aeris

Sustainability Report 2018

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Letter
from the CEO (Chief Executive Officer)

GRI 102-14, GRI 102-15

Working to consistently overcome adversity and prepare for future challenges are the messages I present with the Aeris 2018 Sustainability Report. Following the strong pace of expansion in recent years, we expanded our operation to meet our customers' demands with new projects and expanded our service offering by opening Aeris Service LLC in Houston (USA). The Brazilian wind energy market has reduced its demand due to the few auctions held in recent years and, given this scenario, we have adjusted our strategy and created opportunities to continue growing.

Focusing on exports, which in 2018 reached almost half of the company's revenues, we expect to increase this percentage to 70% in 2019, serving the increasingly high quality international markets, with operating efficiency and profitability as guiding principles of business. Following this path, we achieved the objectives set in the "Winds of the Future" Program, and looking to the horizon with optimism, launched the new "Ventos sem Fronteira" Program, aiming to expand our participation in the international market, supported by our values of operational efficiency, longevity and protagonism.

Aeris continues to act consistently in its management through the Integrated Management System. In 2018, we celebrated major achievements: I highlight the achievement of employee health and safety goals, as a result of initiatives and policies aimed at preventing accidents. We ended 2018 with the mark of 415 consecutive days without lost-time accidents. I also emphasize our achievements in the environmental area: we have expanded our environmental awareness actions and exceeded our goals for reducing electricity and water consumption. We started sending waste for co-processing significantly reducing this environmental impact. We have also made structural changes in the supply area, and by working closer to our suppliers, we have optimized our purchasing process, significantly reducing material expenditures. In addition, it is worth highlighting the substantial gains in the entire production process, from warehousing to blade billing.

And all our efforts and commitment to the results has been acknowledged. For the second consecutive year, we were recognized by Exame Magazine in its Sustainability Guide, nominated as one of the three most sustainable companies in Brazil in the category and capital goods. In addition, in the 2018 Best & Biggest edition, we were named the best company in the capital goods category, the fastest growing and second most profitable in this category. In addition, we ranked eighth among the best companies to work for in Ceará, in the ranking published by Great Place to Work.

Finally, I reinforce our commitment to Sustainability from all points of view; environmental, social and business perpetuity. It is an important aspect of all our processes and part of our daily lives. And it could not be otherwise, because we have a results-oriented vision and only by executing a solid and efficient strategy will we be able to reach new challenges and new levels of excellence.

Alexandre Negrão
CEO OF AERIS ENERGY

Presenting the report

GRI 102-1, GRI 102-46, GRI 102-5, GRI 102-50, GRI 102-52, GRI 102-54

For the third consecutive year, Aeris Power Generation Equipment Trading Industry S.A. – referred to in this document as Aeris, publishes its Sustainability Report, prepared this year, in accordance with GRI Standards, as the essential option.

With annual issuance cycle, the publication presents the Company's main social, economic and environmental performance practices, covering the period from January 1 to December 31, 2018. Its preparation was based on interviews with the executives, gathering quantitative and qualitative indicators and consulting the company's documents and publications.

In 2016, Aeris consulted its stakeholders and prepared a Materiality Matrix defining the guiding aspects of its publications. This study highlighted Health and Safety, Corporate Governance and Materials Consumption as the most relevant topics for the company and its stakeholders.

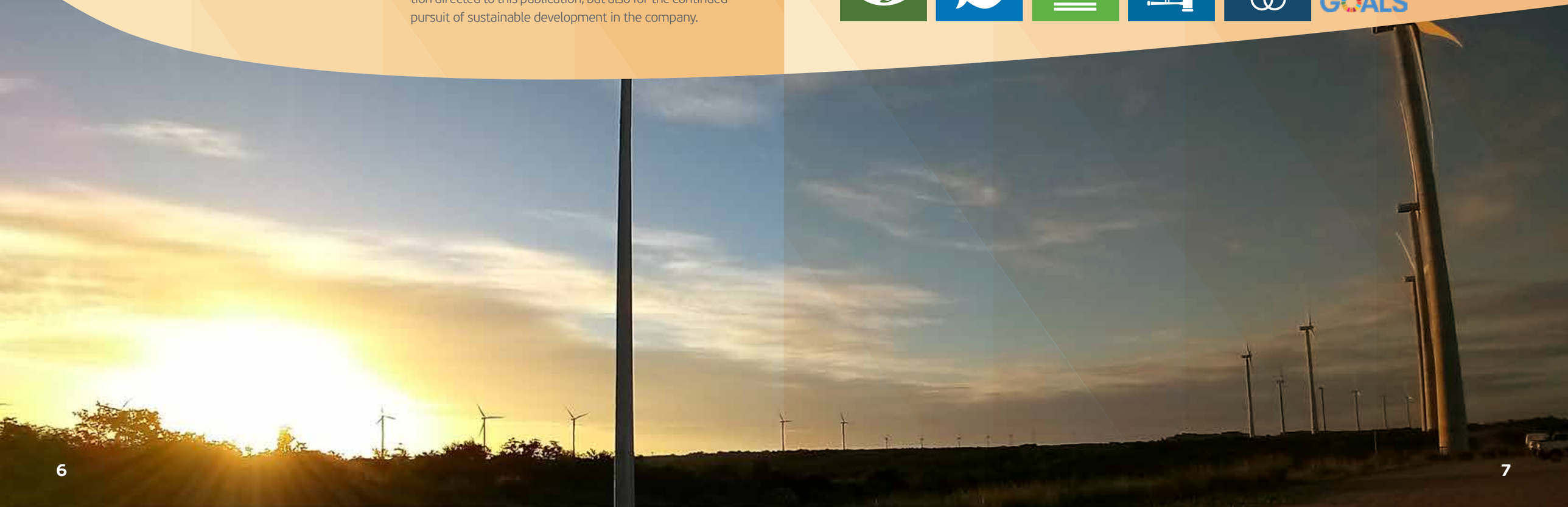
The Sustainability Report is the result of the efforts and work of Aeris' Integrated Management System (IMS), which deserves thanks not only for the support and dedication directed to this publication, but also for the continued pursuit of sustainable development in the company.

Sustainable Development Goals

Created in 2015 by the UN, the Sustainable Development Goals sets priorities and aspirations of global sustainable development for 2030. They aim to mobilize global efforts around common goals and objectives. It is a world-wide agenda, encompassing governments, businesses and civil society to pursue the realization of human rights for all and eradicate poverty.

Aeris Energy is dedicated to conducting its business in line with the 17 Sustainable Development Goals and the 169 goals announced by the UN.

In order to highlight the contributions to the achievement of the Goals, Aeris correlates its actions with the SDGs in this Report.



Overview

Corporate profile

GRI 102-2, GRI 102-3, GRI 102-4, GRI 102-6, GRI 102-7, GRI 102-13, GRI 102-45

Aeris is a Brazilian manufacturer of blades used in wind generators. Founded in 2010 and with state-of-the-art infrastructure, prepared to produce blades for national and international demands, operating in Brazil, Aeris also provides field inspection and maintenance services to its operations in the United States and Argentina. In 2018, the company had 2,018 of its own employees, which contributed to a net sales volume of R$ 646.8 million, with approximately R$ 269.3 million in liabilities and 129.6 million in equity. The financial information presented here refers to both the operation of Aeris's manufacturing plant and the services offered by Aeris Service.

The company is a 100% privately held corporation, affiliated with the Brazilian Association of Wind Energy (Abeólica), the Federation of Industries of Ceará State (Fiec) and the Brazilian Association of Machines and Equipment (Abimaq).

The location of the factory considered the logistics cost and the complexity of blade transportation, which is located 17 km from Pecém Port, in the Pecém Industrial and Port Complex (CIPP), in the state of Ceará, the company is less than 500 km of approximately 70% of the contracted wind potential in Brazil.

Awards List – 2018

- Exame Magazine – Best and Biggest: 1st Company in Capital Goods;
- GPTW (Great Place to Work) – 8th Best Company to work for in Ceará;
- Exame Sustainability Guide - 2nd in the Capital Goods Category;
- Hemoce Tribute - Citizen Organization Seal for the Aeris Partnership with Hemoce;
- IEP Social Seal - Gold Category - Company: Partnership with the Learning Program

About Us

Timeline

Jun 2018

Winds without Frontier

Launch of the Winds without Frontier Program

Aug 2018

Best company in the capital goods sector - Exame Magazine

Oct 2018

Aeris Service subsidiary opened in the U.S.A

Nov 2018

Voted among the 78 most sustainable companies in Brazil

Nov 2018

IEP Social Seal - Gold Category. First Job (Apprentices)

Nov 2018

Great Place To Work. Melhores Empresas Para Trabalhar Microempresas Brasil 2018

Eighth best company to work for in Ceará

Corporate governance

GRI 102-16, GRI 102-17, GRI 102-18, GRI 102-19, GRI 102-20, GRI 102-22, GRI 102-26, GRI 102-31, GRI 102-32, GRI 102-33, GRI 102-35, GRI 102-45, GRI 103-1, GRI 103-2, GRI 103-3

The Board of Directors is Aeris' highest corporate governance body and is chaired by the majority shareholder comprised by three other members (minority shareholders). Board meetings are held monthly with the purpose of evaluating the company's performance and deliberating on business strategies, highlighting risk and opportunity management. Critical concerns are addressed by the directors to the Board of Directors' Meeting. (RCA).

Aeris adopts a compensation policy always committed to motivating and retaining its top management contributors, executives and employees. Every Aeris executive works under the same rules of variable remuneration, always based on economic, social and environmental indicators that are deployed to all areas of the company. The fixed monthly compensation of employees under the CLT regime is defined according to the functional categories and their respective attributions, the variable compensation rules of this group are based on goals and paid through PLR. The main criteria for calculating the PLR are annual net income, cost of non-quality, electricity and water consumption, unjustified absences and delays, and commitment to the 5S. The statutory officers are equally remunerated, and all have equity interest (minority).

Aeris' governance structure also has a Sustainability Committee and a Permanent Integrity Committee (CPI). Formed in 2015, the Sustainability Committee has Aeris employees as members - selected for their familiarity with the theme and their sustainable practices - and expert consultants. Always considering the sustainability tripod, it has 1 executive, 15 non-executives and 2 external consultants - a composition that is very favorable to the exchange of knowledge and the implementation of effective actions to integrate sustainability into organizational processes. The Committee's actions include the dissemination of employee awareness-raising activities, such as the conscious use of water, selective collection initiatives, and the encouragement to practice the 3Rs: Reduce, reuse and recycle.

Consisting of the HR Director and the Chief Executive Officer (CEO), the Permanent Integrity Committee (CPI), which has a charter registered with the organization's Integrated Management System

(SGI) and has been in operation since 2016, is responsible for ensuring compliance with the Aeris Culture Guide, which guides the company's standard of ethics and conduct, available in Portuguese. The CPI acts by conducting investigation processes regardless of whether conducted internally or with the support of contracted business partners; in the application of any punitive measures; failure treatment and resulting actions to improve Aeris' risk management processes. Complaints about violations of the Aeris Culture Guide, any of the organization's policies and rules, and any facts that violate existing ethical principles and laws are captured through a virtual Complaint Channel, open to internal and external audiences, through the email denuncia@aerisenergy.com.br.

Stakeholder Engagement and Materiality Matrix

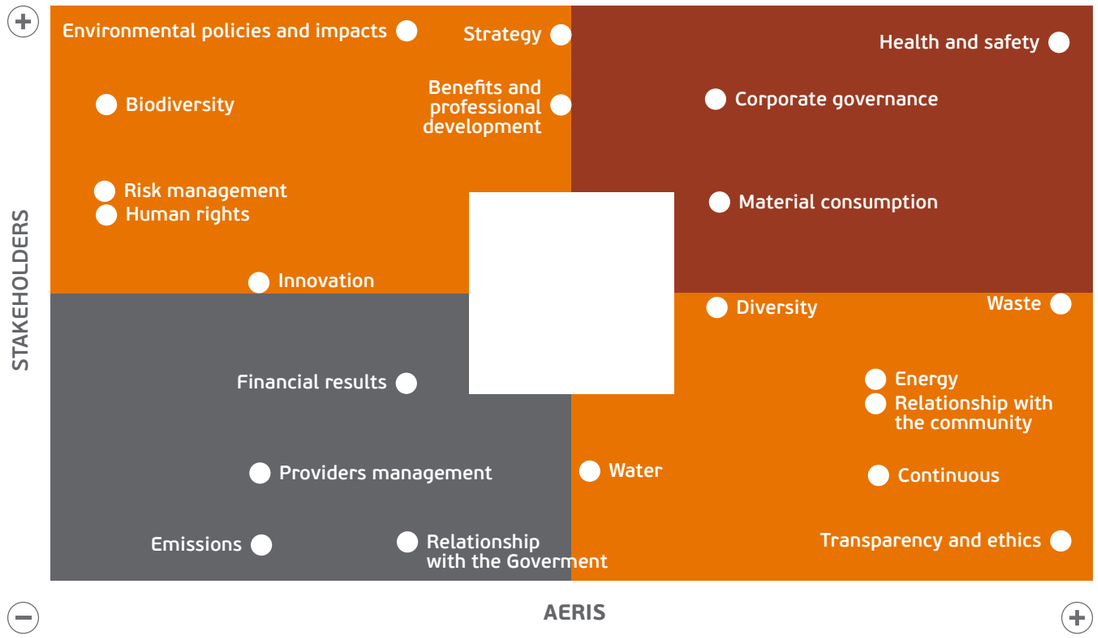
GRI 102-21, GRI 102-40, GRI 102-42, GRI 102-43, GRI 102-44, GRI 102-46, GRI 102-47

Through a questionnaire based on GRI guidelines and Aeris' strategic concepts, a stakeholder engagement process was conducted in 2016, which resulted in a Materiality Matrix. This questionnaire was applied with the objective of mapping the relevant subjects for the company and to guide the report. The questionnaire covered three themes - Environmental Performance, Economic/Strategic Performance and Social Performance - each was divided into seven subjects, which were organized according to their relevance. Thus, the questionnaire allowed us to collect the opinion from interest groups on 21 different subjects.

Participants had five weeks to complete the survey, with access to the questionnaire through an email address using the individual login provided by email. Five interest groups were formed: clients; providers; financial institutions; Aeris employees at all levels and areas; besides the company's board. Altogether, 1,556 people were invited to the engagement, 28% of which answered the questionnaire. The most relevant themes identified in the Materiality Matrix obtained through this process are: Health and Safety, Corporate Governance and Material Consumption.

Aeris intends to refine the process over the years by including new topics and expanding the consulted interest groups.

Materiality Matrix



Integrated Management System

GRI 102-11, GRI 103-1, GRI 103-2, GRI 103-3

The integrated view of the production and business processes allows for a dynamic and challenge-ready working environment, and it is with this in mind that the Integrated Management System was based. With standards ISO 9001, ISO 14001 and OHSAS 18001/ ISO 45001, as guidelines, SGI thus ensures efficient and profitable business process management. SGI seeks to understand all the dynamics that exist in the company's various production procedures, considering the relationships between all sectors, understanding the main risks and opportunities arising from the activities. The SGI plays the role of liaison between the areas, capturing information, supporting actions and negotiations and critically analyzing the results for continuous improvement.

The Aeris SGI is responsible for waste management and is also the conductor of the quality management system processes. Thus, the SGI is responsible for diagnosing all these issues on a macro scale within the organization, collaborating and sometimes setting the goals to be followed by the company.

To ensure the achievement of corporate objectives, the SGI is responsible for controlling the documentation of all operating procedures. To control the materials used in the processes, the company uses a computerized system, allowing the traceability of all components for future consultation, and all employees receive training to develop and improve the skills necessary to perform their activities.

Aeris also has a team of engineering specialists responsible for ensuring that the blades are manufactured as efficiently as possible, reducing material or operating costs and generating the least possible environmental impact. There is a specialized quality control team that ensures that the processes and the final product comply with the technical specifications designed by the customers. So that communication with customers is efficient and fully open, the company created the VoC (Voice of Customers), a team responsible for answering suggestions and complaints, ensuring transparency with its customers and stakeholders. The company predefines risk analysis routines and internal and external opportunity identification. All procedures are documented and have periodic audits performed.

Throughout 2018, Aeris trained 57 employees between training and retraining in the new 2015 version of ISO 9001 and 14001 and OHSAS 18001:2007 / ISO 45001:2018, with a group of professionals trained to perform internal audits of the Integrated Management System.

Health and safety

GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 416-1, GRI 416-2, GRI 103-1, GRI 103-2, GRI 103-3

For Aeris, occupational health and safety is a social welfare process that represents the evolution of care with its employees and not just a requirement of public agencies. Ensuring the safety of all persons involved in the company's operations is a priority and non-negotiable task that goes beyond respecting the mandatory use of personal protective equipment (PPE). Aeris' concern is to increasingly root the concept of prevention in its culture, seeking not only to prevent accidents, but also to ensure that the risks of injury to its employees are virtually eliminated. To this end, the company strives to analyze and assess the risks inherent to each activity.

Prevention actions carried out to guide employees are supported by health and safety committees. Through the Specialized Service in Safety Engineering and Occupational Medicine (SESMT) assessments are made, focusing on the prevention of accidents and occupational diseases, in addition to the elaboration of programs to improve working conditions, with the participation of multidisciplinary professionals, among them, occupational safety and occupational medicine. In addition, monthly meetings are held by the Internal Accident Prevention Commission (CIPA) to verify the activities carried out in the previous month, controlled through an action plan and Emergency Brigade meetings, where minutes and performance checklists are prepared of the brigade activities, CIPA represents 100% of Aeris employees.

Aeris is a labor-intensive industrial company, so it deals with the daily risks to the health and safety of its employees during the production process, such as respiratory diseases or allergies resulting from contact with chemical agents (resin and dust). The finishing sector is considered to be the sector with the highest risk of occupational disease, specifically in painting and sanding processes. Risks are monitored through complementary periodic examinations and minimized with educational lectures, availability and training for the proper use of PPE's, production process automation and dust collection systems. In 2018, the Safety Culture Development Program, exclusively about respiratory protection, was conducted, with the participation of all employees who received instructions and seal testing (FIT TEST) for the use of respirators.

In 2018, no cases of non-compliance with codes related to health and safety were identified at Aeris, and all company management processes comply with current legislation. The injury rate significantly decreased during the year and there was no occupational disease rate as shown in the following table.

Health and safety in numbers

	2016			2017			2018		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Injuries									
Injury rate	36	33	3	18.5	15.72	2.78	3	3	0
Injury rate (with lost time)	17	14.62	2.38	2	1.8	0.2	0	0	0
Injury rate (without lost time	19	17.67	1.33	16	15.2	0.8	3	3	0
Number of injuries	126	113	13	94	80	14	12	12	0
Number of injuries (with lost time)	56	48	8	11	10	1	0	0	0
Number of injuries (without lost time)	70	65	5	83	79	4	12	12	0
Occupational diseases									
Rate of occupational diseases	0	0	0	0	0	0	0	0	0
Number of occupational diseases	0	0	0	0	0	0	0	0	0
Days lost									
Rate of days lost	100	89	11	100	79	21	100	84	16
Number of days lost	6,783	6,058	725	8,907	7,040	1,867	14,502	12,143	2,359
Absenteeism									
Rate of absenteeism	3.69	1.35	2.34	4.46	2.09	2.37	3.2	1.46	1.74
Days scheduled to work	600,240	520,330	79,910	680,538	580,851	99,687	605,400	516,300	89,100
Deaths									
Number of deaths	0	0	0	0	0	0	0	0	0

* The lost days rate and number of days lost have been restated for the 2018 Report.

The non-lost-time accidents of 2018 were concentrated only in minor cuts and dust-related visual irritation, Aeris reached the record of 415 days without lost-time accidents. This result and the achievement of the goals was only possible with the involvement, engagement, accident prevention initiatives and the participation of all employees in the health and safety programs developed. This achievement was only due to the dedication of all hierarchical levels of Aeris, the development of a safety culture and the change in the employees' behavior, who began to act towards the prevention, rather than the remediation of work accidents.

In December 2016 Aeris defined a Safety Work Plan and goals for the next 2 years. The following table shows that in 2018 there was a large reduction in accident rates and the achievement of the established goals.

ITEMS	Result 2016	Goal 2017		Result 2017		Goal 2018		Result 2018	
Frequency Rate without Lost Time	19	13	-32%	16.3	-14%	7	-63%	3	-84%
Frequency Rate with Lost Time	17	8	-53%	2.2	-87%	1.8	-90%	0	-100%
Total Frequency Rate	36	21	-42%	18.5	-49%	8.8	-75%	3	-92%
Severity Rate	88	44	-50%	30	-66%	10	-89%	0	-100%
ISP – Practiced Safety Index	NA	80%	-	87%	-	95%	19%	98%	23%
Excellence Program	NA	Silver		Silver		Gold		Gold	

The programs and actions developed in 2018, presented below, were largely responsible for the positive results achieved in the year.

PDCS - Safety Culture Development Program: training focused on the development of a safety culture, offered in safety integration and every two months for all company employees, focused on accident prevention themes.

Practiced Safety Index (ISP): it consists of preventive and standardized biweekly audits to identify risks to each work area, as well as follow-up on the accomplishment of the DDS (Daily Safety Dialogue), conditions and behaviors at work.

Work Safety Excellence Program: it aims to evaluate and develop the safety management and maturity of the system in question, focusing on the best market practices. The objective of the program is to perform Benchmarking in occupational safety management, the reduction and elimination of accidents, occupational diseases, expenses, charges and absenteeism. Through it, Aeris monitors and calibrates its work safety processes, engaging and involving all levels of employees.

Standardized Safety Work (TPS): focused on developing the safety culture of the entire Aeris Leadership (Leaders, Coordinators and Managers), through the standardization of leadership activities and inclusion of safety in their routine, in all areas.

Security Appointed Agent (AIS): internal focal point of each area, with responsibility for managing and multiplying safety-related issues in their sector, being the main link between their team and occupational safety.

Civil Brigade and Firefighters: reinforced team for emergency and accidents handling, with 245 brigade members about 10% of employees. In addition to 02 tanks and 02 civil firemen, who are on duty 24 hours.

Internal Accident Prevention Commission (CIPA): comprised by employees, with elected and appointed representatives, its mission is to prevent accidents and occupational diseases, holding monthly meetings to discuss safety situations, updating the risk map, training members to resolve irregularities found.

Risk Potential: tool implemented in 2016, used to identify and treat unsafe conditions identified in the workplace. In 2018, 5,454 risk potentials were resolved.

Safety Hour: weekly auditing tool made by the managers and directors (directed with a guide card based on OHSAS 18001).

SIPATMA (Internal Work Accident Prevention and Environment Week): it seeks to strengthen health, safety and environmental aspects.

In addition to these initiatives, the healthy balance of the health and safety environment within the company is ensured through the following procedures:

- Mandatory use of 100% of personal protection equipment in production areas;
- Outpatient clinic with medical assistance in all work shifts and 24-hour ambulance care available;
- Active CIPA within the framework required by NR with 100% coverage of the company. In addition to the participation of at least 90% of Employees in SIPATMA, when the benefits that Work Safety brings to employees are reinforced;
- If the function requires knowledge of the NR's, Aeris provides the training;
- 100% of the lectures agreed upon in the Collective Agreement are provided by Aeris;
- Employees participate in DDS (Daily Safety Dialogue) and SIPTMA (Internal Work Accident Prevention and Environment Week),
- Specialized medical team

Aeris also has a specific team trained to carry out the logistics of its product, as well as a team of specialists dedicated to inspecting the entire manufacturing process to ensure the delivery of its product with quality and customer satisfaction, without neglecting health and safety assessments of 100% of its processes, products and services.

Health awareness and promotion programs

In 2018, Aeris promoted health awareness and promotion activities, aiming at the prevention of diseases and well-being of employees, through the following programs:

Force of Good: program developed in partnership with HEMOCE (Ceará Center for Hematology and Hemotherapy) and FUJISAN (North-Northeast Hemotherapy Service), with the purpose of encouraging blood donation and hope for thousands of people who depend on this simple gesture of solidarity. Each semester Aeris received an institution that collects blood from the volunteer and supportive collaborators of the cause.

Pink October: breast cancer movement to share information about the importance of prevention and early diagnosis of breast cancer and more recently about cervical cancer.

Blue November: movement for men's health and to fight prostate cancer, with the purpose of sharing information about the disease, promoting awareness and prevention. The event takes place during the month of November.

Vaccination campaigns: during 2018, Aeris carried out vaccination campaigns, such as: H1N1, tetanus and hepatitis B, saving lives and preventing disease.

Lectures: Aeris also gave educational lectures that clearly and objectively addressed the issues that deserve special attention because of their vulnerability. They were: Arterial hypertension, prevention of sexually transmitted diseases, arboviruses (dengue, zikavirus and chikungunya), respiratory allergies and dermatitis, nutrition and physical activity, breast cancer prevention, prostate cancer prevention and alcohol and drug harms.

Healthy pregnancy: the program assists pregnant women in the Aeris physical therapy sector, with the aim of guiding and answering questions about exercises within the gestational period, promoting health education for pregnant women.

Postural Blitz: moment when the physiotherapist goes to the sectors providing guidance on the correct way to sit and perform activities from the ergonomic point of view, with the purpose of promoting the employee's health and well-being, avoiding future injuries.

Environment

GRI 102-15, GRI 102-11, GRI 103-1, GRI 103-2, GRI 103-3

Managing Aeris's interactions with the environment comes as a range of mitigation opportunities, such as cost reduction. The Environment sector, part of the SGI structure, is guided by five environmental guidelines: "Protect our Flora and Fauna Biodiversity"; "Reduce waste generation as well as recycle and reuse"; "Raise environmental aspects and impacts by defining reduction plans"; "Consciously reduce the use of natural resources"; and "Develop the socio-environmental culture with stakeholders," is responsible for managing impacts and resource use. The company dynamically monitors its environmental performance through the Environmental Performance Index (IDA), which considers results such as the amount of waste generated, energy and water consumption, among other factors. Through the index, the company is able to set goals and increasingly achieve continuous improvement, which can be observed in the various results presented in this report. Management through IDA enables the process engineering team to identify key opportunities presented, such as reducing or replacing the use of inputs, waste disposal; atmospheric emissions and increased production efficiency as a whole.

This control is reviewed and updated every six months through the IDA, or when significant process changes are made. All information required for blade production and production support is protected by documented procedures.

In parallel, there are environmental education programs such as the Daily Environment Dialogue (DDMA), which consists of a moment of dialogues focused on environmental concern in its various subjects, to sensitize employees about the reduction, control and evaluation of the various types of impacts and relating them to the company's Environmental Guidelines and IDA.

Even though Aeris has a small number of vehicles and equipment powered by fossil fuels, it carries out internal monitoring of the black smoke index, as well as regular inspection.

In 2018 Aeris maintained its environmental investment standard, highlighting a large cost reduction related to environmental kits, which consist of shovels, gloves, area insulation tapes, plastic bags, which are used for containment, and fluid absorption. The Environmental Kits started to be acquired in a sustainable way, that is, receiving as a donation the wood shavings, which are a liability for the logging companies, bringing an environmentally correct solution to Aeris.

Environmental investments (R$)

	2016	2017	2018
Waste disposal	802,533	1,111,502	532,583
Environmental management	138,753	531,574	732,347
Waste report	4,900	0	0
Environmental kit	9,821	5,838	290,64
Total	**956,007**	**1,648,915**	**1,265,221**

Material

GRI 301-1, GRI 301-2

For Aeris, the acquisition of raw material corresponds to about 70% of the final cost of blade production. Encouraged by its international competitiveness, the company sought to reduce the cost of production, and with this studies were conducted with the supply chain to elaborate a supply area diagnosis with new negotiation strategies.

In 2018 Aeris carried out a series of actions aimed at reducing the materials used in the production process, maintaining quality and bringing financial reduction to the blade cost in addition to reducing the environmental impact. In general, the actions applied were the following: initiatives to reduce the amount of excess material in the processes; more frequent technical lists validations - which list all the inputs needed in each process; weekly meetings to discuss material consumption and propose blade cost reduction actions; fault handling of major deviations from actual weekly consumption compared to projected expected consumption; and as an example of practical action, we have cases of reuse of buckets and basins being reused after decontamination techniques.

Throughout its history, Aeris has sought to replace materials that negatively impact the environment with more eco-efficient solutions, such as coconut fiber blanket and recycled channels. Coconut fiber blanket is a 100% natural and renewable product, which significantly reduces the environmental impact at the time of disposal, as this material replaces the use of the spiral made of plastic. Channels are produced in partnership with a third party, using internally generated waste.

Considering the main inputs used by the company, in 2018 with the exception of metal parts, all materials suffered significant consumption reductions, as can be seen in the table below.

Materials used by weight or volume - GRI 301-1

MATERIALS*	2016	2017	2018	Classification	Variation (%)
Resin (kg)	3,439,126	5,328,189	4,771,880	Non-renewable	-10
Reinforcement Fibers (ton)	2,795,866	9,398,609	8,718,487	Renewable	-7
Foam (m)	19,740	15,599	8,554	Renewable	-45
Metallic Parts* (kg)	229,880	182,615	295,024	Renewable	62
Paints (kg)	1,525,206	267,266	200,868	Non-renewable	-25
Plastic (m)	1,643,184	917,635	765,947	Renewable	-17
Bucket (un)	30,723	135,445	76,880	Renewable	-43
Basin (un)	41,165	236,244	110,702	Renewable	-53

*The categorization of inputs has been reformulated for the 2018 Sustainability Report.

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Percentage of materials used from recycling – GRI 301-2

Name of material	Type of material	Amount of inputs (t)	Amount of recycled inputs (t)	Percentage of recycled inputs
2016				
Channel	Plastic	10.65	10.65	100%
2017				
Channel	Plastic	15.74	15.74	100%
Coconut fiber	Organic	0.3	0.3	100%
2018				
Channel	Plastic	13.88	13.88	100%
Coconut Fiber	Organic	5.3	5.3	100%
Paper towel	Paper	40.9	40.9	100%

Biodiversity

GRI 304-1, GRI 304-2, GRI 304-3, GRI 304-4

To implement the factory in the Pecém Industrial and Port Complex (CIPP) the following reports were made: Environmental Feasibility Study (EVA), Risk Analysis Study (EAR), Emergency Response Plan (PRE), Technical Report for Plant Suppression Authorization and Environmental Technical Monitoring Report, all prepared by engineers registered with the Regional Council of Engineering and Agronomy (CREA), hired as specialized suppliers.

Based on these studies and reports, it was evident that there are no endangered species at the site of the operation. Aeris' activities have no impact on local biodiversity and the company directly contributes to the protection of habitats through environmental compensation measures in permanent preservation areas (APP). These areas, declared to be in good condition, are verified by external professionals and are identified with signs. The environmental compensation performed on them included the planting of carnauba seedlings and other species from the Caatinga and Atlantic Forest biomes.

To ensure no impact on diversity, Aeris controls external noise generation and the control of organic vapor emissions in its painting booths.

In 2018 there were no interventions in areas of relevant biodiversity index. It was a year of monitoring and maintenance of the environmental compensation areas, as well as the awareness among all Aeris employees of the importance of preserving these areas, always based on the Environmental Guidelines.

Its own operating units leased or managed in protected areas – GRI 304-1

APP	
Areas	Extension (m²)
APP 1	1,600
APP 2	36,000
APP3	1,100
Total	**38,700**

Water

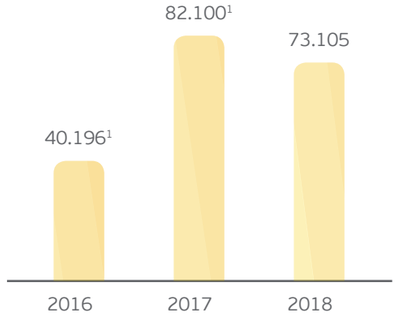
GRI 303-1, GRI 303-3, GRI 306-1

Aeris is located in a region of water scarcity and believes that the good use of this resource is of paramount importance to its strategy. Water consumption is monitored through specific indicators. Aeris is supplied by the Water Resources Management Company (Cogerh) of the state of Ceará, which serves the region of the Pecém Industrial and Port Complex (CIPP). The water collected comes from dams.

In 2018 Aeris consumed 73,105 m³ of water, a reduction of about 10.96% compared to the previous year, reaching the 10% reduction target set in 2017 and highlighting the success of the actions taken by the company over the course of the year. The measures adopted by the company included process optimization and environmental education. All water management of the company is performed by monitoring indicators. For 2019, the reduction target set is 15% in relation to the previous year's consumption.

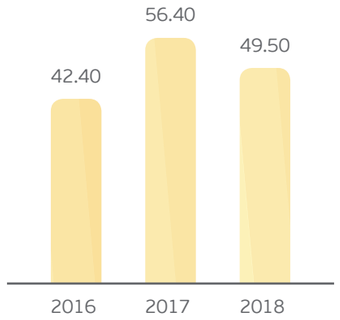
Total water withdrawal by source – GRI 303-1

Water consumption (m³)



1. Municipal water supply or other water services

Consumption of water produced per blade (m³)



In 2018, the company disposed of 55,593 m³ of water, reaching a reduction of about 11.10% over the previous year. The main reason for the reduction was the reuse of water from the backwashing of the Water Treatment Plant (ETA) filters. This water goes through a pretreatment until it is added to the raw water inside the storage tank, so that it is then sent back to ETA and distributed in the factory. Reuse water is used for building use (toilets and urinals), irrigation and other activities such as washing equipment.

In addition, Aeris has other initiatives to reduce water use, such as flow reducers applied to bathroom and changing room faucets and environmental awareness actions, such as the celebration of World Water Day.

Volume and percentage of recycled and reused water – GRI 303-3

Volume used	Volume reused	Percentage reused
2016		
40,196	3,640	9.06%
2017		
82,100	12,240	14.91%
2018		
73,105	21,932	30%

In the production process of the blades, the cutting, drilling and cleaning of the filters results in water discharge. Prior to disposal, water is treated within the requirements of the State Ordinances and COEMA Resolution 02/2017, which provides for standards and conditions for the discharge of liquid effluents generated by polluting sources. Water disposal occurs in the soil through seepage ditches. Discarded water is not reused by other organizations.

Discarded water volume by destination (m³) – GRI 306-1

	2016	2017	2018
Blade cutting and drilling	1,994	2,448	2,497
Filter cleaning	80,122	60,091	53,096
Discarded volume	**82,116**	**62,539**	**55,593**

Emissions

GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-5

Over the past year, through the GHG Protocol methodology, meeting the Brazilian specifications contained therein, Aeris has prepared its greenhouse gas emissions calculations.

In 2018, the company issued 6,892 tCO_2e, of which 1,624 tCO_2e from scope 1, 1,168 tCO_2e from scope 2 and 4,101 tCO_2e from scope 3. The calculation base considered industrial processes, mobile and stationary sources, fugitive emissions, effluents, business trips, electricity, transportation and distribution, among other items. The gases included in the calculations were: CO_2; CH_4; N_2O and HFCs.

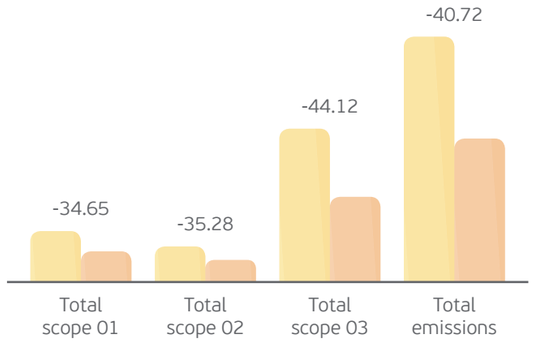
Greenhouse Gas Emissions (Scope 1, 2 and 3)

Greenhouse gas emission sources (tCO2e)	2016	2017	2018
Scope 1 Emissions			
Stationary combustion	143.9	238.2	81.64
Mobile sources	325	577	113
Effluents	169	217.9	84.93
Fugitive emissions	872	1,452	1,344
TOTAL SCOPE 1	**1,510**	**2,485**	**1,624**
Scope 2 Emissions			
Electricity purchased and consumed	1,698	1,804	1,168
TOTAL SCOPE 2	**1,698**	**1,804**	**1,168**
Scope 3 Emissions			
Waste generated from the operation	2,214	5,073	2,572
Business trips	19	32	21
Employee transportation	1,100	2,233	1,509
TOTAL SCOPE 3	**3,333**	**7,338**	**4,101**
TOTAL EMISSIONS	**6,542**	**11,627**	**6,892**

In 2018, the company measured a reduction in GHG emissions in all its scopes compared to the previous year. To this end, several actions to reduce greenhouse gas emissions were carried out, which include: the diagnosis of the fleet and the itinerary carried out in the transportation of employees, where it was possible to reduce the number of vehicles used; investments in the wastewater treatment plant, with the use of products to improve coagulation and the hiring of specialized consultants in the operation of the system; increased fuel efficiency and investment in Liquefied Petroleum Gas (LPG) forklifts that led to a reduction in stationary combustion and mobile sources; investment in the 69Kv substation provided greater process stability, avoiding extra fuel costs; and finally, the replacement of machines avoiding fugitive emissions.

The results of the reductions can be seen in the graphs below.

GHG Emissions
variation 2017 x 2018 (%)



Energy

GRI 302-1, GRI 302-3, GRI 302-4

Aeris' energy matrix is made up of electricity and fuels from non-renewable sources, such as the burning of diesel oil and Liquefied Petroleum Gas (LPG). In 2018, the company consumed 215 liters of diesel, 37,561 kg of Liquefied Petroleum Gas (LPG) and 57,868 GJ of electricity. Diesel fuel consumption reached a reduction of about 39,650 liters compared to last year, due to the replacement of diesel forklifts by gas forklifts.

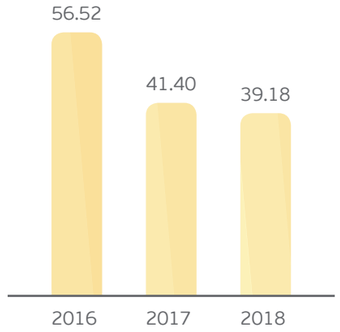
In 2018, electricity consumption was lower than in 2017 due to some sustainable initiatives from our electrical maintenance sector. We highlight some actions with efficiency in energy reduction:

Led fixtures, employee awareness to prevent waste, automatic on and off lighting, CAG automation, more efficient machines and frequency inverter motors. In addition, there were environmental education programs guided by the Environmental Guidelines, where one of the premises is the saving of natural resources, more specifically, water and energy. The calculated index the amount of energy in GJ per blade produced was 39.18 GJ in 2018, for 2019 the target is the consumption of 38.88 GJ.

Energy consumption within the organization – GRI 302-1

	2016	2017	2018
Diesel Oil (L)	9,600	39,865	215
Liquefied Petroleum Gas (Kg)	-	-	37,561
Electricity (GJ)	49,362	60,610	57,868

Energy consumption per blade produced (GJ)



Waste

GRI 306-2, GRI 306-4

Care for waste generation and disposal is part of Aeris' daily routine, and the identification of risks and opportunities in waste management is considered one of its main environmental performance strategies. Aeris considers that the production process ends only when the waste generated is properly disposed of. For the company, both non-generation, reduction, reuse, recycling and treatment of solid waste, as well as the environmentally correct final disposal, are actions incorporated into the company's daily life.

In 2017 Aeris created and implemented the Residometer, a dynamic waste generation monitoring tool. This tool consists of the quantification of revenues and expenses related to waste management within the company. In 2018, Aeris was able to reduce non-recyclable waste by about 30% compared to the previous year. Reaching its reduction target of 20%. In the last year, several actions and initiatives were carried out by Aeris in search of better results regarding waste generation and management, among them the constant rounds of selective collection training, emphasizing the importance of waste reduction.

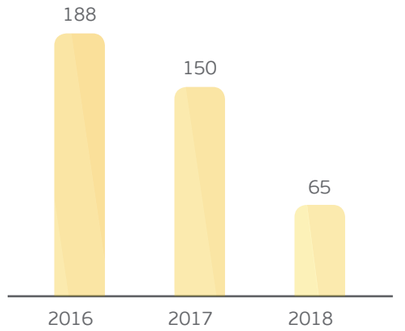
Aeris has been conducting several studies in order to find economic opportunities in waste management, one of the results of these studies was the identification of partnerships with the cement industry in the use of waste to obtain energy. Through coprocessing techniques, it is possible to generate revenues and reduce impacts on the environment, as it is an environmentally appropriate destination that eliminates the disposal of waste to landfills.

Another initiative that contributed to waste reduction was the "Aeris Recicla" project, which encourages employees to develop artisanal work with the waste produced. The objects created can be presented by employees through photos during the Internal Work Accident Prevention and Environment Week (SIPATMA).

In terms of process improvement, the Production and Engineering Teams developed efficiency studies that enabled the replacement of materials and the reuse of waste, such as infusion plastics, used in other activities of the production process.

Aeris uses indicators to monitor waste, which enables the analysis and management of the waste it generates. In 2018, the company disposed of 5,377 t of waste, a 20.06% reduction in total waste. Regarding hazardous waste, Aeris generated 65.4 t and achieved a 56% reduction compared to the previous year - mainly represented by uncured epoxy resins and inkscontaminated with oils and greases. Several selective collection training sessions were carried out on the lines of production, where the main guidelines are: the non-contamination of materials with hazardous products without real need, and guidance to collaborators about the possibility of reusing materials. The Integrated Management System team has set a target for 2019 of reaching 30% of the total waste sent to recycling.

Hazardous waste transportation (t) – GRI 306-4



Waste disposal by type and disposal method (t)

	2016	2017	2018	
Class II	3,217	5,219	3,785	Landfill
Class I	188	150	65	Coprocessing
Cardboard	142	252	293	Recycling
Plastic	107	165	141	Recycling
Metal	63	227	102	Recycling
Wood	102	318	467	Reuse
Metal drum	11	27	51	Reuse
Fiberglass fabric	172	136	234	Recycling
Jerrycans	103	232	239	Reuse
Total	**4,105**	**6,726**	**5,377**	

Environmental compliance

GRI 102-11, GRI 307-1

Aeris is concerned with articulating the environment and society and invests in the development and application of technologies and production processes that cause the least possible environmental impact. The company understands that the precautionary principle should be deployed across all its trading partners, and thus has contractual clauses that address environmental compliance requirements, it also conducts due diligence practices by the legal sector. Non-compliance by partners may result in contract termination.

Aeris uses dedicated software to manage its legal compliance, and is supported by the SGI, ensuring continuous improvement of the management of aspects related to environmental preservation. The company has no history of fines or other legal sanctions for non-compliance with environmental laws or regulations.

Supply chain

GRI 102-9, GRI 102-10, GRI 204-1

To become a competitive company on the international stage, Aeris strove to reduce the costs of its supply chain. In 2018, the company achieved a reduction in supplier expenses compared to 2017, resulting from renegotiations with existing partners, and the identification of new, more competitive options for the main materials, seeking a profitable operation.

At Aeris, the purchase of materials is divided between direct (productive) and indirect (non-productive) materials. The purchase of direct materials is based on the technical list, which contains all the inputs required in each process, updated weekly by the Production Planning and Control (PCP). The PCP is also responsible for order sizing, analyzing the current safety stock and delivery time of suppliers. The raw material suppliers are defined as per customers' requirement or through the homologation of suppliers by the Aeris Engineering sector.

The process of purchasing indirect materials is defined based on the needs of the applicants from the various areas of the organization. The company has specialized buyers and their responsibilities are divided according to the category of material or service to be purchased. The definition of suppliers is made considering cost and delivery time.

Due to Aeris' internationalization process (exports), it was sought to meet the most stringent supplier selection and monitoring standards in order to meet customer requirements. In 2018, the Supplier Quality Engineering area was created, which centralizes supplier qualification actions according to industry-specific standards VDA P-5 and APQP4WIND. Suppliers undergo continuous monitoring, where the following control tools stand out: preliminary supplier evaluation questionnaire; supply manual; assured quality agreement; quality inspection of all raw material receipts; quality inspection before use of raw material in production line; issuance of non-compliance reports and action plans to correct failures identified by raw material suppliers; IQF - Supplier Quality Index based on the results of the receipt quality inspections; production unit audits and quarterly delivery performance meetings with suppliers.

In 2018, Aeris had 4,273 suppliers of materials and services, with about 40% of purchase orders issued to domestic suppliers. The company estimates that it spent approximately R$ 500 million with suppliers in 2018. Major suppliers of direct materials are located in Brazil, in the United States, Germany, Spain, China, Denmark, Italy, the Netherlands and Great Britain, while those of indirect materials and services are located in the United States, Germany and Brazil. (States: Ceará, São Paulo, Bahia and Rio de Janeiro)

Organizational culture Aeris

Winds without frontier

GRI 102-16

Aeris is always looking for evolution, in 2017, the company managed to achieve all its goals set in 2015, which were based on the Winds of the Future program. The program aimed to ensure that by 2018 Aeris was recognized as one of the 1,000 largest companies in Brazil, maintaining its economic value; one of the 100 most sustainable companies in the country, reducing the percentage of landfill waste and the energy consumption per blade produced; and one of the 10 best companies to work for in Ceará.

Continuing the Winds of the Future, in 2018, the company launched the Winds without frontier Program, based on operational efficiency, protagonism and perpetuity, becoming a company with a global presence. The goals set by 2023 are:

- be one of the 5 most profitable capital goods companies in Brazil;
- be one of the 50 best companies to work for in Brazil;
- be one of the 500 largest companies in Brazil.

In 2018, the company held an official launch event for the program, where employees were able to hear the explanations and expectations for Winds without frontier by the top management, and later participated in various playful activities within the theme with the purpose of internalizing it.

Operational Excellence

Created in September 2018, the area of operational excellence aims to strengthen the operational efficiency pillar of the "Winds without frontier" program, in a results-oriented management structure. Using Lean Manufacturing as a methodology to provide sustainable and predictable results and based on the Kaizen tool (present in this methodology), Aeris seeks to ensure continuous improvement in order to integrate and manage other excellence initiatives. In this context, the company seeks to eliminate losses, reduce downtime, ensure quality and reduce costs, with TPM (Total Productive Maintenance) and 5S as guiding concepts.

The Kaizen model implemented by the consulting firm Embraer/Atech, is composed of planning and execution steps (Kaizen week), followed by a period of sustaining results and closing, the Kaizen are intended to provide production leaps in a given area (factory or not). Kaizen teams are always comprised by a member of the Operational Excellence area and a multidisciplinary team, with people from various areas of Aeris.

Employees profile, compensation and benefits

GRI 102-8, GRI 102-18, GRI 102-37, GRI 102-41, GRI 202-1, GRI 401-1, GRI 401-2, GRI 401-3, GRI 405-1

In 2018, Aeris had 2,472 employees, a decrease of 2.76% compared to the previous year, with 2,018 of its own employees, among them 84 apprentices and 14 interns and 454 outsourced employees. The company's turnover rate was 39%. To adjust market demands through the application of process methodology, there was a staff reduction during the period from January to August, according to the production scenario. However, in September, hiring resumed due to a new production scenario. In relation to third parties, there was an increase in staff due to the start of construction of a warehouse in December 2018.

The company's recruitment model favors hiring under CLT and 99% of its own employees are covered by collective bargaining agreements. Only 14 interns and 9 statutory directors were not covered by the collective agreement. At Aeris, the lowest salary paid to employees with an indefinite term contract is 28% higher than the minimum established by the Federal Government. This data was compiled from the payroll employee list.

Aeris annually applies the Great Place to Work survey to its employees, a Certification Program designed to recognize organizations that value people and addresses remuneration-related topics to understand excellence in the workplace and maintain the salaries of their employees equated with local and national reality.

Total employees by employment contract and gender – GRI 102-8

	2016			2017			2018		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Their own permanent employees	1,888	235	**2,123**	1881	290	**2,171**	1641	279	**1,920**
Their own temporary employees	37	49	**86**	36	39	**75**	80	18	**98**
Outsourced	226	12	**238**	262	24	**286**	417	37	**454**

Total employees by employment contract and region – GRI 102-8

	2016			2017			2018		
	Their own permanent employees	Temporary	Third parties	Their own permanent employees	Temporary	Third parties	Their own permanent employees	Temporary	Third parties
Northeast	2,123	86	238	2,171	75	286	1,904	98	454
South	0	0	0	0	0	0	15	0	0
Southeast	0	0	0	0	0	0	1	0	0
Total	2,447			2,532			2,472		
*Aeris has no part-time employees.									

Employees by gender and functional category – GRI 405-1

Functional category	2016			2017			2018		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Board of Directors	7	1	8	8	1	9	8	1	9
Management	17	3	20	21	3	24	20	3	23
Coordination	37	3	40	47	6	53	41	5	46
Technician	387	44	431	188	8	196	147	11	158
Administrative	64	72	136	115	104	219	124	98	222
Operational	1,376	112	1,488	1,508	162	1,670	1,301	161	1,462
Apprentices	32	46	78	30	35	65	72	12	84
Interns	5	3	8	6	4	10	8	6	14
Outsourced	226	12	238	262	24	286	417	37	454
Total	**2,151**	**296**	**2,447**	**2,185**	**347**	**2,532**	**2,138**	**334**	**2,472**

Percentage of total employees by functional category, gender and age group (%) – GRI 405-1

	Functional category								
	Administrative	Apprentice	Coordination	Board of Directors	Intern	Management	Operational	Technician	Outsourced
2016									
Gender									
Male	47	41	93	88	63	85	93	90	95
Female	53	59	8	13	38	15	8	10	5
Age-group									
18 to 25 years old	20	100			75		38	23	35
26 to 35 years old	55		48	29	25	15	47	44	45
36 to 45 years old	21		45	71		80	14	28	17
46 to 55 years old	4		8			5	2	5	3
Over 55 years old	0						0		0
2017									
Gender									
Male	53	46	89	89	60	88	90	96	92
Female	47	54	11	11	40	13	10	4	8
Age-group									
18 to 25 years old	31	100	4	0	80	4	43	26	35
26 to 35 years old	50	0	53	44	20	33	44	42	43
36 to 45 years old	16	0	36	56	0	58	12	27	14
46 to 55 years old	2	0	8	0	0	4	1	6	7
Over 55 years old	1	0	0	0	0	0	1	0	1
2018									
Gender									
Male	56	86	89	89	57	87	89	93	92
Female	44	14	11	11	43	13	11	7	8
Age-group									
18 to 25 years old	29	100	4	0	79	0	40	19	33
26 to 35 years old	50	0	50	33	21	22	44	44	42
36 to 45 years old	17	0	39	56	0	70	13	30	16
46 to 55 years old	4	0	7	11	0	9	2	7	7
Over 55 years old	0	0	0	0	0	0	0	1	2

Hiring and turnover rates by gender

Gender	Employees hired	Hiring Fee (%)	Disconnected employees	Turnover rate (%)
2016				
Male	1,283	67%	288	15%
Female	206	76%	40	14%
Total	**1,489**	**67%**	**328**	**15%**
2017				
Male	738	39	737	38%
Female	203	62	166	50%
Total	**941**	**42%**	**903**	**40%**
2018				
Male	425	25%	645	37%
Female	92	28%	142	48%
Total	**517**	**26%**	**787**	**39%**

Hiring and turnover rates by age group

Age-group	Employees hired	Hiring Fee (%)	Disconnected employees	Turnover rate (%)
2016				
18 to 25	584	76%	145	19%
26 to 35	643	64%	144	14%
36 to 45	218	66%	34	9%
46 to 55	42	75%	5	9%
Above 56	2	100%	0	0%
Total	**1,489**	**67%**	**328**	**15%**
2017				
18 to 25	477	61%	468	60
26 to 35	333	33%	320	32
36 to 45	115	30%	90	23
46 to 55	14	23%	24	39
Above 56	2	67%	1	33
Total	**941**	**42%**	**903**	**40%**

Age-group	Employees hired	Hiring Fee (%)	Disconnected employees	Turnover rate (%)
2018				
18 to 25	302	37%	332	42%
26 to 35	158	18%	314	36%
36 to 45	54	17%	125	39%
46 to 55	3	6%	16	33%
Above 56	0	0%	0	0%
Total	**517**	**26%**	**787**	**39%**

In 2018 there was a 25% readjustment in the monthly payment of the food card and the number of male employees who used paternity leave was well reduced compared to the previous year. Of the 19 women who used Maternity Leave, 6 were terminated before completing 12 months after their return from maternity leave. However, one of them is an apprentice and her contract had already been terminated during her removal.

Maternity leave and paternity leave

Gender	Employees entitled to the leave			Employees who used the leave		
	2016	2017	2018	2016	2017	2018
Male	2,213	1,917	1,721	94	117	51
Female	323	329	297	3	13	19
TOTAL	2,536	2,246	2,018	97	130	70

Gender	Employees who remained in employment for 12 months after returning from leave			Employees who returned from leave		
	2016	2017	2018	2016	2017	2018
Male	88	99	48	94	117	51
Female	2	7	13	03	13	19
TOTAL	90	106	61	97	130	70

A great achievement of 2018 for Aeris was the recognition by Great Place to Work as one of the 10 best companies to work for in Ceará, one of the strategic objectives set out in the Winds of the Future plan. This represents for the company its great effort to value the workplace.

Benefits offered to employees

Dental Care
- Holder: 100% paid by the company.
- Dependents: 50% paid by the company.

Life Insurance
- Coverage equivalent to the employee's annual salary.
- 100% paid by the company.

Medical Care
- Holder: 100% paid by the company.
- 1st Dependent: 50% paid by the company.
- 2nd Dependent: 60% paid by the company.
- 3rd Dependent onwards: 70% paid by the company.

Transportation
- Chartered transportation paid by the company, with payroll deduction of R$ 22,00 per month for each employee.

Meal
- Two meals a day, with payroll deduction of R$ 22.00 per month.

Food Card
- Food Stamp Card of 150.00 monthly (not granted to temporary contract employees).
- Christmas Basket

Professional training and qualification

GRI 404-1, GRI 404-2

Aiming to maintain qualified, motivated professionals who identify with the company's values, Aeris continually invests in training. In the last year, the number of training hours offered by Aeris increased by 15% compared to 2017. It was 53,930 hours, an average of 26.7 hours per employee.

In 2018 Aeris offered training at different levels and for different purposes, especially in internal training, with emphasis on specializations such as SGI internal auditors, training in NR 33, NR 35, NR 10 and SEP, CPFL, Emergency Brigade, CIPA, Feedback and Multiplier Training. An annual training plan is carried out, and there are occasional demands, where the manager requests some specific training for the employee, being funded by the company.

On the learning and culture change path for Lean Manufacturing, training modules consist of 30% of classroom-focused content and 70% of Kaizen participation. Following this model, since implementation, 54 people have already been trained in Lean Manufacturing concepts in order to get basic alignment on the methodology and participation in Kaizen of that same number of people. Approximately 500 occurrences were captured in this process, which generated 330 actions aimed at meeting the goals established in the Kaizen. For 2019, the projection is to continue with the Kaizen Quick Wins, Structuring Kaizen and Strategic Excellence Workshop, in addition to the implementation of continuous improvement cells.

Training hours by gender

Gender	Their own employees, by gender	Training hours, by gender	Average training hours by gender
2017			
Male	1,917	43,011	22
Female	329	3,931	12
Total	**2,246**	**46,941**	**21**
2018			
Male	1,721	49,914	29
Female	297	4,020	14
Total	**2,018**	**53,934**	**26.72**

Training hours by functional category – GRI 404-1

Category	Working hours	
	2017	2018
Board of Directors	448	320
Management	180	920
Technician	3,951	4,210
Administrative	3,689	2,300
Operational	38,218	43,324
Apprentices	248	2,352
Interns	207	504
Total	**46,941. 31**	**53,930**

In addition to technical training, Aeris supports its employees in their pursuit of educational improvement. The company offers in-company English courses, funding 50% of it, for employees who need to use this language in their work routine. Another important educational initiative of the company is the Aeris School, which allows employees to finish high school in their own company, receiving snacks and transportation. In 2018, the project trained 39 employees. Since the school was implemented, 160 employees have been trained.

In 2018, some learning programs were implemented, such as People who do, To be an apprentice and Trainee, presented below.

Aeris Internship Program
Aimed at seeking new talents, the Aeris Internship Program has, in its selection process, the following steps: HR (interview/dynamics), interview with the manager, documentation analysis, admission exams, signing of the internship commitment term and integration. Through social networks, universities, e-mail groups focused on the labor market and Catho, the dissemination is carried out. After the selected candidates begin, in addition to company integration, they undergo training specifically for interns.

People who do
People who do is a program launched in July 2018, and its objective is to provide the development of Aeris employees, where they are protagonists of internal training. In 2018, 5 modules were held with the participation of 500 employees. Daily activities are carried out through training in subjects that add to personal and professional development, working on motivational and integration aspects between the areas. The content was focused on teamwork, concepts in wind blade projects, metrology, projects office and quality tools.

To be an apprentice
Program focused on the preparation and insertion of young people in the labor market, which is based on (Learning Law, 10.097/2000). The purpose of the program is to take care of the young apprentice upon arrival at the company and to promote their professional development, aiming to develop and strengthen their skills so that they become a qualified young professional able to use their talent giving continuity to the business and process support through the career pipeline.

To be an apprentice seeks to provide opportunities for young people in the region and children of employees and offers training for young professionals to basic positions in operational and administrative careers, generating the opportunity for their first job. It is intended for people aged 18 to 23 incomplete years. The program has a partnership with the SENAI and IEP institutions, which are the intermediaries.

Courses offered:

- Production Line Feeder
- Logistics Assistant
- Administrative Assistant
- Mechanical Maintenance

Ethical Commitment

GRI, 205-1, GRI 205-3, GRI 406-1, GRI 408-1, GRI 409-1, GRI 415-1, GRI 419-1

At Aeris, respect for people and the environment is guided by high ethical standards. In order to ensure compliance with these principles in a concrete way, the company adopts the practice of due diligence by the Legal sector with its potential suppliers and partners, it also inserts human rights compliance clauses in the contracts, providing for termination in case of child and forced labor problems.

In 2018, no incidents of corruption and discrimination were detected at the company. There were no reports of infringement, legal non-compliance or deviation from the Aeris Culture Guide, which prohibits any kind of political contribution. In 2018, there were no operations subject to corruption risk assessment, as no suppliers were found that were directly or indirectly linked to potential corruption practices with the public sector. Aeris' Integrated Management Policy affirms the organization's competitive compliance and its stance against unfair practices.

Economic performance

GRI 201-1, GRI 201-2, GRI 203-2

2018 was another virtuous year in Aeris's economic management, cost-cutting initiatives such as reducing waste, increasing productivity, scaling up and more assertive negotiations with suppliers, for example, allowed the company to practice competitive values for export. Aeris recorded practically the same revenue compared to 2017 and at the same time reduced its operating cost by about 14.44%. Knowing the weight of its human capital in this result, in 2018 Aeris recorded the largest Profit Sharing and Resuls (PLR) for its employees in its entire history.

The main economic impacts of Aeris in the region in which it operates, refer to the number of formal jobs created, and salaries distributed, thus, the company's activity allowed the positive balance in job creation to be maintained in the manufacturing industry of the municipality of Caucaia. In 2018, Aeris paid approximately R$ 97 million in salaries and benefits in the last year, generating employment and income in a region with a high poverty rate.

Components	2016	2017	2018
Direct economic value generated	517,421	764,142	741,970
Net sales revenue	455,159	682,899	646,833
Economic value distributed	240,798	284,951	340,199
Operational costs	319,371	509,217	435,649
Employee salaries and benefits	73,602	113,783	97,006
Payment to capital providers	28,090	32,636	58,325
Tributes	66,754	52,156	46,288

DISTRIBUTION OF ADDED VALUE IN %	2016	2017	2018
Contributors (employee compensation and benefits)	30.57%	39.93%	28.52%
Government	27.72%	18.30%	13.61%
Shareholders	NA	5.09%	17.14%
Retained profit	11.67%	11.45%	17.14%
Interest and rent (operating costs)	30.05%	25.23%	23.59%

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GRI Standards Content summary

GRI 102-55

GRI Standards	Disclosure		Notes	Report page	Omission
GRI 101: 2016 FUNDAMENTALS					
OVERALL CONTENT					
GRI 102: GENERAL DISCLOSURES	ORGANIZATIONAL PROFILE				
	GRI 102-1	Name of the organization.		6 and 7	
	GRI 102-2	Activities, brands, products and services.		10 and 11	
	GRI 102-3	Location of headquarters.		10 and 11	
	GRI 102-4	Location of operations.		10 and 11	
	GRI 102-5	Ownership and legal form .		6 and 7	
	GRI 102-6	Markets served.		10 and 11	
	GRI 102-7	Scale of the organization.		10 and 11	
	GRI 102-8	Information on employees and other workers.		39, 40, 41, 42, 43	
	GRI 102-9	Supply chain.		34, 35	
	GRI 102-10	Significant changes to the organization and its supply chain.	In 2018, Aeris opened a branch in Houston - United States.	34, 35	
	GRI 102-11	Precautionary principle or approach.		18, 25 and 34	
	GRI 102-12	External initiatives.	Aeris is a signatory to the UN Global Compact, an initiative to mobilize the business community to align its strategies with universal principles in the areas of human rights, labor, the environment and anti-corruption.		
	GRI 102-13	Membership of associations.		10 and 11	
	STRATEGY				
	GRI 102-14	Statement from senior decision-maker.		5	
	GRI 102-15	Key impacts, risks and opportunities.		5 and 25	
	ETHICS AND INTEGRITY				
	GRI 102-16	Values, principles standards, and norms of behavior.		12, 13, 38, 39	
	GRI 102-17	Mechanisms, for advice and concerns about ethics.		12 and 13	

GRI Standards	Disclosure		Notes	Report page	Omission
GRI 102: GENERAL DISCLOSURES	GOVERNANCE				
	GRI 102-18	Governance structure.		12 and 13, 39, 40, 41, 42, 43	
	GRI 102-20	Executive level responsibility for economic, environmental and social topics.		12 and 13	
	GRI 102-21	Consulting stakeholders on economic, environmental and social topics.		14	
	GRI 102-22	Composition of the highest governance body and its committees.		12 and 13	
	GRI 102-26	Role of the highest governance body in setting purpose, values and strategy.		12 and 13	
	GRI 102-31	Review of economic, environmental and social topics.		12 and 13	
	GRI 102-32	Highest governance body's role in sustainability reporting.		12 and 13	
	GRI 102-33	Communicating critical concerns.		12 and 13	
	GRI 102-35	Remuneration policies.		12 and 13	
	STAKEHOLDERS ENGAGEMENT				
	GRI 102-40	List of stakeholder groups.		14	
	GRI 102-41	Collective bargaining agreements.		39, 40, 41, 42, 43	
	GRI 102-42	Identifying and selecting stakeholders.		14	
	GRI 102-43	Approach to stakeholder engagement.		14	
	GRI 102-44	Key topics and concerns raised.		14	
	REPORTING PRACTICES				
	GRI 102-45	Entities included in the consolidated financial statements.		10 , 11, 12, 13	
	GRI 102-46	Defining report content and topic Boundaries.		6 , 7, 14	
	GRI 102-47	List of material topics.		14	
	GRI 102-48	Restatement of information.	In 2018 there was no restatement of information.		
	GRI 102-49	Changes in Reporting .	In 2018 there were no changes in the reporting scope.		
	GRI 102-50	Reporting period.		6 and 7	
	GRI 102-51	Date of most recent report.	The previous report was published in 2018.		

GRI Standards	Disclosure		Notes	Report page	Omission
GRI 102: GENERAL DISCLOSURES	GRI 102-52	Reporting cycle.		6 and 7	
	GRI 102-53	Contact point for questions regarding the report.		59	
	GRI 102-54	Claims of reporting in accordance with the GRI Standards.		6 and 7	
	GRI 102-55	GRI Standards content summary.		52, 53, 54, 55, 56, 57, 58	
	GRI 102-56	External assurance.	Aeris has elected not to perform external verification of this document.		
MATERIAL THEMES					
GOVERNANCE					
GRI 103: MANAGEMENT APPROACH 2016	GRI 103-1	Explanation of material topic and its Boundaries.		12 and 13	
	GRI 103-2	The management approach and its components.		12 and 13	
	GRI 103-3	Evaluation of the management approach.		12 and 13	
GRI 102: GOVERNANCE 2016	GRI 102-18	Governance structure.		12, 13	
	GRI 102-20	Executive level responsibility for economic, environmental and social topics.		12, 13	
	GRI 102-21	Consulting stakeholders on economic, environmental and social topics.		14	
	GRI 102-22	Composition of the highest governance body and its committees.		12, 13	
GRI 102: GOVERNANCE 2016	GRI 102-26	Role of the highest governance body in setting purpose, values and strategy.		12, 13	
	GRI 102-31	Review of economic, environmental and social topics.		12, 13	
	GRI 102-32	Highest governance body's role in sustainability reporting.		12, 13	
	GRI 102-33	Communicating critical concerns.		12, 13	
	GRI 102-35	Remuneration policies.		12, 13	
MATERIAL CONSUMPTION					
GRI 103: MANAGEMENT APPROACH 2016	GRI 103-1	Explanation of material topic and its Boundaries.		25	
	GRI 103-2	The management approach and its components.		25	
	GRI 103-3	Evaluation of the management approach.		25	

GRI Standards	Disclosure		Notes	Report page	Omission
GRI 301: MATERIALS 2016	GRI 301-1	Water withdrawal by source.		26 and 27	
	GRI 301-2	Management of water discharge-related impacts.		26 and 27	
GRI 306: EFFLUENTS AND WASTE 2016	GRI 306-2	Waste by type and disposal method.		32, 33	
	GRI 306-4	Transport of hazardous waste.		32, 33	
HEALTH AND SAFETY					
GRI 103: MANAGEMENT APPROACH 2016	GRI 103-1	Explanation of material topic and its Boundaries.		20, 21, 22, 23	
	GRI 103-2	The management approach and its components.		20, 21, 22, 23	
	GRI 103-3	Evaluation of the management approach.		20, 21, 22, 23	
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2016	GRI 403-1	Occupational health and safety management system.		20, 21, 22, 23	
	GRI 403-2	Hazard identification, risk assessment, and incident investigation.		20, 21, 22, 23	
	GRI 403-3	Occupational health services.		20, 21, 22, 23	
	GRI 403-4	Worker participation, consultation and communication on occupational health and safety.		20, 21, 22, 23	
SPECIFIC INDICATORS					
ECONOMIC SERIES					
GRI 201: ECONOMIC PERFORMANCE 2016	GRI 201-1	Direct economic value generated and distributed.		50	
	GRI 201-2	Financial implications and other risks and opportunities due to climate change.		50	
GRI 202: MARKET PRESENCE	GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage.		39, 40, 41, 42, 43	
GRI 203: INDIRECT ECONOMIC IMPACTS	GRI 203-2	Infrastructure investments and services supported.		50	
GRI 204: - PRACTICES	GRI 204-1	Proportion of expending on local suppliers.		34, 35	

GRI Standards	Disclosure		Notes	Report page	Omission
GRI 205: ANTI-CORRUPTION 2016	GRI 205-1	Operations assessed for risks related to corruption.		47	
	GRI 205-3	Confirmed incidents of corruption and actions taken.		47	
GRI 206: UNFAIR COMPETITION	GRI 206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices.			
ENVIRONMENTAL SERIES					
GRI 302: ENERGY 2016	GRI 302-1	Energy consumption within the organization.		31	Aeris does not use heating, cooling or steam energy, as well as renewable energy. Data on electricity sales are considered confidential by the organization.
	GRI 302-3	Energy intensity.	Aeris considers only the energy consumption within the organization for energy intensity calculation.	31	
	GRI 302-4	Reduction of energy consumption.		31	
GRI 303: WATER 2016	GRI 303-1	Water withdrawal by source.		28 and 29	
	GRI 303-2	Management of water discharge-related impacts.			Not applicable. Aeris is supplied by a State concessionaire, COGERH. It, in turn, supplies the region of CIPP (Pecém Industrial and Port Complex) with water from several reservoirs, alternating so as not to affect the volume of the water body.
	GRI 303-3	Water withdrawal.		28 and 29	
GRI 304: BIODIVERSITY 2016	GRI 304-1	Operational site owned, leased, managed in or adjacent to protected areas and areas of high diversity value outside protected areas.		27 and 28	
	GRI 304-2	Significant impacts of activities, products and services on biodiversity		27 and 28	

GRI Standards	Disclosure		Notes	Report page	Omission
GRI 304: BIODIVERSITY 2016	GRI 304-3	Habitats protected or restored.		27 and 28	
	GRI 304-4	IUCN Red list species and national conservation lists species with habitats in areas affected by operations.		27 and 28	
GRI 305: EMISSIONS 2016	GRI 305-1	Direct (Scope 1) GHG emissions.		30 and 31	
	GRI 305-2	Energy indirect (Scope 2) GHG emissions.		30 and 31	
	GRI 305-3	Other indirect (Scope 3) GHG emissions.		30 and 31	
	GRI 305-5	Reduction of GHG Emissions.		30 and 31	
	GRI 305-6	Emissions of ozone- depleting substances (ODS)	Aeris Energy does not use equipment/products that use ozone-depleting substances. Making sure at the time of purchase negotiations, based on a "black list", which discriminates the products that are prohibited purchases.		
GRI 306: EFFLUENTS AND WASTE 2016	GRI 306-1	Water discharge by quality and destination.		28 and 29	
	GRI 306-5	Water bodies affected by water discharges and/or runoff.	The water undergoes treatment and analysis in an external laboratory and is then disposed of in seepage ditches around the factory.		
GRI 307: ENVIRONMENTAL COMPLIANCE 2016	GRI 307-1	Non-compliance with environmental laws and regulations.		34	
SOCIAL SERIES					
GRI 401: EMPLOYMENT 2016	GRI 401-1	New employee hires and employee turnover.		39, 40, 41, 42, 43, 44	
	GRI 401-2	Benefits provided to full-time Employees that are not provided to temporary or part-time employees.		39, 40, 41, 42, 43, 44	
	GRI 401-3	Parental leave		39, 40, 41, 42, 43, 44	
GRI 404: TRAINING AND EDUCATION 2016	GRI 404-1	Average hours of training per year per employee.		45, 46	
	GRI 404-2	Programs for upgrading employee skills and transition assistance programs.		45, 46	
GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES 2016	GRI 405-1	Diversity of governance bodies and employees.		39, 40, 41, 42, 43, 44	

GRI Standards	Disclosure		Notes	Report page	Omission
GRI 406: NON-DISCRIMINATION 2016	GRI 406-1	Incidents of discrimination and corrective actions taken.		47	
GRI 408: CHILD LABOR 2016	GRI 408-1	Operations and suppliers at significant risk for incidents of child labor.		47	
GRI 409: FORCED OR COMPULSORY LABOR 2016	GRI 409-1	Operations and suppliers at significant risk for incidents for forced and compulsory labor.		47	
GRI 412: HUMAN RIGHTS ASSESSMENT 2016	GRI 412-3	Significant Investment agreements and contracts that include human rights clauses or that underwent human rights screening.	In 2018, Aeris established 1 significant investment agreement containing human rights clauses, thus totaling 100% of the agreements. Significant Investment Agreements" are those cited by independent auditors when describing the operating context of the financial statements duly published in the official journal.		
GRI 413: LOCAL COMMUNITIES 2016	GRI 413-1	. Operations with local community engagement, impact assessment, and development programs.	Aeris conducts the Aeris Beyond the Walls Program, an initiative to bring the surrounding community closer to environmental awareness, enhancing the community's view of the potential environmental impacts generated and teaching them how to minimize them.		
	GRI 413-2	Operations with significant actual and potential negative impacts on local communities.	The organization has no record of negative impacts on local communities.		
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	GRI 414-2	Negative social impacts in the supply chain and actions taken.	There were no negative social impacts on Aeris' supply chain.		
GRI 415: PUBLIC POLICIES 2016	GRI 415-1	Political contributions.		47	
GRI 416: CUSTOMER HEALTH AND SAFETY 2016	GRI 416-1	Assessment of the health and safety impacts of products and services categories.		20, 21, 22, 23	
	GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.		20, 21, 22, 23	
GRI 418: CUSTOMER PRIVACY 2016	GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data.	No complaints regarding privacy breach and loss of customer data were registered		
GRI 419: SOCIOECONOMIC COMPLIANCE 2016	GRI 419-1	Non-compliance with laws and regulations in the social and economic area.		47	

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