

Great
Place
To
Work.®

Certificado

29/03/2021 - 29/03/2022

BRASIL



NOVO
MERCADO

RANI
B3 LISTED NM

ESG

Sustainable
development
runs in our DNA

August 2021

irani



IRANI: THE BRAZILIAN PURE PLAYER IN THE PACKAGING SECTOR LISTED IN THE **NEW B3 EXCHANGE**



over **50** environmental awards at regional and national levels

over **2,200** employees

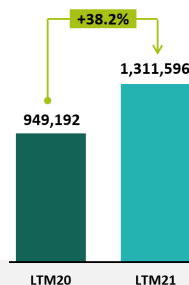
BRL 1.3bi
net income LTM

15%
Exports

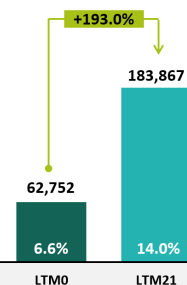
85%
Domestic Market

[Click here and learn more:](#)

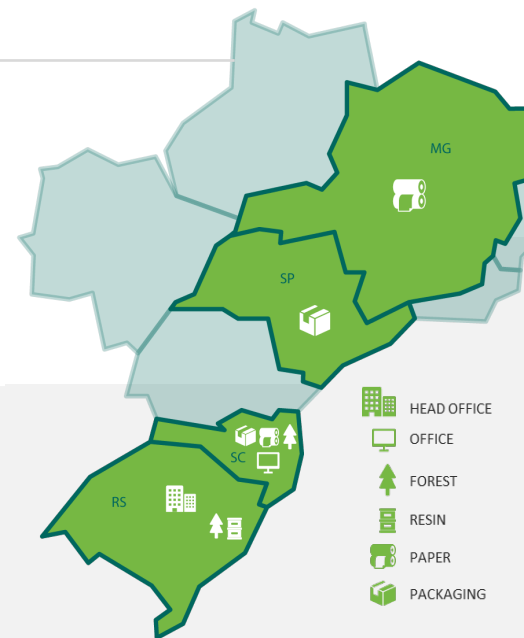
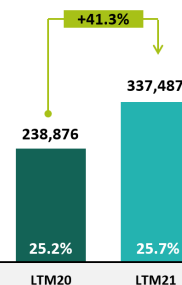
Net Revenue
[BRL thousand]



Net Income and Net Margin
[BRL thousand and %]



Adjusted EBITDA and EBITDA Margin
[BRL thousand and %]



57%

34%

9%

Corrugated Fiberboard Packaging

Paper for Packaging

Resin

RANI
B3 LISTED NM



LTM: last twelve months on 06.30.2021



Irani's expansion project portfolio to improve competitiveness, production capacity and energy self-sufficiency, which enables us for the next growing cycle.

investments of

► **BRL 883 mi**

in **renewable energy** and
the **circular economy**

29%

increase in pulp
production
with Gaia I

23%

rise in the
production of
corrugated
fiberboard
with Gaia II

56%

increase in
renewable energy
generation with
Gaia I

10%

increase in the
renewable energy
generation with
Gaia IV

33%

increase in average
renewable energy
generation with
Gaia V

Click here
and learn
more:

Gaia I
Gaia II

Gaia III
Gaia IV

Gaia V



irani.com.br/em/gaia

HIGH STANDARDS OF CORPORATE GOVERNANCE

BOARD OF DIRECTORS



2 independent members
5 members of the board

Distribution of Dividends

- Distribution policy for up to 50% of the adjusted net profit under equal conditions among shareholders

Administrative Board

- Five sitting members elected at an extraordinary general assembly, two of whom are independent.
- Two-year term with the possibility of reelection.

Executive Board

- Five members elected by the Administrative Board.
- There are no shared responsibilities between the CEO and the President of the Administrative Board
- Two-year term with the possibility of reelection.

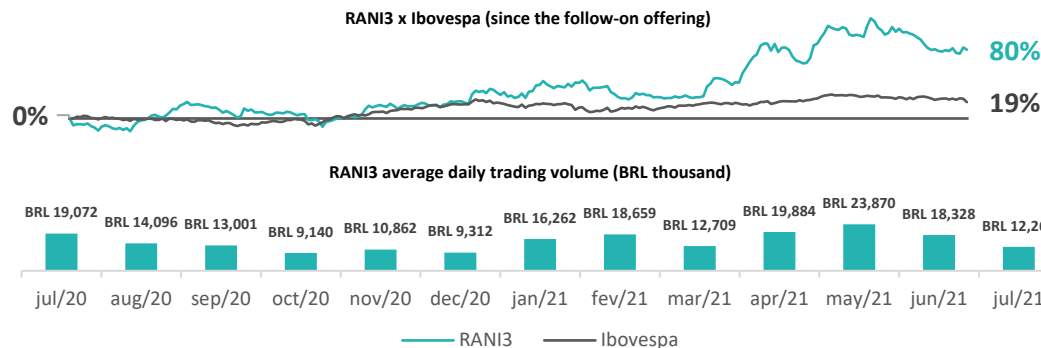
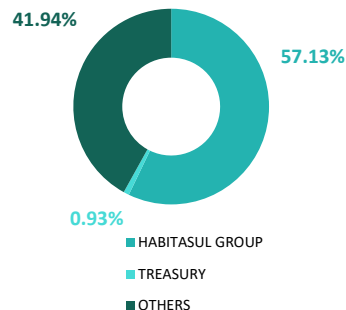
Financial Policy

- Net debt / EBITDA "target" 2.5x
- Minimum cash flow balance of BRL 150 million
- Average debt maturity: 30 months
- Derivative operations subject to Board approval
- Rating target: "brA"

Committees

- Audit Committee
- Personnel Committee
- Strategy Committee

Audited by KPMG



36,000 shareholders

A TALE OF SOCIAL, ENVIRONMENTAL AND CORPORATE GOVERNANCE (ESG) **RESPONSIBILITY**

Environmental certifications

As part of its strategy to be an environmentally correct company, Irani has created different initiatives to secure several environmental certifications for the company.

Clique e saiba mais:



Irani has been publishing GRI sustainability reports for 14 years.

In addition, adopts several procedures to ensure initiatives and commitment to sustainability.

FSC® (C009947)

An international certification that guarantees that the raw material used comes from a forest managed in an ecologically correct, social just and economically viable manner.

ISO 9001:2015

A quality management system created for organizations to improve their performances.

ISO 14064:2006

An international regulation that certifies greenhouse gas inventories.

ISO 14001:2015

An international regulation that specifies the requirements to create an effective management system to protect the environment.

ISEGA

Irani's Finekraft paper is certified by ISEGA for direct contact with foods.

Forest and Paper Businesses



Packaging Business



Resin Business



WE LAUNCHED IN 2021 OUR FIRST **INTEGRATED REPORT**

This year, for the first time, our annual disclosure was developed based on the principles and methodology of the International Integrated Reporting Council (IIRC) received in Brazil by OCPC 09 and by CVM through IN/CVM 14/2020.

The robust and comprehensive document consolidates the actions taken during the year and compiles our ESG Commitments to 2030, information on the business model and key assets that drive us to go further.



▲
click on the image
to check out the
Integrated Relport.

click on the image to
learn about our
annual disclosures. ►



OUR CAPITALS ►



Social and Relationship

Composed of our Governance practices, reflecting the transparent, ethical and integrated way we relate to stakeholders.



Financial

Consisting of our economic-financial management practices.



Human

Consisting of our employees and their skills, enhanced by structuring programs for hiring, integration, training, development, motivation, care and recognition of people.



Intellectual

Composed of the reputation of the Irani brand and image, built based on the Valid Companies client-focused concept, generating perceived value through the ability to develop new innovative products and services.



Manufacturing

Consisting of our physical and biological structures distributed in four Brazilian states, for delivery of quality products based on the rational use of natural resources.



Natural

Consisting of renewable and non-renewable environmental resources, mainly water, air, land, forests and biodiversity, applying the best socio-environmental practices and certifications appropriate to the activities.

R\$ 80 mi
was reinvested in
our businesses.

R\$ 25 mi
million to shareholders
distributed in the form of
dividends or interest on
equity (IoE).

R\$ 100 mi
to other groups
distributed among
service providers and
other sectors.

**We added
to society
R\$ 585
million
in 2020**

R\$ 200 mi
to society distributed in the
form of municipal, state and
federal taxes and contributions.

R\$ 180 mi
million to employees
distributed in the
form of compensation,
benefits and incentives.

PRINCIPAIS RESULTADOS DOS CAPITAIS EM 2020



SOCIAL AND RELATIONSHIP

R\$ 340,000 for projects in the fields of culture, environmental education and sports through federal tax incentive laws.

The donation of more than **R\$ 160,000**, own funds, for citizenship, social and environmental education, culture, social and environmental and sports initiatives.

Donation of **R\$ 200,000** in personal protective equipment (PPE) to institutions involved in combating the pandemic.

Donation **R\$ 30,000** for the Waste Pickers in Brazil Solidarity Campaign, promoted by the National Association of Waste and Renewable Materials Pickers (ANCAT).

More than **23%** of purchases in local communities.

Evolution in the Supplier Performance Index, reaching **95.1%** satisfaction.

Successfully completed migration to the Novo Mercado (New Market) (B3).



FINANCIAL

Net Revenue
R\$ 1,029,605
thousand, growth of **14.6%** in relation to 2019.

Net Income
R\$ 92,761
thousand, growth of **250.6%** in relation to 2019.

EBITDA, adjusted continued operation,
R\$ 225,881
thousand.

Net Debt/EBITDA
1.07x.

Sale of **86,000** carbon credits totaling **R\$ 378,000.**

HUMAN



2,085 active professionals in 2020, of which 84% were men and 16% women.

Turnover Index **0.92%.**

100% of women and men who have taken maternity or paternity leave have returned to their activities.

We created a Diversity Committee, currently composed of 25 persons.

R\$1,240 thousand invested in training.

R\$ 243,000 in education subsidies.

Reduction in the number of workplace accidents.

More than **68** thousand hours of training reaching the average of 34 hours/employee, and for women the average was 38 hours/employee.

More than **R\$ 31,000** invested in employee benefits.

No serious cases of Covid-19.

PRINCIPAIS RESULTADOS DOS CAPITAIS EM 2020



MANUFACTURING

- Maintenance of **33,797.65** hectares of land, of which 82.7% are located in Santa Catarina and 17.3% in Rio Grande do Sul.
- Donated **4,980** native seedlings, of which **2,213** for recovery of areas.
- 100%** of Certified Businesses by ISO 9001, ISO 14064 and FSC® (FSC-C009947/ FSC-C020437/ FSC-C116791).
- 100%** of the Packaging Business ISO 14001 certified.
- 11.8%** increase in Paper sales.
- 8.5%** increase in Packaging sales.
- More than **53%** of self-generated energy.
- 57%** Renewable energy consumption.
- Gaia Platform Kickoff.



INTELLECTUAL

- Creation of an Intellectual Property Policy.
- Generated **242** ideas in the Ideas program with payment of R\$ 22 thousand to the authors of the ideas with financial or operational returns to the Company of some R\$ 1,200 thousand.
- 35** innovation projects and initiatives totaling more than R\$ 3,000 thousand.
- Creation of Irani Labs, with **87** startups enrolled, 10 selected and 3 finalists.
- Creation of two digital collaborators (artificial intelligence), IaraBot and Sofia, for process automation.

NATURAL



- Investment of R\$ **10,961** thousand in environmental management initiatives and processes.
- 273** hours of Environmental Education, reaching 299 employees.
- 42%** of the territory intended for conservation.
- 12%** increase in specific water consumption.
- Reduction of **32,152** tons of CO2eq through 2 active MDLs.
- 6.7%** reduction of Scope 1 and 2 greenhouse gas emissions.
- R\$ 1,200** thousand in revenues from sale of waste.
- Reduction of **5%** in the specific generation of waste in the Paper SC unit (largest generator).
- More than **201,000** tons of waste not sent to landfills.
- Joining as a signatory to the UN Sustainable Development Goals Movement in SC.

COMPLIANCE WITH UN SDGs

We have defined multidisciplinary study groups to assess the compliance of our management practices with the UN's Sustainable Development Goals (SDGs).

- ▶ Regular study reports submitted to the Sustainability Committee
- ▶ It is expected to be complete by December 2021



SDGs previously studied



In 2021, we became signatories and supporters of *Movimento ODS/SC*, a campaign to bolster the implementation of SDGs in the state of Santa Catarina.

ESG COMMITMENTS FOR THE 2021-2030 CYCLE

1



OCCUPATIONAL SAFETY

Zero workplace accidents with lost time

4



ENERGY

100% of renewable energy in all of the businesses by 2025

Become self-sufficient in renewable energy generation by 2025

2



DIVERSITY

40% of women in the company's workforce

50% of women in leadership positions

5



WASTE

Send no non-toxic waste to landfills

3



WATER

Reduce the specific consumption of water by **30%**

6



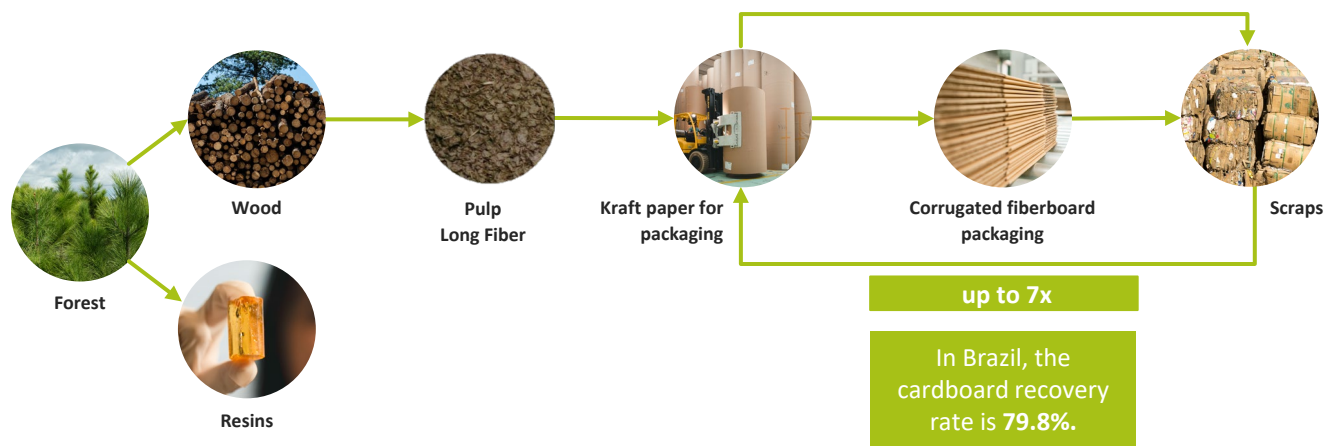
CLIMATE CHANGE

Improve the balance of the difference between GHG emissions and removals by **20%**



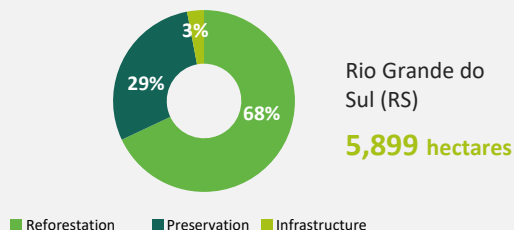
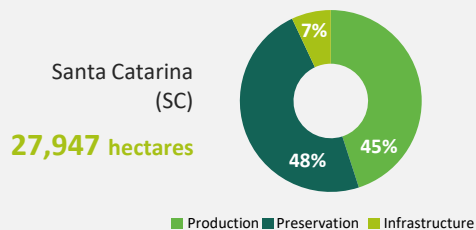
INTEGRATED BUSINESS MODEL

Irani runs on the integrated production of pulp and paper, relying on its own forests and energy generation.

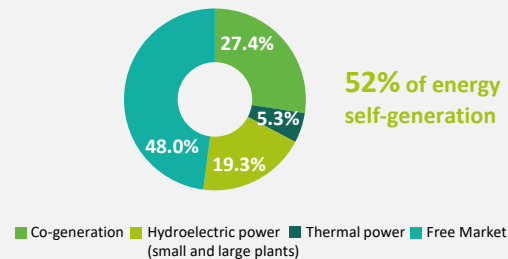


- Company-owned forests
- Integrated pulp production
- Recycling of scraps
- Production and conversion of paper

Company-owned forests



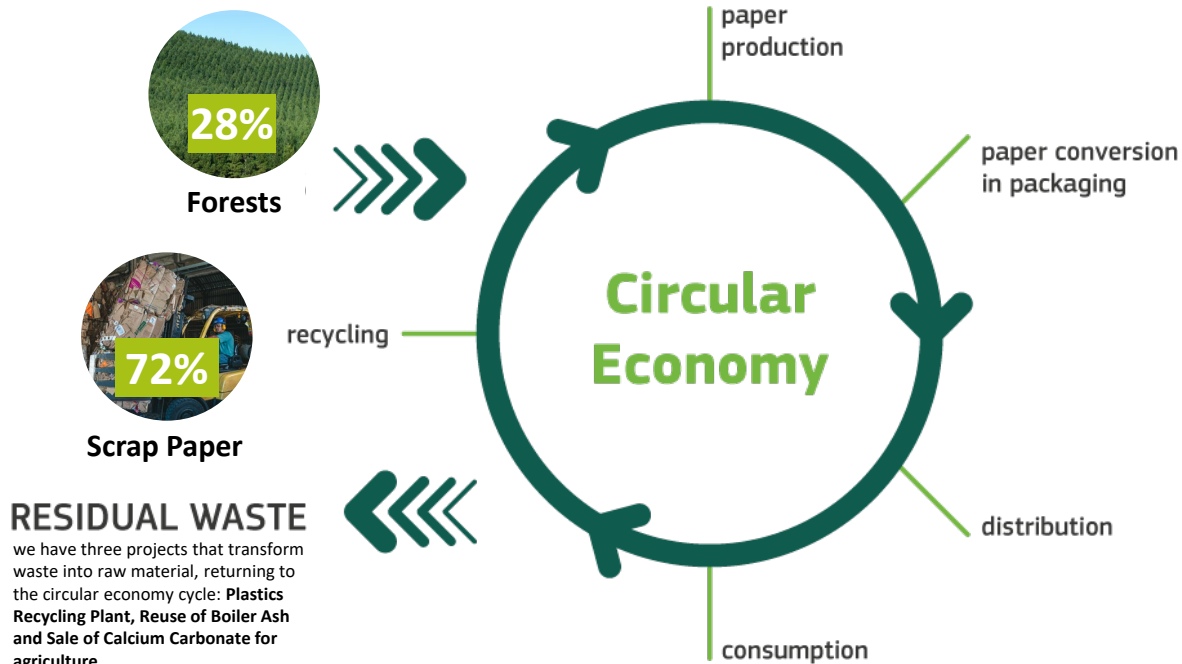
Source of electricity



98.2% OF ALL THE MATERIALS USED ARE RENEWABLE

We have reaffirmed the **commitment to promoting a circular economy** in the value chain in our strategic map for the 2021-2031 cycle.

In addition to our business promoting a true circular economy, our teams are constantly assessing industrial processes, pin-pointing opportunities to reduce the consumption of materials and analyzing alternatives for the inclusion of generated waste into new productive chains. Thus, we also contribute to the generation of jobs and income in the surrounding communities.



Volume of renewable and non-renewable materials in 2020 (tons)

materials used

renewable materials

16.785 non-renewable materials

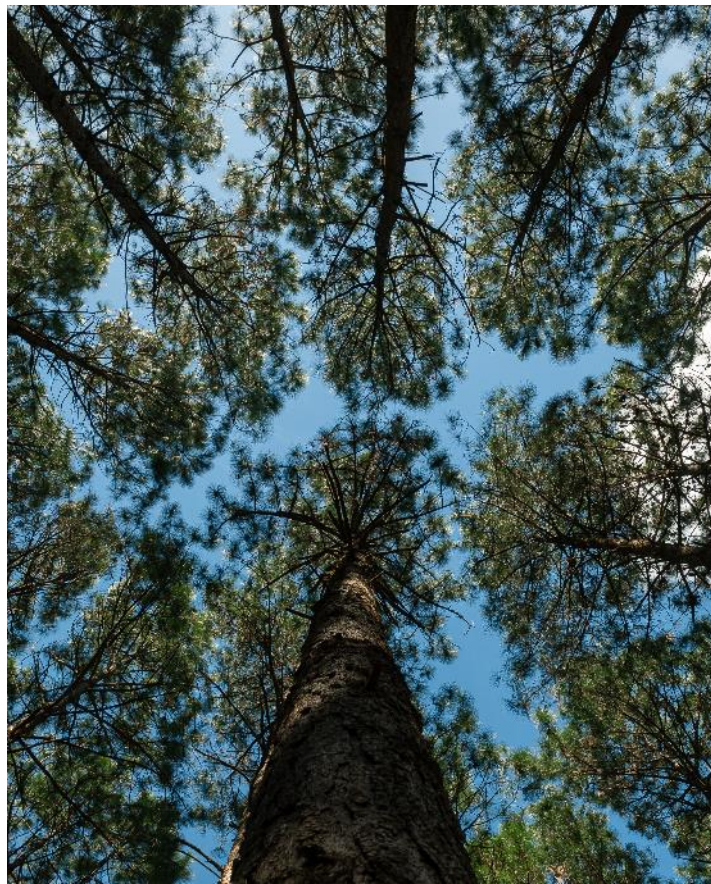
933.250

933.264

98.2% of the materials used are renewable. Of the total materials, 24.8% are scraps.

Products	Ton	%
Inputs (chemicals, paint, glue, resins)	48,373.81	5.1%
Scraps	235,906.37	24.8%
Wood Processed	491,828.14	51.8%
Bleached Pulp	848.53	0.1%
Paper	173,091.96	18.2%
Total	950,048.81	100.0%

WE ARE **CARBON NEUTRAL** BY NATURE. AND EVEN SO, WE HAVE REDUCED INDUSTRIAL EMISSIONS OVER THE PAST FIVE YEARS



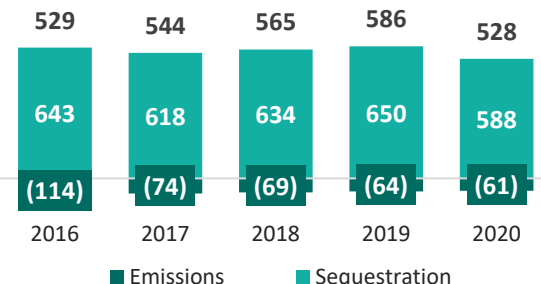
Carbon sequestration and emissions

We have sequestered more greenhouse gases than what we have emitted. Besides guiding our actions according to the GHG Protocol and the National Policy on Climate Change in scopes 1, 2 and 3, we were also pioneers in Brazil in terms of Greenhouse Gas Inventory certification, in compliance with ISO 14064:2006.

Even though we sequester more carbon from the atmosphere than what we emit each year, we have still managed to reduce industrial emissions over the past 5 years.



Pollution Emission x Removal '000 tons CO₂



CARBON CREDIT: WE ARE PIONEERS IN THE GLOBAL CARBON MARKET, WITH TWO PROJECTS REGISTERED BY THE UN SINCE 2006



Projects approved
by the UN



Effluent Treatment Center

Preventing methane emissions; this project made Irani the first company in Latin America to register a Clean Development Mechanism (CDM) for the treatment of industrial effluents with the United Nations.



Cogeneration Plant

It fosters a reduction of greenhouse gas emissions, as forest waste is used as a source of energy. In 2006, Irani's cogeneration plant became the first in the pulp and paper industry in Brazil and the second in the world to issue carbon credits as part of the Kyoto Protocol.

[click here and learn more](#)



Carbon credit negotiations are voluntary actions that reinforce our commitment to climate issues.

- ▶ Approved at the UN 1,569,182 CERs (2005-2020)
- ▶ Negotiated carbon credits tally a net amount of BRL 17,899,000

	Expenses	Revenue	Net
	(3,846,895.20)	15,676,561.91	11,829,666.70
	(590,473.91)	5,842,495.70	5,252,021.79
	-	438,987.85	438,987.85
	(4,437,369.11)	22,337,045.46	17,899,676.35
2006	(756,288.44)	3,057,203.04	2,300,914.60
2007	(578,842.13)	1,850,517.05	1,271,674.92
2008	(1,528,371.48)	6,651,397.41	5,123,025.93
2009	(1,066,957.75)	4,313,306.37	3,246,348.62
2010	(879,744.78)	3,563,290.04	2,683,545.26
2011	(749,268.82)	3,234,252.65	2,484,983.83
2012	1,122,104.29	(711,921.11)	410,183.19
2020	-	379,000	379,000
Total	(4,437,369.11)	22,337,045.46	17,899,676.35

NATIVE **FORESTS** AND BIODIVERSITY

FSC® forest management and chain of custody certification.

Area of **native vegetation** represent almost **48% of the total land use** for the forestry area in the state of Santa Catarina.

Almost **5,000 native tree saplings donated** in the surrounding area in 2020.

The Yara C. Nicoletti Private Natural Heritage Reserve has **285 hectares of preserved vegetation.**

209 flora species and **359 fauna species** identified and preserved.

3,164.3 hectares High Value Conservation Areas **preserving bird life, mammals and plants** threatened with extinction in the states of Santa Catarina and Rio Grande do Sul.

A CULTURE OF INNOVATION: TEAMS ENGAGED IN GENERATING IDEAS AND INNOVATIONS

An internal culture dedicated to **engagement and recognition** for the generation of new ideas

6,073

ideas generated since 2012

BRL 6.8 million

in financial return from ideas

7.2%

if ideas implemented

150

employees gaining financial recognition

*Data from 2020



OPEN INNOVATION: CONNECTIONS WITH UNIVERSITIES, CLIENTS AND SUPPLIERS



We strive to deliver excellence through **innovation**

Internal research and development structure connected to universities, start-ups and suppliers for the development of **open innovation**.

16 Main topics in **Research and Development**

4 technology **platforms**

Forests and Resins
Pulp and Paper
Corrugated Fiberboard
Environmental and Energy

IRANI LABS: OUR CONNECTION WITH START-UPS



irani
LABS

An **open innovation program** to connect with start-ups and to discover innovative solutions to the company's business challenges.

2nd EDITION

Open call between July 5th and August 22nd this year.

In 2020, 5 of the 87 start-ups registered for the initiative were selected to develop the proof of concept with Irani.

Waste Management

Aterra: An online marketplace offering integrated management of waste management and disposal processes, as well as negotiations for the purchase, sale, transport and final treatment of waste.

Scrap Collection and Management

TrashIn: An artificially intelligent online tracking system that benefits from machine learning.

New Business Models, Products and Services

3D Lopes: 3D printing of spare parts for maintenance purposes in the paper and packaging businesses.

Forestry Technologies

AgroData/Katam: Dendrometric measurement technology for planning forest management through the use of cameras and computer algorithms.
Canopy: Monitoring of large-scale planted forests and 3D remote sensing for forest inventory.

HIGH PERFORMANCE **PERSONNEL** MANAGEMENT

Being one of the **best places to work** in Brazil is part of our vision and is only possible when our employees feel that way.



we are a
GPTW
an excellent place to work, according to the Great Place to Work methodology.

Top Human Being
2016, 2017 and 2019 by ABRH/RS

over
BRL 1.5 million invested in education and capacity building annually

programa **gera**

Aimed at monitoring the entire professional cycle of our employees, including processes for attraction, engagement and oversight of their careers at Irani.

programa **motiva**

Geared towards bolstering employee engagement with actions to foster a stimulating and motivating work environment.

programa **cresce**

Combining actions focused on capacity building, offering people contemporary teaching and learning opportunities that are exciting and dynamic, Aimed at developing high performance teams.

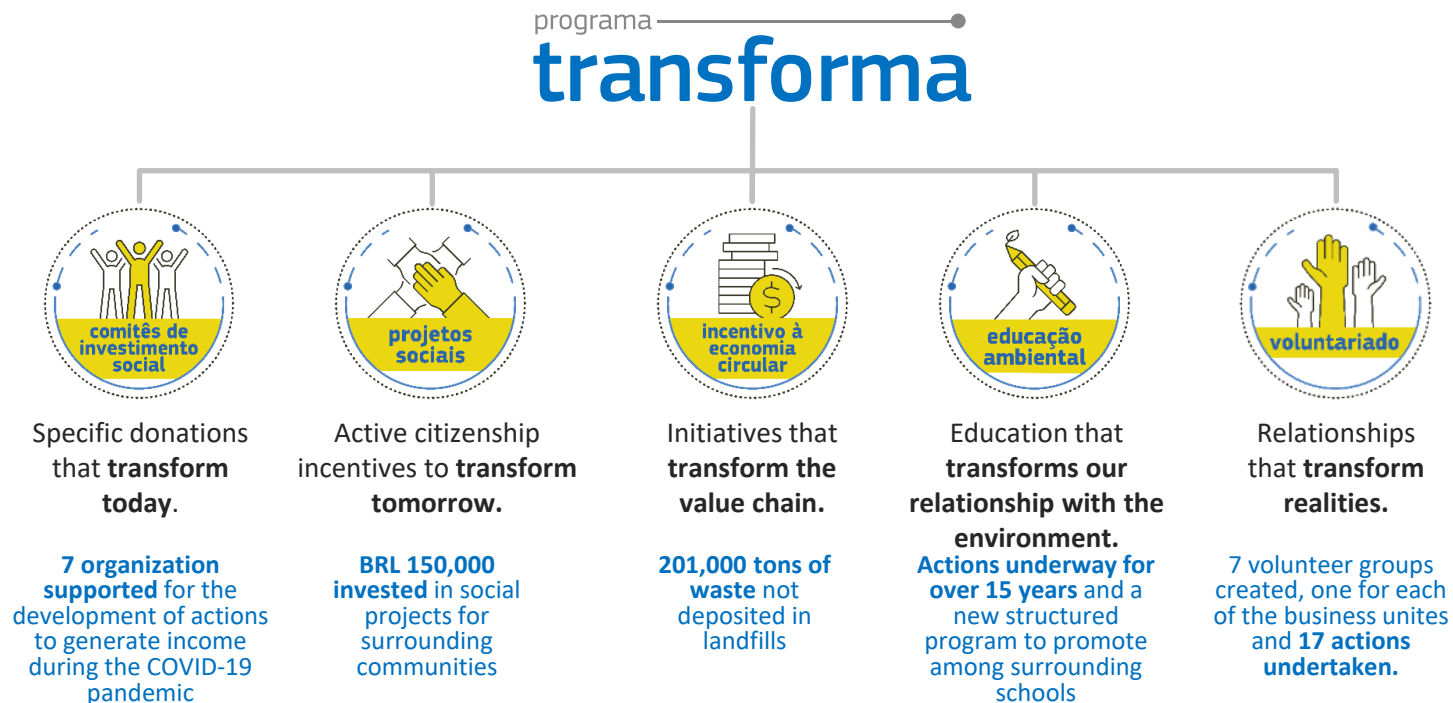
programa **cuida**

Part of our workplace health and safety system and aimed at ensuring suitable working conditions that are safe for our employees and service providers.

programa **supera**

Encourages personal and professional development based on a series of structured actions to assess employees according to the development of competencies and the achievement of results.

IN 2020, WE LAUNCHED THE **TRANSFORMA** PROGRAM, ORGANIZING OUR SOCIAL AND ENVIRONMENTAL EDUCATION PRACTICES INTO 5 CLASSES:



ADHESION TO THE **CITIZEN COMPANY PROGRAM** AND TO **CONSCIOUS CAPITALISM**



Adhesion to the Citizen Company program allowed us to extend the periods of maternity and paternity leave.



Adherence to Conscious Capitalism, reinforcing our alignment with the four basic principles of the movement.



IN MARCH 2021, WE LAUNCHED AN **INITIATIVE FOR THE ACKNOWLEDGMENT OF SUSTAINABILITY BEST PRACTICES** FOR OUR SUPPLIERS



O **Reconhecimento em Boas Práticas de Sustentabilidade** é uma iniciativa da Irani para seus fornecedores. A adesão é gratuita e desvinculada de qualquer política de fornecimento de produtos ou serviços.



O desenvolvimento sustentável é o que procura satisfazer as necessidades da geração atual, sem comprometer a capacidade das gerações futuras de satisfazerem as suas próprias necessidades. Ele abrange aspectos ambientais, econômicos e sociais.

O objetivo é **compartilhar conhecimento** para fortalecer nossa rede em torno desse importante tema, incentivando nossos fornecedores a realizar cada vez mais ações sustentáveis.

Para participar, você só precisa compartilhar iniciativas ligadas ao **desenvolvimento sustentável** que já realiza em sua empresa, nas esferas **ambiental, econômica e social**. São válidas quaisquer ações, independente do tamanho.

CAPITALS MARKET – OUR PRACTICES LINKED TO ESG ALLOW FOR THE ISSUE OF TWO **GREEN BONDS**

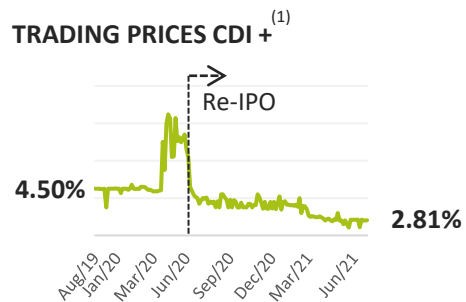
CELU13

Public Issue in 2019: Our game-changer and the first step in the capital market

BRL 505mm

Raised to settle debts associated to the acquisition of the recycling company and to purchase inputs to recycle paper.

6 years total term



(1): interbank deposit rate

A NEW DEBT PROFILE

Participation in total debt	Before the CELU13	As of 06.30.2021
Foreign Curr.	43.5%	2.8%
Short Term	44.3%	6.6%
Bank Debt	100.0%	9.7%

RANI14

private placement in 2021

BRL 60mm

Raised for spending related to general company operations linked to specific ICMA categories and environmental benefits.

8 years total term

Green Bonds

verified by



Rating brAA+

S&P Global Ratings

MEASURES TO TACKLE COVID-19

- Crisis committee formed .
- Adaptation of unit infrastructure, in line with safety protocols.
- Paid leave of absence for employees within the risk groups.
- Home office for 350 employees with incentive packages such as aid in covering the cost of internet and a rise in meal voucher values.
- Daily monitoring of suspected/confirmed/recovering cases.

Donation of over **BRL 800,000**

to surrounding communities and partner organizations to reinforce initiatives to tackle Covid-19.

What we donated

Financial resources, ventilators, masks, alcohol gel, aprons, disposable gloves, among other items.





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ESG

Desenvolvimento
Sustentável é o nosso DNA



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