\$ 35 (equivalent to US\$ 15 thousand), was made in September 2014, with the last, in May 2015, amounting to R\$ 47 (equivalent to US\$ 15 thousand).

16 NET WORTH

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

PLAN TO REDUCE CONTRIBUTIONS

The original self-sustainability project for the Institute included, in the future, the beginning

of the reduction of contributions made by associates due to the generation of revenues, pursuant to its business model (Note 1.1.). As established in the 26th meetings of the general meeting, dated December 15, 2014, the decrease in contribution of associates was approved for 2015 amounting to R\$ 21,769 (2014 - R\$ 22,000). After the budgetary review, the Executive Board established that the total reduction in contributions totals R\$ 22,000.

17 NET REVENUE FROM ACTIVITIES

	2015	2014
Associate contributions - agrochemichals (Note 15(i))	82,679	77,092
Recycling company accreditation fee (Note 18)	12,698	12,227
Contributions to the costing of UREs (Note 19)	33,084	30,004
Extraordinary contributions (transfer of dividends of associates-stockholders of Campo Limpo S.A.) (Note 20)	3,167	4,064
Operating lease (Note 21)	6,297	5,882
Voluntary work (Management and Statutory Audit Board)	532	484
Other	224	394
	138,681	130,147
Deductions from revenues		
Reduction in the associate contribution (Note 15(i))	(22,000)	(22,000)
COFINS levied on accreditation fee	(965)	(953)
COFINS levied on lease	(83)	(447)
ISS and COFINS on consulting services	(31)	
Net revenue from activities	115,602	106,747

18 ACCREDITATION FEE FOR RECYCLING COMPANIES

In 2004, the Institute entered into agreements with recycling companies regarding services of technical and operational cooperation for the recycling of plastic residues (establishing an accreditation fee for recycling companies). These services include the development, training and studies for improvements in the stages of the recycling process.

Because of these agreements, the Institute recorded a revenue in 2015 amounting to R\$ 12,698 (2014 - R\$ 12,227).

19 CONTRIBUTIONS FOR THE COSTING OF URES

As from December 1, 2009, with the application of the new model for container shipping, a new form of revenue generated by the recycling company was created as the “contributions for the costing UREs”. The contributions to the costing of UREs. As described in Note 1.1., revenue from these contributions is used to subsidize the costs incurred by the units receiving the empty containers.

In 2015, revenue from contributions for the costing of UREs totaled R\$ 33,084 (2014 - R\$ 30,004).

20 EXTRAORDINARY CONTRIBUTIONS (TRANSFER OF DIVIDENDS OF CAMPO LIMPO S.A. ASSOCIATE/ STOCKHOLDERS)

As established in the agreement of Campo Limpo S.A. stockholders, the amounts received as dividends from these stockholders, who are mainly associates of the Institute, should be invested in the constant improvement of the operations, logistics and management of final disposal for empty containers of phytosanitary products, including support and orientation activities for the participants of this system.

The management of the Institute recorded the totality of the dividends received from Campo Limpo S.A. for 2014, amounting to R\$ 3,167 (2014 - R\$ 4,064), considering that the amount relates to revenue from the recycling business.

21 OPERATING LEASES

This lease refers to the agreement for the lease of property, industrial equipment, electric, hydraulic and gas installations, tools, vehicles, furniture and fittings, computer and peripherals and other operating assets attached to the property of Campo Limpo - Reciclagem e Transformação de Plásticos S.A. The lease amounts to R\$ 6,297 (2014 - R\$ 5,882), corresponds to 10% of the net monthly revenue calculated by the lessee, and the minimum amount is R\$ 50 per month.

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

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

	2015	2014
Up to one year	6,327	6,179
More than one year and less than five years	12,654	22,253
	18,981	28,432

Minimum future payments for periods over five years include the receipt of the lease considering ten years (the effective period of the agreement) and the renewal for another ten years, after approval of both parties, totaling 20 years.

22 GENERAL AND ADMINISTRATIVE EXPENSES

The Institute's general and administrative expenses are divided into three segments and managed accordingly, as follows:

	2015	2014
Infrastructure	(27,239)	(27,228)
Support process	(6,015)	(5,582)
Basic process	(83,673)	(77,192)
	(116,927)	(110,002)

On the financial statements date, the Institute had the following amounts related to general and administrative expenses:

	2015	2014
Infrastructure		
Occupation	(483)	(477)
Personnel, plus social charges	(14,221)	(13,513)
Voluntary work (Management and Statutory Audit Board)	(532)	(484)
General expenditures (i)	(8,350)	(9,265)
Outsourced services (ii)	(1,538)	(1,359)
Information technology	(1,467)	(1,543)
Institutional	(648)	(587)
	(27,239)	(27,228)
Support process		
Legal (iii)	(1,257)	(673)
Communication, education and campaigns (iv)	(4,238)	(4,032)
Technological development	(278)	(202)
Projects (v)	(242)	(675)
	(6,015)	(5,582)
Basic process		
Operations (vi)	(48,604)	(44,116)
Logistics (vii)	(23,927)	(22,173)
Final destination (viii)	(11,142)	(10,903)
	(83,673)	(77,192)

(i) Refers mainly to depreciation and amortization expenses totaling R\$ 6,737 (2014 - R\$ 6,498) and to expenses with maintenance of property and equipment leased to Campo Limpo S.A. totaling R\$ 635 (2014 - R\$ 742).

(ii) Refers mainly to expenses with the following advisory services:

- . Tax - R\$ 157 (2014 - R\$ 202)
- . Human resources- R\$ 113 (2014 - R\$ 109)
- . Internal and external audits - R\$ 499 (2014 - R\$ 490)
- . Administrative - R\$ 29 (2014 - R\$ 41)

(iii) Refers to support of external legal advisors during the monitoring of lawsuits in progress, mainly ACP Sapezal - R\$ 1,257 (2014 - R\$ 673).

(iv) Refers to expenditures with communication, publicity and training events. The balance mainly includes:

- . Campaign expenditures - R\$ 512 (2014 - R\$ 409);
- . Dia Nacional (National Day) Campo Limpo - R\$ 1,512 (2014 - R\$ 1,648);
- . Communication/institutional material - R\$ 656 (2014 - R\$ 573);
- . Triple rinsing regional campaign - R\$ 171 (2014 - R\$ 86);
- . Outsourced services/communication services - R\$ 680 (2014 - R\$ 534);
- . Institutional events - R\$ 279 (2014 - R\$ 407).

(v) Refers to the Institute's activities in connection with the management of projects which were previously approved by the Board Members, mainly the removal of obsolete and inadequate products - R\$ 167 (2014 - R\$ 294), included in the annual budget.

(vi) Refers mainly to costs incurred by the units receiving the empty containers, which are reimbursed by the Institute and are used for the expansion, renovation and maintenance of collection centers and units, amounting to R\$ 41,892 (2014 - R\$ 29,199), and those for the construction of collection centers and units, amounting to R\$ 2,929 (2014 - R\$ 11,620).

(vii) Refers substantially to expenses incurred with freights for the transportation of empty containers rinsed for recycling, amounting to R\$ 19,734, and not rinsed for incineration, amounting to R\$ 1,448 (2014 - R\$ 1,492).

(viii) Refers to expenses with incineration of containers not rinsed amounting to R\$ 11,058 (2014 - R\$ 11,072).

23 MANAGEMENT REMUNERATION

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

	2015	2014
Salaries, vacation pay and 13th month salary	(2,654)	(2,586)
Charges (*)	(1,050)	(1,166)
Other remuneration (**)	(1,624)	(1,597)
	(5,328)	(5,349)

(*) The charges levied on variable remuneration were reduced in 2015 because of the Provisional Measure 597/12, which was converted into Law 12,832/13.

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

24 COMMITMENTS

During 2015, the Institute entered into agreements with third parties for the maintenance and implementation of improvements in its business management units which, despite being approved in the 2015 budget, will be performed in 2016. The commitments entered into with third parties at December 31, 2015 and 2014 are as follows:

	2015	2014
Infrastructure process (i)	(645)	(367)
Support process (ii)	(1,811)	(1,953)
Basic process (iii)	(1,365)	(835)
	(3,821)	(3,155)

(i) Relates to expected IT and administrative expenses, amounting to R\$ 483 and R\$ 162, respectively.

(ii) Mainly relates to projects for communication and projects regarding obsolescence amounting to R\$ 1,546.

(iii) Relates to improvements in the equipment of centers and incineration agreements, amounting to R\$ 319 and R\$ 418, respectively.

25 INSURANCE

The Institute is supported by insurance advisors to determine the coverage compatible with its size and operations. The insurance policies at December 31, 2015 indicated the following levels of coverage:

LOCATION	AMOUNT INSURED
InpEV - office	
Fire damage to property and equipment	5,000
Civil liability	200
InpEV - 111 centers	
Fire damage to property and equipment	3,987
Civil liability	5,000

26 EVENT AFTER THE REPORTING PERIOD

DECREASE IN THE CONTRIBUTION OF ASSOCIATES IN 2016

As agreed with associates and formalized via mailing about the budget - inpEV 2016, mailed in December 2015, the reduction of associate contributions is expected, totaling R\$ 22,800, to be individually distributed among the Institute's associates. The contribution of the associates who are also stockholders of Campo Limpo S.A. will be reduced by the Campo Limpo's amount of dividends receivable in October 2016.

Considering the improved budgetary consumption for 2015, the Executive Board is planning to increase the amount of the reduction of contribution in 2016, which will be timely informed to the associates.

João Cesar Meneghel Rando

President - inpEV

Regina Marta de Santana Sousa

Accountant inpEV CRC 1SP177254/O-6

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