Bracell's Sustainability Policy

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As one of the main producers of dissolving wood pulp (Rayon-grades e Specialty-grades) and Bleached eucalyptus kraft pulp 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[1] 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, Bracell 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. COMPLIANCE WITH LAWS AND REGULATIONS

All of Bracell´s activities comply with local and national legislation in Brazil. Specifically, Bracell:

- Adheres to all laws and regulations applicable to its forestry, industrial and commercial activities;
- Requires service providers and contractors to similarly comply with all laws relevant to its activities;
- Seeks viable solutions to administrative or legal issues within specific timeframes;
- Documents and pays all applicable and legally required charges – such as salaries, taxes, fees and other costs – to carry out its activities.

2. RESPONSIBLE WORK PRACTICES

Bracell is committed to respecting and supporting the Universal Declaration of Human Rights and to providing a safe, healthy and productive work environment for all employees. Specifically, Bracell:

- Respects employee diversity regardless of race, religion and gender – and does not tolerate any kind of discrimination or abuse;
- Respects the freedom of association within all business units;
- Complies with all requirements for the hiring of employees, including priority recruitment of qualified local workers;
- Adheres to the International Labor Organization's declaration on fundamental principles and rights at work;
- Offers all employees a safe, clean and properly equipped workplace;
- Invests in behavioural and occupational safety training;
- Does not tolerate child, slave or indentured labour;
- Repudiates and adopts measures to prevent the hiring of trafficked people;
- Works to raise employee awareness of sustainability.

[1] http://www.rgei.com/sustainability/sustainability-framework

3. DEVELOPMENT OF LOCAL COMMUNITIES

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

- 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 conservation 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.

4. ENVIRONMENTAL PROTECTION AND CONSERVATION

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

- Commits to use only eucalyptus wood from reforestation activities in its production processes;
- Maintains more than 83,000 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 and partners/suppliers 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;
- 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.

5. TRANSPARENCY AND ACCOUNTABILITY

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

- 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 Bracell'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.

6. IMPACT IDENTIFICATION AND MONITORING

Bracell seeks to enhance the positive effects of its operations and activities while mitigating or minimizing any negative impact. Specifically, Bracell:

- 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.

7. CONTINUOUS IMPROVEMENT AND CUSTOMER-CENTRICITY

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

- Cares about the good internal alignment and the constant engagement of its clients to meet their needs;
- Customize 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.

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