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Bracell’s 2017 Sustainability Report is prepared with inputs from professionals working in different parts of the company as well as our external stakeholders. The report covers the period 1 January to 31 December 2017 and follows the guidelines of the G4 version of the Global Reporting Initiative (GRI).

For further information or clarification on this report, please contact us at faleconosco@bahiaspeccell.com.
It is with great satisfaction that we share through this Sustainability Report the 2017 Bracell operational results. More than just numbers, we take pride in knowing that this information has great relevance not just for the Group, their customers, partners and suppliers, but society as a whole. This relevance is the improvement of safety, environmental and social investment indexes, in addition to valuable operational results achieved by the Group.

For example, 27% more tree seedlings are being produced for forest operations than in 2016, we planted the decade’s largest area and we delivered the highest wood volume the factory has seen since we began operations, all while reducing generated waste volume. In industrial operations, we beat specialty pulp production volume from previous years, we surpassed our monthly record of deliveries to clients and we reduced the plant’s water consumption.

The results show our hard work paying off and, at the same time, indicate opportunities we must continue to pursue more challenging goals that will bring even better results in the coming years. Moreover, the key factor in achieving better results is having the right people, the ones who dedicate themselves to making Bracell the industry’s rightful leader, with high safety and quality standards, care for the environment and integration with neighboring communities, including increased purchase volume at local businesses.

In fact, in 2017, the number of people who benefited from Bracell’s social investments was around 38,000. These thousands of people had the opportunity to learn, take on endeavors, engage with Bracell and, by means of diverse projects, each one received a contribution so that they can take an important step to amplify their personal experiences or improve their quality of life.

We reduced the accident frequency rate in forested and industrial areas, met 99% of requirements in scheduled behavioral audits and raised the Safe Attitude Index (IAE) to 93%. More rigorous procedures aimed at controlling risks and avoiding employee accidents helped us to improve the company’s safety rating.

In terms of the environment, there were a variety of positive aspects, among them was the reduction of organic effluent load and volume compared to 2016 and the reduction of solid waste generation in industrial activities.

I would also like to share that our employees experienced historic moments in 2017 in terms of the cultural organization of the Group. This year, the new Core Values were launched for all companies that are part of RGE, Bracell’s parent company. We also released the Bracell’s Sustainability Policy, which is an expression of the Group’s commitment to sustainable development in all of its operations. The new Core Values, also known by the acronym T.O.P.I.C.C., which means: Complementary Teams, Ownership, People, Integrity, Costumer and Continuous Improvement, suggest behaviors that the company considers to be in line with its way of being. A series of actions involving staff of Bracell to lead that they are in its segment, with elevated pôrśões de qualidade, segurança, cui- dado con el medio ambiente e integración con las comunidades vecinas, incluso aumentando el volumen de compras de empresas locales.

Aliás, em 2017, o número de pessoas beneficiadas pelos investimentos sociais da Bracell bateu na casa de 38.000. Sim, estes milhões de pessoas tiveram a oportunidade de aprender, de empreender e de dia- logar com a Bracell e, por meio de diversos projetos diferentes, contribuímos para que cada uma delas desse algum passo importante para ampliar suas ex- periências pessoais ou melhorar sua qualidade de vida.

Reducimos a taxa de frequência de acidentes com afas- tamento tanto na área florestal quanto na industrial; cum- primos 99% das auditorias comportamentais previstas e aumentamos o índice de atitude segura (IAE) para 93%. Tudo isso, somado a um maior rigor nos procedimentos voltados a controlar riscos e evitar acidentes com os colaboradores, nos ajudou a melhorar os índices de segurança na empresa.

Em termos ambientais, foram diversos aspectos positivos, dentre eles a redução da carga e do volume de efluentes ór- gânicos em relação a 2016 e a redução na geração de resíduos sólidos das atividades industriais.

Quero ainda compartilhar a informação de que nossos colaboradores viviram momentos históricos em 2017 em relação à cultura organizacional do Grupo: neste ano, houve o lançamento dos novos Valores Fundamentais para todas as empresas que compõem a RGE, controladora da Bracell e de mais um grupo de empresas de classe mundial, e também o lançamento da Política de Sustentabilidade da Bracell, que evidencia o compromisso do grupo com o desenvolvimento sustentável em todas as suas ope- rações. Já os novos Valores Fundamentais, agrupados formando a sigla TOPICC em inglês que, em português significa: Temas que se complementam, Olhar de Dono, Pessoas, Integridade, Cliente e Me- thoria Contínua, sugerem comportamentos que a empresa considera alinhados ao seu job of ser. Uma série de ações envolvendo todo o pessoal da empresa foi e continuará sendo realizada para assegurar que todos incorporem estes valores em seu dia a dia, fortalecendo-se enquanto seres humanos e profissionais e fortalecendo também a em- pressa. Neste relatório, você poderá conhecer mais sobre nossa Política de Sustentabilidade e os Valores TOPICC.
to ensure that all of these values are incorporated into
everyday operations, strengthening themselves as
human beings and professionals and also strengthening
the company. In this report, you will find out more about
our Sustainability Policy and the T.O.P.I.C.C. values.
There are still many challenges ahead. Our safety
goal continues at zero, which means that, the company
will not tolerate any discrepancy or failure related
to safety from its employees and has invested a lot
in safety awareness and prevention. We offer all of
the necessary tools and procedures for work to be
executed with complete safety, but acknowledge that
behaviours need to be improved. We need to ensure
that our products and services suppliers understand
the importance of their role in the sustainability
of our business and seek to adjust to our policy.
In conclusion, there are many challenges, but we
are devoting all the necessary attention to them
so that we may surpass our results.
Therefore, we celebrate this year’s accomplishments
with our eyes wide open for the coming years and with a continuous commitment to stay
on a path of lasting evolution for our performance
in all levels. We emphasize again that the company is always open to dialogue and understands
that many contributions for the improvement of
its processes can come from the outside. So, feel free to contact us.

Enjoy your reading!

Marcelo Moreira Leite
Managing Director / Diretor-geral

Ainda temos muitos desafios pela frente. Nossa meta de segurança continua sendo zero, ou seja,
a empresa não tolera qualquer desvio ou falha relacionada à segurança dos seus colaboradores
e tem investido muito em conscientização e prevenção. Oferecemos todas as ferramentas e proce-
dimentos necessários para que o trabalho seja executado com total segurança, mas sabemos que
ainda há a questão comportamental que precisa ser aprimorada. É necessário garantir que nossos for-
necedores de produtos ou serviços compreendam
a importância do seu papel na sustentabilidade do
novo negócio e busquem se adequar à nossa política.
Enfim, são muitos desafios, mas estamos dedicando
muita atenção a todos eles para que nossos resulta-
dos possam ser superados.

Assim, celebramos as conquistas deste ano com os
olhos bem abertos para os anos seguintes e com o
compromisso de continuar num caminho de contínua evolução do nosso desempenho em todos os níveis.
Ressaltamos uma vez que a empresa está sempre
aberta ao diálogo e entende que muitas contribuições
para a melhoria dos seus processos podem vir de fora do
seu ambiente. Então, fiquem à vontade para nos procurar.

Nós:
- reduzimos a taxa de frequência de acidentes com afastamento tanto na área florestal quanto na industrial;
- reduzimos ainda mais o consumo de água na fábrica;
- obtemos um recorde mensal de carregamentos da produção para nossos clientes;
- superamos os volumes dos anos anteriores de produção de celulose solúvel especial (high grades).

we:
- reduced the accident frequency rate in forestry and industrial areas;
- reduced the plant’s water consumption;
- surpassed our monthly record of deliveries to clients;
- beat specialty pulp production volume comparing to the previous years.
Bracell is the biggest Latin American manufacturer of high quality rayon-grade and specialty-grade cellulose using eucalyptus wood. Over 15 years, we have built a renowned brand name associated with safe and reliable solutions that contribute to improving quality and comfort of millions of lives worldwide.

Bracell’s forestry and manufacturing operations are based in Brazil. We operate in environment that combine the best of forestry in the north coast and agreste regions of Bahia, with the strong industrial tradition of Camaçari Industrial Park which hosts over 93 companies from different segments including chemical, petrochemical, automotive, textile, beverages, pneumatic tires, pharmaceutical, and fertilizers.

Our eucalyptus plantations spread across 21 municipalities in the north of Camaçari, as well as nine other locations through partnerships with agricultural producers in Bahia Recôncavo. Our products are sold to customers around the world, particularly in North America, Asia, and Europe, where our administrative offices and network of sales, marketing and customer support are located.

Our products
Bracell develops high quality raw materials which are used as essential components in the manufacturing of different industrial products.

A Bracell é a maior produtora latino-americana de celulose solúvel (rayon-grade) e de celulose solúvel especial (specialty-grade) a partir da madeira de eucalipto. Às vésperas de completar 15 anos de participação no mercado, construímos uma marca de renome associada a soluções seguras e confiáveis que contribuem para a qualidade de vida e o conforto de milhões de pessoas ao redor do globo.

No Brasil, onde são desenvolvidas suas atividades operacionais, a Bracell opera em ambientes que conciliam a vocação para a atividade florestal da região do litoral norte e agreste da Bahia, com a tradição industrial que caracteriza o Polo de Camaçari, primeiro complexo petroquímico planejado do país e maior complexo integrado do Hemisfério Sul, com mais de 93 empresas químicas, petroquímicas, automotivas, textiles, de bebidas, pneus, fármacos, fertilizantes e outras.

Com plantios próprios de eucalipto estratégicamente formados em 21 municípios ao norte de Camaçari e em mais nove localidades, por meio de parcerias com produtores rurais, no Recôncavo da Bahia. Nossos produtos são comercializados para diversos clientes ao redor do mundo, especialmente para países da América do Norte, Ásia e Europa, onde estão o escritório administrativo e a rede de vendas, marketing e suporte aos clientes da Bracell.

Nossos produtos
A Bracell desenvolve matérias-primas com elevado padrão de qualidade usadas como componentes essenciais na fabricação de diversos produtos industriais.
Embracing Sustainability in Our Business

In 2017, Bracell participated in celebrations for the 50th year of entrepreneurship for its Founder, Sukanto Tanoto. Bracell, along with other resource-based manufacturing business groups of the Royal Golden Eagle (RGE) group founded and chaired by Mr. Tanoto, renewed its commitment to the 5Cs vision to “do what is good for the Community, Country, Climate, Customer, only then it will be good for the Company”. RGE refreshed its Purpose, Vision and Core Values, which guide its global business groups, including Bracell.

Purpose
Improving lives by developing resources sustainably.

Vision
To be one of the largest, best-managed and sustainable resource-based groups, creating value for the Community, Country, Climate, Customer and Company.

Core Values
» We are aligned by our common purpose and work together as a complementary Team.
» We take Ownership to achieve outstanding results and seek value at all times.
» We develop our People to grow with us.
» We act with Integrity at all times.
» We understand our Customers and deliver best value to them.
» We act with zero complacency and always strive for Continuous improvement.

Em 2017, a Bracell participou das comemorações do 50º ano do empreendedorismo de seu fundador Sukanto Tanoto. A Bracell, e as demais empresas do grupo Royal Golden Eagle (RGE), fundado e presidido pelo Sr. Tanoto, renovou seu compromisso com a visão dos 5Cs (na sigla em inglês) de que devemos “fazer o que é bom para a Comunidade, País, Clima, Cliente e, só então, será bom para a Empresa”.

A RGE atualizou sua Missão, Visão e Valores Fundamentais que orientam seus grupos de negócios globais, incluindo a Bracell.

Visão
Melhorar a vida das pessoas desenvolvendo recursos de maneira sustentável.

Valores Fundamentais
» Estamos alinhados por um propósito coletivo e trabalhamos juntos em Times que se complementam.
» Nós assumimos o Olhar de dono do negócio para alcançar excelentes resultados e agregar valor o tempo todo.
» Desenvolvemos Pessoas para crescer consigo.
» Agimos com Integridade em todas as situações.
» Entendemos o nosso Cliente e entregamos produtos com melhor valor agregado.
» Somos muito rigorosos em nossas atitudes e investimos na Melhoria Contínua dos nossos processos.

Bracell’s Sustainability Policy

Bracell’s Sustainability Policy was launched in 2017. Anchored on seven important pillars that guide all company activities, we are committed to environmental protection, community development and business continuity:

» Compliance with laws and regulations
» Responsible work practices
» Development of local communities
» Environmental protection and conservation
» Transparency and Accountability
» Impact identification and monitoring
» Continuous improvement and customer-centricity

To demonstrate the company’s commitment to sustainability, this report is divided into chapters that will address our performance in each of these pillars.

By following these guidelines, Bracell believes it can keep its position as one of the main global producers of specialty-grade cellulose from eucalyptus wood.

In 2018, Bracell aims to raise stakeholders’ engagement in implementing the policy.

This document may be updated whenever necessary. The Bracell Institutional Relations and Sustainability team aims to ensure that stakeholders have a voice and actively contribute to policy updates and implementation within the organization.

Política de Sustentabilidade da Bracell

Lançada em 2017, a Política de Sustentabilidade da Bracell está ancorada em sete pilares importantes que norteiam todas as atividades da empresa. Ela evidencia nosso compromisso com a proteção ambiental, com o desenvolvimento da comunidade e com a continuidade dos negócios:

» Cumprimento das leis e regulamentos
» Práticas responsáveis de trabalho
» Desenvolvimento das comunidades locais
» Proteção e conservação do meio ambiente
» Transparência e responsabilidade
» Identificação e monitoramento de impactos
» Melhoria contínua e foco no cliente

Para demonstrar o compromisso da empresa com a sustentabilidade, este relatório está dividido em capítulos que irão abordar nosso desempenho em cada um desses pilares.

Seguindo essas diretrizes, a Bracell acredita que pode manter sua posição como um dos principais produtores mundiais de celulose solúvel a partir de madeira de eucalipto.

Em 2018, a empresa pretende aumentar o envolvimento das partes interessadas na implantação da política.

Este documento pode ser atualizado sempre que necessário.

A equipe de Relações Institucionais e Sustentabilidade da Bracell busca garantir que as partes interessadas tenham voz ativa e contribuam para a atualização e implantação de políticas dentro da organização.
The Bracell group has continuously allowed stakeholders a voice and enabled them to engage in relevant company topics. A survey of the business material aspects has been carried out in Brazil in the past few years. In 2016, 420 people were involved in updating the materiality matrix. The number comprised 96 representatives from external institutions (including the government, NGOs, associations, agricultural unions, segment employer unions, labor unions, cellulose segment entities, agricultural producers, suppliers and press members from across the 21 municipalities where we operate) and a group of employees from both the forestry and industrial units.

Each stakeholder was completely free to express their opinion about potential impacts, risks, and opportunities relevant to Bracell. They could also identify which aspects were most important for our company’s activities considered most important for the key stakeholders.

With the aim of obtaining results that accurately reflect different perceptions about its operations, we ensured that all the priority groups had access to participate in the survey. To do this, we employed two ways of engagement: electronic forms were made available to those with Internet access, while a team was deployed in the field to apply questionnaires to those who did not.

In the form, all possible material aspects about company activities were listed, as indicated by the Global Reporting Initiative (GRI). The participants were asked to score each of the impacts by order of importance to them. They could also point out the risks and opportunities of each impact as well as its limits – whether it was directly or indirectly related to the company.

As a result, it was possible to identify aspects of our company’s activities considered most important for the key stakeholders.

Every year, Bracell updates its activities performance for the previous year and goals for the next year, to track the evolution of the company’s material aspects.

Ouvir suas partes interessadas e possibilitar que se engajem nos assuntos relevantes da empresa tem sido um trabalho constante do grupo Bracell. Nos últimos anos, foi realizado um levantamento de aspectos materiais dos negócios no Brasil. No final de 2016, este trabalho foi intensificado com o envolvimento de 420 pessoas na atualização da matriz de materialidade, sendo 96 representantes de instituições externas (governo, ONGs, associações, sindicatos rurais, sindicato patronal do setor, sindicato dos trabalhadores, entidades do setor de celulose, produtores rurais do Programa Produto Florestal, empresas prestadoras de serviço, imprensa e outros públicos distribuídos pelos 21 municípios onde a empresa atua e um grupo de colaboradores, tanto da unidade florestal quanto da industrial.

Cada representante das partes interessadas teve total liberdade de manifestar sua opinião sobre os potenciais impactos, riscos e oportunidades relacionados às nossas operações. Estes também puderam apontar os aspectos mais relevantes para nossa atuação responsável e a sustentabilidade do nosso negócio.

A fim de obter resultados que realmente retratassem as diversas percepções em relação à sua atuação, a Bracell buscou garantir aos públicos prioritários condições de participar do levantamento. Para isso utilizou duas formas de engajamento: disponibilizou formulários eletrônicos para aqueles com acesso à internet e, nos outros casos, uma equipe foi ao campo aplicar fisicamente os mesmos questionários.

No formulário, foram listados todos os possíveis aspectos materiais indicados pela Global Reporting Initiative (GRI). Os participantes foram convidados a pontuar cada um dos impactos das atividades desenvolvidas pela empresa, de acordo com sua importância. Eles ainda puderam apontar os riscos e oportunidades de cada impacto bem como seus limites, se internos ou externos à empresa.

Graças a este modelo de coleta de informações foi possível identificar de modo consistente os aspectos de nossas atividades considerados prioritários pelos principais partes interessadas da empresa.

A cada ano, a Bracell atualiza o desempenho de suas atividades no ano anterior e as metas para o ano seguinte, evidenciando o estágio de evolução dos aspectos considerados materiais.
Material Aspects
Aspetos materiais

SOCIAL AND LABOR
SOCIAIS E TRABALHISTAS
Labor Health and Safety
Saúde e Segurança no trabalho
Job Creation and Staff Development
Geração de emprego e desenvolvimento de pessoas
Equal pay for men and women
Igualdade de remuneração entre homens e mulheres
Evaluation of suppliers based on labor practices
Avaliação de fornecedores com base em práticas trabalhistas

HUMAN RIGHTS
DIREITOS HUMANOS
Prohibition of child or slave labor
Proibição do trabalho infantil ou escravo
Diversity, Equal Opportunities and Non-discrimination
Diversidade, igualdade de oportunidades e não discriminação
Respect for human rights
Respeito aos direitos humanos
Complaints about human rights impacts
Queixas sobre impactos em direitos humanos
Freedom of association
Liberdade de associação
Evaluation of suppliers based on human rights
Avaliação de fornecedores com base em direitos humanos
Non-discrimination
Não discriminação

GOVERNANCE
GOVERNANÇA
Ethics and conformity with laws and regulations
Ética e conformidade com as leis e regulamentos

ECONOMIC
ECONÔMICOS
Economic Performance and Market Presence
Bom desempenho econômico e presença da empresa no mercado
Generation of Indirect Economic Impacts
Geração de impactos económicos indiretos

ENVIRONMENTAL
AMBIENTAIS
Water Consumption
Consumo de água
Effluent and Waste Management
Gestão de efluentes e resíduos
Biodiversity, Investments in Environmental Protection, Mitigation and Compensation for Environmental Impacts
Biodiversidade, investimentos em proteção ambiental e mitigação/compensação de impactos ambientais
Control of greenhouse gas emissions
Controle da emissão de gases de efeito estufa
Reuse of materials to be discarded
Reaproveitamento de materiais a serem descartados
Energy Consumption
Consumo de energia
Type of materials used
Tipo de materiais utilizados

SOCIETY AND CUSTOMERS
SOCIEDADE E CLIENTES
Compliance with laws and regulations
Conformidade com leis e regulamentos
Fight against corruption
Combate à corrupção
Local Communities
Comunidades Locais
Customer Health and Safety
Saúde e Segurança dos clientes
Evaluation of suppliers based on social impacts
Avaliação de fornecedores com base em impactos sociais
Complaints about impacts on society
Queixas sobre impacto na sociedade
Unfair competition
Concorrência desleal
Materiality - Aspects, opportunities, risks, performance, and goals
Materialidade - Aspectos, oportunidades, riscos, desempenho e metas

Occupational health and safety
SAÚDE E SEGURANÇA DO TRABALHO

Opportunities
Oportunidades

- Safe and appropriate workplace, with satisfied employees;
- Improved productivity;
- Decreased risk of absence due to accidents and diseases;
- Decreased labor fines;
- Good company image to stakeholders.

2017 Performance
Desempenho 2017

- Absence rate: below 1%;
- Work-related accident leave rate decreased from 2.5 to 0 in the forest area;
- Work-related accident leave rate decreased from 1.15 to 0.78 in the industrial area;
- Evolution in the performance or behavioral audits: 99%;
- Increased Safety Attitude Index (SAI): 93%;
- Monthly meetings to address health and safety indicators with contracted companies;
- Periodic hands-on training and simulations with the emergency brigade;
- Investigation and analysis of all occurrences, including accidents with material damage;
- Assessment of new auditors and their performance of monthly internal audits;
- Increased Work Permit audits.

2018 Goals
Metas 2018

- Work-related accident leave rate (CAF) for forest and industrial areas, and outsourced employees to be zero;
- Periodic hands-on training and simulations with the emergency brigade;
- Investigation and analysis of all occurrences, including accidents with material damage;
- Assessment of new auditors and their performance of monthly internal audits;
- Increased Work Permit audits.

Risks
Riscos

- Fines and penalties;
- High rates of accidents and diseases;
- Damage to company’s image and reputation;
- Loss of productivity and efficiency;
- Employees’ dissatisfaction.

2017 Performance
Desempenho 2017

- Fines and penalties;
- High rates of accidents and diseases;
- Damage to company’s image and reputation;
- Loss of productivity and efficiency;
- Employees’ dissatisfaction.

2018 Goals
Metas 2018

- Work-related accident leave rate (CAF) for forest and industrial areas, and outsourced employees to be zero;
- Performance – 75% of behavioral audit, improve record of safety deviations;
- Compliance with safety walks plan (5/monthly);
- Compliance with Work Permits (WP) audits and Task Safety Analysis (TSA);
- Compliance with audit plans of contracted companies.
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Opportunities
Oportunidades

- Strong relationship with neighboring communities;
  Forte relacionamento com as comunidades vizinhas;
- Good reputation;
  Boa reputação;
- Talent retention;
  Retenção de talentos;
- Partnership opportunities;
  Oportunidades de parceiras;
- Business sustainability.
  Sustentabilidade do negócio.

Risks
Riscos

- Social conflicts;
  Conflitos sociais;
- Damages to image and reputation;
  Danos à imagem e reputação;
- Suspension of operations;
  Paralização nas operações;
- Poor organization climate and team discouragement;
  Clima organizacional deficiente e desmotivação da equipe;
- Impact on certifications;
  Impacto nas certificações.

The Tree House (founded in 2016 to conduct environmental education) received 2,195 visitors, close to four times more visitors than the previous year; A Casa da Árvore, inaugurada em 2016 para trabalhar com educação ambiental, recebeu em 2017 o total de 2.195 visitantes, quase quatro vezes a quantidade de visitantes do ano anterior;
- 136 people from six different communities benefited from new projects meant for inhabitants of traditional quilombola communities;
  136 pessoas, de seis diferentes comunidades, se beneficiaram de novos projetos de qualificação de moradores de comunidades tradicionais quilombolas;
- Research into communities’ views about the company’s operations showed that 88% of participants believe that the company contributes to developing communities, 89% consider it contributes to environmental preservation, and 92% believe that the company has been operating responsibly.
  De acordo com pesquisa sobre percepção das comunidades em relação à atuação da empresa, 88% dos participantes acreditam que a empresa contribui para o desenvolvimento das comunidades, 89% consideram que ela contribui para a preservação do meio ambiente, e 92% acreditam que a empresa tem atuado de forma responsável.

Local communities
COMUNIDADES LOCAIS

2017 Performance
Desempenho 2017

- Over 38,000 people benefited directly from social projects developed by the company, 30% increase compared to 2016;
  Mais de 38.000 pessoas beneficiadas diretamente pelos projetos sociais desenvolvidos pela empresa, cerca de 30% de aumento em relação a 2016, sendo:
  - 31,000 people through educational projects (55% increase compared to 2016);
    31.000 participantes dos projetos de educação (55% de aumento em relação a 2016);
  - 1,014 families through entrepreneurship projects (40% increase compared to 2016), generating revenues of over USD 334,000 for those people in 2017, compared to USD 247,600 in 2016;
    1.014 famílias beneficiadas pelos projetos de empreendedorismo em 2017 (40% a mais do que em 2016), gerando renda de mais de R$ 1 milhão para estas pessoas, contra R$ 742.900 no ano anterior;
  - 6,445 people participated in company dialogue projects in 2017 (compared to 6,418 people who participated in 2016), bringing the total number of participants to over 35,000 since these discussion initiatives began in 2013.

2018 Goals
Metas 2018

- Attract new partners to further strengthen social projects;
  Captar novas parceiras para fortalecer ainda mais os projetos sociais;
- Enhance relationships with social partners to exchange experiences and develop integrated courses of action;
  Estreitar contato entre parceiros sociais para troca de experiências e desenvolvimento de ações integradas;
- Strengthen local community leaders and their associations with a leadership development program;
  Fortalecer as lideranças das comunidades locais e suas associações, por meio de um programa de capacitação de lideranças;
- Expand continued education projects to other municipalities where the company has significant operations;
  Estender projeto de educação continuada para outros municípios onde a empresa tem grande atuação;
- Develop citizenship actions in these municipalities;
  Desenvolver ações de cidadania nos municípios onde a empresa atua;
- Strengthen the Volunteering Program (which was launched in 2017).
Opportunities
Oportunidades

- Good company image;
- Employee satisfaction;
- Positive workplace;
- Attracting new talents;
- Great productivity.

Risks
Riscos

- Damages to company image;
- Labor lawsuits;
- Employee dissatisfaction;
- High turnover rate;
- Low productivity.

2017 Performance
Desempenho 2017

- 26% of employees are aged 21 to 30 years old, 44% are 31 to 40 years old, 22% are 41 to 50 years old, while 8% are over 50 years old. (In 2016, these rates were 28%, 42%, 21%, and 8% respectively);
- 26% dos colaboradores têm entre 21 e 30 anos de idade, 44% têm entre 31 e 40 anos, 22% estão na faixa de 41 a 50 anos e 8% têm mais de 50 anos de idade. Em 2016, esses índices foram, respectiva mente, de 28%, 42%, 21% e 8%;
- The company makes no distinction between races when hiring someone. Out of the 603 employees who stated their race in their registry, 15% are white, 11% are black, and 72% are mixed race;
- A empresa não tem qualquer tipo de distinção de raça em suas contratações. Dos 603 colaboradores que declararam raça em seus cadastros, 15% são brancos, 11% negros e 72% pardos;
- Presence of men and women in different positions, including leadership roles;
- Presença de homens e mulheres em seus diversos cargos, inclusive de liderança;
- Women in leadership positions increased to 28% in the industrial unit, and 27% in the forest unit (in 2016, it was 27% in the industrial unit and 22% in the forest unit);
- Em 2017, a presença das mulheres em cargos de liderança aumentou para 28% na unidade industrial e 27% na unidade florestal, sendo que em 2016 foi de 27% na área industrial e 22% na florestal;
- 32% of leadership positions in the industrial unit and 22% of leadership positions in the forest unit were held by people aged over 45 (in 2016, the rates were 42% and 30% respectively);
- No mesmo ano, na unidade industrial, 32% dos cargos de liderança foram ocupados por pessoas com mais de 45 anos. Na unidade florestal esse índice foi de 22%. Em 2016, esse índice foi de 42% na área industrial e quase 30%, na florestal;
- No wage difference based on gender;
- Não houve diferença salarial baseada em gênero;
- All leadership positions and individual contributions to the company were reassessed;
- Reavaliação de todos os cargos de comando e contribuição individual da empresa;
- Management methodology for compensation was developed.
- Desenvolvimento da metodologia de gestão da remuneração.

2018 Goals
Metas 2018

- Adapt the company in line with Federal Government standards on E-social demands;
- Adequar a empresa às exigências do Governo Federal sobre o E-social;
- Adjust degrees of internal consistency and external competitiveness in compensation practices;
- Ajustar o grau de consistência interna e de competitividade externa das práticas de remuneração;
- Meet 100% of the Critical Recruitment Plan for 2018;
- Atender a 100% do Plano de Recrutamento Crítico para 2018;
- Define policy, strategy, and composition of compensation.
- Definir política, estratégia e composição de remuneração.
**Opportunities**

- Increase in market share; Aumento na participação no mercado;
- Increase in production capacity; Aumento na capacidade de produção;
- Greater investment in innovation and expansion; Maior capacidade de investimento em inovação e expansão;
- Increase in profitability; Aumento na rentabilidade;
- Business sustainability. Sustentabilidade do negócio.

**2017 Performance**

- 1% increase in production volume of rayon-grade cellulose; Aumento de 1% na qualidade da celulose solúvel;
- 20% increase in production volume of specialty-grade cellulose; Aumento de 20% no volume de produção de celulose solúvel especial;
- 1% decrease in net profit margin due to 9% decrease in sales volume; Redução de 1% na margem de lucro líquida devido à diminuição de 9% no volume de vendas;
- 2% increase in sale costs; Aumento de 2% do custo das vendas;
- 12% decrease in administrative expenses. Redução de 12% nas despesas administrativas.

**Risks**

- Decrease in market share; Redução da participação no mercado;
- Decrease in production capacity; Redução da capacidade de produção;
- Loss of customers; Perda de clientes;
- Loss of competitiveness; Perda de competitividade;
- Dismissal of workforce; Dispensação de mão-de-obra;

**2018 Goals**

- Produce 500,000 tons of rayon-grade cellulose, of which 185,000 tons is specialty-grade cellulose; Produzir 500 mil toneladas de celulose solúvel, sendo 185 mil toneladas de celulose solúvel especial;
- Maintain production costs at competitive levels; Manter o custo de produção em níveis competitivos;
- Achieve at least a 7% average rate in rayon-grade cellulose quality; Acheie índice acima de 7% de média de qualidade da celulose solúvel.

**2017 Performance**

- Positive company image; Imagem positiva perante a sociedade;
- Business sustainability; Sustentabilidade do negócio;
- Availability of resources for production; Disponibilidade de recursos para a produção;
- Lower production costs; Menor custo de produção;
- Maintenance of licenses and certifications. Manutenção de licenças e certificações.

**Risks**

- Administrative sanctions and fines; Sanções administrativas e multas;
- Interruption of operations due to lack of resources; Interruption das operações por falta de recursos;
- Damage to company image; Danos à imagem da empresa;
- Cancellation of operating license; Cancelamento da licença operacional;
- Threats to business sustainability. Riscos à sustentabilidade do negócio.

**2018 Goal**

- Decrease monthly water consumption average in Lines I and II to less than 30 m³/ton. Reduzir a média mensal de consumo de água nas linhas I e II para menos de 30 m³ por tonelada de celulose solúvel produzida.
Opportunities
Oportunidades

- Good reputation and a solid relationship with stakeholders; Boa reputação e relacionamento saudável com partes interessadas;
- Ability to establish local partnerships; Facilidade para firmar parcerias locais;
- Development of local production chain; Desenvolvimento da cadeia produtiva local;
- Competitive edge with lower production costs; Vantagem competitiva com menor custo de produção;
- Maintenance of licenses and certifications. Manutenção de licenças e certificações.

Risks
Riscos

- Increased risks to the operation due to social movements; Aumento de riscos à operação com movimentos sociais;
- Damage to reputation and subsequent difficulties in approaching communities and government; Desgaste da imagem e dificuldade de relacionamento com comunidades e poder público;
- Loss of government subsidies or benefits; Perda de incentivos ou benefícios governamentais;
- Loss of competitiveness with greater production costs; Perda de competitividade com maior custo de produção;
- Loss of licenses and certifications. Prejuízos às licenças e certificações.

2017 Performance
Desempenho 2017

- Bracell acquired USD 305 million in products and goods from over 1,615 suppliers, less than the USD 313 million acquired in 2016 from 1,700 suppliers; A Bracell adquiriu R$ 915 milhões em produtos e serviços de mais de 1.615 fornecedores, pouco menos do que os R$ 940 milhões adquiridos em 2016 de 1.700 fornecedores.
- 75% of total amount for services in 2017 were paid to local suppliers; 75% do total de contratos de serviços direcionados aos fornecedores da própria região;
- 46% of contracted suppliers in the industrial unit were local (29% less than 2016), while the rate was 68% in the forest unit (21% more than 2016); 46% dos fornecedores contratados na unidade industrial foram da própria região, o equivalente a 29% a menos do que em 2016; Já na unidade florestal, esse índice foi de 68%, ficando 21% acima do ano anterior;

2018 Goals
Metas 2018

- Source local prospective suppliers continuously; Continuar a prospecção local de fornecimento;
- Develop a local suppliers’ qualification program. Desenvolver programa de qualificação de fornecedores locais.

Up to 3,000 indirect jobs were generated at its peak by company activities in Brazil. As atividades da empresa no Brasil geraram pico de até 3,000 empregos indiretos.

Generation of indirect economic impacts
GERAÇÃO DE IMPACTOS ECONÔMICOS INDIRETOS

Up to 3,000 indirect jobs were generated at its peak by company activities in Brazil. As atividades da empresa no Brasil geraram pico de até 3,000 empregos indiretos.

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- Develop a local suppliers’ qualification program. Desenvolver programa de qualificação de fornecedores locais.
Opportunities
Oportunidades

- Increased competitiveness;
- Increased productivity and improved processes;
- Performance improvement;
- Cost reduction;
- Low turnover and attraction of new talent.

2017 Performance
Desempenho 2017

- Bracelli ended the year with 1,287 direct employees (about 13% less than in 2016), of which 87% come from areas where the company operates;
- The company invested USD 63.3 million in the Programa de Incentivo à Educação, to which the company invested R$ 190 million;
- Development and implementation of a system to improve performance assessment, and addition of new assessment criteria for all professional levels;
- A new encourages employees to take college courses, which is part of the Leaders’ Development Program. The program had 37 leaders participate in 2016;
- 37 leaders attended situational leadership training, which is part of the Leaders’ Development Program. The program had 31 participants in 2016;
- 77 employees received recognition for their length of service at the company;
- 102 collaborators benefited from the Education Encouragement Program (into which the company invested USD 63.3 million);
- 102 collaborators benefited from the Encouragement Program, whose plan was developed;
- 102 collaborators benefited from the Encouragement Program, whose plan was developed to improve performance assessment.

Risks
Riscos

- Low performance and loss in product quality;
- High turnover rate;
- High turnover rate;
- Lack of qualified workforce;
- Loss of competitiveness;
- Business continuity issues;
- High turnover rate;
- Alta rotatividade de empresas;
- Alta rotatividade de pessoas;
- Baxa rotatividade e atração de novos talentos.

2017 Performance
Desempenho 2017

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2018 Goals
Metas 2018

- Start a new trainee program for the forest unit;
- Iniciar um novo programa de trainee para unidade florestal;
- Proceed with the succession program;
- Dar andamento ao Programa de Sucessão;
- Update the company’s Code of Ethics based on the new Core Values;
- Atualizar Código de Ética da empresa, pautado nos novos valores fundamentais;
- Conduct a new organizational climate survey. Realize nova pesquisa de clima organizacional.
Opportunities
Oportunidades

- Good image and reputation;
  Boa imagem e reputação;
- Cost reduction;
  Redução de custos;
- Environmental sustainability;
  Sustentabilidade ambiental;
- Maintenance of licenses and certifications;
  Manutenção de licenças e certificações;
- Increased competitiveness.
  Aumento da competitividade.

2017 Performance
Desempenho 2017

- Load of organic effluents: 5.3 kg/Adt, lower than the goal of 7.5 kg/Adt;
  Carga de efluente orgânico: resultado de 5.3 kg/tsa, superando meta de 7.5 kg/tsa;
- Volume of organic effluents: 25.8 m³/Adt, lower than the 26 m³/Adt volume of 2016;
  Volume de efluente orgânico: 25.8 m³/tsa, abaixo dos 26 m³/tsa de 2016;
- Improvement project succeeded in reducing solid residue generation from industrial activities to 257 kg/Adt of rayon-grade cellulose produced (11.7% less than the 291 kg/Adt generated in 2016, and 15% less than 2015).
  Projeto de melhoria reduziu a geração de resíduos sólidos das atividades industriais para 257 kg/tsa produzida, 11,7% a menos do que em 2016 (291 kg/tsa) e 15% abaixo de 2015.

Risks
Riscos

- Penalties and fines;
  Penalidades e multas;
- Increase in production costs
  Aumento dos custos de produção;
- Damages to company image;
  Danos à imagem da empresa;
- Loss of operating licenses and certifications;
  Perda de licenças operacionais e de certificações;
- Significant environmental impacts.
  Impactos ambientais relevantes.

2018 Goals
Metas 2018

- Generate a maximum organic effluent load of 6 kg/Adt of rayon-grade cellulose produced;
  Gerar carga do efluente orgânico de, no máximo, 6.0 kg/tsa de celulose solúvel produzida;
- Generate a maximum of 25.6 m³ of organic effluent / Adt of rayon-grade cellulose produced;
  Gerar, no máximo, 25.6 m³ de efluente orgânico / tsa produzida;
- Generate a maximum of 260 kg of solid residues / Adt of rayon-grade cellulose produced;
  Gerar, no máximo, 260 kg de resíduos sólidos na unidade industrial / tsa produzida
- Have a maximum of TRS* emissions in the boiler of 3.0 mg/Nm³;
  Ter índice máximo de emissões de TRS* na caldeira de, no máximo, 3,0 mg/Nm³;
- Have a maximum of TRS* emissions in the lime kiln of 15 mg/Nm³;
  Ter índice máximo de emissões de TRS* no forno de cal de 15 mg/Nm³;

*TRS refers to Total Reduced Sulfur emitted in the recovery boiler chimney and lime kiln.
Adt = Air Dry Tonne

*TRE: sigla em inglês de Compostos de Enxofre Reduzido (Total Reduced Sulfur) emitidos na chaminé da caldeira de recuperação e forno de cal.
Tsa = Tonelada seca ao ar.
Opportunities

- Good image and reputation;
- Business sustainability;
- Contribution to environmental preservation;
- Assurance of production resources;
- Maintenance of licenses and certifications.

2017 Performance

- Investments of USD 13.3 million in environmental protection (14% more than the amount in 2016);
- No records of negative impacts on High Conservation Value areas which are monitored and preserved by the company;
- The survey of all environmental and social impacts that may occur due to company activities was reviewed and updated;
- The company updated to the new ISO 14001:2015 criteria and was re-certified in December 2017;
- The company published a Fauna Sighting Manual and trained workers in the Property Security areas to contribute to species monitoring in these areas;
- A Degraded Area Recovery program was implemented in 14.9 ha of company areas;
- The riparian forest recovery project was implemented across seven communities (five more than 2016). 2,080 native plant seedlings were donated to the program in 2017 (far exceeding the 150 seedlings donated in 2016);
- Eradication of alien species (pinus) in 745.16 ha of Legal Reserve areas and Permanent Preservation areas.

Risks

- Fines and penalties;
- Cancellation of operating license;
- Damages to company image and reputation;
- Loss of certifications;
- Injunction on operations.

2018 Goals

- Train other forest workers to become identification agents as part of the Fauna Sighting Program;
- Implement the Degraded Area Recovery Program in 8.57 ha and continue maintaining the existing 21.15 ha (from the 2016 and 2017 programs);
- Implement the Alien Species Eradication Program in 800 ha;
- Develop new fauna and flora biodiversity monitoring campaigns;
- Invest USD 13.7 million towards the environment.

Biodiversity, investments in environmental protection, mitigation and compensation of environmental impacts
Forestry activities

Bracell manages high-quality forests across 21 municipalities in the Bahia state (including Agreste) which are all within a 120 km radius from our rayon-grade cellulose mill in Camaçari. There are 750 georeferenced properties which amount to 150,540 ha in total. Of this, 82,479 ha are eucalyptus plantations while 60,992 ha are host to native forests at varying stages of preservation. The remaining 7,069 ha comprises roads and other infrastructure.

These properties are strategically located, with technical, operating, environmental, social and legal aspects considered, to ensure a sustainable supply of eucalyptus wood to the industrial unit.

At the end of 2017, Bracell had an area of 73,803 ha with its own eucalyptus plantation. In addition, we also have 9,320 ha in outsourced areas for forest development (Tree Farming Program), of which 9,015 ha have been effectively planted.

Forestry activities in numbers

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Harvest</td>
<td>2,449,731 m³ of eucalyptus wood harvested. 2,450,069 m³ of eucalyptus wood was harvested in 2016.</td>
</tr>
<tr>
<td></td>
<td>17,117 ha planted, including own areas and areas for forest development (Tree Farming Program). It is the largest planted area since 2008. 15,068 ha were planted in 2016.</td>
</tr>
<tr>
<td></td>
<td>2,276,140 m³ of debarked wood have been transported</td>
</tr>
<tr>
<td></td>
<td>17.16 million eucalyptus seedlings produced in 2017, about 30% more than in 2016 (13.19 million)</td>
</tr>
<tr>
<td></td>
<td>17.117 ha planted, including areas próprias e de fomento florestal, sendo o maior volume de área plantada desde 2008. Em 2016, foram plantadas 15.068 hectares. Incluído talhado e fomento.</td>
</tr>
<tr>
<td></td>
<td>2.276.140 m³ de madeira descascada transportados</td>
</tr>
<tr>
<td></td>
<td>17,16 milhões de mudas de eucalipto produzidas em 2017, cerca de 30% a mais do que em 2016 (13,19 milhões)</td>
</tr>
<tr>
<td></td>
<td>6,712 m³ Daily harvest average Média diária de colheita</td>
</tr>
<tr>
<td></td>
<td>121 km Average transport distance Distância média de transporte</td>
</tr>
<tr>
<td></td>
<td>6,236 m³ Daily average transported volume Média diária de volume transportado</td>
</tr>
<tr>
<td></td>
<td>8,949 m³ Monthly record of wood delivered to the mill (July/2017) Recorde mensal de madeira entregue na fábrica (julho/2017)</td>
</tr>
</tbody>
</table>
Industrial activities

Bracell is one of the most modern rayon-grade cellulose and specialty-grade cellulose producers in the world, with a capacity of 500,000 tons of product per year. With high-quality equipment and processes, its factory serves about 8% of the world demand for cellulose specialties, an essential raw material used in making several products.

Although the mill’s total production in 2017 was 471,848 tons, lower than 2016, its specialty cellulose production increased, adding value to the company’s productivity and improving its global market presence.

The production goal for 2018 is 500,000 tons, of which 185,000 tons is specialty cellulose.

In 2017, cellulose sales were largely directed to customers in China, the United States, Mexico, and European countries.

Thanks to increased general cargo shipping volumes and the use of partners’ container warehouses (depots), Bracell was able to reduce logistics costs in 2017, which enabled the company to achieve results under budget and maintain its global market competitiveness.

In June 2017, Bracell broke its monthly shipment record by shipping 50,862 tons. The previous monthly record of 49,766 tons shipped had been achieved in December 2016.

In total, the company shipped 457,037 tons of rayon-grade cellulose in 2017.

For 2018, the challenge is to continue improving operations, maintain similar costs, and increase production and shipment volumes.

Atividades industriais

A Bracell opera uma das mais modernas indústrias de celulose solúvel (rayon) e celulose solúvel especial (specialty) do mundo, com capacidade instalada para obter anualmente 500,000 toneladas de produto. Com equipamentos e processos de alto padrão, a fábrica atende a aproximadamente 8% da demanda mundial por especialidades de celulose, matéria-prima essencial para o desenvolvimento de uma variada gama de produtos.

Apesar de em 2017 a produção total da fábrica ter sido de 471,848 toneladas, menor do que em 2016, a produção de celulose especial foi maior, agregando valor à atividade produtiva da empresa e melhorando sua penetração no mercado global.

A meta de produção para 2018 é de 500 mil toneladas, sendo 185 mil de celulose especial.

Em 2017, os volumes de produção e vendas foram quase totalmente direcionados para clientes na China, Estados Unidos, México e países da Europa.

Product Shipped volume (in ton)

<table>
<thead>
<tr>
<th>Product Shipped volume (in ton)</th>
<th>Volume embarcado (em ton)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rayon-grade cellulose / Celulose solúvel</td>
<td>289,899.21</td>
</tr>
<tr>
<td>Specialty-grade cellulose / Celulose solúvel especial</td>
<td>167,138.18</td>
</tr>
<tr>
<td>TOTAL</td>
<td>457,037.39</td>
</tr>
</tbody>
</table>

Customers’ origin x Volume of sales (%)

<table>
<thead>
<tr>
<th>Customers’ origin x Volume of sales (%)</th>
<th>Origem dos clientes x Volume de compras (em %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHINA</td>
<td>72</td>
</tr>
<tr>
<td>UNITED STATES</td>
<td>13</td>
</tr>
<tr>
<td>MEXICO</td>
<td>5</td>
</tr>
<tr>
<td>EUROPEAN COUNTRIES</td>
<td>4</td>
</tr>
<tr>
<td>OTHER</td>
<td>6</td>
</tr>
</tbody>
</table>

Com o aumento do volume de embarque de carga geral e a utilização de armazéns de containers (depots) parceiros, a Bracell reduziu ainda mais os custos logísticos em 2017, o que permitiu à empresa resultados melhores que o orçamento planejado, contribuindo para manter sua competitividade no mercado mundial.

Em junho, a Bracell quebrou seu recorde mensal de embarque de 50,862 toneladas. O recorde anterior de 49,766 toneladas foi atingido em dezembro de 2016.

No total, a empresa efetuou o embarque de 457,037 toneladas de celulose solúvel em 2017.

Para 2018, o desafio é continuar aprimorando as operações a fim manter os resultados de custo, aumentando os volumes de produção e embarque.
Purpose
Improving lives by developing resources sustainably

Vision
To be one of the largest, best-managed and sustainable resource-based groups, creating value for the Community, Country, Climate, Customer and Company

Core Values (TOPICC)
As RGE Group renewed its Core Values in 2017, there were mobilization efforts across all the group companies worldwide to familiarize employees with them.

At Bracell, corporate activities were organized to help employees to be aligned with the new values, including roadshows, and the production of relevant visual communication materials. Core Values ambassadors were selected to contribute and assist in disseminating relevant information, and there were discussions about exemplary behaviors aligned with TOPICC values.

Similar activities will take place in 2018, with the expected launch of a Core Values microsite as well as a phone application.

Bracell Group’s Sustainability Policy
As one of the main producers of dissolving wood pulp and specialty cellulose from eucalyptus wood, Bracell is committed to sustainable development in all operations.

Our Sustainability Policy is guided by Royal Golden Eagle Group’s Forestry, Fibre, Pulp & Paper Sustainability Framework1 and based on the philosophy that whatever we do must be good for the community, good for the country, good for the climate and good for the customers. Only then it will be good for the company.

Likewise, the Brazil-based companies under Bracell – Copener Florestal and Bahia Specialty Cellulose – focus on long-term shared value creation for its stakeholders, e.g., customers, employees, local communities through economic growth, innovation, efficient production with excellent quality, and meeting customer needs. We always seek to be responsible producers, protect the environment, respect human rights and develop the communities where we operate.

1 http://www.rgei.com/sustainability/sustainability-framework
As empresas do grupo Bracell estão empenhadas em respeitar e apoiar a Declaração Universal dos Direitos Humanos e em proporcionar um ambiente de trabalho seguro, saudável e produtivo para todos os colaboradores. Especificamente, o grupo:

- Respeita a diversidade de trabalhadores, incluindo raça, religião e gênero – e não tolera qualquer tipo de discriminação ou abuso;
- Respeita a liberdade de associação em todas as unidades de negócio;
- Cumpre com todos os requisitos para a contratação de colaboradores, incluindo prioridade de recrutamento de trabalhadores locais qualificados;
- Adere à Declaração da Organização Internacional do Trabalho sobre os princípios e direitos fundamentais no trabalho;
- Oferece a todos os colaboradores um local de trabalho seguro, limpo e adequadamente equipado;
- Investe em treinamentos comportamentais e de segurança ocupacional;
- Não tolera trabalho infantil ou escravo;
- Trabalha para aumentar a conscientização dos colaboradores sobre a sustentabilidade do negócio.
3. DEVELOPMENT OF LOCAL COMMUNITIES
Desenvolvimento de Comunidades Locais

Bracell undertakes its activities with respect for local communities and contributes to their social development. Specifically, the group:

- Seeks to understand the local context and engages stakeholders before starting any project to achieve more collaborative and effective results;
- Designs and implements community projects in a shared decision-making process with stakeholders;
- Supports the social and economic development of the communities in the region where we operate through the strengthening of local productive arrangements;
- Believes and invests in education as an important tool to improve quality of life and conservations of the environment in the communities;
- Establishes partnerships whenever possible to optimize social projects results;
- Prefers to invest in structured projects, rather than philanthropic efforts, to confer practical and long-lasting benefits for the local population;
- Seeks to contribute to the achievement of the Sustainable Development Goals established by the United Nations Global Compact;
- Monitors social indicators related to its projects;
- Prioritizes traditional communities, respecting their rights and encouraging actions to preserve their culture and generate income;
- Prioritizes communities around its areas of operation.

A Bracell desenvolve suas atividades com respeito às comunidades locais e contribui para o seu desenvolvimento social. Especificamente, o grupo:

- Procura conhecer o contexto local e engajar o público antes de iniciar qualquer projeto, a fim de alcançar resultados mais participativos e eficazes;
- Desenha e implanta projetos comunitários em um processo de tomada de decisão compartilhada com as partes interessadas;
- Apoia o desenvolvimento social e econômico das comunidades da região onde atua por meio do fortalecimento de arranjos produtivos locais;
- Acredita e investe na educação como importante ferramenta para melhorar a qualidade de vida e a preservação ambiental nas comunidades;
- Estabelece parcerias sempre que possível para otimizar os resultados de projetos sociais;
- Prefere investir em projetos estruturantes, ao invés de ações filantrópicas, para possibilitar benefícios mais consistentes e duradouros à população local;
- Busca contribuir com o atingimento dos Objetivos de Desenvolvimento Sustentável estabelecidos a partir do Pacto Global das Organizações das Nações Unidas (ONU);
- Monitora indicadores sociais relacionados aos seus projetos;
- Prioriza as comunidades tradicionais, respeitando seus direitos e incentivando ações para preservar sua cultura e gerar renda;
- Prioriza as comunidades que vivem no entorno de suas áreas de atuação.

4. ENVIRONMENTAL PROTECTION AND CONSERVATION
Proteção e Conservação do Meio Ambiente

Bracell performs its operations with respect for the environment and protects relevant areas to maintain biodiversity. Specifically, the group:

- Commits to use only eucalyptus wood from reforestation activities in its production processes;
- Maintains more than 40,000 hectares of preserved forest such as legal reserves, environmental protection areas, permanent protection areas and native vegetation;
- Identifies in a participatory way and protects High Conservation Value (HCV) areas due to species diversity, ecosystems and natural habitats, local community needs or cultural values;
- Commits to protecting the natural resources in company-owned forest areas;
- Maintains mechanisms to identify endemic, rare, threatened or endangered species and their habitats in its plantations and forest reserves;
- Protects its plantations and forest reserves from illegal extraction of timber and other products, occupation by outsiders, hunting, fishing and other unauthorized activities, as well as forest fires;
- Monitors any infractions and notifies the relevant authorities;
- Commits to zero deforestation and a “no burn” policy;
- Manages available water resources in a responsible manner and in compliance with the legislation;

- A Bracell realiza suas operações com respeito ao meio ambiente e protege áreas relevantes para manter a biodiversidade. Especificamente, o grupo:
- Compromete-se a utilizar em seus processos produtivos apenas madeira de eucalipto proveniente de atividades de reflorestamento;
- Mantém mais de 40.000 hectares de florestas preservadas, tais como reservas legais, áreas de proteção ambiental, áreas de proteção permanente e vegetação nativa;
- Identifica de forma participativa e protege Áreas de Alta Valor de Conservação (AAVC) devido à diversidade de espécies, ecossistemas e habitats naturais, necessidades das comunidades locais ou valores culturais;
- Compromete-se a proteger os recursos naturais nas áreas florestais que estão sob sua propriedade;
- Mantêm mecanismos para identificar espécies endêmicas, raras, ameaçadas ou em perigo e seus
Performs the proper management of solid wastes and effluents from its forestry and industrial activities;
Is committed to the continuous reduction of carbon dioxide and other greenhouse gases in its operations;
Makes constant improvements in energy and material efficiency, including the increased use of energy from renewable sources;
Optimizes carbon sequestration from the conservation and restoration of ecosystems;
Makes constant improvements to sustainable planting practices;
Monitors carbon emissions and reports its carbon footprint in the annual Sustainability Report;
Applies the 3 Rs – Reduce, Reuse, Recycle – wherever possible.

Bracell is committed to acting as a responsible producer and member of the community. Specifically, the group:

- Maintains an open and free channel to receive, register and handle inquiries, requests and complaints from all stakeholders;
- Maintains constant dialogue with stakeholders, especially communities, to inform and consult them about company activities that may affect them;
- Does not tolerate the use of violence or any form of intimidation or coercion;
- Publishes an annual Sustainability Report, following Global Reporting Initiative (GRI) guidelines, to document the group’s performance in a clear and transparent way;
- Publishes a summary of its management plan annually and updates this plan every two years;
- Maintains internal communication channels to engage its employees and external communication channels to inform communities, authorities, NGOs, suppliers, partners and the public about activities and projects;
- Participates in associations, committees and institutions to strengthen the sector;
- Maintains a Crisis Management Committee, prepared to act proactively and transparently in situations of risk to the company and its employees.
Bracell seeks to enhance the positive effects of its operations and activities while mitigating or minimizing any negative impact. Specifically, the group:

- Maintains an updated survey of social-environmental aspects and impacts from all operational areas to identify, prevent and correct any issues;
- Collects and evaluates social-environmental impacts before operations begin;
- Evaluates its products regarding risks related to safety, health and the environment;
- Carries out frequent impact to determine process development and assess the need for strategic actions.

Bracell strives to understand its customers, deliver products with a greater quality and invest in the Continuous Improvement of its processes. In this sense, the group:

- Cares about the good internal alignment and the constant engagement of its clients to meet their needs;
- Customizes its services and products to offer customers profitable solutions;
- Ensures business competitiveness by maintaining product quality, productivity and operational costs as its pillars;
- Strives to keep up with market trends and evolutions;
- Continuously invests in research, development and innovation to make its products more attractive and competitive;
- Develops programs advocating educational and technical training which may contribute to the further development of teams;
- Establish strict targets so that employees will continuously strive to achieve the best operating practices and results.

A Bracell busca aumentar os efeitos positivos de suas operações e atividades, e ao mesmo tempo mitigar ou minimizar qualquer impacto negativo. Especificamente, o grupo:

- Mantém um levantamento atualizado dos aspectos e impactos socioambientais, envolvendo todas as áreas operacionais para identificar, prevenir e corrigir quaisquer problemas;
- Identifica e avalia impactos socioambientais antes do início das operações;
- Avalia os produtos comercializados quanto aos riscos relacionados à segurança, saúde e meio ambiente;
- Realiza monitoramento de impactos frequentemente para medir a evolução do processo e avaliar a necessidade de ações estratégicas.

Bracell busca aumentar os efeitos positivos de suas operações e atividades, e ao mesmo tempo mitigar ou minimizar qualquer impacto negativo. Especificamente, o grupo:

- Cuida do bom alinhamento interno e do engajamento constante de seus clientes para atender suas necessidades;
- Personaliza seus serviços e produtos para oferecer soluções vantajosas aos clientes;
- Garante competitividade do negócio mantendo como pilares a qualidade, produtividade e os custos operacionais;
- Busca acompanhar as tendências e evoluções do mercado;
- Investe continuamente em pesquisa, desenvolvimento e inovação para tornar seus produtos mais atrativos e competitivos;
- Realiza programas de incentivo à educação e treinamentos técnicos que possam contribuir com o desenvolvimento de suas equipes;
- Estabelece metas rigorosas de resultados para que seus colaboradores estejam em permanente busca por melhores práticas e resultados operacionais.
Bracell respects Brazilian legislation on forestry and industrial operations. The company continues to promote compliance with laws and the adoption of best practices in people and process management among its employees as well as its partners.

A Bracell respeita a legislação brasileira em quaisquer etapas de suas operações florestais e industriais. Ao adotar boas práticas de gestão de pessoas e processos, a empresa colabora para que normas e regulamentos específicos do setor sejam propagados entre seus colaboradores e parceiros.
In 2017, Bracell was not subject to any lawsuit related to unfair competition, corruption, trust or monopoly of its results, at both the judicial and administrative levels either in Brazil or abroad. Moreover, the company did not receive any significant fines throughout the year.

Auditors address potential irregularities reported by both internal and external users, such as employees and service suppliers, through the analysis of information obtained through a whistleblowing channel named BSC Escuta.

Stakeholders have access to the internal audit team either in person or through specific communication channels: the email account bsc_escuta@bahiaspeccell.com, exclusively for receiving reports of misconduct and suspicion of frauds; and the toll free line 0800 006 6012, exclusively used to handle grievances about improper behaviors or fraud suspicion. In all cases, complaining parties may opt to remain anonymous.

In 2017, six complaints in the production units were filed through these channels. While two of them were considered unfounded, the other four cases were duly addressed by auditors. None of the four admissible occurrences were related to any infringement of human rights by Bracell or its service suppliers. At the same time, forest activities required USD 93 million in products and services from 580 different suppliers. Companies from Bahia contributed 46% to this total, 21% above 2016’s figure.

In 2018, the auditors will develop a strategic plan focused on compliance and control to increase efficiency and to mitigate risks in analyzed areas.

The internal audit team also collaborates with other company departments to adopt tools to mitigate risks inherent to company activities and to improve internal control.

In 2017, Bracell acquired USD 212 million in products and services from 1,035 different suppliers. A auditoria interna desenvolveu um trabalho conjuntamente com outras áreas da empresa que contribuiu para melhorar os controles internos a partir da adoção de ferramentas de mitigação dos riscos inerentes às atividades.

For 2018, the auditors will continue with a plan to increase compliance and control in all areas of the business.

57% out of the 1,615 contracted companies for the acquisition of products or services in 2017 were from Brazil. Meanwhile, 75% of the USD 305 million invested in suppliers were given to local service providers.

A área industrial da Bracell adquiriu, em 2017, R$ 636 milhões em produtos e serviços de 1,035 diferentes fornecedores de insumos, equipamentos, peças de reposição, serviços e materiais. Os fornecedores baianos corresponderam, em média, a 46% deste total, 29% a menos do que em 2016.

In 2017, Bracell acquired USD 212 million in products and services from 1,035 different suppliers. At that time, forest activities required USD 93 million in products and services from 580 different suppliers. Companies from Bahia contributed 46% to this total, 21% above 2016’s figure. Meanwhile, 75% of the USD 305 million invested in suppliers were given to local service providers.
Employing people is more than tapping on their work skills. It’s about providing them with an environment where they can grow professionally and personally - turning them into your most valuable assets. As caring for our employees is a company priority, we have a zero tolerance policy towards practices within and outside the organisation that diminish our employees’ dignity and integrity, as well as compromise their safety.

Empregar pessoas é mais do que utilizar suas habilidades para o trabalho. É prover a elas um ambiente onde possam crescer pessoal e profissionalmente – transformando-as nos ativos mais valiosos da organização. Como cuidar dos colaboradores é uma prioridade para a companhia, a Bracell combate com rigor interna e externamente quaisquer práticas que afetem a dignidade e integridade ou comprometam a segurança de sua equipe.
Bracell guides all employees in all aspects of its code of ethics as soon as they join the company, with the aim of fostering responsibility and professionalism at all hierarchic levels. Newly hired employees receive a printed copy of the code and attend an ethics training session.

All employees also have permanent access to an electronic version of the code of ethics available through the company intranet.

The document clearly outlines employees’ rights and duties, and guides professional relations between employees and Bracell commercial partners, with the aim of maintaining good relations with stakeholders.

In 2018, the company will be reviewing its code of ethics (originally released in 2013) and aligning them with RGE Group’s new Core Values.
Bracell is aware that well-prepared and focused teams are necessary for productivity. Thus, the company makes much effort to encourage a respectful, engaging, and challenging climate for its staff. To do so, the company invests in its teams by providing them with clear professional and personal growth opportunities. It provides proper physical structure, modern equipment and systems in a safe, comfortable workplace.

It’s worth reiterating the company’s commitment to respect human rights. New employees undergo a module on that topic as part of their orientation.

In its pursuit of operational excellence, Bracell strives to position itself in the market as an organization that values the careers of hundreds of employees, as well as providing one with a clear path towards professional growth.

Evolution of the company’s people management model is reliant on employees’ participation in organizational climate surveys which have been conducted since 2014. The surveys, which are conducted every two years, have helped the company to understand employee feelings and demands.

In 2017, the company took qualitative steps to rectify employee dissatisfaction expressed in the 2016 survey about governance, people management and leadership models, establishing an action plan specifically focused on improving the office environment.

In 2018, the company will conduct its third office environment survey and expand the qualitative steps to other departments of the company.

A stable relationship and respect between the company and employees is additionally evident in the employees’ complete freedom to join relevant trade unions and have representatives to negotiate shifts, administrative calendar agreements and compensations received under the Share of Net Income program. All matters are directly negotiated by Bracell and union representatives.
Operating structure

As part of its business development strategy, Bracell needed to adapt its work structure on different fronts, especially considering the seasonality of activities in the seedling nursery, the outsourcing of maintenance works on forest harvest machinery, and the restructuring of the harvest team. Because of this, Bracell reduced its number of employees from 1,489 people in 2016 to 1,287 in 2017. In the 2017 figure, 657 employees were in the industrial area while 630 people were in the forest area.

Out of this number, 52 are people with disabilities, working in areas such as legal, human resources, project engineering, fiscal, maintenance, industrial safety, general services, medical services, procurement and treasury and property security.

The number of outsourced workers in 2017 was 2,275 compared to 3,022 people in 2016.

In 2017, Bracell carried out selection processes of 366 professionals from different administrative and operational areas. Out of this total, 56 were completed through the relocation of internal employees, while 310 were completed via the attraction of new talents.

Turnover rate for 2017 was 11% in the industrial area and 17% in the forest area2, excluding seasonal hiring. The rates are a decrease from those recorded in 2016, which were 13.8% and 21.6% respectively.

Dentro os atuais profissionais, 52 são pessoas com algum tipo de deficiência. Estes atuam em áreas como jurídica, recursos humanos, engenharia de projetos, fiscal, manutenção, segurança industrial, serviços gerais, serviço médico, compras e tesouraria e segurança patrimonial dentre outras.

Da mesma forma, o número de trabalhadores terceirizados passou de um pico de 3.022 pessoas, em 2016, para 2.275, no ano seguinte.

Em 2017, a Bracell realizou 366 processos seletivos de profissionais para diversas áreas administrativas e operacionais. Deste total, 56 foram finalizados com a movimentação interna de pessoas e 310 corresponderam à captação de novos talentos.

A taxa de rotatividade no ano foi de 11% na área industrial e 17% na florestal2, excluindo-se as contratações sazonais. Os números ficaram abaixo dos registrados em 2016 que foram, respectivamente, 13.8% e 21.6%.

In this edition of the Sustainability Report, the data reported in the 2016 report were updated, excluding seasonality.
Compensation
Remuneração

A remuneração dos colaboradores da Bracell está alinhada às médias de mercado para atividades florestais e industriais.

In the industrial area, the minimum wage paid to 63 employees was USD 472.77 in 2017, more than 51% above the monthly minimum wage of USD 312.3 for that year. In the forestry area, the floor wage paid to 262 employees was USD 344.3, which is 10.3% above the monthly minimum wage.

In 2016, the floor wage in the industrial area was USD 435.74, and USD 323.3 in the forestry area, both of which were above the minimum wage for that period.

The company carries out market research with external organizations to ensure its competitiveness and to keep itself compatible with local market practices as well as those in the paper and cellulose sector.
Bracell employees enjoy an attractive package of benefits which contributes to a quality living standard for them and their families. Benefits include medical and dental care, meals at the company and/or meal vouchers, vacations, daycare allowances, annual allowances for school materials, allowances for employees who have children with disabilities, laundry costs, and wage complements in case of sick leave or occupational accidents. In addition, all employees and their legal dependents are covered by group life insurance.

Employees also benefit due to subsidy agreements with drugstores, optical shops, gyms, and education institution chains, making them much more affordable. Similar subsidy agreements are also available with institutions such as the Industry Social Service (Sesi), providing employees with access to sport facilities and other leisure activities.

As part of its people development strategy, Bracell also has a People Management and Recognition Program which draws on different tools - such as Balance Scorecard and the Share of Net Income (PPR) - to measure employee performance based on their hierarchic position within the organization. These assessments result in annual rewards in the form of cash, depending on the individual’s achievement of goals and also on the company’s overall performance.

Additionally, employees are entitled to a Complementary Pension Plan, which works as a pension fund where employees’ contributions are matched by the company, allowing employees’ futures to be planned financially.

Cobertos por acordos coletivos de trabalho, os colaboradores da Bracell desfrutam de um pacote atrativo de benefícios, que contribui para sua própria qualidade de vida e a de suas famílias. Basicamente, os benefícios compreendem assistências médica e odontológica, refeições na empresa e/ou vale-alimentação, prêmio de retorno de férias, auxílio-creche, anuidade para despesas com material escolar, auxílio para colaboradores com filhos portadores de algum tipo de deficiência, lavanderia e complemento salarial para casos de afastamento por auxílio-doença e por acidente de trabalho. Além disso, todos os colaboradores e seus dependentes legais estão cobertos por seguro de vida coletivo, com custos reduzidos e assistência funeral.

Todos são beneficiados com convênios com redes de farmácias, óticas, academias de ginástica e instituições de ensino que proporcionam condições de preços e pagamento mais favoráveis. Há também convênios com instituições como o Serviço Social da Indústria (Sesi) e outras que oferecem aos colaboradores acesso a atividades esportivas e de lazer.

Com uma estratégia de desenvolvimento de pessoas coerente com seus objetivos de negócio, a Bracell também possui um Programa de Gestão e reconhecimento de Pessoas que utiliza diferentes ferramentas, como o Balance Scorecard e o Programa de Participação nos Resultados (PPR) para mensurar o desempenho dos profissionais, de acordo com sua posição hierárquica na organização. Estas avaliações resultam em recompensas anuais em dinheiro calculadas a partir do resultado geral da empresa e do cumprimento de metas individuais.

Além disso, os colaboradores têm acesso a um Programa de Aposentadoria Complementar, que funciona como um fundo de aposentadoria no qual as contribuições dos colaboradores são complementadas pela empresa, permitindo que seja feito um planejamento para o futuro do trabalhador.

Established in 2015, the Bracell Years of Service Recognition Program bestows recognition to all professionals from administrative or operating areas who achieve 10, 20 or 30 years of working for the company. In 2017, the program honored 77 employees, celebrating their decades-long commitment to Bracell.

In 2016, another 26 employees were recognized for the length of service provided to the company.

Criado em 2015, o Programa de Reconhecimento por Tempo de Serviço da Bracell homenageia profissionais de todas as áreas administrativas e operacionais que completam 10, 20 ou 30 anos de trabalho na empresa. Em 2017, o programa reuniu 77 colaboradores para celebrar os relevantes serviços prestados à Bracell nestas décadas de relacionamento profissional. Em 2016, outros 26 colaboradores foram reconhecidos por tempo de serviço prestado à empresa.
Year after year, Bracell has exceeded its occupational safety performance, aiming for a zero-accident goal. The company’s intolerance towards unsafe practices is also expressed in the labor collective agreement signed between the company and employees. Specific clauses on health and safety requirements are established in the document, which Bracell strictly adheres to when managing staff.

The commitment of managers to improve safety indexes, along with continuous field inspections, intensified performance of auditors in the behavioral audits program (with over 5,000 audits carried out) as well as on-the-job training courses which operational supervisors undergo, have all been critical contributors to the decrease in number of accidents at the company.

Meanwhile, the direct performance of the Occupational Safety department, along with initiatives by the internal committees for accident prevention (such as weekly hands-on training, practice runs with the emergency brigades and technical meetings with the Occupational Health and Safety team) contributed in achieving safety performance results:

**Safety performance**

Desempenho de segurança

<table>
<thead>
<tr>
<th>FOREST / FLORESTAL</th>
<th>INDUSTRIAL / INDUSTRIAL</th>
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</thead>
<tbody>
<tr>
<td>ACCIDENTS / ACIDENTES</td>
<td>Leave/ No leave number of accidents CAF/SAF</td>
</tr>
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<td>2017</td>
<td>0/2</td>
</tr>
<tr>
<td>2016</td>
<td>1/3</td>
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</tbody>
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* CAF (Work Accidents With Leave) / SAF (Work Accidents Without Leave)
* Frequency rate = number of accidents x 1,000,000 / man-hours worked in total
* Taxa de frequência = nº de acidentes x 1,000,000 / total de homem-hora trabalhado

A Bracell did not record any case of occupational disease involving its employees in 2017. No deaths were recorded for the year both for our own employees or those from outsourced arrangements. During the year, the absence rate was below 1% in the forest and industrial areas.

**Behavioral audits**

Auditorias comportamentais

The company continued the auditors training program in 2017. The program allows professionals of different areas to perform monthly internal audits to verify all employees’ level of with safety procedures. 15% of the company’s total employees participate as auditors of the Behavioral Audit Program and of Work Permit.

With indicators verified in the audits, company managers are able to make decisions aimed at decreasing incident and accident rates.

A Bracell did not register, in 2017, any case of occupational disease involving its employees. No deaths were recorded for the year both for our own employees or those from outsourced arrangements. During the year, the absence rate was below 1% in the forest and industrial areas.
Employees of the company either participate directly in it or are represented by groups like CIPA (Internal Committee for Accidents Prevention). Forest workers are represented by CIPATR (Internal Committee for Accidents Prevention of the Rural Worker) and COERGO (Ergonomics Committee).

Aiming at sharing their own experiences and add knowledge and practices from experiences in other organizations, the Occupational Health and Safety team integrates the Health and Safety committees led by Cofic (Camaçari Industrial Fomentation Committee), Cosima (Industrial Safety and Hygiene Committee), PAM - Mutual Assistance Plan / K-Delta Area, Pole Contingency Plan, CIPA Work Group and Legislation Work Group.

Health and safety campaigns
Campanhas de saúde e segurança

Bracell runs health awareness initiatives, holding campaigns about men’s health, women’s health, heart health, sexually transmitted diseases (including AIDS), diabetes, and high blood pressure, in addition to campaigns which encourage healthy eating and obesity control, as well as vaccinations.

The company also periodically carries out mandatory PSA (Prostate-specific antigen) examinations of male employees aged above 40 years old.

A Bracell realiza ações de sensibilização para saúde, com destaque para as campanhas sobre saúde do homem, saúde da mulher, saúde do coração, doenças sexualmente transmissíveis, inclusive AIDS; diabetes e hipertensão, além de campanhas internas de vacinação e de incentivo à adoção de alimentação saudável e de controle da obesidade.

The company also periodically carries out mandatory PSA (Prostate-specific antigen) examinations of male employees aged above 40 years old.

A empresa também acompanha, por meio dos exames periódicos obrigatoriamente realizados pelos colaboradores, o PSA (Antígeno Prostático Específico) para homens com idade superior a 40 anos.

Workplace exercise and posture blitz
Ginástica laboral e blitz postural

Forest area teams take part in daily exercise sessions at the workplace, guided by employees trained by specialized professionals.

The company also performs a postural blitz in the administrative and operational forest areas, to guide employees on the proper postures for carrying out activities at work or at home.

As equipes da área florestal participam diariamente de sessões de ginástica laboral orientadas por colaboradores treinados por profissionais especializados.

A empresa realiza ainda blitz postural nas áreas administrativas e operacionais florestais com o objetivo de alertar os profissionais e orientá-los a respeito das posturas adequadas para o exercício de suas atividades e no lar.

Industrial fire prevention and fighting
Prevenção e combate a incêndios florestais e industriais

Bracell relies on an emergency brigade to operate in the industrial and forestry areas. These groups receive periodic training and participate in emergency simulation. The factory emergency brigade is based on the Camaçari Industrial Fomentation Committee - Cofic’s Mutual Assistance Plan (PAM) calendar.

Evacuation leaders are trained to fight fire and provide first aid if required. They also attend monthly meetings with all the emergency brigade teams.

Brigade members in the forest area are annually trained in fire fighting (including wildfire fighting), and are also required to sit for mock tests to evaluate their theoretical knowledge.

A Bracell conta com brigada de emergência para atuação nas áreas industrial e florestal. Estes grupos recebem treinamentos periódicos e participam de simulados de emergência. A brigada da área industrial segue o calendário do Plano de Auxílio Mutuo (PAM) do Comitê de Fomento Industrial de Camaçari (Cofic).

Os líderes de evasão estão capacitados a combater incêndios e prestar primeiros socorros em casos de fogo. Eles também participam de reuniões mensais com todas as equipes de brigada de emergência. Na área florestal, os brigadistas recebem treinamentos anuais de combate a incêndio predial e florestal bem como são envolvidos em simulados para testar os conhecimentos teóricos.
The sustainable growth of a forest-based company strongly depends, among other aspects, on how it connects to the communities surrounding its operation area. For Bracell, it is a two-way commitment, for both community and enterprise, in a win-win relationship based on respect, ethics and responsibility for the people today and in the future.

O crescimento sustentável de uma empresa de base florestal depende fortemente, entre outros aspectos, de como ela se relaciona com as comunidades em que está inserida. Para a Bracell, isso reflete o compromisso de ser uma via de desenvolvimento de mão dupla para a comunidade e o empreendimento, numa relação de ganha-ganha baseada no respeito, na ética e na responsabilidade com as pessoas hoje e no futuro.
started reaping the benefits of projects that help entrepreneurs, generate income or help promote local culture.

In 2017, the Social Responsibility Policy, earlier implemented in 2013, was incorporated in our Sustainability Policy. With the development of structured social projects, widely discussed with stakeholders and aligned with local vocations and needs, we identify opportunities, qualify people, encourage productive arrangements, foster partnerships, generate income and maintain a favorable environment for our activities. These projects cover consistent are grouped in three main pillars: education, entrepreneurship and dialogue with stakeholders.

As part of the RGE group of companies, Bracell believes in its real contribution to the development of communities. In 2017, its social projects reached more than 38,000 people, in the north coast and in the agreste of Bahia.

The relationships between Bracell and the surrounding communities directly impact our operations. We are committed to contribute to the positive development of the community, improving the quality of life of thousands of people, especially in the rural area. To date, we have listed 296 communities, 14 more than those identified in 2016. Many of them are somehow embedded in the context of organization’s forest operations. We try to maintain a friendly, balanced relationship, respecting peculiarities, history, traditions, cultures and origins of our neighbors. There are no indigenous communities within the company operation influence area, as confirmed by Brazilian Foundation for Indigenous People (Funai) and Brazilian Association of Indigenous Action (Anai).

But traditional communities are represented in the region by 72 quilombola communities recognized by Palmares Foundation. Out of these, seven communities are adjacent to our forest operations. In 2016, we conducted an assessment of how to engage and help develop these communities. By 2017, communities started reaping the benefits of projects that help entrepreneurs, generate income or help promote local culture.

In 2017, Em 2017, the Política de Responsabilidade Social, implantada em 2013, foi incorporada à Política de Sustentabilidade da Bracell. O desenvolvimento de projetos sociais estruturados, amplamente discutidos com as partes interessadas e alinhados às vocações e necessidades locais, a empresa identifica oportunidades, qualifica pessoas, estimula a organização de arranjos produtivos, fomenta parcerias, gera renda e, assim, mantém um ambiente favorável às suas atividades. Estes projetos estão agrupados em três eixos principais: educação, empreendedorismo e diálogo com as partes interessadas.

Como parte do grupo de empresas da RGE, a Bracell acredita em sua real contribuição ao desenvolvimento das comunidades. Em 2017, seus projetos sociais alcançaram mais de 38.000 pessoas, no litoral norte e no agreste da Bahia.

O relacionamento entre a Bracell e os moradores das comunidades no entorno de suas áreas repercute diretamente no seu desempenho operacional, contribuindo para a melhoria da qualidade de vida de milhares de pessoas, especialmente na zona rural, onde já foram catalogadas pela empresa 296 comunidades, 14 além daquelas já identificadas e cadastradas até 2016. Muitas delas, de alguma forma, estão inseridas no contexto das operações florestais da organização. Por isso, a empresa se esforça para manter um relacionamento amistoso e equilibrado que respeita as peculiaridades, a história, tradições, culturas e origens de seus vizinhos.

Não há povos indígenas na região de atuação da Bracell, como confirmado pela Fundação Nacional do Índio (Funai) e pela Associação Nacional de Ação Indigenista (Anai).

Mas as comunidades tradicionais estão representadas na região com a presença de 72 comunidades quilombolas reconhecidas pela Fundação Palmares. Destas, sete comunidades são vistinhas às atividades florestais da Bracell e, a partir de 2017, passaram a ser beneficiadas diretamente por projetos de empreendedorismo, geração de renda e resgate da cultura, desenvolvidos pela Bracell.
Our pillar that receives more investments is education. We develop relevant projects in education, such as continued education for teachers and municipal education managers, up skilling our employees through formal and informal education, musical initiation for children and teenagers who are part of the public school system, encouraging sports formation, and conducting environmental awareness programmes that highlight initiatives such as the environmental education nucleus, and projects about the responsible disposal of residues and restoration and conservation of forests and rivers.

In the field of education, highlighted as the one that receives more investments from Bracell, there are relevant projects such as continued education for teachers and municipal education managers, up skilling our employees through formal and informal education, musical initiation for children and teenagers who are part of the public school system, encouraging sports formation, and conducting environmental awareness programmes that highlight initiatives such as the environmental education nucleus, and projects about the responsible disposal of residues and restoration and conservation of forests and rivers.
School Partners - Sports Formation
Parceiros da Escola - Incentivo ao Esporte

41 students benefited from karate classes
41 alunos beneficiados com aulas de karatê

<table>
<thead>
<tr>
<th>Indicadores / Indicadores</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefited students / Alunos beneficiados</td>
<td>32</td>
<td>41</td>
</tr>
</tbody>
</table>

Environmental Education
Tree House - Neco (Eco-Social Center)
Educação Ambiental
Casa da Árvores - Neco (Núcleo Ecosocial)

2,846 visitors since its foundation, in 2016
2,195 visitantes desde sua inauguração, em 2016

106 participating schools
106 escolas participantes

73 workshops performed
73 oficinas realizadas

School Partners - Music at School and Fest in Canto
Parceiros da Escola - Música na Escola e Fest in Canto

532 students benefited from the project Music at School since 2014
532 alunos beneficiados pelo projeto Música na Escola desde 2014

637 students enrolled at the Music Festival since its launch in 2016
637 alunos inscritos no Fest in Canto desde seu lançamento, em 2016

48 participating schools
48 escolas participantes

5,840 people attending the events
Público estimado de 5,840 pessoas nos eventos

<table>
<thead>
<tr>
<th>Indicadores / Indicadores</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students participating in project Music at School / Alunos participantes no projeto Música na Escola</td>
<td>156</td>
<td>278</td>
</tr>
<tr>
<td>Students enrolled at the Music Festival / Alunos inscritos no Fest in Canto</td>
<td>309</td>
<td>328</td>
</tr>
<tr>
<td>Students classified for the stages in the municipalities / Alunos classificados para etapas nos municípios</td>
<td>133</td>
<td>120</td>
</tr>
<tr>
<td>Participating schools / Escolas participantes</td>
<td>48</td>
<td>44</td>
</tr>
<tr>
<td>Estimated audience at events / Público estimado nos eventos</td>
<td>2,970</td>
<td>2,670</td>
</tr>
<tr>
<td>Involved municipalities / Municípios envolvidos</td>
<td>07</td>
<td>07</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Indicadores / Indicadores</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visitors received at Tree House / Visitantes recebidos na Casa da Árvores</td>
<td>451</td>
<td>2,195</td>
</tr>
<tr>
<td>Number of visits / Número de visitas</td>
<td>26</td>
<td>100</td>
</tr>
<tr>
<td>Schools involved / Escolas envolvidas</td>
<td>19</td>
<td>87</td>
</tr>
<tr>
<td>Workshops performed / Oficinas realizadas</td>
<td>27</td>
<td>46</td>
</tr>
</tbody>
</table>
Education in numbers
EDUCAÇÃO EM NÚMEROS

809 participants
809 participantes desde o início do projeto, em 2014

18 lectures
18 palestras realizadas

682 people directly involved in the recovery actions
682 pessoas envolvidas diretamente nas ações de recuperação

1.400 seedlings of native species planted
1.400 mudas de espécies nativas plantadas

2.359 seedlings of native species donated
2.359 mudas de nativas doadas

6 benefited municipalities
6 municípios beneficiados

9 communities benefited in 2017
9 comunidades beneficiadas em 2017

690 people involved
690 pessoas envolvidas

48 eco-agents being trained
48 ecoagentes em formação

Indicators / Indicadores

<table>
<thead>
<tr>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of participants / Número de participantes</td>
<td>809</td>
</tr>
<tr>
<td>Number of lectures performed / Número de palestras realizadas</td>
<td>18</td>
</tr>
</tbody>
</table>

9 communities benefited in 2014
9 comunidades beneficiadas em 2014

690 people involved
690 pessoas envolvidas

48 eco-agents being trained
48 ecoagentes em formação

Indicators / Indicadores

<table>
<thead>
<tr>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefited municipalities / Municípios beneficiados</td>
<td>2</td>
</tr>
<tr>
<td>Benefited communities / Comunidades beneficiadas</td>
<td>2</td>
</tr>
<tr>
<td>Seedlings donated / Mudas doadas</td>
<td>160</td>
</tr>
<tr>
<td>River sources mapped / Nascentes mapeadas</td>
<td>23</td>
</tr>
</tbody>
</table>

Recovery of riparian forests and river sources
Recuperação de matas ciliares e nascentes

15,300 hectares of recovery areas
15.300 hectares de áreas em recuperação

23 river sources mapped
23 nascentes mapeadas

Indicators / Indicadores

<table>
<thead>
<tr>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of participants / Número de participantes</td>
<td>209</td>
</tr>
<tr>
<td>Number of lectures performed / Número de palestras realizadas</td>
<td>02</td>
</tr>
</tbody>
</table>

809 participants since the beginning of the project, in 2014
809 participantes desde o início do projeto, em 2014

Indicators / Indicadores

<table>
<thead>
<tr>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qualified eco-agents / Ecoagentes formados</td>
<td>-</td>
</tr>
</tbody>
</table>

Exchange of Knowledge
Trocada de Saberes

18 lectures performed
18 palestras realizadas

2.359 seedlings of native species donated
2.359 mudas de nativas doadas

6 benefited municipalities
6 municípios beneficiados

Indicators / Indicadores

<table>
<thead>
<tr>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefited municipalities / Municípios beneficiados</td>
<td>2</td>
</tr>
<tr>
<td>Benefited communities / Comunidades beneficiadas</td>
<td>2</td>
</tr>
<tr>
<td>Seedlings donated / Mudas doadas</td>
<td>160</td>
</tr>
<tr>
<td>River sources mapped / Nascentes mapeadas</td>
<td>23</td>
</tr>
</tbody>
</table>
We encourage entrepreneurs from surrounding communities to pursue their dreams. We assess their potential and work with them to identify opportunities that generate employment and income, especially those who live in rural areas adjacent to forests. Our programme includes an interface between producers and institutions that help participants improve their productivity and businesses management.

A Bracell incentiva os empreendedores locais a seguirem seus sonhos. A empresa avalia o potencial dos moradores e atua junto a eles para identificar oportunidades capazes de gerar emprego e renda, especialmente na zona rural, onde vive a maior parte dos vizinhos às suas áreas florestais. Este trabalho inclui uma interface entre os produtores e instituições que qualificam os participantes para o aprimoramento de suas técnicas de produção e a gestão de seus negócios.
Entrepreneurship in numbers

Art and Craftsmanship - Liana and Piaçava Palm
Arte e Artesanato – Cipó e Piaçava

183 benefited artisans
183 artesãos beneficiados

1,850 pieces manufactured
1.850 peças produzidas

549 people indirectly benefited
549 pessoas beneficiadas indiretamente

USD 6,767 earned by selling products
R$ 20,300 adquiridos com a venda dos produtos

<table>
<thead>
<tr>
<th>Indicador / Indicador</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pessoas beneficiadas / Pessoas beneficiadas</td>
<td>183</td>
<td>183</td>
</tr>
<tr>
<td>Peças produzidas / Peças produzidas</td>
<td>1,850</td>
<td>1,850</td>
</tr>
<tr>
<td>Renda gerada (BRL R$) / Renda gerada (BRL R$)</td>
<td>20,300</td>
<td>20,300</td>
</tr>
<tr>
<td>Renda gerada (USD) / Renda gerada (USD)</td>
<td>6,767</td>
<td>6,767</td>
</tr>
</tbody>
</table>

Art and Craftsmanship - Ceramic School
Arte e Artesanato - Escola de Cerâmica

241 people benefited until 2017
241 pessoas beneficiadas até 2017

<table>
<thead>
<tr>
<th>Indicador / Indicador</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pessoas beneficiadas / Pessoas beneficiadas</td>
<td>241</td>
<td>241</td>
</tr>
<tr>
<td>Peças produzidas / Peças produzidas</td>
<td>300</td>
<td>300</td>
</tr>
<tr>
<td>Renda gerada (USD) / Renda gerada (USD)</td>
<td>667</td>
<td>667</td>
</tr>
</tbody>
</table>

Wood residues (collection and sale of post-harvest eucalyptus tips)
Resíduos de Madeira (coleta e venda de ponteiras de eucalipto pós-colheita)

More than 500 pieces manufactured (graphite and silkscreen printing)
Mais da 500 peças produzidas

<table>
<thead>
<tr>
<th>Indicador / Indicador</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pessoas beneficiadas / Pessoas beneficiadas</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Peças produzidas / Peças produzidas</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>Renda gerada (USD) / Renda gerada (USD)</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Professional Qualification
Capacitação Profissional

331 benefited people until 2017
331 beneficiados até 2017

<table>
<thead>
<tr>
<th>Indicador / Indicador</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pessoas beneficiadas / Pessoas beneficiadas</td>
<td>331</td>
<td>331</td>
</tr>
</tbody>
</table>

Quilombola Communities
Comunidades Quilombolas

136 families benefited with encouragement and support to productive groups
136 famílias beneficiadas com incentivo e apoio a grupos produtivos

<table>
<thead>
<tr>
<th>Indicador / Indicador</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Famílias beneficiadas / Famílias beneficiadas</td>
<td>136</td>
<td>136</td>
</tr>
<tr>
<td>Volume de resíduos (m3) / Volume de resíduos (m3)</td>
<td>7,891</td>
<td>7,891</td>
</tr>
<tr>
<td>Renda gerada (BRL R$) / Renda gerada (BRL R$)</td>
<td>131,517</td>
<td>131,517</td>
</tr>
<tr>
<td>Renda gerada (USD) / Renda gerada (USD)</td>
<td>43,839</td>
<td>43,839</td>
</tr>
</tbody>
</table>

Art and Craftsmanship - Arte da Vila
Arte e Artesanato – Arte da Vila

More than 500 pieces manufactured (graphite and silkscreen printing)
Mais da 500 peças produzidas

<table>
<thead>
<tr>
<th>Indicador / Indicador</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pessoas beneficiadas / Pessoas beneficiadas</td>
<td>17</td>
<td>20</td>
</tr>
<tr>
<td>Peças produzidas / Peças produzidas</td>
<td>201</td>
<td>300</td>
</tr>
<tr>
<td>Renda gerada (USD) / Renda gerada (USD)</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Entrepreneurship in numbers – Development of local communities
Empreendedorismo em números – Desenvolvimento de comunidades locais

84
Our regular face-to-face dialogues with our stakeholders enable us to nurture a relationship built on trust and respect. Representatives of the communities, leaders, and politicians, as well as every resident in our operational areas, find our doors always open for meaningful conversations. Our community engagement goes beyond formal dialogues, extending to informal sessions such as free movie screenings in rural areas and awareness seminars on the environment as well as public health. These activities enable us to have direct and regular touch points with thousands of people in all our communities.

O contato face a face permanente entre a Bracell e suas partes interessadas é que permite a manutenção de uma relação de respeito mútuo e confiança. Representantes das comunidades, lideranças e políticos, além dos próprios moradores, encontram na empresa um ambiente de portas abertas para o diálogo. Neste contexto, reuniões diversas, visitas à empresa, sessões gratuitas de cinema na zona rural bem como encontros com crianças e adultos para atividades de educação ambiental e palestras de saúde integram as iniciativas que colocam a Bracell em contato direto e permanente com milhares de pessoas.
In 2017, we welcomed 498 visitors in our industrial and forest areas, including teachers and students of higher and technical levels from institutions in Bahia and other states. Visits are customized according to visitors’ interests, often leveraging on their classes or areas of expertise.

### Special Events

Apart from our own activities, we also participate in community-led events. In 2017 we joined Polo de Cidadania (Polo Citizenship Fair), a social action day promoted by Cofic (Camaçari Industrial Fomentation Committee), and directed mainly to the low income population.

We also organized the 2nd edition of the Social-Cultural Fair, an event that allowed the interaction of our partner artisans and rural producers with our own employees as well as the public. The Fair provides a platform for artisans and producers to showcase and sell their products such as ceramics, liana and piaçava palm pieces, shirts, air perfumes, honey, snack items, breads and other cassava derivatives. Everyone also gets to know more about efforts to promote and preserve African culture through activities such as presentations of by the samba circle by the Gamba quilombola community from the municipality of Entre Rios, as well as traditional African hair braiding sessions for visitors.

For the internal public, the highlights were the social fairs, which took place at company facilities, both industrial and forest units. The idea was to present it to all the employees, the social work developed to the communities surrounding company operations. At the time, the employees could learn and buy products prepared by the communities.

A Bracell também realizou, neste ano, a 2ª edição da Feira Sociocultural, evento que coloca o público e os colaboradores em contato com artesãos e produtores rurais parceiros da empresa. Estes têm a oportunidade adicional de expor e vender seus produtos a um público que, por sua vez, pode conhecer mais sobre os projetos e adquirir peças em cerâmica, cipó e piaça-va, camisetas, artesanato em tecidos, mel, salgados, produtos de panificação, aromatizadores de ambiente e derivados de mandioca. Os visitantes ainda tiveram a oportunidade de conhecer o trabalho de resgate da cultura afro, com apresentações do samba de roda da comunidade quilombola de Gamba, do município de Entre Rios, que também realizou tranças inspiradas na tradição afro nos visitantes interessados.

For the internal public, the highlights were the social fairs, which took place at company facilities, both industrial and forest units. The idea was to present it to all the employees, the social work developed to the communities surrounding company operations. At the time, the employees could learn and buy products prepared by the communities.

A empresa recebeu 498 participantes das visitas às áreas industriais e florestais em 2017, principalmente professores e estudantes de níveis superior e técnico de instituições baianas e de outros estados. Roteiros específicos são elaborados de acordo com o objetivo dos visitantes, de modo a viabilizar o contato direto com os cursos ou disciplinas afins.

### Technical and institutional visits

**VISITAS TÉCNICAS E INSTITUCIONAIS**

**Special visits in numbers**

<table>
<thead>
<tr>
<th>Indicators / Indicadores</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of visitors at the company booth / Número de visitantes ao stand da empresa</td>
<td>270</td>
<td>364</td>
</tr>
</tbody>
</table>

### Polo Citizenship Fair

**Polo de Cidadania**

<table>
<thead>
<tr>
<th>Year</th>
<th>Visitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>270</td>
</tr>
<tr>
<td>2017</td>
<td>364</td>
</tr>
</tbody>
</table>

### 2nd Socio-Cultural Fair

**2ª Feira Sociocultural**

<table>
<thead>
<tr>
<th>Year</th>
<th>Visitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>270</td>
</tr>
<tr>
<td>2017</td>
<td>364</td>
</tr>
</tbody>
</table>

Visit www.bahiaspeccell.com for more information on these projects.

Visite o site www.bahiaspeccell.com para conhecer melhor nossos projetos sociais.
Our qualified people, modern equipment and well-structured, integrated manufacturing processes enable us to operate with reduced negative environmental impacts. Our commitment to the responsible use of natural resources guides our decision making and adds even more value to the company products, resulting in efficient operations and global market competitiveness.

Pessoas preparadas, equipamentos modernos e processos produtivos bem estruturados e integrados permitem à Bracell operar com impactos ambientais reduzidos. O compromisso com o uso responsável dos recursos naturais norteia a tomada de decisões e agrega ainda mais valor aos produtos da empresa, resultando em operações eficientes e em maior competitividade no mercado global.
We are committed to develop our resources sustainably in every step of our operations. From the research phase where we cultivate the best breed/specie of eucalyptus wood to our forestry operations where we regularly monitor our soil usage, water and other material input, as well as our impact on native flora and fauna.

We own more than 60,900 hectares of conservation areas, equal to more than 60,000 official-sized soccer fields. This represents over 40% of our total land assets, several times exceeding environmental legislative requirements.

Apart from our conservation area, we also contribute to the conservation of another 22,888 hectares of forests through our partnership with local rural producers via the Tree Farming Program.

We abide by a no deforestation policy and advocate the mosaic landscape approach where remaining native vegetation is conserved, and physically protected against illegal practices of hunting and wood robbery.
New biodiversity conservation programs
Novos programas de conservação da biodiversidade

In 2017, we launched two new initiatives to preserve and promote biodiversity: the Fauna Sighting Program and the Program Against Predatory Hunting of Wild Animals. The first one supports field personnel to collect information on medium and large-sized mammals that have been observed in our areas. We hope to provide our Fauna and Flora Monitoring Laboratory with enough data to create a geo-referencing database that will help identify the main threats to these animals, help mitigate the risks, and work towards their protection and preservation.

The results of the fauna and flora monitoring program surfaced the need for more effective actions to prevent illegal actions by encroachers in our conservation forests. This led us to develop the Program Against Predatory Hunting of Wild Animals, aimed at decreasing the threat level to animals from adjacent communities. This program includes conducting educational seminars and briefings to raise social awareness on the importance of preventing hunting in the areas protected by the company.

Em 2017, a Bracell lançou duas novas iniciativas voltadas à conservação da biodiversidade: o Programa de Avistamento de Fauna e o Programa de Combate à Caça Predatória de Animais Silvestres. O primeiro dá suporte ao pessoal de campo na coleta de informações sobre os mamíferos de médio e grande portes avistados nas áreas da empresa. O objetivo é municiar o Laboratório de Monitoramento de Fauna e Flora da Bracell com dados que viabilizem a criação de um banco de dados georreferenciado que ajudará na identificação das principais ameaças do manejo à fauna silvestre, tendo em vista a sua proteção e conservação.

Os resultados do programa de monitoramento de fauna e flora para conservação da biodiversidade apontaram a necessidade de ações mais efetivas para coibir a ação ilegal de invasores nas áreas de preservação ambiental. Para isso, a Bracell desenvolveu o Programa de Combate à Caça Predatória de Animais Silvestres, cujo objetivo é reduzir as ameaças à fauna por parte das comunidades vizinhas às áreas da empresa. O programa inclui ações de educação destinadas a despertar na sociedade a consciência para a importância de não se praticar a caça nas áreas protegidas pela empresa.

Lontra Private Reserve of Natural Heritage (PRNH)
Reserva Particular do Patrimônio Natural (RPPN) Lontra

PRNH Lontra is a conservation unit in a private area of public interest and in a perpetuity character, with the objective to preserve biological diversity. This reserve is part of Lontra/Saudade Farm, a rural property, belonging to Bracell, located between the municipalities of Entre Rios and Itanagra.

With an area of 1,377.33 hectares, this reserve is a forest fragment of the remaining Atlantic Forest and is at an advanced recovery stage. It is an evergreen forest with a predominantly arboreal appearance compared to the others, forming a relatively-even
Como parte de uma estratégia de prevenção a furto de madeira plantada e nativa, bem como a incêndios criminosos e outros danos ao patrimônio e ao meio ambiente, como os incêndios florestais, nós conciliamos as atividades de vigilância das áreas com iniciativas de educação ambiental e de cidadania junto às comunidades vizinhas. Além disso, utilizamos um sistema integrado de segurança eletrônica, grupos táticos de rondas com veículos 4x4, motocicletas e vigias a cavalo que fiscalizam e coíbem ações externas e predatórias nestas áreas.

Em 2017, registramos incêndios em plantios florestais da Bracell totalizandouma área de 223 hectares que, apesar de relevante, representa uma redução de 70% se comparado aos dados de 2015. Esta redução é fruto de investimentos em infraestrutura, treinamento, novos métodos e tecnologias destinados a atender às ocorrências de forma mais rápida e eficiente. A isso, somam-se ações estratégicas de prevenção a incêndio como, por exemplo, o Programa Amigos da Floresta, que atua diretamente com os vizinhos das áreas florestais em ações educativas, o Comitê Comunitário de Segurança Florestal, em parceria com moradores e as polícias civil e militar, e outros projetos socioambientais mencionados neste relatório.

PRNH Lontra continued to play an integral role in the remaining Atlantic Forest network. We will continue to work with nearby communities to secure their support in preserving and conserving this important ecosystem.

Property Security
Segurança patrimonial

As a part of our strategy to prevent the robbery of our plantation and natural wood, as well as minimize damages to our property and environment due to arson and wildfires, we conciliate a regular surveillance and monitoring in all our areas with environmental education activities and citizenship with neighboring communities. We also leverage on our integrated electronic security systems, tactical patrol groups using 4WD vehicles, motorcycles, and watchers on horsebacks who stand guard over and prevent external, predatory actions in these areas.

In 2017, we verified that the total burnt area in our forest plantations was 223 hectares, representing a 70% decrease compared to our 2015 numbers. The reduction reflects the benefits of our investments in infrastructure and training, as well as the implementation of new methods and technologies to handle incidents more quickly and effectively. Other strategic actions for wildfire prevention, such as Friends of Forest program which acts directly with the neighbors of the forest areas in educative actions; the Community Committee for Forest Security, in partnership with inhabitants and military and civil polices, as well as other social-environmental projects mentioned in this report, also contributed to the positive result.

In 2017, we identified the presence of Lachesis muta, the most venomous snake in the Americas, in Lontra. This species is classified in the vulnerable category of the Official List of Endangered Fauna Species of Bahia State.

In 2017, we verified the presence of this species and classified it as vulnerable in the state of Bahia. We continue to work with universities to use PRNH Lontra as a permanent site for research on fauna, flora and water quality. These researches highlighted the presence of several new, rare, endemic and endangered species, both flora and fauna, reinforcing the ecological and biological importance of this conservation area.

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### Recovery areas

**Áreas em recuperação**

04-EN13

Continuing the Degraded Area Recovery Program (Prad), we recovered in 2017 a 14.9-hectare area. In the previous year, 26.4 hectares were recovered. Prad aims to improve both physical and chemical conditions of the soil within portions of the property that may have been subject to intervention.

This program included, among others, initiatives for soil correction, manuring, and plantation of native seedlings to allow the succession process of native species through natural regeneration.

In continuation to its Program of Recovery of Degraded Areas (Prad), a Bracell recovered in 2017 a 14.9 hectare area. In the previous year, 26.4 hectares were recovered. The Prad program has the objective of improving both physical and chemical conditions of the soil within portions of the property that may have been subject to intervention.

The program includes, among others, initiatives for soil correction, fertilization, and planting of native seedlings to allow the succession process of native species through natural regeneration.

Out of our properties, eight of them are classified as areas of special interest due to a specific use by the inhabitants of the surrounding areas. In such duly mapped locations, local communities may conduct religious practices or may grant access to inactive cemeteries to families and other interested parties. All these areas are properly identified and marked in our operating maps, providing proper guidance to employees to preserve and respect them.

We also have four areas classified as environmental HCVA (High Conservation Value Area) and two social HCVAs, originally three in 2016. In 2017, one of the social HCVAs - in São José Project - was reclassified due to the installation of an artesian well by the community with water treated, once that the reason for the reclassification was just due to the consumption of water from this location by the community.

All HCVA of the company are duly signalized and for neighbor communities, lectures and environmental education activities are conducted, promoting sustainable use of such areas.

### Areas of special interest and areas of high conservation value

**Áreas de especial interesse e áreas de alto valor de conservação**

04-EN13

Dentre as propriedades da Bracell, oito são classificadas como de especial interesse devido a algum determinado uso por moradores das comunidades ao redor. Nestes locais, devidamente mapeados, ocorrem práticas religiosas por populares ou há cemitérios desativados com acesso liberado pela empresa aos familiares e outros interessados. Todos estes locais são identificados e fazem parte dos mapas operacionais da empresa, que contribui para as devidas orientações junto aos colaboradores para que estas áreas sejam preservadas e respeitadas.

A empresa possui ainda quatro áreas classificadas como AAVC (Área de Alto Valor de Conservação) ambiental e duas AAVCs sociais, que até 2016 eram três. Em 2017, uma das AAVCs sociais - no projeto São José - foi desclassificada a partir da instalação, pelo poder público, de um poço artesiano para abastecimento do continente com água tratada, uma vez que o motivo de ter sido caracterizada pela empresa como AAVC foi justamente pelo consumo de água deste local pela comunidade vizinha.

Todas as AAVCs da empresa estão devidas sinalizadas e par as comunidades vizinhas são realizadas palestras e atividades de educação ambiental que as orientam para o acesso e uso sustentável destas áreas.

Nós não encontramos, até o momento, evidência de tipos de ações e costumes repetidos ao longo do ano, com ou sem força de lei, que possam ser entendidos como direitos costumários de uso populares.

This program included, among others, initiatives for soil correction, manuring, and plantation of native seedlings to allow the succession process of native species through natural regeneration.

### Water resources management

**Gestão dos recursos hídricos**

04-EN13

Water use in our forestry and industrial operations is strictly controlled, ensuring business sustainability. Either in the collection of resources from artesian wells or from shallow collection points, such as rivers and streams, we only operate through duly licensed and approved procedures that are performed responsibly.

For our forestry operations, we use 18 points of superficial water collection and nine artesian wells for collection of underground water. The greatest demand for water is for building and maintaining roads used in water trucks that wet the roads while compensation is for building and maintaining roads where the company operated last year, and the rainy season was better distributed in the period. On the other hand, underground water collection in 2017 was of 340,816 m³, above the 289,906 m³ collected in 2016, but still below the volume permitted by the environmental body.

Water resources management is rigorously controlled to assure the sustainability of the business. Either in the collection of resources from artesian wells or from shallow collection points, such as rivers and streams, we only operate through duly licensed and approved procedures that are performed responsibly.

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A utilização da água nas nossas operações florestais e industriais é rigorosamente controlada para a assegurar a sustentabilidade do negócio. Seja na captação dos recursos em poços artesianos, seja em pontos de captação superficial, como rios e córregos, somente operamos com procedimentos devidamente licenciados e executados com responsabilidade.

Para as atividades florestais, contamos com 18 pontos de captação de água superficial e nove poços artesianos, para captação subterrânea. A maior demanda por água é para a construção e manutenção de estradas, uso em caminhões-pipa que molham as estradas que passam por comunidades rurais, a pesquisa florestal, a produção de mudas de eucalipto e a lavagem de máquinas de colheita de madeira.

In 2017, superficial water collection was of 13,986 m³, way below the 30,964 m³ collected in 2016. It occurred because some granted points were far from the region where the company operated last year, and the rainy season was better distributed in the period. On the other hand, underground water collection in 2017 was of 340,816 m³, above the 289,906 m³ collected in 2016, but still below the volume permitted by the environmental body.

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An audit by an external company confirmed the zero interference with both water quality and outflow in the micro watershed of Farje river, which is part of the watershed of Sauípe river, and we permanently monitor.

The water supplying our industrial unit is obtained from 11 production wells, nine of which are in the outer part of the factory and two in its inner part. All the wells' outflow and level conditions are monitored. In 2017, these wells provided a total volume of 15,134,934 m³ of water, representing a reduction of 3.1% in the water consumption by the Bracell’s mill. A water that abates to our industrial unit is obtained in 11 poços de produção, 9 of them localized in the external area of the factory and 2 in the internal area. All the wells are monitored to ensure that there is no interference in the production and the level of water. In 2017, these wells provided a total volume of 15,134,934 m³ of water, representing a reduction of 3.1% in the water consumption by the Bracell’s mill.

Technical teams work in projects with the expectation to reduce the volume of water consumed by 15% (250m³/h).

### Water collection per source

<table>
<thead>
<tr>
<th>Source / Fonte</th>
<th>Volume collected for forest operations / Volume captado para as operações florestais</th>
<th>Volume collected for industrial operations / Volume captado para as operações industriais</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of artesian wells / Numero de poços artesianos</td>
<td>9 9 9 11</td>
<td>11 11</td>
</tr>
<tr>
<td>Total volume in m³ collected from these sources / Volume total em m³ captado nestas fontes</td>
<td>289,958 340,816 15,617,929 15,134,934</td>
<td>15,617,929 15,134,934</td>
</tr>
<tr>
<td>Number of superficial collection points / Numero de pontos de captação superficial</td>
<td>18 18</td>
<td>18 18</td>
</tr>
<tr>
<td>Total volume in m³ collected from these sources / Volume total em m³ captado nestas fontes</td>
<td>30,764 13,986</td>
<td>30,764 13,986</td>
</tr>
<tr>
<td>Total volume of water collected from the two sources (m³) / Volume total de água captada nas duas fontes (m³)</td>
<td>320,870 354,802 15,617,929 15,134,934</td>
<td>15,617,929 15,134,934</td>
</tr>
</tbody>
</table>

### Residues and effluents management

*Gestão de resíduos e efluentes*

**G4-EN23; G4-EN25**

**Solid waste in the forestry activities**

Resíduos sólidos nas atividades florestais

Our forest unit has three storage centers for solid waste, collecting the material from the field and disposing them according to regulation. Since the commitment of everyone is essential for the effective and systematic sorting of waste, we launch internal educative campaigns on selective collection, promoting the reduction of solid waste generation, and encouraging material reuse and recycling. We also perform audits in our operational areas that generate these residues, verifying whether there are any gaps, and if there are proceed to promptly correct them.

Nossa unidade florestal possui três centrais de armazenamento de resíduos sólidos para acolher o material oriundo do campo e dar a destinação recomendada pela legislação. Ciente de que o comprometimento de todos é essencial para que a separação dos resíduos aconteça de modo efetivo e sistemático, promovemos campanhas internas de educação sobre coleta seletiva, estimulando a redução na geração de resíduos sólidos e incentivando o reuso e a reciclagem desses materiais, assim como realiza auditorias nas áreas operacionais que geram este tipo de resíduos, para verificar se há algum tipo de falha neste processo e providenciar correção imediata.
Forestry generation of waste (type, volume and destination)
Geração de resíduos florestais (tipo, volume e destino)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fluorescent lamps / Lâmpadas fluorescentes</td>
<td>152 units</td>
<td>450 units</td>
<td>Packaged and shipped to a licensed company / A胤o胤isados para envio à empresa licenciada</td>
</tr>
<tr>
<td>Packages of grochemicals / Embalagens de defensivos agrícolas</td>
<td>5,121 drums / bombonas</td>
<td>7,144 drums / bombonas</td>
<td>ARDARFS – Association of Agrochemical Resellers of Feira de Santana Area / Associação dos Revendedores de Defensivos Agrícolas da Região da Feira de Santana</td>
</tr>
<tr>
<td>Recyclable products / Recicláveis</td>
<td>17.4 ton of cardboard / papelão</td>
<td>13.5 ton of cardboard / papelão</td>
<td>Donated to Coral (Cooperative of Pickers and Recyclers of Alagoinhas) / Doado para a Coral (Cooperativa de Catadores e Reciclistas de Alagoinhas)</td>
</tr>
<tr>
<td>Pneumatic Tires / Pneus</td>
<td>261 units / unidades</td>
<td>212 units / unidades</td>
<td>Part recycled for social purposes and part sent to CBL (licensed company) / Parte reciclada para fins sociais e parte encaminhada para a CBL (empresa licenciada)</td>
</tr>
<tr>
<td>Lubricant oil / Óleo lubrificante</td>
<td>27,737 liters / litros</td>
<td>19,352 liters / litros</td>
<td>Shipped to a licensed company / Encaminhado para empresa licenciada</td>
</tr>
<tr>
<td>Scrap iron / Sucatas</td>
<td>17.32 ton</td>
<td>47.47 ton</td>
<td>Sold / Comercializadas</td>
</tr>
<tr>
<td>Contaminated soil / Solo contaminado</td>
<td>8.0 ton</td>
<td>17.5 ton</td>
<td>Shipped to a licensed company / Encaminhado para empresa licenciada</td>
</tr>
<tr>
<td>Various contaminated items / Contaminadas diversas</td>
<td>15.26 ton</td>
<td>15.0 ton</td>
<td>Shipped to a licensed company / Encaminhado para empresa licenciada</td>
</tr>
<tr>
<td>Oil filters / Filtradores de óleo</td>
<td>6.2 ton</td>
<td>3.0 ton</td>
<td>Shipped to a licensed company / Encaminhado para empresa licenciada</td>
</tr>
<tr>
<td>Contaminated hoses / Mangueiras contaminadas</td>
<td>19.50 ton</td>
<td>4.5 ton</td>
<td>Shipped to a licensed company / Encaminhado para empresa licenciada</td>
</tr>
</tbody>
</table>

Solid waste in the industrial activities
Resídios sólidos nas atividades industriais

About 80% of the industrial waste generated at our mill are sold either as an energy source for ceramics industry or as a material to help recover degraded areas, producing organic fertilizers and soil correctors. The unused waste are sent to an industrial landfill owned by the company. In 2017, the generation of industrial solid waste was 15.4% lower than 2016.

Non-industrial solid waste sorted in the selective collection process, such as plastic, paper, iron scrap and other are sold to specialized companies. However, glass is donated. In 2017, the volume of non-industrial solid waste generated at the mill was 35% higher than 2016.

Generation of industrial solid waste
Geração de resíduos sólidos industriais

<table>
<thead>
<tr>
<th>Waste / Resíduos</th>
<th>Average / Média (ton) 2016</th>
<th>Average / Média (ton) 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wood courtyard / Pátio de madeira</td>
<td>4.851</td>
<td>4.346</td>
</tr>
<tr>
<td>Effluents treatment station / Estação de tratamento de esfumaçados</td>
<td>1.073</td>
<td>701</td>
</tr>
<tr>
<td>Recovery / Recuperação</td>
<td>3.734</td>
<td>2.901</td>
</tr>
<tr>
<td>Fiber lines I and II / Linha de fibras I e II</td>
<td>1.918</td>
<td>1.850</td>
</tr>
<tr>
<td>Total</td>
<td>11.576</td>
<td>9.796</td>
</tr>
</tbody>
</table>

Generation of non-industrial solid waste
Geração de resíduos sólidos não-industriais

Já os resíduos sólidos não industriais separados no processo de coleta seletiva, como plástico, papel, suface e outros são vendidos para empresas especializadas, com exceção do vidro, que é doado. Em 2017, o volume de resíduos não industriais gerados na fábrica foi 35% maior do que em 2016.

<table>
<thead>
<tr>
<th>Waste type / Tipo de resíduo</th>
<th>2016 (ton)</th>
<th>2017 (ton)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metal / Metal</td>
<td>907</td>
<td>1,306</td>
</tr>
<tr>
<td>Plastic / Plástico</td>
<td>41</td>
<td>43</td>
</tr>
<tr>
<td>Paper/Cardboard / Papel/papelão</td>
<td>152</td>
<td>151</td>
</tr>
<tr>
<td>Glass / Vidro</td>
<td>3.78</td>
<td>3.32</td>
</tr>
<tr>
<td>Total</td>
<td>1,107</td>
<td>1,500</td>
</tr>
</tbody>
</table>
Weight of waste transported considered dangerous
Peso de resíduos transportados considerados perigosos

<table>
<thead>
<tr>
<th>Waste / Resíduos</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plastic drums / Bombonas plásticas</td>
</tr>
<tr>
<td>Lamps / Lâmpadas</td>
</tr>
<tr>
<td>Used lubricant oil / Óleo lubrificante usado</td>
</tr>
<tr>
<td>Batteries / Pilhas e baterias</td>
</tr>
<tr>
<td>Ambulatory residues / Resíduos de ambulatório</td>
</tr>
<tr>
<td>Drums with various contaminated materials / Tambores com materiais diversos contaminados</td>
</tr>
<tr>
<td>Empty metal drums contaminated / Tambores metálicos vazios contaminados</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generated / Gerado (ton)</td>
<td>Handled / Destinado (ton)</td>
</tr>
<tr>
<td>Plastic drums / Bombonas plásticas</td>
<td>0.27</td>
</tr>
<tr>
<td>Lamps / Lâmpadas</td>
<td>1.24</td>
</tr>
<tr>
<td>Used lubricant oil / Óleo lubrificante usado</td>
<td>63.30</td>
</tr>
<tr>
<td>Batteries / Pilhas e baterias</td>
<td>1.44</td>
</tr>
<tr>
<td>Ambulatory residues / Resíduos de ambulatório</td>
<td>0.23</td>
</tr>
<tr>
<td>Drums with various contaminated materials / Tambores com materiais diversos contaminados</td>
<td>143.11</td>
</tr>
<tr>
<td>Empty metal drums contaminated / Tambores metálicos vazios contaminados</td>
<td>5.74</td>
</tr>
</tbody>
</table>

Effluents

The industrial process generates effluents subject to a primary treatment at the very factory before being set to Cetrel, a company that conducts the final treatment before releasing them into the sea.

In 2017, our factory generated 25.8 m³ of effluents per air dry ton of produced rayon-grade cellulose, slightly below 2016, which was 26 m³/Adt. Organic effluent load also achieved better results than the previous year: 5.3 kg/Adt, compared to 7 kg/Adt recorded in 2016.

Effluent volume (m³)
Volume de efluente (m³/Adt)

<table>
<thead>
<tr>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual / Realizado</td>
<td>Goal / Meta</td>
</tr>
<tr>
<td>Organic effluent volume – m³/Adt</td>
<td>26</td>
</tr>
<tr>
<td>Load of organic effluent (DBV) – kg/Adt</td>
<td>7</td>
</tr>
</tbody>
</table>

*Adt = air dry ton, **BOD = biochemical oxygen demand
*Adt = tonelada seca ao ar. **DBO = demanda bioquímica de oxigênio

Plant’s wastewater disposal by quality and destination
Descarte de efluente na fábrica por qualidade e destinação

The volume of effluent discarded by the industrial unit in 2017 was also lower than 2016, reaching a 18.6% decrease of the volume discarded by the inorganic system and a 2.2% decrease by the organic system.
Every year, Bracell performs an inventory of greenhouse gas emissions and the carbon footprint of its cellulose factory. Based on this inventory, we identify and quantify our major emission sources and the respective gases emitted in one of them. From there, we seek to tailor procedures to reduce emissions.

In 2017, we monitored the emissions of 690 diesel vehicles, machinery and pieces of equipment operating at various phases of forest operations. This number exceeds 2016's, when we had about the similar number of units. When deviations are detected, vehicles and equipment are subject to maintenance service.

Assessments, which include the testing of black smoke from diesel engine exhausts, are performed every six months. Ringelmann scale is used in the measurement in compliance with Minter ordinance no. 100/80 which defines the limits of black smoke emissions by diesel vehicles.

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Assessments, which include the testing of black smoke from diesel engine exhausts, are performed every six months. Ringelmann scale is used in the measurement in compliance with Minter ordinance no. 100/80, which defines the limits of black smoke emissions by diesel vehicles.

A fábrica dispõe de precipitadores eletrostáticos na caldeira de recuperação e no forno de cal, bem como de um incinerador de gases que operam reduzindo os índices de emissões de gases odoríferos, poluentes e causadores de efeito estufa. As emissões industriais da Bracell são monitoradas e avaliadas. Conforme os padrões e licenças pertinentes.
The carbon footprint study was carried out by adopting as functional unit 1kg of dissolving pulp. The production chain analyzed comprises Bracell's entire forestry and industrial production process. In 2017, the Bracell dissolving pulp carbon footprint was quantified at 0.834 kgCO₂e per kilogram of dissolving pulp at the exit gate of the plant. Compared to 2016, there was a 9.3% increase in carbon footprint.

O estudo da pegada de carbono (carbon footprint) foi realizado adotando-se como unidade funcional 1 kg de celulose solúvel. A cadeia de produção analisada compreende todo o processo produtivo florestal e industrial da Bracell.

Em 2017, a pegada de carbono da celulose solúvel da Bracell foi quantificada em 0.834 kgCO₂e por quilograma de celulose solúvel no portão de saída da unidade industrial. Comparativamente com 2016, houve um aumento de 9.3% na pegada de carbono.
Carbon sequestration
Sequestro de carbono

We calculate our carbon sequestration by our eucalyptus plantations from the MAI (Medium Annual Increment) of biomass. Based on this information an absorption of 2.4 million tCO2 is estimated.

Most of the material obtained in the harvesting operations - the wood itself - is intended for the manufacture of dissolving wood pulp. The parts not used in this activity, such as branches, leaves, barks and roots, are also considered in the emission calculation of the cut area, assuming that all carbon previously absorbed will be emitted again as CO2. The 2017 inventory indicates an emission of 2.9 million tCO2. In 2016, the volume was 3.0 million tCO2.

Odor control
Controle de odor

As emissions atmosféricas de gases causadores de odor pela unidade industrial da Bracell são permanentemente controladas por mecanismos internos e contam também com o suporte de um grupo de voluntários integrantes da RPO (Rede de Percepção de Odor). Este grupo é composto de 20 moradores das sedes e distritos de municípios de Camaçari, Dias d’Ávila e de Lamarão, a district of São Sebastião do Passé. Todos foram treinados pela empresa para identificar odores provenientes da fábrica e estão preparados para reportar eventuais ocorrências a qualquer hora do dia ou da noite.

In 2017, we registered 14 complaints, out of which only two had grounds for complaint. In 2016, there was only one complaint, which was not due to the company’s activities.

A Bracell calcula o sequestro de carbono pelos seus plantios de eucalipto a partir do MAI (incremento médio anual) de biomassa. Com base nestas informações estima-se uma absorção de 2,4 milhões de tCO2.

A maior parte do material obtido nas operações de colheita – a madeira em si – destina-se à fabricação de celulose solúvel. As partes não aproveitadas nesta atividade, como galhos, folhas, cascas e raízes, também são consideradas no cálculo de emissão da área cortada, assumindo-se que todo o carbono previamente absorvido será emitido novamente como CO2. O inventário de 2017 indica uma emissão de 2,9 milhões de tCO2. Em 2016, o volume foi de 3,0 milhões de tCO2.

Power
Energia

Our industrial unit is self-sufficient to generate electric power for our operations. This resource is obtained from renewable sources, such as wood components and other substances from the manufacturing process of rayon-grade cellulose. The production is only stopped or reduced in case of changes in the regular operation of the mill, or during scheduled events, such as annual stoppage for maintenance.

A unidade industrial da Bracell é autossuficiente na geração de energia elétrica para suas operações. Esse recurso é obtido a partir de fontes renováveis, como componentes de madeira e outras substâncias originadas no processo produtivo da celulose solúvel. A produção só é suspensa ou reduzida em caso de alterações no funcionamento normal da fábrica e durante eventos planejados, como as paradas anuais de manutenção.

Generation, consumption, acquisition and sale of electricity in the plant (MWh)
Geração, consumo, compra e venda de energia elétrica na fábrica (MWh)

<table>
<thead>
<tr>
<th>Year</th>
<th>Acquired power / Energia comprada</th>
<th>Generated power / Energia gerada</th>
<th>Consumed power / Energia consumida</th>
<th>Sold power / Energia vendida</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>6,936</td>
<td>500,362</td>
<td>433,426</td>
<td>73,871</td>
</tr>
<tr>
<td>2017</td>
<td>17,943</td>
<td>474,393</td>
<td>435,044</td>
<td>57,293</td>
</tr>
</tbody>
</table>

Auxiliary fuels used in the mill
Combustíveis auxiliares utilizados na fábrica

<table>
<thead>
<tr>
<th>Type of fuel / Tipo de combustível</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural gas (total in m³) / Gás natural (total em m³)</td>
<td>64,412,956</td>
<td>79,726,196</td>
</tr>
<tr>
<td>LPG (total in tons) / GLP (total em ton)</td>
<td>379</td>
<td>626</td>
</tr>
</tbody>
</table>

* LPG (liquefied petroleum gas)
* GLP (gas liquefeito de petróleo)
Transparency and Accountability

Being transparent and objective to stakeholders in the same way you would like them to be with you is a principle that guides our sense of responsibility as well as our relationships with our internal and external stakeholders.

Agir com suas partes interessadas do mesmo modo transparente e objetivo como deseja que elas agem com a empresa. Esta premissa norteia nosso senso de responsabilidade no relacionamento com os diversos públicos internos e externos.
Integrated management policy

POLÍTICA INTEGRADA DE GESTÃO

As a company, we are committed to:

- Raising employees’ awareness and training them;
- Promoting a safe, healthy workplace;
- Respecting the rights of local communities, seeking dialog and resolution of conflicts through negotiation and consensus;
- Complying with contract requirements, occupational health and safety and social security and labor legislations, applicable legal environmental and mental requirements and any other guidelines that may be subscribed by the organization concerning its activities;
- Managing processes and their respective social, environmental aspects and impacts, and activity-related hazards and risks, focused on preventing pollution, conflicts, and occupational accidents;
- Sharing with society the development of programs for preservation and natural resources sustainable handling;
- Strengthening internal and external processes for communication and relationship with workers and other stakeholders, acting in an ethical and respectful manner when dealing with people, always being open for dialog in compliance with our commitments;
- Sensitizing and capacitating the collaborators;
- Promoting a safe work environment and a sustainable one;
- Respecting the right of the communities, looking for dialogue and the resolution of conflicts by means of negotiation and consensus;
- Complying with the requirements of sustainability, social, labor and other legal requirements for the activities that the organization relates to its commitments; and
- Strengthening internal and external processes for communication and relationship with workers and other stakeholders, acting in an ethical and respectful manner when dealing with people, always being open for dialog in compliance with our commitments;
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Certifications
Certificações

We are certified by ISO 14001 in our forest and industrial activities, ISO 9001 and Cerflor/PEFC for our Chain of Custody at the industrial unit, and Cerflor/PEFC for our forest management. These certifications confirm our commitment to sustainable operations. In addition, the Halal certification was granted in 2017 for our industrial unit, ensuring that the products used in the food production chain comply with the rules established by the Islamic Law.

After an external audit in May 2017, we were recommended to maintain our certifications related to forest management and chain of custody, according to the Cerflor / PEFC standard. In December of that year, we were subject to an adjustment process due to forest management and chain of custody, according to the national and international guidelines and rules that guide the organization.

Besides having a specific team to manage certification-related topics, we rely on the support of facilitators, who also play the role of internal auditors. They are professionals from different departments appointed to contribute to the good performance of the works connected to the certification in all areas in the company, contributing to a proper understanding of the Integrated Management system and actions required by the rules the company follows.

To understand and recognize the essential role facilitators play in identifying the need for improving the quality of their work, we launched Facilitator’s Link program in 2017. The activities under the responsibility of these professionals will be assessed and recognized depending on the performance achieved. The program was presented to facilitators and was subject to a testing stage in 2017, so that it could be effectively implemented in 2018.

Elo de Facilitadores [Facilitators’ Link] program
Programa Elo de Facilitadores

We continuously seek to improve our processes and encourage the enhancement of our teams to routinely meet our certifications requirements. As a large-sized company with forest activities distributed across several municipalities, it is necessary for us to count on the support of key people able to help the compliance and verification of the essential actions for the positive development of the activities, according to the national and international guidelines and rules that guide the organization.

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Buscamos diariamente aprimorar nossos processos e estimular o amadurecimento das equipes de forma a cumprir os requisitos das nossas certificações de forma rotineira. Por se tratar de uma empresa de grande porte e com atividades florestais distribuídas em diversos municípios, é necessário contar com apoio de pessoas-chave capazes de auxiliar no cumprimento e na verificação das ações fundamentais para o bom andamento das atividades, segundo as diretrizes e normas nacionais e internacionais que norteiam a organização.

Além de ter uma equipe específica para lidar com as questões voltadas à certificação, contamos com o apoio de facilitadores, que também exercem o papel de auditores internos. Estes são profissionais de diversos departamentos indicados para contribuir para o bom andamento dos trabalhos voltados à certificação em todas as áreas da empresa, contribuindo com o bom entendimento sobre o Sistema Integrado de Gestão e as ações requeridas pelas normas seguidas pela empresa.

Por entender e reconhecer a fundamental importância do papel dos facilitadores e por identificar a necessidade de aprimorar ainda mais a qualidade do trabalho desenvolvido por eles, em 2017, lançamos o Programa Elo de Facilitadores. Com ele, as atividades sob responsabilidade desses profissionais serão avaliadas e reconhecidas a partir do desempenho alcançado. O programa foi apresentado aos facilitadores e passou por uma fase de testes em 2017 para que pudesse ser efetivamente implantado em 2018.
Audits and inspections
Auditorias e vistorias

Aiming at improving our performance in complying with certification standards in addition to the internal audits already performed, the Certifications sector performs weekly inspections in the different forest work fronts occupied by internal and outsourced employees. In 2017, there were 33 field inspections on the forest activities to identify deviations and improvement opportunities. These data are entered into the management system and addressed to the responsible area to be treated.

Responsibility with the customer
Responsabilidade com o cliente

Our rayon-grade cellulose is evaluated for its potential risks for health, safety, and environment. Specific information is recorded and available for customers through our MSDS (Material Safety Data Sheet) in Portuguese, Spanish, English, and French. These sheets comply with the standard of GHS (Globally Harmonized System of Classification and Labeling of Chemicals).

In 2017, just like in the previous years, thanks to our strict control system, we did not record any non-compliance in the life cycle of its products concerning the voluntary regulations and codes on customers’ health and safety.

Customers have the chance to visit and perform audits, whenever necessary, to get to know our manufacturing activities of the company and its different processes.

A celulose solúvel produzida pela Bracell é avaliada quanto aos seus potenciais riscos para a saúde, segurança e meio ambiente. As informações específicas estão registradas e disponibilizadas para os clientes por meio das FISPQS (Fichas de Informação do Produto Químico) ou MSDS (Material Safety Data Sheet) em português, espanhol, inglês e francês. Estas fichas atendem ao padrão do GHS (Globally Harmonized System of Classification and Labelling of Chemicals), adotado para classificar e rotular produtos químicos.

Em 2017, como nos anos anteriores, graças ao nosso rigoroso sistema de controle, não foi registrada qualquer não conformidade no ciclo de vida dos nossos produtos quanto aos regulamentos e códigos voluntários que versam sobre a saúde e a segurança dos clientes.

Os clientes também têm a oportunidade de fazer visitas e auditorias na empresa, sempre que necessário, a fim de conhecer mais de perto nossas atividades produtivas e seus mais diversos processos.

Information channels and ombudsman
Canais de informação e ouvidoria

We seek to provide our customers and other stakeholders various contact points. Through our website www.bahiaspecell.com, stakeholders can contact us by accessing Contact Us, at the website’s main page. Once they submit the form, it is promptly forwarded to the relevant department for a swift response and if need be, resolution of a highlighted issue.

We also publish the “Com Você” newspaper, distributed to adjacent communities. We publish announcements at local radio stations.
Em 2017, foram registradas 57 queixas e 284 demandas, sendo a maior parte solicitações de doações diversas, principalmente de madeira, e recuperação de estradas que atendem às comunidades circunvizinhas. Neste ano, o número de queixas registradas caiu 55% em relação ao ano anterior.

Todas as queixas recebidas também são devidamente registradas e encaminhadas para a área responsável, que analisa a ocorrência e elabora um plano de ação para o tratamento e solução. O reclamante é informado sobre as ações e prazos, a fim de que possa acompanhar todo o processo até a sua conclusão.

Já as demandas são analisadas semanalmente pela equipe de Relações Institucionais e Sustentabilidade, que verifica se as solicitações recebidas comungam com a Política de Sustentabilidade da empresa e se há interesse e orçamento disponível para atendimento. Todas as partes interessadas recebem o devido retorno quanto às demandas e queixas registradas.

Por entender a importância da ouvidoria para o negócio, a partir de 2017, a diretoria da Bracell passou a acompanhar a evolução das tratativas relacionadas às queixas durante as reuniões gerenciais. Isso reduziu consideravelmente o tempo de resposta, chegando a zerar em vários meses do ano. A meta é atender a 100% das queixas no tempo máximo de 10 dias, retornando ao reclamante já com um plano de ação para resolução da situação apontada.

<table>
<thead>
<tr>
<th>Queixas/Ano</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registradas</td>
<td>128</td>
<td>57</td>
</tr>
</tbody>
</table>
Impact identification and monitoring

IDENTIFICAÇÃO E MONITORAMENTO DE IMPACTOS

We seek to operate with minimum risks to the safety of people, environment, and company and third-party property. Strategy, careful planning and monitoring ensure that our operations provide expected production results with minimum negative impacts.

Buscamos operar com riscos mínimos à segurança das pessoas, do meio ambiente, do patrimônio de terceiros e do seu próprio. Estratégia, planejamento cuidadoso e monitoramento asseguram que nossas operações tragam o retorno esperado com impactos negativos mínimos.
Surveying Aspects and Impacts
Levantamento de Aspectos e Impactos

In 2017, all areas made a great effort to analyze and update environmental aspects and impacts of our forestry and industrial activities. The updated documents were made available in the Integrated Management System and served as a basis for preparing or updating procedures to guide the work of various teams. The management of the potential impact is performed by the area in charge of each activity and followed up by the company management.

Micro-planning
Microplanejamento

About 90 days before starting any forestry activity, we gather a cross-functional team comprised of professionals with different visions and specialties to identify and assess the forest activity risks vis-à-vis economic, social, and environmental operating requirements. We also deal with any potential negative impacts of the activity, simultaneously seeking to enhance the positive aspects for both company and surrounding communities.

In such meetings, named micro-planning meetings, members prepare reports with operating guidelines that serve as the basis for decisions made by managers. In 2017, 52 micro-planning meetings were conducted from which 43 projects were harvested this year.
We rely upon a continuous monitoring program for fauna and flora in our areas, aimed at identifying and monitoring the species present in the four High Conservation Value Area (HCVAs) and several associated forest reserves. The results of this monitoring support decision-making processes concerning handling actions in our areas.

This program was launched in 2015 and enables a deeper knowledge of the dynamics of surrounding flora and fauna. These are used as bio-indicators for biodiversity and conservation programmes, and become sharing points for interested institutions, such as environment bodies and universities.

It is worth mentioning that, even in conservation areas, the species are subject to pressure because most HCVAs are surrounded by communities and areas of human activity, such as cattle farms and cultivation areas, reinforcing the need to coordinate with other stakeholders. Flora monitoring is performed every two years, while fauna is annual.

Around 800 native species have already been registered at our properties. 349 are from the flora (angiosperms) and 452 from the fauna (avifauna, herpetofauna and mastofauna). Among the identified species, 45 are part of national and international lists of endangered species that have immediate legal protection, and need quick, effective actions for their preservation.
## Performance of the fauna and flora monitoring program

Desempenho do programa de monitoramento de fauna e flora

### Flora

<table>
<thead>
<tr>
<th>Monitoring year / Number of species</th>
<th>Ano do monitoramento / Número de espécies</th>
<th>2016 and 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total of identified species / Total de espécies registradas</td>
<td>349*</td>
<td></td>
</tr>
<tr>
<td>Endemic species / Espécies endêmicas</td>
<td>34</td>
<td></td>
</tr>
<tr>
<td>Endangered species / Espécies ameaçadas</td>
<td>21</td>
<td></td>
</tr>
</tbody>
</table>

### Fauna

<table>
<thead>
<tr>
<th>Avifauna</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total of identified species / Total de espécies registradas</td>
</tr>
<tr>
<td>Endemic species / Espécies endêmicas</td>
</tr>
<tr>
<td>Endangered species / Espécies ameaçadas</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Herpetofauna</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total of identified species / Total de espécies registradas</td>
</tr>
<tr>
<td>Endemic species / Espécies endêmicas</td>
</tr>
<tr>
<td>Endangered species / Espécies ameaçadas</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mastofauna</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total of identified species / Total de espécies registradas</td>
</tr>
<tr>
<td>Endemic species / Espécies endêmicas</td>
</tr>
<tr>
<td>Endangered species / Espécies ameaçadas</td>
</tr>
</tbody>
</table>

* The last flora monitoring campaign was performed in 2016. New campaigns are scheduled in 2018.

## Flora

So far, we monitor angiosperms groups in its properties. This study enables identifying species present in the areas, their endemism and endangerment, as well as quantifying the floristic composition, structure, operation, dynamics, distribution and the environmental relations of the vegetable community.

### Endangered flora species identified by the monitoring of HCVAs and projects owned by Bracell

Espécies da flora ameaçadas de extinção registradas nos monitoramentos das AAVCs e projetos de domínio da Bracell

<table>
<thead>
<tr>
<th>Family/Species</th>
<th>ICMBio</th>
<th>IUCN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anacardiaceae</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Astronium fraxinifolium</td>
<td>X</td>
<td>-</td>
</tr>
<tr>
<td>Schinopsis brasiliensis</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Areceaceae</td>
<td></td>
<td></td>
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### Family/Species

Endangered species identified in the monitoring of HCVAs and projects owned by Bracell.

<table>
<thead>
<tr>
<th>Family/Species</th>
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<tbody>
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<td>Manilkara dardanoi</td>
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<td>-</td>
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<tr>
<td>M. decrescens</td>
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<td>X</td>
</tr>
<tr>
<td>M. maxima</td>
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</table>
In our monitored areas, 296 bird species have already been identified, corresponding to 33.6% of the birds described for Bahia state in the Birdlife checklist version 09.1 (Jun 2017). 13 are considered endangered by state, national and international official lists. In 2017, compared to 2016, the number of endangered species increased 27%. At PRNH Lontra alone, 13 species with high sensitivity to environment disturbances were found, reinforcing the preservation degree of this important ecological fragment, as these species need a well-preserved environment to survive. A high rate of endemic species for the Atlantic Forest biome was also identified in this reserve, corresponding to 22% of the endemic species for this biome.

### Endangered herpetofauna species identified by the monitoring of HCVAs and projects owned by Bracell

<table>
<thead>
<tr>
<th>Class/Family / Classe/Família</th>
<th>Species (common name) / Espécies (nome popular)</th>
<th>Endangerment degree / Grau de ameaça</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amphibia</td>
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<td>Bahia</td>
</tr>
<tr>
<td>Aromobatidae</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allobates olfersioides (tree frog)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gymnophthalmidae</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dryadidae nordestina (Dryades Spectacled Lizard)</td>
<td>VU</td>
<td></td>
</tr>
<tr>
<td>Teiidae</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amerippus abeiensis (Bahian sand dune lizard)</td>
<td>EN</td>
<td>EN</td>
</tr>
<tr>
<td>Tropiduridae</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tropidurus equeus (Reinhardt’s lava lizard)</td>
<td>VU</td>
<td>VU</td>
</tr>
<tr>
<td>Lachesis muta (South American bushmaster)</td>
<td>VU</td>
<td></td>
</tr>
</tbody>
</table>

Endangerment degrees:
- CR: Critically endangered
- EN: Endangered
- VU: Vulnerable

### Avifauna

Nas áreas que monitoramos já foram registradas 296 espécies de aves, o equivalente a 33.6% das aves descritas para o estado da Bahia no Birdlife checklist version 09.1 (Jun 2017). 13 são consideradas ameaçadas de extinção por listas oficiais estaduais, nacionais e internacionais. Em 2017, comparado com 2016, houve um acréscimo de 27% no número de espécies ameaçadas. Apenas na RPPN Lontra foram encontradas 13 espécies com alta sensibilidade às perturbações ambientais, reforçando o grau de conservação deste importante fragmento ecológico, já que estas espécies necessitam de um ambiente bem conservado para que possam sobreviver. Também nesta reserva foi registrado um alto índice de espécies endêmicas para o bioma Mata Atlântica, correspondendo a 22% das espécies endêmicas para este bioma.

### Herpetofauna (reptile and amphibian)

Together, monitored herpetofauna areas represented 122 species, 64 are amphibian species (6.5% of the total records in Brazil) and 58 are reptilians (7.9% of the total species identified in the country). There was a 40% increase in the number of identifications compared to 2016. Regarding endemic species, the number remained the same.

A remarkable fact in 2017 was the sighting of a South American bushmaster, the most venomous snake in the Americas. It is a species considered vulnerable and endangered, seen at PRNH Lontra during the day.

### Endangered herpetofauna species identified by the monitoring of HCVAs and projects owned by Bracell

<table>
<thead>
<tr>
<th>Class/Family / Classe/Família</th>
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Endangerment degrees:
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### Avifauna

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Mastofauna monitoring in 2017 evidenced the existence of 34 species of medium and large-sized wild mammals, and seven are endangered. This figure corresponds to 6.3% of the endangered Brazilian species.

Compared to 2016, 2017 numbers show a 6.2% increase in the number of species found in our properties. This increase corresponds to two species that have not been previously identified: a small-sized marsupial known as Karimi’s fat-tailed mouse opossum (*Thylamys karimii*) and a large-sized feline commonly known as eyra cat (*Puma yagouaroundi*). The latter, despite its wide distribution across Brazil, has low population density, and is considered endangered and classified as Vulnerable at state and nationwide levels.

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### Table of endangered mastofauna species identified by the monitoring of HCVAs and projects owned by Bracell

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<tr>
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<th>Bahia</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Conopophagidae</td>
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</tr>
<tr>
<td>Conopophaga melanops nigricans (black-cheeked gnateater) / (cuspador mascarado)</td>
<td>-</td>
<td>VU</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Cotingidae</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lipaugus vociferans (screaming pihal) / (crioucriu)</td>
<td>VU</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Xipholeuca atropurpurea (white-winged cotinga)</td>
<td>-</td>
<td>VU</td>
<td>VU</td>
<td></td>
</tr>
<tr>
<td>Fringillidae</td>
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<tr>
<td>Sylvilagus aureus (yellow-faced skunk) / (sincal do nordeste)</td>
<td>VU</td>
<td>VU</td>
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<tr>
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<tr>
<td>Automolus lamerei (pernambuco foliage-gleaner)</td>
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<td>EN</td>
<td>EN</td>
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<tr>
<td>Psittacidae</td>
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<tr>
<td>Amazona rhodocorypha (red-browed amazon) / (sialu)</td>
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<td>VU</td>
<td>VU</td>
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<tr>
<td>Touit auroa (golden-tailed parrotlet) / (aquam de cauda amarela)</td>
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<td>Thamnophilidae</td>
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<tr>
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<tr>
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<td>VU</td>
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<tr>
<td>Tityridae</td>
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<tr>
<td>Crypturellus rufivinatus (yellow-legged tamarin) / (tamarind)</td>
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Endangered avifauna species identified by the monitoring of HCVAs and projects owned by Bracell

**Mastofauna mastofauna**

Endangered avifauna species identified by the monitoring of HCVAs and projects owned by Bracell
Our market leadership in specialty-grade cellulose is based on our pioneering profile, on our desire to achieve ambitious goals, and on our commitment to understand our customers, offering them a higher quality product. As such, our investment in professional qualification and our continuous improvement projects span the entire span of the manufacturing process, resulting in solutions that go beyond customer’s expectations worldwide.

A liderança da Bracell no mercado de especialidades de celulose se alicerça em seu perfil vanguardista, no desejo de superar metas ambiciosas e no compromisso em entender o cliente para oferecer a ele uma matéria-prima de qualidade superior. Assim, nosso investimento na qualificação dos profissionais e em projetos de melhoria contínua perpassam o processo produtivo de ponta a ponta e resultam em soluções que vão além das expectativas dos clientes em todo o mundo.
For us, the concept of continuous improvement means investing in new techniques and processes that ensure a higher product quality and decreasing production time and costs. In addition, we believe it is necessary to continuously invest in people development and in enhancing the skillsets of our employees who work in various areas of our production chain.

As such, we invest in technical, safety, and behavior training courses, as well as in educational encouragement programs aligned with the professional profile of each employee.

**Training courses**

In 2017, we offered 580 technical, safety, and behavior training courses, about 5% more than 2016’s 555 courses amounting to 40,173 hours of training in total.

The number of participation in training also increased by 28% over the previous year, reaching 6,714.

<table>
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<th>Training type</th>
<th>Industrial unit</th>
<th>Forest unit</th>
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<tr>
<td></td>
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<td>212</td>
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<td>Development / Desenvolvimento</td>
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<tr>
<td>Total</td>
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<td>396</td>
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</table>

For us, the concept of melhoria continua pressupõe investir em novas técnicas e processos que garantam a maior qualidade do produto, reduzindo o tempo de produção e os custos. Além disso, acreditamos que é necessário investir constantemente no desenvolvimento das nossas pessoas e aperfeiçoamento das habilidades de security e comportamentais para atuar nas diversas áreas da nossa cadeia produtiva.

Por isso, investimos em treinamentos técnicos, de segurança e comportamentais para a equipe e em um programa de incentivo à educação alinhado ao perfil profissional de cada colaborador.

**Education encouragement**

**Incentivo à educação**

Aiming at ensuring continuous development of professionals from different areas of operations, we also maintain an education encouragement program, which received USD 64,202 in investments in 2017. Around 102 employees participated in undergraduate, English, technical, graduate, and master’s degree programs. In 2016, this investment was USD 61,885, benefiting about 102 employees.

Com vistas a assegurar o contínuo desenvolvimento de profissionais das mais diversas áreas, ainda mantemos um programa de incentivo à educação que, só em 2017, recebeu investimentos de R$ 192,607 e beneficiou 102 colaboradores, com cursos de graduação, inglês, técnicos, de pós-graduação e mestrado. Em 2016, esse investimento foi de R$ 185,655, beneficiando outros 102 colaboradores.

**Development of leaders**

**Desenvolvimento de lideranças**

Through Bracell Leaders’ Development Program, 37 managers attended the Situational Leadership Training in 2017 in addition to the 31 participants in 2016. This was held at the Center for Leadership Studies of Brazil. With 16 hours of workload, this training course qualified leaders to act more effectively with their teams. This training will continue in 2018 with a new batch of managers.


**Trainee Program**

**Programa de trainee**

Created to provide new talents from the technical areas with a solid education, our Trainee Program enables participants to qualify to hold top positions in the future. In 2017, this program hosted 15 young Brazilians, compared to 22 in 2016.

In 2018, we will deploy Fiber Talents, a specific trainee program to the forest area, which was officially launched at the end of 2017. With a schedule of activities to be performed in a two-year period, this program will contribute to the development of a promising career, covering the broad technical knowledge, as well as leadership and people management techniques.

Criado com o intuito de dar sólida formação a novos talentos das áreas técnicas, nosso Programa de Trainee qualifica os participantes para a ocupar posições hierárquicas superiores no futuro. Em 2017, o programa contou com a participação de 15 jovens brasileiros, além dos 22 jovens que entraram no programa em 2016.

Em 2018, colocaremos em execução o Talentos de Fibra, programa de trainee específico para a área florestal oficialmente lançado no final de 2017. Com um cronograma de atividades a serem executadas num período de dois anos, o programa contribuirá para o desenvolvimento de uma carreira promissora, que contemple desde o amplo conhecimento técnico da atividade até o desenvolvimento de projetos de melhoria e técnicas de liderança e gestão de pessoas.
We also started to gather the members of the Forest Handling Committee in 2017 for biannual meetings, aimed at consolidating discussions and actions focused on increasing forest operating efficiency and productivity gains. This committee also defines projects to be developed over the next year. The main achievements of the developed work are going to be deployed in 2018.

Improvement projects focused on ensuring maintenance and elevation of forest productivity, increasing the survival of plantations and improving information flow between teams from the different areas involved in forest operations are expected in 2018.

In 2017, the company developed four continuous improvement projects in the areas of Logistics, Fibers Line, Drying and in Recovery and Utilities by using Lean methodology. In 2018, we expect other areas of the company will be subjected to such lean improvement programmes.

In 2017, 52 people, being 24 in the industrial operations and 28 in the forestry, participated of Young Apprentice Program. This program was developed in partnership with CIEE (Company-School Integration Center) and SENAI (Brazilian Service for Industrial Learning), contributing to the professional education of local young talents. In 2016, there were 60 young apprentices working in different functions from both the forest and industrial units.
Progress in the eucalyptus plantation
Avanços no plantio do eucalipto

In 2017, we reached a record in the volume of eucalyptus planted in the past decade. The only other year when we had the same record in plantation volume was in 2007. However, the quality was not the same. This time, product quality greatly improved because of our continuous investment in the development of new production technologies, such as the acquisition of new equipment for soil preparation, besides the search for increased mechanization to improve forest quality.

Further that year, plantation quality standard reached 95% of compliance, and the quality of the seedlings produced by the company was rated 9.5 on a 1-to-10 scale. A significant part of the results is due to the development of genetic material adapted to the plantation site by our Forest Research and Development sector.

We intensified the weight control on the scale and the ostensible monitoring of the roads. The company also improved fleet distribution and invested in the development of suppliers, increasing operating efficiency. Logistic accidents rate dropped by 80% compared to 2016 thanks to training on safety, defensive driving, speed monitoring, verification of cargo securing and height, as well as positioning of stanchions and weekly fleet inspections.

Seedling nursery
Viveiro de mudas

In 2017, we invested in improving our nursery physical infrastructure at Fazenda Quatis, in Entre Rios, which increased gains and decreased resources waste thanks to better employee ergonomics. Thus, it was possible to produce 30% more seedlings compared to the previous year.

In 2018, the entire production process will be reviewed, with a special focus on reducing water consumption, and new investments to change the layout, ensuring efficiency and excellence in the entire production process.

We invest in improving road conditions used for transporting wood from the field to the factory. In 2017, we invested over USD 4 million in the construction and maintenance of 548 kilometers of roads.

We brought new service providers specialized in transporting wood, as well as developed internal suppliers by standardizing our fleet with more modern vehicles. This initiative increased gains in the logistics area, improving fleet efficiency and availability. Thus, we achieved a daily record of produced wood delivered to the factory in July, with a volume of 8,949 m³.

Forestry logistics improvement
Melhorias na logística florestal

In 2017, we invested over USD 4 million in the transportation of madeira do campo para a fábrica. Em 2017, foram mais de R$ 12 milhões investidos na construção e manutenção de 584 quilômetros de estradas.

No mesmo ano, trouxemos novos prestadores de serviços especializados no transporte de madeira, bem como desenvolvemos fornecedores internos por meio da padronização da frota com veículos mais modernos. A iniciativa trouxe ganhos no desempenho da cadeia logística, melhorando a eficiência e disponibilidade da frota. Assim, alcançamos um recorde diário de produção de madeira entregue na fábrica no mês de julho, com um volume de 8,949 m³.

Nós também intensificamos o controle de peso na balança e o monitoramento ostensivo nas vias utilizadas, bem como melhoramos a distribuição da frota e investimos no desenvolvimento dos fornecedores, com consequente aumento da eficiência operacional. Outro resultado positivo foi a redução, em 80%, do índice de acidentes na logística em relação a 2016, por conta de treinamentos em segurança, direção defensiva, monitoramento de velocidade, verificação na amarração e altura das cargas e posicionamento dos fueiros, além da inspeções semanais na frota.
The sector of Forest Technology made significant progress in 2017. This sector aimed at generating knowledge and technology, developing high quality genetic materials for the factory and applying the integrated management of pests and diseases. It also promoted forest quality and productivity in a continuous, sustainable way.

In Genetic and Forest Enhancement, the expansion of the controlled pollination park at Fazenda Salgado in Inhambupe enabled a quicker production of raw materials for producing specialties.

Using near infrared technology (NIR) for prospecting new materials was effective, even at the calibration stage. Thus, 11 new materials were made available for vegetative multiplication in the test plantation of new genetic materials and continued prospection to better serve external customers.

Our forest handling is wood production-oriented and is guided by soil and nutrition handling programs, regarding sustainability search of the production capacity in areas where we operate. Soil fertility handling was reviewed in 2017 and nutritional monitoring techniques were incorporated. It enabled rationalization of inputs usage and did not compromise productivity. Manuring recommendations were adjusted, considering the availability of nutrients in the soil, which are calculated below the burlap, maintaining the concept of not counting in the recommendation the nutrients contained in harvest residues and burlap, prioritizing the maintenance or increase of nutrients in the soil.

Following plantation, the plant nutritional state is assessed and monitored by analysis and interpretation techniques. Plant growth and nutrients content in the leaves are indicators. This allows nutrient recommendations and contributes to the productive capacity maintenance of the soil and for the non-use of nutrients contained in residues.

Forest harvest
Colheita florestal

In 2017, we invested in replacing our entire forestry harvest machinery fleet. 37 new Komatsu machines – 26 harvesters and 11 forwarders, were received. In purchasing this new fleet, we signed a full-maintenance agreement with Komatsu who will be responsible for the forest machinery mechanical maintenance tasks.

The company also invested in process management with a better structuring of the training area oriented to the harvest team. The Training Program for Trainee Operators was re-elaborated by the implementation of the Adaptation Program for newly-hired experienced employees so that they can familiarize with the company, its norms, operating modules and all area procedures. The Program for Operating Improvement also enables daily, individual follow-up of the operation productivity and quality. Experienced operators are monitored by operating development technicians.

Em 2017, nós investimos na troca de toda a frota de máquinas de colheita florestal. Foram recebidas 37 novas máquinas da marca Komatsu, sendo 26 harvesters e 11 forwarders. Com a compra destes equipamentos, estabelecemos um contrato no modelo “full maintenance” com a Komatsu, que assumiu as atividades de manutenção mecânica das máquinas florestais.

Investimos, ainda, na gestão de processos com uma maior estruturação da área de treinamentos voltados para a equipe de colheita. O Programa de Formação de Operadores Trainees foi reformulado com a implantação do Programa de Ambiente para colaboradores experientes recém-contratados para que pudessem conhecer melhor a empresa, suas normas, módulos operacionais, e todos os procedimentos da área. O Programa de Aprimoramento Operacional também permite acompanhamento diário e individual da produção, produtividade, qualidade da operação. Os operadores experientes são acompanhados por técnicos em desenvolvimento operacional.
Operating units were also reviewed in 2017, starting with stratifying based on soil grouping and climate, allowing for a better rationalization in the forest handling recommendations, such as spacing and clonal allocation. Although the focus of the procedures included the soil handling program to increase production resources allocation assertiveness, it was also possible to decrease the addition of inputs, such as limestone. The decrease in the average dose of limestone was 26%, considering the average recommended dose for 2018 compared to what would be recommended without soil fertility indicators. This reduction mainly means that limestone was better distributed.

Committed to decrease the use of agrochemicals in the eucalyptus culture as much as possible, we preferably adopt biological monitoring and controlling of pests and diseases, which also decreases environmental costs and impacts in our operations. In 2017, we released 8.8 million pest-controlling insects, predators and parasitoids in the field, 14% more compared to 2016. A modern Phytopathology and Biotechnology laboratory was included to the Forest Pests laboratory, enabling the Forest Protection area to act more quickly and effectively in ensuring forest stability and diseases control.

Many education institutions and research centers in Brazil and abroad contribute to the research programs established as co-operative societies at SIF (Forest Investigations Society) and IPEF (Forest Study and Research Society), USP (University of São Paulo), Unesp (São Paulo State University Júlio de Mesquita Filho), UFRB (Recôncavo da Bahia Federal University), UFLA (Lavras Federal University), Embrapa (Brazilian Company of Agricultural and Cattle Raising Research), Cirad (Centre de Coopération Internationale en Recherche Agronomique pour le Développement), from France, NCSU (North Carolina State University) and FPC (Forest Productivity Cooperative), from the United States and, more recently, scientific partnership with University of Pretoria, from South Africa.

We seek the continuous improvement of our processes, products and people, so to offer our customers the most modern and innovative in the global market.

As the units of management operational also were reviewed in 2017, passing to be stratified with base in agrupamento do solo e clima, permitting a better rationalization in the recommendations of manечo florestal, thus as spacing and clonal allocation. Embora o foco principal of the procedures, included in the programme of manecho of solo, also increase the assertiveness in the allocation of the production resources of production, it also possible to reduce the aporte of insumos, tal como de calcário. A redução na dose média de calcário foi de 26%, considering the dose média recommended for 2018 in relation to what would be recommended with indicators of soil fertility. This reduction mainly means that limestone was better distributed.

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**STRATEGY AND ANALYSIS / ESTRATÉGIA E ANÁLISE**

**ORGANIZATIONAL PROFILE / PERFIL ORGANIZACIONAL**

**IDENTIFIED MATERIAL ASPECTS AND LIMITS / ASPECTOS MATERIAIS IDENTIFICADOS E LIMITES**

- The company participated in several committees, forums, associations and unions, with particular emphasis on ABAB (Brazilian Association of Forest Based Companies), ABTCP (Brazilian Association of Paper and Pulp Technology), COFIC (Industrial Development Committee of Camaçari), FIEB (Industries of the State of Bahia), IBÁ (Brazilian Tree Industry), Sindpacel (Unions of Paper Industries, Pulp, Cardboard, Pulp and Paper and Paper and Cardboard), Conser (Interactive Safety Council of the North Forest District), CONERH (State Council for Water Resources), APA (Litoral Norte Management Council), APA (Joaanes / Ipiranga), CBHRNI (Committee of the Recôncavo Norte and Inhambupe Hydrographic Basin) and CEPRAM (State Environmental Council).

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**Enagement of Stakeholders / Stakeholder Engagement**

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| List of groups of stakeholders engaged by the organization.                 |
| G4-25 Base used for identification and selection of stakeholders for engagement. | 16        |          |                   |
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| G4-26 Approach adopted by the organization to engage stakeholders.          | 16, 71    |          |                   |
| Abordagem adotada pela organização para engajar stakeholders.               |
| G4-27 Key topics and concerns raised during the engagement and measures taken to address topics. | 16        |          |                   |
| Principais tópicos e preocupações levantadas durante o engajamento e medidas adotadas para abordar tópicos. |

**Report Profile / Perfil do Relatório**

| G4-28 Reporting period.                                                       | From January to December 2017. |          |                   |
| Periodo coberto pelo relatório.                                              |
| G4-29 Date of the most recent previous report.                              | July, 2017.                    |          |                   |
| Data do relatório anterior mais recente.                                     |
| G4-30 Reporting Cycle.                                                       | Yearly.                        |          |                   |
| Ciclo de emissão de relatórios.                                             |
| G4-31 Contact for questions concerning the report.                          | 7, 117                          |          |                   |
| Ponto de contato para perguntas sobre o relatório.                          |
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| G4-S6 Values, principles, standards and organizational standards of behavior (codes of conduct and ethics). | 15, 112, 55, 57 |          |                   |
| Valores, princípios, padrões e normas de comportamento da organização (códigos de conduta e de ética). |

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| Valor econômico direto gerado e distribuído.                                |
| G4-EC3 Coverage of the Organization’s defined benefit pension plan obligations. | 64                                |          |                   |
| Cobertura das obrigações previstas no plano de pensão de benefício definido da organização. |

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| G4-EC5 Variation in the proportion of the lowest salary by gender compared to local minimum wage. | 43                                |          |                   |
| Variação da proporção do salário mais baixo, discriminado por gênero, comparado ao salário mínimo local. |
| G4-EC6 Proportion of members of senior management hired from the local community. | 23% of the company’s managers are natural from the region (Bahia). | 23% dos gerentes da empresa são naturais da própria região. |

| G4-EC7 Development and impact of infrastructure investments and provided services. | 133, 139 |          |                   |
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<td>G4-EN2</td>
<td>Percentage of materials used from recycling.</td>
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<td>G4-EN9</td>
<td>Water sources significantly affected by water withdrawal.</td>
<td>None.</td>
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<td></td>
<td>Fontes hídricas significativamente afetadas por retirada de água.</td>
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<td>G4-EN11</td>
<td>Total weight of waste by type and disposal method.</td>
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<td>Percentage of new suppliers selected based on environmental criteria.</td>
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<tr>
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<td>Percentual de novos fornecedores selecionados com base em critérios ambientais.</td>
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<td>Environmental assessment of suppliers / Avaliação ambiental de fornecedores</td>
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<td>Not measured.</td>
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<td>Mechanisms for complaints and complaints related to environmental impacts / Mecanismos de queixas e reclamações relacionadas a impactos ambientais</td>
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<td>G4-EN25</td>
<td>Total weight of transported, imported, exported or treated waste considered hazardous.</td>
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<td>Peso de resíduos transportados, importados, exportados ou tratados considerados perigosos.</td>
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**SUSTAINABILITY REPORT • RELATÓRIO DE SUSTENTABILIDADE • 2017**

**SOCIAL / SOCIAL**

**LABOR PRACTICES AND DECENT WORK / PRÁTICAS TRABALHISTAS E TRABALHO DECENTE**

<p>| Employment / Emprego | G4-LA1 | New hires and employee turnover by age group, gender and region. | 60 | |
|                     |        | Novas contratações de empregados e rotatividade por faixa etária, gênero e região. |             |          |</p>
<table>
<thead>
<tr>
<th>Specific Content / Conteúdo Padrão Específicos</th>
<th>Indicador / Indicador</th>
<th>Página / Página</th>
<th>Resposta / Resposta</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>G4-LA2</strong> Benefits granted to full-time employees that are not provided to temporary or part-time employees.</td>
<td></td>
<td>64</td>
<td></td>
</tr>
<tr>
<td><strong>G4-LA4</strong> Working Relationships / Relações Trabalhistas</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum notice period regarding operational changes and whether they are specified in collective agreements.</td>
<td></td>
<td>68</td>
<td></td>
</tr>
<tr>
<td>Health and Safety at Work / Saúde e Segurança no trabalho</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of workforce represented in formal health and safety committees, composed of employees from different hierarchical levels, which help monitor and guide health and safety programs at work.</td>
<td></td>
<td>68</td>
<td></td>
</tr>
<tr>
<td>Types and rates of injury, occupational diseases, lost days, absenteeism and number of work-related fatalities, by region and gender.</td>
<td></td>
<td>66</td>
<td></td>
</tr>
<tr>
<td>Topics related to health and safety covered by formal agreements with unions.</td>
<td></td>
<td>68</td>
<td></td>
</tr>
<tr>
<td>Training and education / Treinamento e educação</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average number of training hours per year per employee, by gender and job category.</td>
<td></td>
<td>134</td>
<td></td>
</tr>
<tr>
<td>Percentage of employees receiving regular performance and career development feedback, by gender and job category.</td>
<td></td>
<td>133</td>
<td></td>
</tr>
<tr>
<td><strong>G4-LA12</strong> Diversity and equal opportunities / Diversidade e igualdade de oportunidades</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Composition of governance bodies and breakdown of employees per employee category.</td>
<td></td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td><strong>G4-LA14</strong> Evaluation of suppliers in labor practice / Avaliação de fornecedores em práticas trabalhistas</td>
<td></td>
<td>54</td>
<td></td>
</tr>
<tr>
<td>Percentage of new suppliers selected based on labor practices criteria.</td>
<td></td>
<td>54</td>
<td></td>
</tr>
<tr>
<td><strong>G4-LA15</strong> HUMAN RIGHTS / DIREITOS HUMANOS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Potential and real significant negative impacts for labor practices in the chain of suppliers and measures taken.</td>
<td></td>
<td>117</td>
<td></td>
</tr>
<tr>
<td><strong>G4-LA16</strong> Non-discrimination / Não discriminação</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total number of incidents of discrimination and corrective measures.</td>
<td></td>
<td>None.</td>
<td></td>
</tr>
<tr>
<td><strong>G4-HR1</strong> Investments / Investimentos</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total number and percentage of significant investment agreements and contracts that include human rights clauses.</td>
<td></td>
<td>56</td>
<td></td>
</tr>
<tr>
<td><strong>G4-HR2</strong> Non-discrimination / Não discriminação</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total number of discrimination and corrective measures.</td>
<td></td>
<td>None.</td>
<td></td>
</tr>
<tr>
<td><strong>G4-HR3</strong> Freedom of association and collective bargaining / Liberdade de associação e negociação coletiva</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total number of incidents of association and collective bargaining.</td>
<td></td>
<td>None.</td>
<td></td>
</tr>
<tr>
<td><strong>G4-HR4</strong> Operations and suppliers identified where the right to exercise freedom of association and collective bargaining may be being violated.</td>
<td></td>
<td>None.</td>
<td></td>
</tr>
</tbody>
</table>
## Specific Content / Conteúdos Padrão Específicos

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>G4-HR5</strong></td>
<td>Operations and suppliers identified as presenting risk for the occurrence of child labor and measures taken.</td>
<td>N/A</td>
<td>None.</td>
</tr>
<tr>
<td><strong>G4-HR6</strong></td>
<td>Operations and suppliers identified as presenting significant risk for the occurrence of forced labor or similar to slave labor.</td>
<td>N/A</td>
<td>None.</td>
</tr>
<tr>
<td><strong>G4-HR7</strong></td>
<td>Percentage of security personnel trained in policies or procedures related to human rights that are relevant to operations.</td>
<td>56</td>
<td>All Property Security Team. In addition, in 2017, this theme was inserted in the integration of all new employees.</td>
</tr>
<tr>
<td><strong>G4-HR8</strong></td>
<td>Total number of cases of violation of indigenous and traditional peoples rights and actions taken.</td>
<td>N/A</td>
<td>None.</td>
</tr>
<tr>
<td><strong>G4-HR9</strong></td>
<td>Total number and percentage of operations subject to human rights analyses or assessments of related impacts.</td>
<td>56</td>
<td>None.</td>
</tr>
<tr>
<td><strong>G4-HR10</strong></td>
<td>Percentage of new suppliers selected based on human rights criteria.</td>
<td>56</td>
<td>None.</td>
</tr>
<tr>
<td><strong>G4-HR11</strong></td>
<td>Real and potential significant negative impacts on human rights in the chain of suppliers and measures taken.</td>
<td>N/A</td>
<td>None.</td>
</tr>
</tbody>
</table>

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### Public Policy / Políticas Públicas

- **G4-SO9** | Percentage of new suppliers selected on criteria relating to impact on society. | 56 | None. |

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### Mechanisms for complaints related to human rights / Mecanismos de queixas e reclamações relacionadas a direitos humanos

- **G4-HR12** | Number of complaints and grievances related to impacts on human rights. | N/A | None. |

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### Fighting corruption / Combate à corrupção

- **G4-SO4** | Policies and anti-corruption procedures: communication and training. | $7 | None. |

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### Public Policy / Políticas Públicas

- **G4-SO6** | Total value of financial contributions to political parties. | N/A | None. |

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### Conformity / Conformidade

- **G4-SO8** | Monetary value of significant fines and total number of non-monetary penalties due to noncompliance with laws and regulations. | N/A | None. |

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### Supplier assessment on impacts on society / Avaliação de fornecedores em impactos na sociedade

- **G4-SO10** | Percentage of new suppliers selected on criteria relating to impact on society. | 56 | None. |

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### Public Policy / Políticas Públicas

- **G4-SO12** | Total number of legal actions or judicial decisions against non-conformities or practices of trust and monopoly and their results. | N/A | None. |
<table>
<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>Mechanisms for complaints related to impacts on society / Mecanismos de queixas e reclamações relacionadas a impactos na sociedade</td>
<td>GA-SO11</td>
<td>117</td>
<td></td>
</tr>
<tr>
<td>Number of complaints related to impacts on society registered, processed and solved.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Número de queixas e reclamações relacionadas a impactos na sociedade registradas, processadas e solucionadas.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PRODUCT LIABILITY / RESPONSABILIDADE PELO PRODUTO</th>
<th>Customer health and safety / Saúde e segurança do cliente</th>
</tr>
</thead>
<tbody>
<tr>
<td>GA-PR1 Percentage of significant categories of products and services that undergo evaluation in terms of impacts on health and safety, in order to seek improvements.</td>
<td></td>
</tr>
<tr>
<td>Percentual das categorias de produtos e serviços significativas para os quais são avaliados impactos na saúde e segurança buscando melhorias.</td>
<td></td>
</tr>
<tr>
<td>116</td>
<td>None. Não houve.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Products and services labeling / Rotulagem de produtos e serviços</th>
<th>GA-PR3 Type of information on products and services required by the organization’s procedures concerning information and labeling of products and services.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The product labeling is described in the internal procedures of Bracell. There is no specific requirement for customer labeling. Requirements on labeling are defined in the CERFLOR standard when the company decides to label the product. However Bracell decided not to label their products with the CERFLOR quality seal. A rotulagem dos produtos está descrita em procedimentos internos da Bracell. Não existe um requisito específico de cliente sobre rotulagem.Requisitos sobre rotulagem são definidos na norma CERFLOR quando a empresa decide rotular o produto. Entretanto a Bracell decidiu não rotular seus produtos com selo CERFLOR.</td>
<td></td>
</tr>
<tr>
<td>Type de informações sobre produtos e serviços exigidas pelos procedimentos da organização referentes à informações e rotulagem de produtos e serviços.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Specific content / conteúdos padrão específicos</th>
<th>GA-PR5 Customer satisfaction survey results.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resultsados de pesquisas de satisfação de clientes.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Marketing communication / Comunicações de marketing</th>
<th>GA-PR6 Sale of banned or disputed products.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Venda de produtos proibidos ou contestados.</td>
<td>No records of non-conformities related to this requirement.</td>
</tr>
<tr>
<td>Sem registros de NC em relação a este requisito.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Customer privacy / Privacidade do cliente</th>
<th>GA-PR8 Total number of substantiated complaints related to customer privacy violation and the loss of customer data.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Número total de queixas e reclamações comprovadas relativas à violação de privacidade e perda de dados de clientes.</td>
<td>No records of non-conformities related to this requirement.</td>
</tr>
<tr>
<td>Sem registros de NC em relação a este requisito.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Conformity / Conformidade</th>
<th>GA-PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valor monetário de multas significativas por não conformidade com leis e regulamentos relativos ao fornecimento e uso de produtos e serviços.</td>
<td>None. Não houve.</td>
</tr>
</tbody>
</table>