

Commitment to Biodiversity

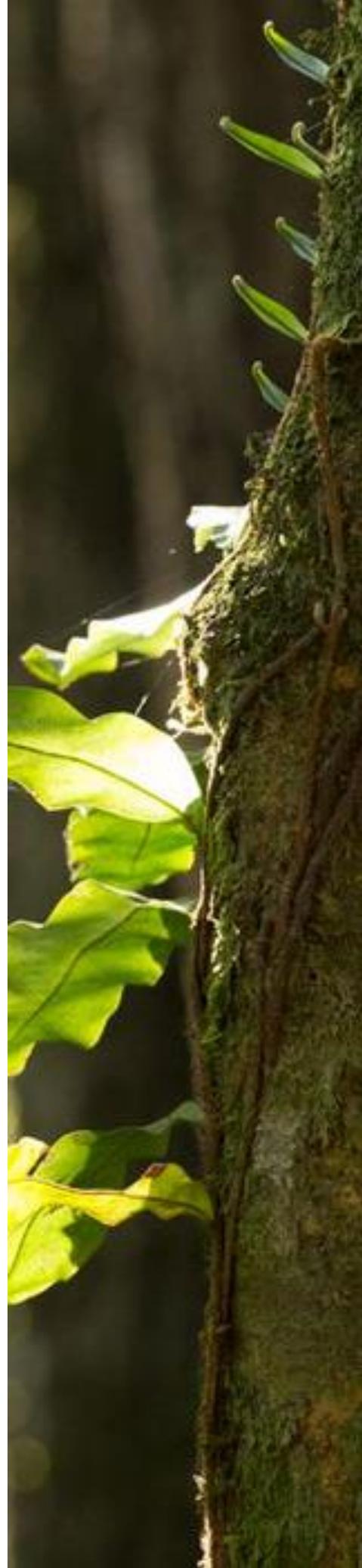
At Dexco, we believe that environments exist to be lived. With that in mind, we recognize the importance of forests and other natural ecosystems. As the origin of the main resource to our fiberboard, particleboard and laminated flooring factories, biodiversity is a material topic for our Wood business unit. Therefore, we are committed to ensure our forests are responsibly managed.

The wood used as raw material for the manufacturing of our forest-based products is a renewable natural resource that comes from planted forests. Its production process, from seedlings production up to wood transportation, involves potential impacts to forests, natural ecosystems and communities, inherent to forest management activities. Thus, Dexco commits to seek ways to prevent or minimize the adverse impacts, to enhance the beneficial ones and to maintain dialogue with our stakeholders, aiming to balance the environmental, social and economic aspects from our business.

All our forest areas are managed with zero deforestation or conversion of natural ecosystems to other non-forest uses and we do not use any wood from unacceptable sources¹ on the manufacturing processes of our products.

We strive to foster the conservation of biodiversity, environmental values and ecosystem services. As such, we assess the environmental and social aspects and impacts of our forestry activities, use the most adequate techniques for our operations and forbid any hunting and other illegal activities within our forest management units. Therefore, we seek to have no net loss of biodiversity in our areas.

1 – Unacceptable wood sources: wood that has been illegally explored, explored in violation of traditional and/or civil rights, sourced from high conservation value areas threatened by management activities or from deforestation areas.



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In addition to establishing and maintaining set-aside areas for native vegetation conservation, we also have the commitment to conserve water springs and streams in our forest management units, keeping buffer zones for their protection. We also have best management practices in place for soil conservation, with no planting on peatlands of any depth and no use of fire on forest management operations. Through dialogue and awareness campaigns, we foster our neighbors to engage on conservation of natural resources and prevention of forest fires.

In our forest plantations we use species that are well suited to local environmental conditions. We also have a breeding program that seeks to improve productivity levels while using natural resources more efficiently and following FSC® (Forest Stewardship Council®) guidelines regarding the use of genetically modified organisms (GMOs).

We prioritize the natural control of pests and diseases and, when necessary for keeping our forests healthy, we use fertilizers and pesticides in a conscious and optimized manner, with no utilization of World Health Organization class 1A and 1B pesticides or those listed at Rotterdam and Stockholm Conventions, respecting their exemptions.

We do not commercially explore any species listed on the Convention on International Trade of Endangered Species of Wild Fauna and Flora and our operations are not located in World Heritage Sites or IUCN category I-IV protected areas. In case of activities in close proximity of these areas, we prioritize impact prevention and minimization, adopting restoration and offsetting measures when necessary.



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The procedures for monitoring our operations and surveillance patrols allow us to ensure the implementation of these commitments, which are also detailed on our **Internal Standard for Responsible Forest Management**. Furthermore, as part of our FSC certification, we have annual third-party audits, which verify the adherence of our operations to this internationally recognized standard.

Through our forest fostering program, we supply eucalyptus seedlings and the necessary technical orientation for responsible forestry to our partners, most of them smallholders close to our factories. As we support and encourage the fostered producers to seek FSC certification, we engage these supply chain partners in our efforts to minimize deforestation risks and impacts to biodiversity in our value chain.

As part of our commitment to FSC certification, we consider its principles and criteria to be comprehensive and robust enough for us to measure the implementation of our commitments to biodiversity through the percentage of our areas that bear this certification. In our Sustainability Strategy, we have established targets to have 100% of our own and leased areas in Brazil and 80% of our fostered forest areas FSC-certified by 2025.

This is our commitment to biodiversity. We understand that its conservation is essential for us to ensure Dexco's sustainable growth and to keep offering solutions for a better living.


Antonio Joaquim de Oliveira
Chief Executive Officer

