





# 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 <sup>1</sup>	10	12	13
Campo Limpo Property Lease <sup>2</sup>	6	6	6
Net equity	77	76	77
Net indebtedness <sup>3</sup>	N/D	0.3	1.2

<sup>1</sup> paid by the recyclers for shipping packages and for the cooperation with inpEV.

<sup>2</sup> Rent paid by Campo Limpo Plastic Transformation and Recycling S.A. to inpEV.

<sup>3</sup> 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 <sup>1</sup>	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
<b>7. Total added value to be distributed (5 + 6)</b>	<b>24,746.00</b>	<b>12,541.91</b>	<b>17,278.60</b>
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

<sup>1</sup> 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, Dárcy 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](http://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](http://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 m<sup>3</sup> of water during the year, a 31% reduction compared to the 983.7 m<sup>3</sup> 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 CO<sub>2</sub> versus 2.62 kg of CO<sub>2</sub>e 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/cm<sup>3</sup> 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 CO<sub>2</sub> 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 CO<sub>2</sub>e

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
<b>Waste treatment and disposal</b>	<b>12,470</b>	<b>11,682</b>	<b>11,405</b>
Incineration of unwashed packagings	8,460	11,072	11,405
destination of improper and obsolete products <sup>2 3</sup>	2,990	359	0
Destination of illegal products <sup>4</sup>	686	251	0
Disposal of bags, seeds and sanitary products (pilot project)	334	0	0
<b>Environmental management and prevention</b>	<b>3,229</b>	<b>3,296</b>	<b>3,575</b>
Awareness and educational actions <sup>5</sup>	3,090	3,145	3,384
Monitoring actions <sup>6</sup>	139	151	191
<b>Total</b>	<b>15,699</b>	<b>14,978</b>	<b>14,980</b>

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.

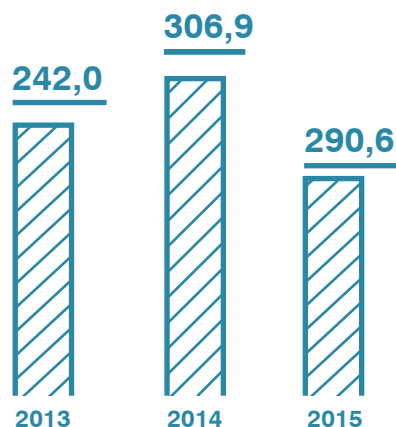
4 The costs associated with the disposal of illegal products were fully transferred to Sindiveg starting in 2015.

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 |

