FINANCIAL STATEMENTS

At december 31, 2023 and independent auditor's report

Manager of the Brazilian system of reverse logistics of empty containers of agricultural pesticides and post-consumption leftover products; the Campo Limpo System

Mission

Contribute to the conservation of the environment and the Campo Limpo System, with self-sustainable management of the final disposal of empty packaging of phytosanitary products and the provision of services in the area of reverse logistics of solid waste, with commitment and integration of all links in the agricultural production chain

Vision

To be recognized worldwide as a center of excellence in the reverse logistics of empty containers of phytosanitary products and in the area of agricultural solid waste, being a reference in the provision of services and becoming self-sustainable in Brazil

Values

- **Socio-environmental Responsibility**
- **Integrative Attitude**
- **Security**
- **Integrity**
- **Integration**

Message from management
Year 2023

São Paulo, February 26, 2024

Instituto Nacional de Processamento de Embalagens Vazias, in compliance with statutory and legal provisions, presents the Management Report and Financial Statements for the year ended December 31, 2023, with the Independent Auditor's Report and the Report of the Statutory Audit Board.

Message from management

2023 was marked by important changes at the institute. In addition to my arrival to occupy the position of CEO of inpEV, we carried out a robust review of the strategic map for the five-year period 2024-2028, establishing priorities and initiatives aimed at five strategic objectives: Customers, Products and Services, Processes, Skills and Technology & Information.

The integrated management program for the centers started in 2018 continues in accordance with the approved planning. We ended 2023 with 64 centers operating under the management of inpEV and presenting productivity gains (metric tons processed per operator) in the order of 32% in addition to a reduction in center expenses of around MR$ 18.500 million when we compare the previous management with inpEV's management. Certainly the integration and centralization of the management of the centers was a wise decision that has brought benefits to all links of the Campo Limpo System.

The growth of agricultural areas to locations further away from the destination, mainly in the north and northeast of the country, directly impacted inpEV's main cost, freight. With more distant locations and an increase in routes by more than 450 sections, the expected expenditure on this item was R$ 41,267 and its execution was R$ 45,858, resulting in a consumption of 11% above the forecast, equivalent to R$ 4.5 million reais.

Another important challenge we faced in 2023 was with the recycling project for flexible agrochemical containers. The disposal of this material will no longer involve incineration costs and will instead generate revenue through recycling. The objective of the project is to recycle 100% of the material available at the centers. It is a completely innovative process from a technical and operational point of view and, in order to guarantee the best result, we underwent a review of the project's premises, which had an impact on the completion date of this project, which was changed to 2025.

My first year leading inpEV was certainly challenging and required a lot of discipline, perseverance, focus, transparency and, above all, confidence that we would be able to complete the year with the lowest possible impacts on the Campo Limpo system. And so we did!

New challenges will certainly come in 2024, however, we are ready and even better prepared.

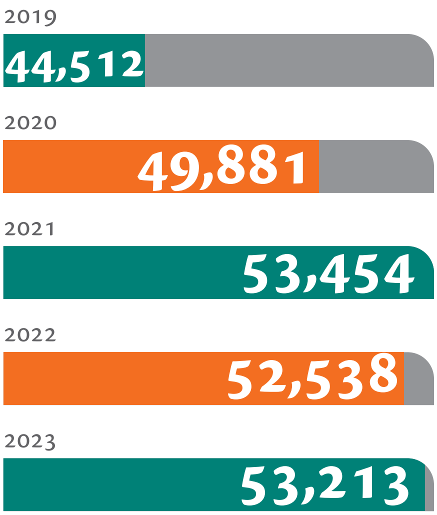
Marcelo Okamura
CEO of inpEV

System performance

In 2023, the Campo Limpo System allocated 53,213 metric tons in an environmentally appropriate way and reached the mark of 750 thousand metric tons of containers properly disposed of since 2002.

In addition to considering plastic and metal containers, lids and cardboard boxes used in transportation, the total volume of containers destined for the Campo Limpo System also includes damaged containers that cannot be sold.

Containers with leftover products and products that are expired, not used, or have had their registration canceled, but not prohibited, are also allocated by the System. These are destined for the incineration process carried out by specialized partners.



Disposal of illegal products

In 2023, the Campo Limpo System enabled the environmentally appropriate disposal of 440 metric tons of illegal products. The action has been taking place since 2020 in partnership with the Ministry of Agriculture, Livestock and Supply (Mapa), Ministry of the Environment (MMA), Federal Revenue Service, Federal Police, National Union for the Plant Defense Products Industry (Sindiveg) and CropLife and has already allocated a volume of 1,200 metric tons.

Human development

In the area of human development, we had the launch of uninpEV, inpEV's corporate university, which has several courses available for all positions distributed in more than 1,600 hours of training.

We also implemented digital time clocking, which will allow us to maintain better control of employees' working hours, even if they are in a hybrid format.

We implemented a benefit that our employees have long requested, which is the payroll loan; enabling them to better manage unforeseen events that occur in their financial lives.

And also in 2023, we modernized inpEV's private pension plan with the hiring of a new manager, Icatu. With the improvements implemented, employees will have greater choice regarding the amount to invest and in what types of investments.

Team development

1,600 thousand

hours of training completed by staff.

Security

5th SIPAT of the Campo Limpo System with the participation of centers and stations.

Balance sheet at December 31 (All amounts in thousands of reais)

Assets	Note	2023	2022	Liabilities and net worth	Note	2023	2022
Current assets				**Current liabilities**			
Cash and cash equivalents	6	(54)	448	Accounts payable	13	8,168	7,136
Financial investments	7	31,396	35,665	Centers and stations	14	3,254	3,474
Accounts receivable	8	22,303	14,269	Center surplus	16	8,910	8,025
Advances granted	9	5,885	6,157	Salaries and social charges	17	8,990	8,605
Prepaid expenses		7	33	Taxes payable		558	420
		59,537	**56,572**	Advances from associates	18	17,752	10,802
				Lease liabilities	11,2	516	997
				Deferred revenue	19	1,681	2,082
						49,829	**41,541**
Non-current assets				**Non-current liabilities**			
Long-term receivables							
Security deposit for rentals	10	171	159	Provision for contingencies	17	10,055	13,973
Property and equipment	11	147,521	121,343	Lease liabilities	11,2	4,429	5,390
Right-of-use assets	11.1	4,366	5,917	Deferred revenue	19	18,527	19,406
Intangible assets	12	1,523	1,409				
		153,581	**128,828**			**33,011**	**38,769**
				Total liabilities		**82,840**	**80,310**
				Equity			
				Net worth	20	130,278	105,090
				Total equity		**130,278**	**105,090**
Total assets		**213,118**	**185,400**	**Total liabilities and net worth**		**213,118**	**185,400**

Statement of surplus (deficit) – Years ended December 31 (All amounts in thousands of reais)

	Note	2023	2022
Net operating revenue	**21**	219,883	199,118
Operating expenses			
General and administrative	24	(204,092)	(188,876)
Other gains (losses), net	25	(48)	17
		(204,140)	**(188,859)**
Operating surplus		**15,743**	**10,260**
Finance costs	26	(2,689)	(3,196)
Finance income	26	2,942	5,194
Finance income (costs), net		253	1,998
Surplus for the year		**15,996**	**12,258**

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

Statement of comprehensive income (loss) – Years ended December 31 (All amounts in thousands of reais)

	2023	2022
Surplus for the year	15,996	12,258
Other comprehensive income	-	-
Total comprehensive income (loss) for the year	**15,996**	**12,258**

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

Statement of changes in net worth – Years ended December 31 (All amounts in thousands of reais)

	Note	Net worth	Reserve for new associates	Accumulated surplus	Total
At January 1, 2022		**75,058**	**14,835**	-	**89,892**
Surplus for the year				12,258	12,258
Contributions from associates	20		2,940		2,940
Allocation of surplus for the year		12,258		(12,258)	-
At December 31, 2022		**87,316**	**17,775**	-	**105,090**
Surplus for the year				15,996	15,996
Contributions from associates	20		9,192		9,192
Allocation of surplus for the year		15,996		(15,996)	-
At December 31, 2023		**103,312**	**26,967**	-	**130,278**

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)

	Note	2023	2022
Cash flows from operating activities		15,996	12,258
Adjustments			
Depreciation and amortization	11 - 12	12,257	11,912
Deferred revenue	19	(1,865)	(2,082)
Net book value of property and equipment and intangible assets disposed of	11 – 12	2,079	536
Reversal of provision for contingencies	18	(2,119)	(2,471)
Reversal (constitution) of provision for impairment of accounts re-ceivable	7	27	(27)
Interest accruals on leases	11,2	622	470
		26,997	**20,596**
Changes in assets and liabilities			
Accounts receivable		(8,007)	(8,551)
Advances granted		271	(1,866)
Prepaid expenses		26	(7)
Judicial deposits		(1,798)	(1,420)
Security deposit for rentals		(12)	(30)
Accounts payable		1,032	1,515
Payables to centers and stations		(220)	1,409
Center surplus		885	2,645
Salaries and social charges		385	2,574
Taxes payable		138	37
Advances from recycling companies		-	(177)
Advances from associates		6,950	(5,435)
Net cash generated by operating activities		**26,647**	**11,290**
Cash flows from investing activities			
Financial investments	7	4,269	9,882
Acquisitions of property and equipment and intangible assets	11 - 12	(39,077)	(23,914)
Proceeds from sale of property and equipment		81	17
Net cash used in investing activities		**(34,727)**	**(14,015)**
Cash flows from financing activities			
Leases paid	11,2	(1,615)	(1,359)
Contributions from new associates	20	9,192	2,940
Net cash generated by financing activities		**7,577**	**1,582**
Net decrease in cash and cash equivalents		(502)	(1,143)
Cash and cash equivalents at the beginning of the year		448	1,591
Cash and cash equivalents at the end of the year		**(54)**	**448**

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)

Non-cash transactions	2023	2022
Right-of-use assets and remeasurements	1,615	1,359
Lease liabilities (current and non-current) and remeasurements	(1,615)	(1,359)
Buildings measured at fair value	585	-
Deferred revenue (current and non-current)	(585)	-

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

Notes to the financial statements at December 31, 2023 – All amounts in thousands of reais unless otherwise stated

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, to operate 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 to meet their legal responsibilities, promote education and awareness of protection of the environment and human well-being, and support the technological development of agrochemicals and similar containers.

In order to achieve these objectives, the Institute depends on contributions from its associates.

Because the Institute is structured as an association, it benefits from certain federal tax exemptions.

Law 9,718 of December 1998 defines conditions for exemption from income tax and social contribution, which apply to the Institute. To maintain the tax exemption, the Institute cannot present a surplus for the year, or, if a surplus is generated, it must be fully allocated to promote the maintenance and development of the Institute's social purposes.

At December 31, 2023, 195 agrochemicals manufacturers in Brazil were associates of the Institute (2022 - 160).

These financial statements were approved by the Institute's Board of Directors on February 26, 2024.

1.1 BUSINESS MODEL DESCRIPTION

The Institute, as a representative of the agrochemicals industry, has the legal responsibility for carrying out the proper disposal of empty agrochemicals containers.

To carry out this operation, empty container receiving units, known as collection stations (316 in 2023 and 313 in 2022) and collection centers (101 in 2023 and 100 in 2022), have been strategically set up to optimize the receiving of empty containers from rural areas allowing the Institute to dispose of them in the proper environmental manner.

After being delivered to the Empty Container Receiving Units (UREs) (stations or centers managed by dealer associations) and to those managed by the Institute, the Institute becomes responsible for the final disposal of these empty containers, which may be recycled or incinerated, depending on their technical characteristics and the appropriate socially responsible recycling for such containers.

The empty containers are sent for recycling or incineration once the post-consumption containers are delivered by the rural producers to the stations and then transferred to the receiving centers, or received from the rural producers directly at the receiving centers. At that point the Institute assumes the responsibility for assuring empty containers are handled through a simple shipping operation.

In 2021, the Institute's management, in partnership with legal and tax experts, decided that instead of issuing a shipping invoice to accompany the containers, an Outbound and Transport Request - SST would be issued.

a) ENVIRONMENTAL CONSULTANCY AND ADVISORY SERVICES – As part of the improvement in internal control and the documentation for the goods in transit, the Institute has signed contracts with recycling companies to provide services for environmental management and reverse logistics, where it will make available to the recyclers the technical expertise needed to analyze the characteristics of the material delivered. This will enable them to verify the feasibility of the recycling process, analyze and approve the destination for the recycling process, ensuring that the final disposal of empty containers complies with the social and environmental standards set by the Institute.

b) CENTERS' SURPLUSES – The financial results from the shipment of empty containers from the receiving centers to the recycling companies, net of costs shared among the Institute and the dealer associations are, in general, loss making. However, following improvements in the operating processes and growth in the volume of empty containers, the centers are expected to present surpluses to offset accumulated deficits. Upon offset, the Institute presents these as "Center surplus". Since the Institute is responsible for managing the financial resources, the balances from the "Center surplus" are controlled in a specific current account and segregated by center.

1.2 MANAGEMENT OF THE BUSINESS UNITS

The management of the Institute's business units is organized as follows:

a) CORE PROCESSES – construction, maintenance and granting of subsidies to the UREs; transportation of empty containers from the stations to the centers and onto the final destination (to be recycled or incinerated); and final destination costs of containers for incineration (related amounts and information are broken down in Notes 21 and 24).

b) SUPPORT PROCESSES – communication and marketing of the Institute's operations; education, training and awareness of interested parties and stakeholders; legal support; and self-sustainability projects (Note 24).

c) ADMINISTRATIVE PROCESSES – running the Institute's administrative area, including all personnel (Note 24).

1.3 BUSINESS UNIT – RECYCLING

To provide self-sustainability of the Institute's business model, a recycling unit was constructed to receive parts of containers sent to the UREs. These parts are used to manufacture new plastic containers. In 2008, this 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 accumulated up to December 2023 was R$ 124,966 (2022 - R$ 104,099) (Note 11).

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

One of the Institute's objectives is to achieve economic self-sustainability for the agrochemicals empty containers reverse logistics program through the verticalization of the container receiving and destination process.

An investment plan was designed, which has led to the construction and structuring of Campo Limpo - Reciclagem e Transformação de Plásticos S.A. ("Campo Limpo S.A.") to recycle empty containers and manufacture containers to the standard of quality required by the associates, which are manufacturers of phytosanitary products.

To make the Campo Limpo S.A. operations feasible, the Institute executed a lease agreement for the assets (Note 11), which provides the Institute a 10% remuneration on Campo Limpo S.A.'s net billings (Note 23).

1.5 CAMPO LIMPO TAMPAS E RESINAS PLÁSTICAS LTDA.

Campo Limpo Tampas e Resinas Plásticas LTDA. ("Campo Limpo Tampas") was incorporated on January 24, 2014, to complete the container's life cycle within its chain. Campo Limpo S.A. holds 99.99% of its quotas capital. Its purpose is to produce a high-performing Ecocaps cover sealing system. The customer will then be offered a complete container solution (produced by Campo Limpo S.A.) with covers (produced by Campo Limpo Tampas). The Institute will receive as remuneration 0.5% of Campo Limpo Tampas e Resina Plásticas LTDA.'s net revenues.

1.6 CAMPO LIMPO RESINAS E RECICLAGEM PLÁSTICA LTDA.

Campo Limpo Resinas e Reciclagem Plástica Ltda. ("Campo Limpo Resinas") was incorporated on July 28, 2022, to optimize operations and strengthen the market position of Campo Limpo – Reciclagem e Transformação de Plásticos S.A. ("Campo Limpo S.A.") and Campo Limpo Tampas e Resinas Plásticas Ltda. ("Campo Limpo Tampas"), which will allow improvements in the Institute's management and the concentration of efforts of the operating teams of Campo Limpo S.A. and Campo Limpo Tampas. The Institute will receive as remuneration 0.5% of Campo Limpo Resinas e Reciclagem Plástica LTDA.'s net revenues.

1.7 RISKS LINKED TO CLIMATE CHANGE AND SUSTAINABILITY STRATEGY Certain operations of the Institute are exposed to climate change risks, and the related impacts were considered when preparing these financial statements.

Structural changes and their impacts on businesses, namely:

I - Regulatory and legal aspects: regulations and laws established by Brazilian and/or international authorities that encourage the transition to a low-carbon economy and/or with greater biodiversity and that increase the risk of litigation and/or commercial restrictions related to the alleged contribution, even if indirect, to the intensification of climate changes;

II - Reputation aspects: related to the perception of customers and the society in general on the positive or negative contribution of the Institute to a low-carbon economy.

The Institute assessed the risks related to climate changes and did not identify any effect to be reflected in the financial statements at December 31, 2023.

1.8 MAIN EVENTS DURING 2023

I – The conflict between Russia and Ukraine has been affecting the global economic scenario and, in this context, the sugar-energy sector, which may impact the availability and prices of inputs, mainly fertilizers, oil and other commodities.

inpEV has been monitoring the situation and, as described in Note 1.1, inpEV operates as a representative of the agrochemical manufacturers for the disposal of empty containers used for the sale of these products. However, the fertilizer segment, which experienced the greatest impact due to this conflict, is not part of the Institute's container disposal operations. Accordingly, inpEV's management has closely monitored the issue but has not identified direct impacts on its operations and does not anticipate future negative effects.

II - As to the conflict in the Middle East between Israel and Palestine, the Institute has been monitoring its evolution and developments, as well as the possible impacts on its operations. inpEV has been monitoring the economic effects in the sector and its operations resulting from this conflict and, up to the date of the financial statements, no significant impacts have been identified.

III - Tax Reform on consumption- On December 20, 2023, Constitutional Amendment 132 was enacted, establishing the Tax Reform ("Reform") on consumption. Several subjects, including the rates of new taxes, are still pending regulation by Complementary Laws, which shall be submitted for the evaluation of the National Congress within 180 days.

The Reform model is based on a VAT ("dual VAT") divided into two jurisdictions, one federal (Contribution on Goods and Services– CBS) and the other subnational (Tax on Goods and Services– IBS), which will replace the taxes PIS, COFINS, ICMS and ISS.

A Selective Tax ("IS") was also created, of federal jurisdiction, which will be levied on the production, extraction, sale or import of goods and services harmful to health and the environment, under the terms of the Complementary Laws.

There will be a transition period from 2024 to 2032, in which the two tax systems – old and new – will coexist. The impacts of the Reform on the calculation of the above mentioned taxes, as from the beginning of the transition period, will only be fully known upon the conclusion of the regulation process of the outstanding matters by the Complementary Laws.

Consequently, the Institute assessed the developments occurring during the year and did not identify any effect to be reflected in the financial statements at December 31, 2023.

2. SUMMARY OF MAIN ACCOUNTING POLICIES

The main accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied for 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), and disclose all (and only) the applicable significant information related to the financial statements, which is consistent with the information utilized by management in the performance of its duties.

The financial statements have been prepared under the historical cost convention, which, for certain financial assets and liabilities, have their cost adjusted to reflect measurement at fair value.

During the year ended December 31, 2023, the Institute reclassified the balances presented in the comparative year to improve presentation. This reclassification mainly refers to the balance of Financial investments, which was previously presented as Cash and cash equivalents. Accordingly, the changes in Financial investments were reclassified from Cash and cash equivalents to Investing activities in the statement of cash flows.

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The following amendments to standards have been adopted for the first time in the year beginning on January 1, 2023:

- **Amendments to IAS 1/CPC 26(R1) and IFRS Practice Statement 2 - Disclosure of Accounting Policies:** replacement of the term "significant accounting policies" by "material accounting policies". The amendments also define what is "material accounting policy information", explain how to identify it and clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information. IFRS Practice Statement 2 - Making Materiality Judgments, also amended, provides guidance on how to apply materiality judgments to accounting policy disclosures.

- **Amendments to IAS 8/CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors:** the amendments clarify how entities should distinguish changes in accounting policies from changes in accounting estimates, because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events, in addition to the current period.

- These amendments did not have a material impact for the Institute.

2.3 IMPAIRMENT OF NON-FINANCIAL

Assets subject to 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 with impairment provisions, are subsequently reviewed for possible reversal of the impairment at each reporting date.

2.4 PROVISIONS

The Institute recognizes provisions when:

(a) It 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 obligation 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 pre-tax rate 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.

2.5 AMENDMENTS TO NEW STANDARDS THAT ARE NOT YET EFFECTIVE

The following amendments to new standards have been issued by the International Accounting Standards Board (IASB) but are not effective for 2023. The early adoption of standards, even though encouraged by the IASB, is not permitted by the CPC.

Amendments to IAS 1 - Presentation of Financial Statements: according to IAS 1 - Presentation of Financial Statements, in order for an entity to classify liabilities as non-current in its financial statements, it must have the right to defer settlement of the liability for at least 12 months after the reporting period. In January 2020, IASB issued an amendment to IAS 1 - Classification of Liabilities as Current or Non-current, applicable for annual periods beginning on or after January 1, 2023, which stated that an entity would not have the right to defer settling a liability for at least 12 months if, at the end of the reporting period, it had failed to comply with covenants, even if the covenant test was only required 12 months after the end of the reporting period.

Subsequently, in October 2022, a new amendment was issued to clarify that liabilities subject to covenants requiring achievement of specific rates after the reporting date do not affect a liability's classification as current or non-current. Only covenants with which an entity must comply at the reporting date affect the classification of the liability, even if compliance with the covenant is only tested after that date.

The 2022 amendment introduces additional disclosure requirements that allow users of financial statements to understand the risk of a liability being settled within twelve months after the end of the reporting period. The 2022 amendment changed the effective date of adoption of the 2020 amendment. As such, both changes apply for years beginning on or after January 1, 2024..

✓ **Amendments to IFRS 16 - Leases:** the amendment issued in September 2022 provides clarification on the lease liability in a sale and leaseback transaction. When measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines the "lease payments" and the "reviewed lease payments" in such a way that they do not result in the recognition by the seller-lessee of any amount of the gain or loss related to the right of use it retains. This could especially affect sale and leaseback transactions where lease payments include variable payments that do not depend on an index or a rate. These amendments are effective as from January 1, 2024.

✓ **Amendments to IAS 7 - Statement of Cash Flows e IFRS 7 - Financial Instruments: Disclosure:** the amendment issued by the IASB in May 2023 has new disclosure requirements on supplier finance arrangements (SFAs) to allow investors to evaluate the effects on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are described in this amendment as arrangements whereby one or more financing providers offer to pay amounts that an entity owes to its suppliers, and the entity agrees to pay in accordance with the terms and conditions of the agreement on the same date, or on a later date, that suppliers are paid. In general, the arrangements provide the entity with extended payment terms, or the entity's suppliers with early receipt conditions, compared to the original maturity date of the related invoice.

The new disclosures include the following primary information:

(a) The terms and conditions of the SFAs.

(b) The beginning and end of the reporting period:

(i) The carrying amount and accounts of the financial statements associated with the financial liabilities that are included in the SFAs.

(ii) The carrying amount and accounts associated with the financial liabilities in (i) for which the suppliers have already received payment from the financing providers.

(iii) Range of maturity dates for the payment of financial liabilities in (i) and comparable accounts payable that are not included in the aforementioned SFAs.

(c) Non-cash changes in the carrying amounts of financial liabilities in b (i).

(d) Liquidity concentration risk with financial providers.

The IASB provided temporary exemption for the disclosure of comparative information in the first year of adoption of this information. This exemption also includes certain specific initial opening balances. In addition, the required disclosures are applicable only for annual periods during the first year of application.

These amendments are effective as from January 1, 2024.

These amendments are not expected to have a significant impact on the Institute's financial statements.

There are no other IFRS standards or IFRIC interpretations that are not yet effective that would be expected to have a significant impact on the Institute's financial statements.

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) PROVISION FOR TAX AND LABOR CONTINGENCIES The Institute is challenging in court the Social Contribution on Revenues (COFINS) levied on funds received from recycling companies during the time the shipping model was in effect, in addition to the payment of termination benefits to former employees (own employees and URE employees) (Note 17). Provisions are recorded for contingencies when a probable outflow of funds is expected 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, judicial precedents, recent court decisions and the Brazilian legal system, under the advice of external legal counsel. Management believes that the provisions for tax and labor risks are fairly presented in the financial statements.

a) INCREMENTAL RATE ON LESSEE'S BORROWING Due to the characteristics of its business, for which no borrowings are expected to be contracted, the Institute is not able to establish the implicit discount rate to be applied to its lease contracts. Accordingly, the incremental rate on lessee's borrowing is used to calculate the present value of lease liabilities at the initial recording of the contract. The incremental rate on lessee's borrowing is the interest rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the leased asset, for a similar term and with similar security, and the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment. Determining this rate requires a high degree of judgment and must take into account the lessee's credit risk, the term of the lease contract, the nature and quality of the guarantees provided, and the economic environment in which the transaction occurs. When determining the rate, the Institute preferably uses readily available information and, subsequently, performs any necessary adjustments to establish its incremental borrowing rate.

c) LEASE TERM In determining the lease term, Management considers all facts and circumstances that create an economic incentive for exercising a renewal option, or not, or exercising a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be renewed (or not terminated).

Most vehicle renewal options for leases have not been included in the lease liability because the Institute may replace the assets without significant cost or business disruption. The lease term is a critical estimate, as it directly impacts the final value of right-of-use assets and lease liabilities recognized at inception. This evaluation is reviewed when there is an event or significant change in circumstances affecting the initial evaluation when under the lessee's control, such as whether an option is effectively exercised (or not exercised) or whether the Group is obliged to exercise it (or not to exercise it).

There was no financial effect for the current year, as the terms of existing leases were not revised.

d) USEFUL LIFE OF PROPERTY AND EQUIPMENT The review of useful life comprises a change in the accounting estimate and may produce accounting effects as from the review date. In 2020, the Institute's management carried out a review of the useful lives of property and equipment items, taking into account the estimated useful life of each class of assets conducted by a specialized independent firm of appraisers. Determining the useful life of assets requires a high degree of judgment, as it involves assessing the asset's ability to operate for a certain period of time, considering the technology implemented, the periods over which the asset operates on a daily basis, maintenance policies, and possible damages.

e) MEASUREMENT OF FAIR VALUE OF PROPERTY AND EQUIPMENT ITEMS RECEIVED FROM ASSUMED CENTERS The Institute's management recognizes the assets held by the centers taken over by inpEV when the ownership of goods is transferred. These were recognized based on the fair value assessment made by a specialized firm of appraisers. Determining the fair value of assets involves a high degree of judgment, as it requires an assessment of the specific real estate market of the asset under appraisal, taking into consideration the location and region where the property was built, construction standards, maintenance conditions, and built-up area.

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 applies financial investments only with top-tier financial institutions in order to minimize credit risks.

Accounts receivable are comprised of amounts due from associates and recycling companies. When the associate or recycling company is in default (Note 8), the Institute's management begins an out-of-court collection process to receive the outstanding balance and, if appropriate, followed by a judicial collection proceeding.

b) LIQUIDITY RISK This is the risk of the Institute not having sufficient liquid funds 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 and to maintain a capital structure.

5. FINANCIAL INSTRUMENTS BY CATEGORY

The Institute's financial assets are represented by cash and cash equivalents (substantially held in investment funds), accounts receivable from associates, security deposit for rentals and judicial deposits.

✓ **Classification:** The Institute classifies its financial assets as:

- Measured at amortized cost.
- The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

✓ **Measurement:** At initial recognition, the Institute measures a financial asset at fair value plus, in the case of a financial asset not at fair value through surplus (deficit), transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through the statement of surplus (deficit) are expensed.

✓ **Impairment of financial assets:** The following financial assets held by the Institute are subject to the expected credit loss model:

- Accounts receivable
- Financial assets carried at amortized cost
  Cash and cash equivalents are also subject to the impairment requirements of IFRS 9 / CPC 48, though no impairment loss was identified.

Financial assets are recorded at fair value and subsequently measured at amortized cost.

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

Financial liabilities, such as accounts payable, advances from associates and recycling companies and provisions for contingencies, are recorded at fair value and subsequently measured at amortized cost.

5.1 CREDIT QUALITY OF FINANCIAL ASSETS

Cash and cash equivalents and financial investments with financial institutions are classified under the following ratings (FICTH):

FINANCIAL ASSETS	2023	2022
Banco Itaú S.A. - AAA	31,396	35,665
	31,396	**35,665**

6. CAIXA E EQUIVALENTE DE CAIXA

Cash and cash equivalents include cash on hand and bank deposits that are readily convertible into known amounts of cash and subject to a low risk of change in value.

	2023	2022
Banks - current accounts	(54)	448
	(54)	**448**

7. FINANCIAL INVESTMENTS

Financial investments comprise highly liquid investments with original maturities of three months or less, and with immaterial risk of change in value.

	2023	2022
Itaú Corpore RF – FICFI (i)	8,905	9,881
Investment funds (ii)	22,491	25,784
	31,396	**35,665**

(i) Refers to funds managed by the Institute arising from center surplus.

(ii) Financial investment remunerated at 101.88% of the Interbank Deposit Certificate (CDI) rate with Banco Itaú S.A. (2022 - Banco Itaú S.A. - 99.04%), being readily redeemable, with no significant discount on redemption.

8. ACCOUNTS RECEIVABLE

The balances of accounts receivable, representing 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.

Expected loss provisions are established whenever there is evidence that it is not probable that the Institute will receive amounts due. The amount of expected loss is the difference between carrying amount and recoverable amount. During 2023, the average receipt term of accounts receivable was increased to 60 to 90 days due to negotiations made with the recycling companies; in 2022 the average receipt term was 30 days.

The expected loss model, provided for in IFRS 9/ CPC 48, has not generated impact on the financial statements of inpEV, since the Institute's accounts receivable basically comprise contributions by associates, linked to the recognition of expenses incurred, as well as amounts receivable from the recycling companies for the supply of containers.

There is no history of default on accounts receivable from contributions. Recycling companies are required under Law 7,802 to implement a reverse logistics program for empty agrochemicals containers in order to be able to conduct their activities in Brazil. Should they fail to pay inpEV, which is the industry representative in Brazil, they will no longer be permitted to operate.

	2023	2022
Associate contributions - Agrochemicals	3,906	4,039
Recycling companies	10,666	1,155
Recycling companies - Related parties	9,922	11,919
Operating lease - Campo Limpo S.A.	1,603	924
Other accounts receivable	21	20
Provision for impairment of accounts receivable	(3,815)	(3,788)
	22,303	**14,269**

Changes in the provision for impairment of accounts receivable:

	2023	2022
At January 1	(3,788)	(3,816)
Additions	(27)	-
Reversal due to receipt	-	27
At December 31	**(3,815)**	**(3,788)**

The Institute, following attempts at out-of-court collection, filed a lawsuit against the associate in default, Fersol Indústria e Comércio Ltda., whose outstanding balance at December 31, 2023 was R$ 3,667 (2022 - R$ 3,667).

In 2020, a decision was issued in favor of the Institute in the civil proceeding against Fersol. However, the likelihood of the Institute receiving the related amounts is low because Fersol has ceased trading. Hence, the Institute decided to sell the credits to which it is entitled. The sale is expected to be to a specialized company though, to date, no parties have expressed an interest.

A portion of the remaining balance (represented by eight former associates), amounting to R$ 148 (2022 – R$ 121), refers to the collection of payments in default; the Institute recorded a provision for this amount.

The aging of receivables by maturity is as follows:

	2023	2022
Not yet due	20,453	14,001
Overdue		-
Up to 60 days (I)	1,850	268
From 61 to 90 days	-	-
From 91 to 180 days	-	-
From 180 to 361 days	-	-
Over 361 days	3,815	3,788
	26,118	**18,057**

(I) In January 2024, all receivables overdue in up to 60 days were received in a bank account.

9. ADVANCES GRANTED

Advances granted are prepayments to collection centers and stations covering their short-term cash needs. They are carried at cost.

	2023	2022
Advances to centers (i)	3,053	3,548
Advances to stations (i)	1,553	1,914
Advances to employees	327	230
Payroll advances	216	188
Advances to suppliers	736	277
	5,885	**6,157**

(i) Pursuant to an agreement entered into with the dealer associations responsible for the management of the centers and stations receiving empty containers, effective until November 2009, the Institute assumed a portion of the costs incurred and the related deficit balances.

Depending on the circumstances, the Institute makes advances to collection centers and stations, based on the average expense for the last three months as presented by the centers. These advances are recognized in the statement of surplus (deficit) for the year, upon presentation of supporting documentation.

Included in the balance of advances to centers of R$ 3,053 at December 31, 2023 (2022 - R$ 3,548) is R$ 2,095 (2022 - R$ 2,165) for amounts prepaid to certain centers, which are in surplus, in accordance with the monthly accountability process; the remaining balance refers to the advances granted that are still within the period established by the Institute. As these centers are in surplus, they did not use the advance for their activities (Note 1.1 (b)), thus the Institute presents in liabilities, under Centers Surplus, the balances payable to centers in surplus.

10. SECURITY DEPOSIT FOR RENTALS

The balance of R$ 171 (2022 - R$ 159) refers to the security deposit for the lease of the property located at Avenida Roque Petroni Junior, 850, the Institute's principal offices. This amount will be redeemed at the end of the rental agreement.

11. PROPERTY AND EQUIPMENT

Property 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, when it is probable that future economic benefits 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 surplus (deficit) during the financial period in which they are incurred.

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

	ANOS
Buildings	35 - 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 when it is greater than its estimated recoverable amount.

Gains and losses on asset 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 (deficit).

PROPERTY AND EQUIPMENT	Land	Buildings and improvements
At December 31, 2021	2,023	37,336
Acquisition	1,240	
Additions - inpEV's centers	250	76
Transfers	500	9,707
Disposal		
Depreciation		(2,242)
At December 31, 2022	**4,013**	**44,877**
Total cost	4,013	60,808
Accumulated depreciation	-	(15,932)
Net book value	**4,013**	**44,877**
At December 31, 2022	4,013	44,877
Acquisition	1,550	585
Additions - inpEV's centers		4
Transfer (net book value to intangible assets)		11,431
Disposal		
Depreciation/ depletion/ amortization		(2,231)
At December 31, 2023	**5,563**	**54,665**
Total cost	5,563	72,828
Accumulated depreciation	-	(18,163)
Net book value	**5,563**	**54,665**

Equipment and installations	Vehicles	Furniture and fittings	Other	Total in operation	Construction in progress	Total property and equipment
51,184	211	3,125	17	93,896	15,216	109,112
982				2,222	3,354	5,576
9,481		481	7	10,294	7,408	17,702
8,911		43		19,161	(19,161)	
(481)		(35)		(516)	(13)	(528)
(7,664)	(90)	(513)	(8)	(10,517)		(10,517)
62,413	**122**	**3,101**	**16**	**114,540**	**6,805**	**121,343**
116,512	480	4,792	152	186,758	6,805	193,561
(54,099)	(358)	(1,692)	(136)	(72,218)	-	(72,218)
62,413	**122**	**3,101**	**16**	**114,540**	**6,805**	**121,343**
62,413	122	3,101	16	114,540	6,805	121,343
1,238			7	3,381	179	3,562
6,626		585	1	7,218	28,028	35,244
518		3		11,953	(11,976)	(24)
(1,216)	(470)	(21)	(7)	(1,714)	(33)	(1,746)
(8,414)	353	(559)	(8)	(10,859)		(10,858)
61,166	**6**	**3,109**	**9**	**124,518**	**23,003**	**147,521**
123,679	10	5,360	153	207,593	23,003	230,596
(62,513)	(4)	(2,251)	(144)	(83,075)	-	(83,075)
61,166	**6**	**3,109**	**9**	**124,518**	**23,003**	**147,521**

The associates established a separate entity, Campo Limpo Reciclagem e Transformação de Plásticos S.A. ("Campo Limpo S.A.") (Note 1.3) and its assets were acquired by the Institute for its property and equipment, which at December 31, 2023 amounted to R$ 124,966 (2022 - R$ 104,099).

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 that are already installed and operating, in addition to other spare equipment attached to the property. This agreement is effective for ten years and automatically renewable for the same period.

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

	2023			2022		
Description	Cost	Depreciation	Net book value	Cost	Depreciation	Net book value
Buildings and improvements	20,234	(12,610)	7,624	20,234	(11,946)	8,288
Equipment and installations	82,783	(43,238)	39,545	79,803	(37,523)	42,280
Vehicles	-	-	-	-	-	-
Furniture and fittings	3,281	(1,577)	1,704	3,266	(1,161)	2,105
Construction in progress	18,642	-	18,642	770	-	770
Other	26	(21)	5	26	(20)	6
	124,966	**(57,446)**	**67,520**	**104,099**	**(50,650)**	**53,449**

11.1 LEASES - RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Institute is the lessee of five properties and 17 vehicles, in relation to which it recognizes the right to use an asset, which represents the period over which the Institute has control over the use of the leased asset, and the related lease liability, which represents its obligation to make lease payments associated with the leased asset.

At the inception of the lease, the Institute assesses whether the lease contract is or contains a lease. That is, whether the contract conveys to the lessee the right to control the use of an identified asset for a period in exchange for consideration.

The Institute recognizes as a liability the obligation to make the lease payments as well as the right to use the underlying assets at the inception of the lease, except for short-term leases and leases of low-value assets.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and are adjusted for any new measurement of the lease liabilities. The cost of right-of-use assets includes the lease liabilities recognized, initial direct costs incurred and lease payments made through the inception date, less any lease incentives received, in addition to the estimated costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

At the inception of the lease, the Institute recognizes lease liabilities at the present value of lease payments to be made over the lease term. Lease payments substantially include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under residual value guarantees.

After the inception date, the amount of the lease liability is adjusted for accrued interest and reduced by the lease payments.

Right-of-use assets are depreciated on a straight-line basis, taking into account the lease term and estimated useful lives of the assets. These amounts were accounted for in non-current assets, under right-of-use assets, and under lease liabilities.

11.2 LEASE AGREEMENTS

The Institute reviewed its rental contracts and identified six contracts that are within the scope of IFRS 16/CPC 06 (R2), for the lease of two floors of a building where the Institute's offices operate, fleet vehicles and three buildings where the Institute's central units are located. For contracts of low value and contracts with a term of 12 months or less are not considered leases (CPC 06).

The measurements of the right-of-use asset were made taking into account the following assumptions:

- Lease inception: being the date on which the Institute has the right to use the property and vehicles. Therefore, inpEV uses the date of signing the agreements, since from that date it starts controlling the operational aspects of the property such as renovations, and preparation of the physical environment;

- Lease term: period over which inpEV contracted the lease. The Institute adopted the term of each new contract and assumptions detailed below or, when applicable, compliant with Law 8,245/91 ("Landlord-Tenant Law"), which grants to lessee (Institute) the right to enforceable lease renewals (enforceable right) when certain conditions are satisfied.

Leases

I **Headquarters/SP – 18th floor - Offices 181 to 184** • Lease amount: R$ 25 / month indexed annually to the IGPM - Term 01/12/2016 to 31/12/2031

II **Headquarters/SP – 13th floor - Offices 131 to 134** • Lease amount: R$ 14 thousand /month indexed annually to the IGPM - Term: 11/01/2018 to 12/31/2031

III **Ituverava Center/SP** • Lease amount: R$ 5/month indexed annually to the IGPM - Term: 09/01/2019 to 12/31/2031

IV **Boa Vista Center/RR** • Lease amount: R$ 3/month indexed annually to the IGPM - Term: 04/01/2020 to 12/31/2031

V **Uberaba Center/MG** • Lease amount: R$ 5/month indexed annually to the IGPM - Term: 05/01/2019 to 12/31/2031

VI **Headquarters vehicle fleet** • Lease amount: R$ 40/month indexed annually to the IGPM - Term: 01/01/2021 to 12/31/2031

The lease agreement terms have renewal options.

- *Payments:* as established in the agreement, payments consist of fixed monthly installments indexed to the IGPM annually based on the anniversary date of the agreement.

- *Incremental interest rate of tenant financing*: for six contracts, the Institute considered interest rates required to acquire assets under similar conditions to those leased as of the date of lease contract signing. After analyses, the nominal discount rate used was 16.35% p.a. (i and ii), approximately 4.45% p.a. (iii, iv and v) and 14.16% p.a. (vi), corresponding to the rate of funding for property financing offered by banks.

- *Depreciation of right-of-use asset:* The lease agreements do not have purchase options at the end of the lease term. Therefore, the useful life of these assets, in the absence of impairment, is the contractual term, whichever is shorter. The Institute recognizes the depreciation expense of the right-of-use asset on a straight-line basis. The useful life is periodically reassessed for the rights-of-use whenever there are changes in the strategic business plans and intentions of the lessors in continuing the contract.;

- *Interest expenses on lease agreements:* Interest expenses are recognized as finance costs.

At December 31, 2023, the effects of IFRS 16/CPC 06 (R2) are shown below:

(i) Balances recognized in the balance sheet
The balance sheet contains the following balances related to leases:

Right-of-use assets	2023	2022
Vehicles	104	576
Buildings	4,262	5,341
	4,366	**5,917**
Lease liabilities		
Current	516	997
Non-current	4,429	5,390
	4,945	**6,387**

Changes in the right-of-use assets are as follows:

	Vehicles	Properties in operation	Total
At December 31, 2021	**843**	**5,703**	**6,546**
Remeasurements	122	180	302
Depreciation	(389)	(542)	(931)
At December 31, 2022	**576**	**5,341**	**5,917**
Remeasurements	94	(543)	(449)
Depreciation	(566)	(536)	(1,102)
At December 31, 2023	**104**	**4,262**	**4,366**

The changes in lease liabilities are as follows:

	Vehicles	Properties in operation	Total
At December 31	**889**	**6,085**	**6,974**
Remeasurements	122	180	302
Payments	(529)	(830)	(1,359)
Remeasurement of lease liabilities	106	364	470
At December 31, 2022	**588**	**5,799**	**6,387**
Remeasurements	156	(605)	(449)
Interest	58	564	622
Payments	(685)	(930)	(1,615)
At December 31, 2023	**117**	**4,828**	**4,945**

(ii) Balances recognized in the statement of surplus (deficit)

The statement of surplus (deficit) includes the following amounts related to leases:
*Depreciation charges of right-of-use assets Total depreciation charge and interest.

	2023	2022
Vehicles	(566)	(389)
Buildings	(536)	(542)
	(1,102)	**(931)**

	2023	2022
Remeasurement of lease liabilities	(622)	(470)
(included in finance costs - Note 26)	**(622)**	**(470)**

12. 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.

BREAKDOWN - INTANGIBLE ASSETS

	Softwares	Licenses	Total
At December 31, 2021	1,107	137	1,244
Acquisition	636		636
Disposal	(8)		(8)
Amortization	(420)	(44)	(464)
At December 31, 2022	**1,316**	**93**	**1,409**
Total cost	3,996	222	4,218
Accumulated amortization	(2,680)	(130)	(2,809)
At December 31, 2022	**1,316**	**93**	**1,409**
Acquisition	720		720
Transfer of property and equipment	24		24
Disposal	(333)		(333)
Amortization	(252)	(44)	(297)
At December 31, 2023	**1,475**	**48**	**1,523**
Total cost	4,407	222	4,629
Accumulated amortization	(2,932)	(174)	(3,106)
At December 31, 2023	**1,475**	**48**	**1,523**

Campo Limpo S.A.'s intangible assets at December 31, 2023 are as follows:

	2023		
Description	Cost	Accumulated amortization	Net book value
Hardware and software	1,175	(847)	329
License	97	(75)	22
	1,272	(922)	350

	2022		
Description	Cost	Accumulated amortization	Net book value
Hardware and software	1,101	(840)	261
License	97	(56)	41
	1,198	(896)	302

13. ACCOUNTS PAYABLE

These are obligations substantially for expenses incurred by dealer associations for the maintenance of units which receive 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.

At December 31, 2023, the amount of R$ 5,116 refers to accounts payable and R$ 3,052 refers to services rendered in 2023 (Note 28), for which supporting documentation will be received in 2024.

	2023	2022
Accounts payable - Products and services	5,116	4,225
Provision – Services rendered	3,052	2,911
	8,168	**7,136**

14. PAYABLES TO CENTERS AND STATIONS

These refer to accounts payable to the receiving units (UREs), the centers and stations, under the operating maintenance shared costs with the managers of the units (dealers). The balance at December 31, 2023 was R$ 3,254 (2022 - R$ 3,474).

15. CENTER SURPLUS

The surplus balance of certain centers (Note 1.2. (b)), amounting to R$ 8,910 (2022 - R$ 8,025), is segregated in a specific financial investment account controlled by each center, and will only be used upon preapproval of the Institute as per the hierarchy of priorities, as established in the agreements.

16. SALARIES AND SOCIAL CHARGES

Refers to payables for salaries and social charges:

Social charges	2023	2022
Withholding Income Tax (IRRF) payable	567	379
Government Severance Indemnity Fund for Employees (FGTS) payable	233	207
National Institute of Social Security (INSS) payable	667	565
Social Integration Program (PIS) payable	31	26
Provisions		
Vacation pay	2,582	2,395
Variable compensation (i)	4,031	4,218
Taxes on provisions		
INSS on vacation pay	647	599
FGTS on vacation pay	206	191
PIS on vacation pay	26	24
	8,990	**8,605**

(i) Variable compensation, based on targets achieved by employees, are usually recognized at the end of the year, when the amount can be accurately calculated.

17. CONTINGENCIES

Judicial deposits are in local currency deposited in courts in an escrow bank account linked to a lawsuit, to ensure the settlement of a possible future obligation and which can only be used after a judicial order. These deposits accrue interest and are presented in the balance sheet as a deduction from the provision for contingencies.

Provisions and corresponding judicial deposits are as follows:

	JUDICIAL DEPOSITS		CONTINGENCY	
	2023	2022	2023	2022
Social Contribution on Revenues (COFINS) (i)	24,198	22,400	24,198	22,400
ISS (ii)			10,022	13,905
Labor (iii)			33	68
	24,198	22,400	34,253	36,373
Judicial deposits	**(24,198)**	**(22,400)**	**(24,198)**	**(22,400)**
	Net amount under litigation		**10,055**	**13,973**

In 2023 and 2022, changes in the provisions were as follows:

	TAX	LABOR	TOTAL
At December 31, 2021	38,240	604	38,844
Complement/additions	-	38	38
Reversal/write-off	(4,691)	(574)	(5,265)
Accrual	2,755	-	2,755
At December 31, 2022	**36,305**	**68**	**36,373**
Complement/additions	-	33	33
Reversal/write-off	(4,917)	(68)	(4,985)
Accrual	2,832	-	2,832
At December 31, 2023	**34,220**	**33**	**34,253**

(i) Since 2004, the Institute has generated revenue from accreditation fees, pursuant 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, on July 2, 2004, 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 from income tax.

The Institute received a favorable response on June 9, 2008 for the PIS, confirming 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.

However, the Regional Superintendency of Federal Revenue indicated that COFINS should be levied on this type of revenue. The Institute, supported by its tax lawyers, maintained its own interpretation and, in 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 taxing authority for 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, for the period from 2004 to December 2020, totaling R$ 24,198 (2022 - R$ 22,400). The corresponding judicial escrow deposit is presented as a deduction from the liabilities.

Management believes, under the advice of the Institute's external lawyers, that no further taxes are due on the Institute's revenues other than possibly the contested COFINS matter referred to above, its operations are limited to the transfer of information and technical knowledge regarding the handling of empty containers up to their final disposal.

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.

In 2021, inpEV filed an appeal in the expectation that the decision denying the appeal filed by the Institute could be reconsidered The Institute defended its arguments through a Special Appeal, but the claim was denied. As the judgment was set aside by the court of appeals, inpEV filed a Interlocutory Appeal before the Superior Court of Justice (STJ).

In February 2022, the Interlocutory Appeal was assigned to the 1st Panel of the STJ, under Justice Benedito Gonçalves. The Institute's Interlocutory Appeal was converted into a Special Appeal and, after a ruling issued on September 20, 2022, the court granted inpEV's Special Appeal in part, and ordered that the case records be returned to the Federal Regional Court of the 3rd Region of São Paulo (TRF3) for further analysis and new judgment in light of the Repetitive Matter 624/STJ. This decision is not yet final, but the Institute's external legal counsel understands that the ruling was favorable to inpEV's plea.

There were no updates in this matter at December 31, 2023.

(ii) In 2019 and 2020, the Institute set up a group of technical and legal experts to assess the operational model then applied to movement of empty containers at the time to make the process more streamlined, cost-effective, and simplified.

As detailed in Note 1.2, notwithstanding the Institute's purpose of complying with Law 9,974/00 and Decree 4,074/02, a new "enhanced model" was developed, which incorporates an improvement in internal controls and in the documentation that accompanies empty post-consumption containers, as well as in the way the Institute deals with recycling companies.

As a result of these studies, as from January 2021, an Outbound and Transport Request - SST is issued to monitor the movement of post-consumption empty containers to their final destination (to be recycled or incinerated). Concurrent with this change, the Institute will no longer receive revenue from the entry fees to fund UREs and from the accreditation fees received from recycling companies.

With this improved model, from January 4, 2021, the Institute reinforces its performance as a service provider in the area of environmental management and reverse logistics of empty agrochemical containers. Considering the nature of services rendered, the Institute is subject to Service Tax (ISS).

The Institute's Management, supported by the analyses of its external legal consultants, believes that the changes made in the improved model more reliably reflect the alignment between its business model and the documentation and internal controls necessary for accountability to stakeholders.

The Institute recognized a provision for Service Tax (ISS) plus fine and interest for the period from 2016 to 2020, prior to the development of the current operating model. During 2023, interest totaled R$ 1,034 (2022 – R$ 1,337) and amortization was R$ 4,917 referring to 2018 (2022 – R$ 4,691 referring to 2017), accordingly, at December 31, 2023 the balance was R$ 10,022 (2022 - R$ 13,905).

(iii) labor provision was recorded for claims filed by former employees of UREs. Under advice of its lawyers, the Institute considers the likelihood of loss to be probable.

a) POSSIBLE RISK OF LOSS, NOT PROVIDED FOR IN THE BALANCE SHEET

Labor: Certain labor claims were filed by former employees of the UREs, for which the Institute is joint obligor, which are regularly reviewed by the legal area.

The reviews are made by the dealers, which are the primary obligors, who conduct the processes. At December 31, 2023, the contingency amounted to R$ 631 (2022 - R$ 330).

In the event of an unfavorable outcome, the Institute will incur these costs.

Corporate: In 2021, the associate Alamos do Brasil Ltda. filed a lawsuit for compensation in the amount of R$ 3,346, consisting of the following:

- R$ 1,855, for amounts paid to the Institute, referring to the Fee II, provided for in article 9, paragraph 1, item II of the inpEV Bylaws, extinguished in July 2020, upon approval by the Annual General Meeting;

- R$ 1,491, related to the Fee III, foreseen in article 9, paragraph 1, clause III of the inpEV Bylaws, which remains in effect.

In 2023, after several challenges by Alamos, on September 6, 2023 a decision favorable to inPEV was handed down and on November 27, 2023 the case was definitively closed.

Tax: The Institute is a party to tax lawsuits amounting to R$ 466 at December 31, 2023 (2022– R$ 211).

18. ADVANCES FROM ASSOCIATES

As the associated companies contribute to the costing of all expenses with the receiving, 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 the balances of advances from associates were as follows:

Associate contributions

	2023	2022
At January 1	10,802	16,237
Advances	108,675	79,098
Revenue recognition	(101,725)	(84,534)
At December 31	**17,752**	**10,802**

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 advances of contributions from associates amounting to R$ 108,675 (R$ 79,098 – 2022) mainly refer to estimated contributions from associates of R$ 158,675 (R$ 124,996 – 2022) deducted from the total of R$ 50,000 (R$ 45,898 – 2022).

Revenue recognition in 2023 represents the recognition of net revenue from associate contributions and extraordinary associate contributions, passed on by Campo Limpo, in the amount of R$ 101,725 (R$ 84,534 - 2022).

The balance of associate advance at December 31, 2023 of R$ 17,752 (R$ 10,802 – 2022) refers to the disbursements as per the 2023 budget that will be realized in the subsequent years.

19. DEFERRED REVENUE

The assets held by the centers that were assumed by the Institute as a result of the URE Project are accounted for as deferred revenue. The accounting policy adopted by the Institute to account for these assets is in compliance with CPC 07, "Government Grants and Disclosure of Government Assistance", which provides the two accounting options below:

(i) Recognition of the asset's fair value within assets and of the deferred revenue within liabilities; and;

(ii) Recognition of the asset's fair value within assets and of the deferred revenue as a reduction of the asset. The Institution elected the first option, considering the recognition at fair value of the assets within property and equipment, with an offsetting entry to deferred revenue within liabilities.

The deferred revenue is accounted for in the Statement of surplus (deficit) in the same proportion as the asset depreciation expenses, considering the lease terms for the assets assumed in the use concession and free lease and useful life for those centers transferred to the Institute.

In 2020, with the progress of the Project URE's implementation and the absorption of the associated centers by inpEV, an independent specialized firm of appraisers was hired to assess the fair value of the assumed assets, in accordance with the related individual purchase and sale agreement, which were substantially transferred to the Institute with no financial compensation.

As established by the URE Project, in order to redress a financial equilibrium between the associates and the Institute before the Institute fully assumes the centers, it was decided that the parties would settle their issues and that, after the end of the discussions and regularization of the balances, the operation would be under the Institution's full responsibility.

In accordance with applicable accounting standards, the Institute elected to recognize the assets at fair value and the corresponding offsetting entry as deferred revenue, within current and non-current liabilities.

The nature of the centers assumed by the Institute is as follows:

ASSUMED CENTERS 2023	Jan 1, 2023	Additions	Recognized revenue	Dec 31, 2023
Purchase and sale contract (i)	12,166	-	(364)	11,802
Free lease contracts, where the Institute is responsible for managing the respective center (ii)	6,678	-	(1,324)	5,354
Use concession contract, where the Institute is responsible for managing the respective center (iii)	2,642	585	(176)	3,051
	21,487	**585**	**(1,865)**	**20,208**
Less current liabilities				**1.681**
Non-current liabilities				**18.527**

ASSUMED CENTERS 2022	01/jan/22	Adições	Receita Reconhecida	31/dez/22
Purchase and sale contract (i)	12,530	-	(364)	12,166
Free lease contracts, where the Institute is responsible for managing the respective center (ii)	8,246	-	(1,568)	6,678
Use concession contract, where the Institute is responsible for managing the respective center (iii)	2,792	-	(150)	2,642
	23,569	**-**	**(2,082)**	**21,487**
Less current liabilities				**2,082**
Non-current liabilities				**19,406**

(i) These refer to nine centers assumed by the Institute via purchase and sale contracts substantially entered into with the associates. Currently, the related deeds are under formal registration.

(ii) Represented by 11 free lease contracts entered into substantially with associates.

(iii) Represented by three use concession contracts entered into with two city governments and an associate.

A further 24 centers are already under the Institute's management, but the regularization process has not yet been completed.

20. NET WORTH

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

a)RESERVE FOR NEW ASSOCIATES During 2013, the Board of Directors of inpEV, together with the executive board, discussed the need to charge a membership fee for new applicants as a reimbursement for investments already made by current associates.

At the 17th General Meeting of Associates, held on April 14, 2014, the associates approved the following main terms for affiliation of new associates:

(i) One-time payment, of 20 minimum monthly salaries, from the date of grant of the application for membership by the Board of Directors;

(ii) 1.5% of the annual net revenue of the new associate computed on the basis of the agricultural pesticides business, paid for three years and calculated each year of the effective payment as from the first year in which the associate informs that it places containers on the market directly, if it has not done so since the beginning; and;

(iii) Half of the average cost/kilo of containers ascertained in the annual inpEV budget multiplied by the number of containers placed by the associate on the market, directly and/or through third parties, paid for five years, and collected from the first year in which the associate informs that it has placed containers on the market (directly and/or through third parties), if it has not done so since the beginning.

New associates as from January 2014, who begin selling agrochemicals, are now responsible for removing their empty containers from the environment.

On July 20, 2020, at the 37th meeting of associates, as per the meeting's minutes, associates decided to exclude the fee (ii) of 1.5% from the annual net revenue of the new associate as from that date, and that it would be paid only to associates that joined the Institute until July 19, 2020.

Accordingly, the membership fees for the year ended December 31, 2023 correspond to the fees (i) and (iii) and total R$ 9,192 (2022 - R$ 2,940).

b) PLAN TO REDUCE CONTRIBUTIONS The Institute's original self-sustainability project included plans to reduce future contributions by associates due to the generation of revenues, pursuant to its business model (Note 1.1.). The associates were advised in December 2022 that their contributions for 2023 of R$ 60,000 would decrease to R$ 50,000 (2022 – R$ 45,898).

21. NET OPERATING REVENUE

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 investments in Campo Limpo S.A.

The business units dealing with the management of the reverse logistics systems for empty containers of agrochemicals recognize revenue to the extent management costs and expenses of the system are incurred.

ENVIRONMENTAL CONSULTANCY AND ADVISORY SERVICES The Institute obtains part of its revenue by providing environmental consultancy and advisory services to recycling companies (Note 1.2). This service provision is established through individual contracts with each recycler and includes prices defined for each type and volume of empty post-consumption containers collected from the field and delivered to the recycling companies.

EXTRAORDINARY CONTRIBUTIONS
These are funds transferred by Campo Limpo S.A., on behalf of its stockholders who are also inpEV's associates, as approved in Annual General Meetings, as an advance for the annual contributions due to inpEV.

Revenue from extraordinary contributions is recognized after approval by Campo Limpo S.A.'s General Meeting.

The extraordinary contributions are treated as an advance towards the annual contribution due from associates to inpEV.

REVENUES	NOTA	2023	2022
Associate contributions - Agrochemicals	18 (i)	90,910	74,461
Environmental consultancy and advisory services	1,2 (a)	102,977	94,340
Extraordinary associate contributions	22	10,815	10,073
Lease	23	18,505	23,294
Voluntary work (Management and Statutory Audit Board)		851	818
Recognition of deferred revenue	19	1,865	2,082
		225,923	**205,068**
Deductions from revenues			
COFINS levied on lease		(872)	(1,233)
ISS levied on environmental consultancy and advisory services		(5,168)	(4,717)
Net operating revenue		**219,883**	**199,118**

22. EXTRAORDINARY ASSOCIATE CONTRIBUTIONS

Associate contribution related costs and expenses incurred for the costing of container receiving, transportation and incineration processes, among others. The contributions are approved by associates when preparing the annual budget, and are submitted monthly for approval in the Institute's meetings with the Board of Directors.

Contributions in excess of the costs and expenses incurred are accounted for in "Advances from associates" in current liabilities.

As authorized by the Annual General Meeting of Campo Limpo S.A., the amounts received from its stockholders, associates of the Institute, should be invested for the 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.

This revenue from the recycling business, allowed Management to recognize R$ 10,815 from Campo Limpo (2022 – R$ 10,073) as an extraordinary contribution.

23. OPERATING LEASES

Operating lease revenue is recognized on the accrual basis of accounting at 10% of the monthly net revenue from the sales of Campo Limpo S.A. products, and 0.5% of the monthly net revenue of Campo Limpo Tampas LTDA. and Campo Limpo Resinas LTDA. products, as provided for in the Property Lease Agreement by and between the parties.

Leases are for 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 S.A. The lease, amounting to R$ 18,505, of which R$ 18,130 is related to Campo Limpo S.A., R$ 82 to Campo Limpo Tampas LTDA. and R$ 293 to Campo Limpo Resinas LTDA. (2022 – R$ 22,950, R$ 296 and R$ 48, respectively), corresponds to 10% of the monthly net 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, supplies, 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:

	2023	2022
Up to one year	21,055	26,227
More than one year less than five years	97,970	147,894
Over five years	-	30,972
	119,025	**205,093**

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 twenty years.

As established in clause 2.1.1. of the contract, the renewal period automatically occurs for the same period and under the same conditions, if not challenged by either party, in writing, within 210 days prior to the expected expiration of the lease (May 2, 2018), that is, 10 years. As no parties made any pronouncements prior to the 210-day period, the lease was renewed on December 31, 2017 as well as the Institute's commitment with future payments.

The agreement was renewed in 2018 for the same period initially agreed upon, that is, for additional 10 years.

24. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses are divided into three segments and managed accordingly, as follows:

	2023	2022
Infrastructure	(89,428)	(76,203)
Support process	(8,598)	(8,970)
Core process	(106,066)	(103,703)
	(204,092)	**(188,876)**

General and administrative expenses were:

	2023	2022
INFRASTRUCTURE		
Facilities	(538)	(958)
Personnel	(57,221)	(46,356)
Voluntary work (Management and Statutory Audit Board)	(851)	(818)
General expenditures (i)	(10,098)	(9,129)
Depreciation of centers assumed	(1,865)	(2,082)
Depreciation of right-of-use asset	(1,102)	(931)
Depreciation and amortization	(9,290)	(8,899)
Outsourced services (ii)	(2,761)	(3,057)
Information Technology	(4,651)	(3,183)
Quality	(157)	(123)
Institutional	(894)	(667)
	(89,428)	**(76,203)**
	-	-
SUPPORT PROCESS		
Legal (iii)	(2,152)	(2,756)
Communication, education and campaigns (iv)	(5,992)	(5,682)
Technological development	(205)	(275)
Projects (v)	(249)	(257)
	(8,598)	**(8,970)**
	-	-
CORE PROCESS		
Operations (vi)	(50,952)	(50,633)
Logistics (vii)	(45,858)	(39,281)
Final destination (viii)	(9,256)	(13,789)
	(106,066)	**(103,703)**

(i) Refers mainly to expenses with maintenance of property and equipment leased to Campo Limpo S.A., totaling R$ 1,821 (2022 - R$ 2,109), and PPE expenses and inputs for inpEV's centers, totaling R$ 3,992 (2022 – R$ 3,394).

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

- Tax - R$ 400 (2022 - R$ 1,076).
- Internal and external audits - R$ 706 (2022- R$ 628).
- Safety and maintenance - R$ 668 (2022 - R$ 598).

(iii) Refers to support of external legal advisors during the monitoring of lawsuits in progress, of R$ 1,748 (2022 - R$ 2,183).

(iv) Refers to expenditures with communication, publicity and training events, comprising:

- Campaign expenditures - R$ 823 (2022 - R$ 678).
- Dia Nacional (National Day) Campo Limpo - R$ 2,117 (2022 - R$ 2,031).
- Communication/institutional material - R$ 1,028 (2022 - R$ 985).
- Outsourced services/communication services - R$ 670 (2022 - R$ 609).
- Institutional events - R$ 614 (2022 - R$ 460).
- E-communication and online teaching - R$ 488 (2022 - R$ 463).

(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 stations, amounting to R$ 40,283 (2022 - R$ 41,209), and those for the construction and renovation of collection centers and stations, amounting to R$ 1,894 (2022 - R$ 851).

(vii) Refers substantially to expenses incurred for freight for the transportation of empty containers rinsed for recycling, amounting to R$ 40,699 (2022 - R$ 33,819)

(viii) Refers to expenses with incineration of containers not rinsed amounting to R$ 4,011 (2022 - R$ 8,323).

25. OTHER GAINS (LOSSES), NET

	2023	2022
Gains (losses) on sale of property and equipment	(48)	18

26. FINANCE INCOME AND COSTS

	2023	2022
Revenue from financial investments	2,902	4,998
Other finance income (i)	40	196
	2,942	**5,194**
Withholding income tax on financial investment	(555)	(1,026)
COFINS on financial investment	(119)	(207)
Other finance costs (ii)	(982)	(626)
ISS interest accruals	(1,033)	(1,337)
	(2,689)	**(3,196)**
Total	**253**	**1,998**

(i) Amounts related to foreign exchange gains, interest on collection of overdue amounts, interest on security deposits for rentals and discounts obtained.

(ii) Amounts related to bank charges and commissions, interest on accounts payable and taxes, IOF on financial investments, foreign exchange losses, discounts granted and interest on contracts (CPC 06 (R2)) (10.1).

27. RELATED PARTIES

Balance referring to leases and disposals of remaining containers used in the production process of Campo Limpo S.A. and its subsidiaries (Note 8).

a) BALANCES

	2023	2022
Campo Limpo - Reciclagem e Transformação de Plásticos S.A	8,748	10,481
Campo Limpo Tampas e Resinas Plásticas Ltda	87	1,187
Campo Limpo Resinas e Reciclagem Plástica Ltda	2,690	1,175
	11,525	**12,843**

b) TRANSACTIONS

	2023	2022
Campo Limpo - Reciclagem e Transformação de Plásticos S.A.	41,886	53,360
Campo Limpo Tampas e Resinas Plásticas Ltda.	1,190	12,585
Campo Limpo Resinas e Reciclagem Plástica Ltda.	20,033	1,203
	63,109	**67,148**

c) MANAGEMENT REMUNERATION

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

	2023	2022
Salaries, vacation pay and 13th month salary	(4,681)	(4,310)
Social charges	(1,554)	(1,431)
Other remuneration (*)	(3,318)	(3,238)
	(9,553)	**(8,979)**

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

28. COMMITMENTS

During 2023, 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 budget, will be performed in 2024. The commitments entered into with third parties at December 31, 2023 are as follows:

	2023	2022
Infrastructure process	(416)	(18)
Support process	(1,995)	(740)
Core process	(642)	(2,153)
Construction of centers	(17,752)	(10,801)
	(20,805)	**(13,712)**

29. INSURANCE

The Institute, supported by its insurance brokers, determines the coverage compatible with its size and operations. The insurance policies at December 31, 2023 indicated the following levels of coverage:

Location	Amounts covered
inpEV - office - Fire damage to property and equipment	5,000
inpEV centers - Civil liability	30,000
InpEV – Property and equipment leased to Campo Limpo S.A.	185,466

30. EVENTS AFTER THE REPORTING PERIOD

DECREASE IN CONTRIBUTIONS FOR 2024

The Institute expects a decrease in contributions for 2024 amounting to R$ 50,000.

Regina Marta de Sant'ana Sousa
Accountant inpEV CRC 1SP177254/O-6

REPORT OF THE STATUTORY AUDIT BOARD

2023

The Statutory Audit Board of Instituto Nacional de Processamento de Embalagens Vazias – inpEV, in the performance of its legal and statutory duties, at a meeting held on this date, has examined the financial statements comprising: the balance sheet, the statements of surplus (deficit), comprehensive income (loss), changes in net worth and cash flows, and explanatory notes for the year ended December 31, 2023.

Based on the examinations made and on information and clarifications received, it states that these financial statements meet the conditions to be voted by the Board of Directors and the General Meeting of Associates.

The financial statements at December 31, 2023 of Instituto Nacional de Processamento de Embalagens Vazias – inpEV were audited by PricewaterhouseCoopers, which issued an unqualified audit opinion thereon.

São Paulo, February 21, 2024

Board Members:

Name: Ellen Batista do Nascimento
BEQUISA Ind. Química do Brasil Ltda.

Name: Luiz Antonio Cauduro Guimarães
ALBAUGH Agro Brasil Ltda.

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