

April 2021



FORESTRY MANAGEMENT PLAN

Public Summary

Planting forests,
harvesting wood
and preserving the
environment with
social responsibility

INDEX

1	PRESENTATION	2	11	HIGH VALUE CONSERVATION AREAS (HVCA).....	18
2	OBJECTIVE OF THE MANAGEMENT PLAN	2	12	SOCIO-ENVIRONMENTAL ASPECTS	19
3	DURATEX'S ORGANIZATIONAL IDENTITY.....	2	13	CUSTODY CHAIN	25
4	POLICIES.....	3	14	RESPECTING INTERNATIONAL AGREEMENTS	26
5	MANAGED AREAS AND FORESTRY RESOURCES.....	8	15	ENVIRONMENTAL PROTECTION	27
6	PLANNING & FORESTRY RESEARCH	10			
7	FORESTRY MANAGEMENT OPERATIONS	11			
8	FORESTRY PROTECTION	12			
9	ENVIRONMENTAL PROGRAMS....	14			
10	RESULTS OF THE MONITORING	16			

1 PRESENTATION

The Forestry Management Plan (PMF) includes the directives and procedures for managing the forestry areas certified for meeting the **FSC® Principles and Criteria** (*Forest Stewardship Council®*). This document makes up part of the Duratex Management System documentation and is driven by the different publics interested in getting to know the work of the Company...



The responsible forestry management brand

2 OBJECTIVE OF THE MANAGEMENT PLAN

The Duratex Forestry Management Plan has the objective of:

- From the **economic aspect**, ensuring the production of wood to supply its reconstituted wood panel factories, at the lowest cost and to the standards required by the market. When economically viable, other forestry products may be obtained, such as resin wood for the sawmill and wood for energy in the form of sticks or chips.
- From the **social aspect**, to ensure the protection, well-being and functional development of the people directly involved in the company's forestry activities; to respect the rights of the communities in the regions where Duratex operates, while maintaining channels for dialogue and information between the interested and impacted parties.
- From the **environmental aspect**, to preserve the soil and water, natural resources needed for forestry production; and to protect biodiversity and the air, maintaining operational procedures, research and cooperative actions that contribute to good environmental practices in maintaining forestry plantations.

3 DURATEX ORGANIZATIONAL IDENTITY

THE COMPANY

Duratex S.A. is a private, publicly traded Brazilian company, with shares listed on the B3 and control shared between the groups Itaúsa – Investimento Itaú S.A. and Companhia Ligna de Investimentos, with the remaining capital traded in the open market.

PURPOSE

To offer solutions for a better living.



Aerial view of a farmed forest

4 POLICIES

In addition to those presented in this document, other policies and regulations are available on the [company's site](#).

ENVIRONMENTAL POLICY

Duratex, in its activities in producing panels and floor coverings from reconstituted wood, metal and porcelain bathroom fittings, water-heating systems, industrial valves, ceramic tiles and forestry management, seeks sustainability in its businesses, operating with responsible management regarding the inherent environmental aspects and the scale of each of its business units. With its environmental policy it reaffirms its commitment to being an environmentally responsible company and a reference point in the market in which it operates.

Principles relating to:

Management

- To use natural resources, raw materials and production inputs needed for its production processes in a rational and sustainable manner;
- To develop and offer products that enable the rational use of natural resources;
- To prevent pollution and environmental risk in its operations, from the production and distribution of its products, with technical and innovative solutions, mitigating their impacts;
- To fulfil the relevant legislation with respect to its activities, products and services, to meet the voluntary commitments assumed by the organization and to establish procedures for ensuring that resources of illegal origin are not used;
- To protect biodiversity and the sources and flows of water, as well as preserve the cultivated soil, measures inherent in the management of forestry plantations, with a view to maintaining and/or improving the ecosystem services and environmental values;
- To carry out the management of residues in a manner consistent with the concepts of reduction, recycling and re-use;
- To assess environmental performance of companies in cases of mergers and acquisitions; and
- To act in mitigating its emissions of greenhouse gases and adopting mechanisms for adapting in the face of the impacts of climate change.

Continuous Improvement

- To seek continuous improvement in its environmental performance through the management and periodic assessment of results, innovations and technologies;
- To ensure the incorporation of practices and processes that aim to ensure the occupational health and safety of its employees in carrying out the Company's activities;
- To implement training and development programs that encourage the adoption of safe and healthy behavior which respects the environment;
- To establish the management tools most appropriate to the nature and size of each principle in all of the organization's business units.

Communication

- To maintain communication channels with interested parties regarding the environmental and social aspects, and products and services;
- To document and divulge the scope and results achieved in meeting the socio-environmental commitments voluntarily assumed by the Company.

POLICY FOR THE SUPPLY OF WOOD FROM CONTROLLED SOURCES

Duratex S/A stocks its industrial units in the states of São Paulo, Minas Gerais and Rio Grande do Sul with wood supplied from certified forestry plantations, either wholly owned or from third-parties, or acquired from certified suppliers or controlled sources, in accordance with the FSC® (Forest Stewardship Council®) procedures. This wood is employed primarily in the production of reconstituted wood panels, destined for energy production.

To ensure the re-stocking and quality of the custody chains of the industrial units and to ensure the acquisition of materials from legitimate sources, Duratex S/A does not purchase wood from:

- Illegal logging;
- Logging arising from the violation of traditional or civil rights;
- Logging of forests with a high conservational value, threatened by the management activities;
- Exploitation of natural forest that is being converted into agriculture or reforestation;
- Arising from genetically modified trees*

* Clones, hybrids formed from natural processes, selection, grafting, vegetative propagation or cultivation of the tree tissues does not constitute genetic modification.

HEALTH AND SAFETY AT WORK POLICY

Duratex is determined to continually promote health and safety at work at its installations and business units, with the focus mainly on prevention, and the participation of all.

Duratex, in its activities in the production of reconstituted wood panels, metal and porcelain bathroom fittings, water heating systems, industrial valves, ceramic tiles and management of forest plantations and the sale of wood is determined to continuously promote safe and healthy working conditions, preventing injuries and health problems, being proactive in the management of risks and opportunities inherent to the nature and scale of its facilities and manufacturing units, including a commitment to the consultation and participation of its employees.

Scope

The scope of Duraseg* starts from Senior Management (Executive Commission) and extends to anyone who may be impacted by the organization: Company employees at all levels and service providers, as well as the community, visitors, suppliers, clients etc, be they under the direct or indirect responsibility of the Company.

Premises

- To ensure the alignment with the Duratex culture and the policies in place (PO.02 Environment, PO.04 Management of Risks and Internal Controls System, PO.09 Health & Safety at Work PO.18 Sustainability);
- To ensure training and development related to health and safety at work for all employees;
- To ensure the existence of processes that aim to eliminate hazards and reduce operational risks;
- To establish the objectives and targets with a view to preventing and reducing work-related incidents, accidents and sickness.
- To meet all of the legal requirements applicable to the business relating to health and safety at work.
- To promote and influence health and well-being.

*Duraseg: Duratex's Health and Safety at Work Management System, which aims to provide safe and healthy workplaces, avoiding work-related injuries and health problems and continuously improving performance in occupational safety

(continued on the next page)

Responsibilities

Ultimate responsibility for health and safety at work in the organization falls to the Executive Commission.

Executive Commission

- To validate the Health & Safety at Work policy and its updates.
- To approve the annual budget as established in policy NO.32 Management and Control of investments.
- To ensure that Duraseg is duly implemented and maintained.
- To designate specific people with clear responsibility and authority for implementing Duraseg.
- To hold a quarterly assessment of the Duraseg results.
- To promote the culture of health, well-being and workplace safety.

Leadership

- All process leaders and managers should demonstrate their commitment to the continuous improvement of Duraseg;
- To consistently monitor the workplace environment to identify risks and take preventative action and propose improvements.
- To carry out the implementation, maintenance and continuous improvement of Duraseg.
- To personally track workplace practices and be intolerant of non-conformance.
- To influence and promote more healthy behavior through the dissemination of information about health and well-being and actions related to the *Caring Together* program.

Employees

- To consistently monitor the workplace environment to identify risks and take preventative action and propose improvements.
- To think and act to prevent incidents and accidents at work
- To immediately report exceptions, incidents and accidents;
- To practice self-care, to think and act for the promotion of health and well-being;
- To notify of any alteration to their state of physical or mental health.

SUSTAINABILITY POLICY

Duratex is committed to anticipating future needs while keeping things grounded in our eternal values. Thus, the principles for strategic sustainability are founded on four pillars and eight material themes:

People: we promote the development of our employees, clients, consumers and local communities.

Working conditions and Employee Development

- To engage the employees in the wholehearted delivery of the proposition, vision and management principles described in the Ways of Working and Being;
- To safeguard and encourage employees to fulfill Duratex's Code of Conduct and Ethics, perfecting the quality of our work and cultivating a 'can-do' environment that nurtures cooperation;
- To prioritize the health and safety of all employees, investing in processes for continuously improving working conditions and raising awareness regarding safety norms and the appropriate use of equipment, respecting the universal principles and basic rights established by the International Labor Organization (ILO);
- To adopt socially responsible behavior, valuing and promoting the inclusion of minorities;
- To stimulate the commitment of employees in relation to social responsibility, as a means of developing an attitude of a 'good citizen' both in the corporate environment and in the day to day routines, encouraging voluntary work.

Engagement of Clients and Consumers

- To maintain a continual dialogue with our clients and consumers for the promotion and development of sustainable practices;
- To engage clients and consumers in the development of sustainable solutions that bring benefits to Society and the environment;

To empower clients in the development and sustainability of their businesses.

Relationship with Communities and Local Development

- To ensure space for the promotion of dialogue and collaboration with communities surrounding the business units, continually identifying opportunities to reduce the social and environmental impacts of our activities while expanding the positive impacts;
- To promote social actions that generate development and self-sufficiency through Private Social Investment;
- To contribute to the promotion of public policies in the municipalities to the benefit of the common good, such as combating child sexual exploitation, the eradication of child labor and slavery, and social inclusivity.

Processes: to continually perfect our operations, with a view to achieving social and environmental balance throughout our value chain.

Eco-efficiency

- To use natural resources, raw materials and inputs necessary for the production processes in a rational and sustainable manner, adopting principles that enable the reduction, optimization and re-use of resources;
- To carry out waste management in a manner consistent with the concepts of reduction, re-use and recycling;
- To prevent pollution and environmental risk to the operations from the production and distribution of products, with technical and innovative solutions, mitigating the impacts.

(continued on the next page)

Sustainable Forest Management

- To use appropriate forestry management and nutritional practices, and to develop genetic improvement programs that enable the maximization of the forestry productivity indices;
- To promote integrated management of pests and diseases and the understanding of climate change, safeguarding forestry productivity;
- To utilize optimized harvesting, processing and transport techniques, with a view to reducing the utilization of resources and mitigating socio-environmental impacts;
- To protect biodiversity, springs and water-courses, as well as preserve the soil and genetic bases of the forest;
- To continually seek technological solutions for processes.

Responsible Supply Chain

- To assess and monitor suppliers in relation to economic, socio-environmental, ethical and transparency aspects, with a view to avoiding and preventing negative impacts on the value chain, creating a more solid relationship;
- To promote partnerships with suppliers for the implementation of practices that encourage innovation, continuous improvement and the reduction of socio-environmental impacts across the productive chain;
- To promote greater transparency in relations and in the processes of competition, ensuring a posture of mutual cooperation.

Products & Services: we are a point of reference in offering competitive and sustainable solutions that ally design, technology, quality and innovation.

Sustainable Materials and Solutions

- To expand the development of sustainable solutions in the entire line of products and services, which promote social and environmental benefits to clients and consumers;
- To expand the use of new materials in the fabrication of products, researching, developing and implementing sources of renewable materials;

- To seek reduction in the use of non-renewable materials in all processes.

New Business Models: we seek new business models that generate value for our publics in the face of social, environmental and economic challenges.

- To seek business that ensures the longevity of our company;
- To implement business that contributes to social and environmental well-being;
- To promote an innovative and open environment that enables employees to propose solutions for the current and future social and environmental challenges.

Governance and Management

The strategy and positioning of sustainability in the Company is established by the Senior Board, duly instructed and advised by the Sustainability Committee.

It is the responsibility of the Executive Committee to manage and track the execution of this policy and to assess the socio-environmental performance of the Company, keeping the Sustainability Committee duly involved and informed.

Communication

To maintain channels of communication with interested parties regarding aspects of sustainability. To document and share the scope and results achieved in fulfilling the socioenvironmental commitments voluntarily assumed by the Company.

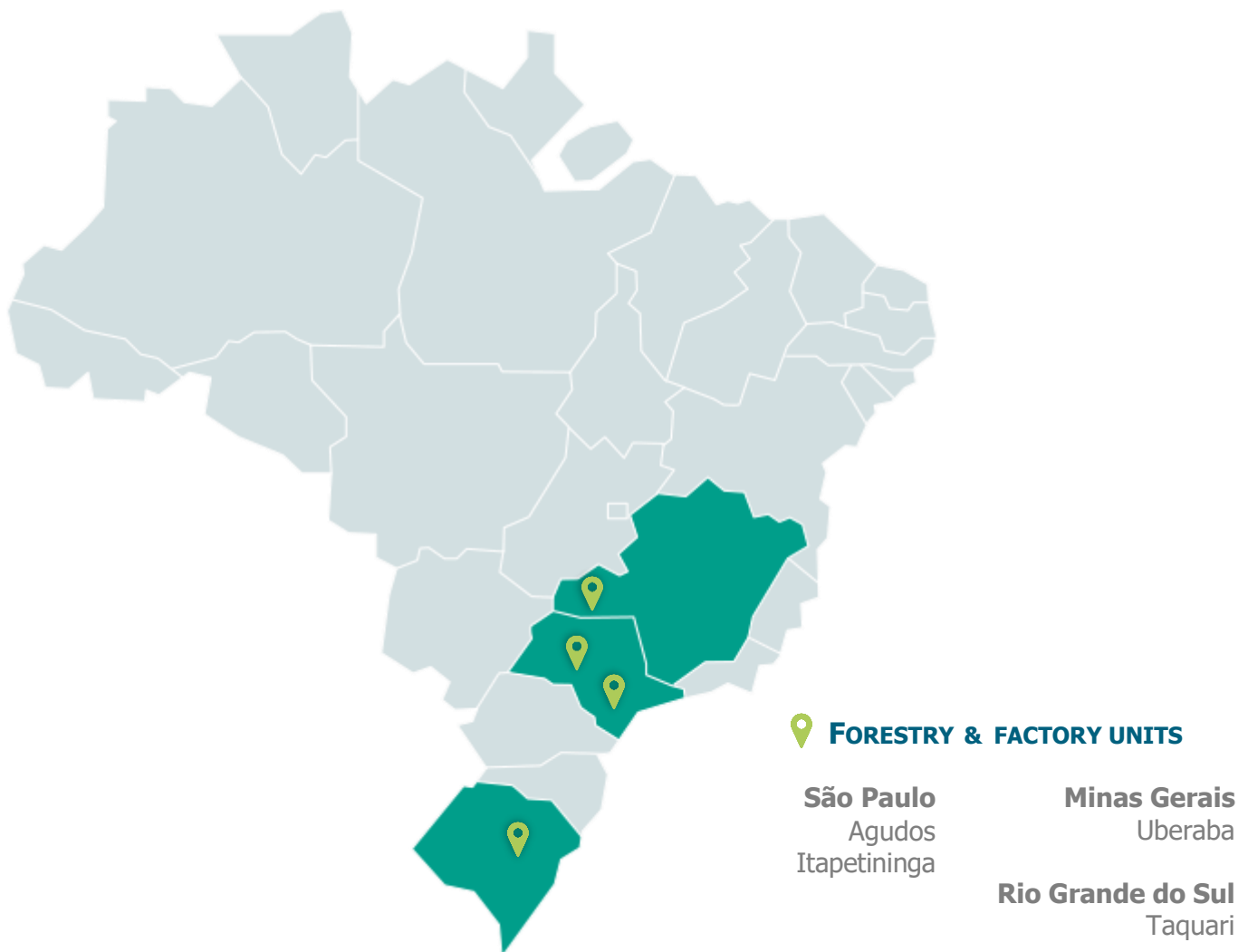
Responsibility

Every two years, the Sustainability Management team will present a proposal for the revision of this policy and submit it for analysis to the Sustainability Committee, which will analyze, validate and recommend approval by the Senior Board.

5 MANAGED AREAS AND FORESTRY RESOURCES

Duratex has approximately 140 thousand hectares in which it manages forestry plantations of eucalyptus and pine, and maintains conservation areas with native flora. This total is comprised of owned and leased farms located in different regions in the State of São Paulo, the *Triângulo Mineiro* region in Minas Gerais and in Rio Grande do Sul. In addition to these areas, Duratex holds 26 thousand hectares of developmental forestry partnerships with small producers, the majority of which are in the state of Rio Grande do Sul.

This document includes the information related to the certified areas. The guidelines and practices specified in this Management Plan also apply to the areas that are currently outside of the certified scope. These areas will be submitted for certification in the future, in keeping with the target of 100% of FSC certified by 2025.



Duratex's forestry plantations are established in previously anthropized areas that have predominantly been used in agriculture, rather than converting natural areas for the purposes of reforestation. From analysis of the climatic conditions and of the soil at the plantation, the techniques for managing the following areas have been devised: species to be planted, spacing and fertilization, for example. At the São Paulo and Minas Gerais units, the species of Eucalyptus most used are *Eucalyptus grandis*, *E. urophylla*, *E. saligna*, *E. camaldulensis* and hybrids of *E. grandis* and *E. urophylla*. In the areas planted with pine, the species most widely used are *Pinus caribaea* var. *hondurensis*, *P. oocarpa*, *P. tecunumanii* and hybrids of *P. caribaea* and *P. tecunumanii*.

As part of the company's strategic plan, in 2018 and 2019 Duratex sold approximately 40 thousand hectares. This reduction in the forest base aimed to balance the supply of wood with the production capacity of its manufacturing units, ensuring the continuous supply of wood to its factories.

In 2020, with the establishment of LD Celulose, a joint venture with the Austrian company Lenzing AG for the production of dissolving wood pulp, some of the forests in Minas Gerais that were in the certified scope no longer belong to Duratex.

Use of land: certificated areas		
Use of soil	FSC Certificated	
	ha	%
Effective plantation	83,081	63.49%
Conservation Areas	42,309	32.33%
Other uses*	5,458	4.17%
Total	130,847	100%

*Other uses: highways, improvements, electrical networks, etc.
Base March/2021

Duratex Certificated Areas								
Ownership Status	São Paulo		Minas Gerais		Rio Grande do Sul		Total	
	ha	%	ha	%	ha	%	ha	%
Duratex Owned	58,170	78%	-	-	5,955	70%	64,124	49%
Leasing & partnerships	16,204	22%	47,967	100%	2,551	30%	66,723	51%
Total	74,374		47,967		8,506		130,847	

Base March/2021

Knowledge of the conditions of the areas in which Duratex operates its forestry management highlights the environmental limitations under which it operates. These include climate and soil conditions, the occurrence of disease and pests, the risk of forest fires and possible restrictions to the planting of Eucalyptus and the use of pesticides.

With a view to identifying alternatives to these limitations, Duratex has established and follows operational procedures that minimize possible impacts on forest management or operation in the sector, in establishing policies that dovetail with forest management.

6

FORESTRY PLANNING & RESEARCH



Forestry Inventory

Objectives:

- To develop the Operational and Strategic Plan, with a view to ensuring the flow of information necessary for the full execution of forestry activities, with a focus on sustainable re-stocking of wood for the manufacturing units.
- Support to Senior Management in Forestry and Operational Areas in carrying out an economic and financial assessment of investment alternatives in new businesses, technologies and/or operational processes.
- To obtain continuous improvement in economic/financial results from the forestry area, maximizing the return in forestry activities to the Company, while fulfilling the needs and expectations of those involved.
- To ensure technological innovations of processes and the transfer of technology to the operational areas, to generate technology that aims to increase productivity, and the optimization of resources and/or cost reduction, conservation of natural resources and protection of people.
- To monitor the growth and dynamic of the forest using forestry inventory. Permanent plots of land are identified for continuous measurement and in specific cases, temporary plots are tagged for pre-cut inventory some months ahead of the harvest in order to develop more precise estimates of the volumes of timber at the farms. The volume model is carried out using methodology and equations pre-established in academia, ensuring the reliability of the information.
- The continuous practice of forest inventory ensures greater knowledge about the productivity of the forests and allows the supply of reliable data on wood stock, which supports the company's future planning.



Cloning of Eucalyptus

7 FORESTRY MANAGEMENT OPERATIONS

Forestry management and harvesting practices are carried out with the application of the technology appropriate for the maintenance of cultivated forests in a permanent process of renewal widely used in the forestry sector.

In planting and maintaining the forests, equipment is used that aims to deliver efficient, high quality forestry operations without harming the environment or endangering the company's employees. This equipment includes tractors with implements designed specifically for preparing the soil (subsoiling), fertilizing, irrigation and the application of products to control for pests, disease and weeds, in addition to manual tools used in carrying out the planting of seedlings and the application of herbicides and ant poison.

The harvesting equipment is generally selected to meet the specific needs of the forest in terms of the condition of the plantation, topography and soil, while also considering the planned use of the wood and the expected productivity of the forest.

The harvest is carried out mechanically using harvesters to fell the trees and tracing or sets of feller-bunchers for felling and swing machines for processing. The removal of wood from the plots is carried out using forwarders, or hauled using skidders. The loading of the logs involves forest loaders, while transport to the factory is carried out via haulage or off-road trucks, using large vehicles when possible.

ORIGIN OF THE FORESTS

1. Collection of seeds or cuttings is carried out on selected trees
2. Production of seedlings in a nursery
3. Planting of seedlings in the field using a minimum cropping system



MAINTENANCE

4. Control of weeds
5. Control of ants
6. Fertilizing



HARVEST

7. Harvest: felling and processing
8. Retrieval of logs from the forest
9. Transport of logs to the factory



ENVIRONMENTAL PROTECTION

10. Conservation of the highways
11. Protection of springs and water-courses
12. Waste management





The annual rates of harvesting and exploitation are established based on the long-term planning that aims to maintain continual re-stocking of Duratex's industrial facilities, using data obtained regarding forestry inventory and demand forecasts for wood in the industrial units.

The permanent cycles of planting and harvesting of rapid-growth forests ensure the sustainable supply of wood needed for industrial production over the long term. The wood used for re-stocking may be from plantations owned and maintained by the Company, or plantations leased or acquired from regional producers.

8 FORESTRY PROTECTION

INTEGRATED FOREST PEST MANAGEMENT AT DURATEX

Duratex employs in its forests methods for controlling pests, in order to maintain the productivity of the forest while safeguarding the health of its employees and ensuring environmental conservation.

Pest management at Duratex follows the concepts of IPM (Integrated Pest Management), which aims to associate techniques applicable to the management of the crop's main pest populations, while achieving co-existence with the malign agents without harming the forest.

Programs are carried out taking into consideration climactic zoning in the regions of the plantation, genetic enhancements with the selection of trees resistant to pests and disease, planting using minimum cultivation and conservation of the native areas or regeneration with nurseries of natural enemies. When needed, the pest control gives preference to biological solutions.



Leafcutter ant. One of the main pests in the Eucalyptus Forests and in Brazilian agriculture.



USE OF PESTICIDES

The use of pesticides is an alternative deployed when other forms of pest control prove insufficient. Pesticides are an important tool of forestry management, which may be used whenever necessary in achieving more targeted control.

In selecting products to be used in IPM at Duratex, the legal aspects relating to the use of pesticides are always taken into consideration, along with worker safety and environmental conservation.

Priority is always given, whenever possible, to the use of products from the green band toxicological class (practically non-toxic to humans). Employees are trained in the correct application of the products, and protected using Individual Protection Equipment (IPEs) designed for their safety.

Duratex doesn't deploy class 1A and 1B pesticides, as classified by the World Health Organization (WHO).

Empty packaging is stored and later sent to collection centers with rigorous safety criteria, in accordance with the applicable laws.

FSC CHEMICALS POLICY

Duratex complies with current legislation in the country with respect to the use of chemicals, and also complies with the FSC policies in force relating to chemicals.

In line with the requirements of the current version of the FSC chemical policy, Duratex has prepared socio-environmental risk assessments for the products used in forestry management.

Through these assessments, control measures are defined that aim to minimize risks to people and the environment during the use of these products.

ENVIRONMENTAL EMERGENCIES

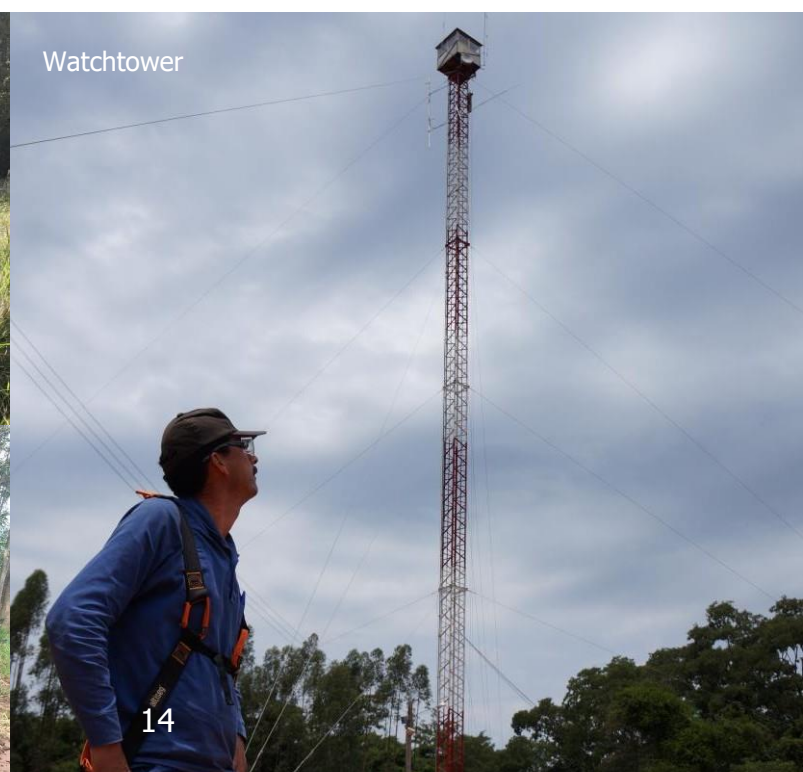
For environmental emergencies, procedures have been established for the prevention and control of forest fires, an emergency that carries significant potential environmental, social and economic impacts. In 2020, 74 fires were recorded at Duratex, duly controlled and with no significant impact.

In cases of accidents relating to the transport of dangerous substances, the operators, supervisors and coordinators are trained in mitigating harmful effects and how to communicate to interested parties the potential risks identified.



Signs at the entrance to plantations

Fire-fighting simulation



Watchtower

Interested parties threatened or impacted by possible environmental accidents at the Company are advised and attended in the manner most relevant and supported by legislation. At the entrances to forestry plantations signs are displayed identifying Duratex, the name of the plantation and the telephone number for contacting the forestry unit.

9 ENVIRONMENTAL PROGRAMS

ENVIRONMENTAL CONTROL IN THE CONSERVATION AREAS

With a view to developing technologies for environmental conservation of these areas, Duratex promotes relations with the scientific Community to analyze and promote partnerships in research projects, studies and didactic activities.



Area of native forest cohabiting with the plantation



Area in the process of regeneration

RECOVERY OF DEGRADED AREAS

In areas under recovery, initially a process of observing natural regeneration is carried out for a minimum period of five years ahead of any decision to plant native species. Should significant natural regeneration not occur, planting can take place with a range of regional species.

CONNECTIVITY

Duratex considers the conservation of Areas of Permanent Preservation (APPs) the primary measure in ensuring connectivity among conservation areas. For areas where there is a greater distance between the APPs, corridors have been created to link them, and thus create greater connectivity.

Such measures have been introduced at the plantations in Rio Claro (Lençóis Paulista) e Monte Alegre (Agudos), in the state of São Paulo.

INVENTORY AND MONITORING OF THE FAUNA

Duratex has had programs monitoring and working with the fauna since 1977, in partnership with universities and other institutions, as well as through the register maintained by company employees. The studies cover communities of mammals, birds, amphibians, reptiles and fish.

Groups of birds are considered environmental indicators of forestry management



RESEARCH AND CHARTING OF THE FLORA

The floral research determines the phyto-ecological environments of the area and the successional stage so that, when necessary, recovery programs can be introduced for degraded areas, along with monitoring of areas with a high conservational value. To support these decisions, the company performs a mixture of field assessments using geotechnologies, such as, for example, photointerpretation and digital processing of satellite images using Geographic Information Systems.

PLAN FOR IDENTIFYING AND PROTECTING RARE AND ENDANGERED SPECIES

With a view to identifying the fauna and flora within the forestry plantations, and especially species that are rare, threatened or in danger of extinction, Duratex runs some biological conservation projects in partnership with universities and other teaching institutions, with the involvement of researchers, masters, doctors and field technicians, as well as Duratex's own technicians and employees. The

research takes place through sampling of the pilot areas, that is, in the areas of greatest environmental significance, such as areas with high conservational value.

Duratex's forestry plantations are established with the maintenance of areas containing native vegetation, where the regional flora and fauna are conserved. The monitoring of water resources is carried out using water analyses, together with the results of the "Flow Tower" Project which, due to its complexity, is carried out in a cooperative system.

In Minas Gerais and São Paulo, monitoring is adopted through qualitative parameters with seasonal sampling at fixed points and at mobile collection points distributed through the forestry operations.

In Rio Grande do Sul, monitoring is carried out using qualitative parameters on plantations distributed across the landscape in which Duratex operates, reflecting the importance of conservation and water resources in the area.

HYDROLOGICAL MONITORING



Waterfall in a conservation area

10

RESULTS OF THE MONITORING

Economic Indicators					
Theme	Indicator	Unit	2020 Result	2020 Target	Target achieved?
Consumption of pesticides	% need not to control ant bait in LAC	%	35.30	No target	-
	Ant infestation	m ² /ha	18.17		
	Consumption of ant bait	kg/ha	3.48		
Consumption of agricultural products	Consumption of chemical fertilizers	kg/ha	272.51	No target	-
Fires	Incidence of fire in commercial areas (ha)	ha	395.20	No target	-
Quality	Quality of the forest 1st round	%	98.04	96%	Yes
	Quality of the forest 2nd round		98.06		Yes

Environmental Indicators					
Theme	Indicator	Unit	Result 2020	Target 2020	Target achieved?
Flow of greenhouse gases (GEE)	Emission of GEE in the forestry operations (Scope 1)	Ton CO2sq	27,400.70	No target	-
	Emission de GEE in the forestry operations (Scope 3)		3,450.20		
	Removal of GEE in the forestry operations		479294.51		
Carbon Inventory	Stock of carbon in the biological asset	Ton CO2sq	35,834,636.72	No target	-
Control of invasive species	Elimination of invasives	ha	746.31	Meet 100% of the plan	Yes
Recovery of degraded areas	Areas in recovery	ha	540.75	No target	-

Environmental Indicators					
Theme	Indicator	Unit	Result 2020	Target 2020	Target achieved?
Waste management	Destination of class I waste	ton	8.49	no target	-
	Destination of class IIA and IIB waste	ton	18.31		
	Return of pesticide packaging	ton	12.51		
Biodiversity	Fauna	Number of species	1.136	no target	-
	Flora		1.414		
	Animal Lens (fauna sighting program)	Number of contributions	815		

Social Indicators					
Theme	Indicator	Unit	Result 2020	Target 2020	Target achieved?
Relationship with communities	DPI received	un	79	no target	-
	DPI concluded	%	65.82%	100%	No
	DPI with complaints	un	41	no target	-
	Dialogue with the community	un	555	no target	-
Environmental awareness	Visits to Espaço Arvorar	Number of visitors	294	no target	-
	Visits to Trilha do Rio Taquari		0		
Training	Hours of training (total hours / month / active employee)	h	2.7	no target	-
Safety	Rate of in-house accidents (MG and SP)	No unit	0	Meet PGSST	Yes
	Rate of serious in-house accidents (MG and SP)		0		
	Rate of third-party accidents (RS)		0		
	Rate of serious third-party accidents (RS)		0		

11 HIGH VALUE CONSERVATION AREAS (HVCA)

We seek to nominate as High Value Conservation Areas those areas that present environmental and/or social values of an exceptional nature or that are of critical importance.

In these areas we introduce measures for protecting the values identified, such as actions that prohibit hunting or fishing; forestry patrols; actions for preserving the forest and mitigating forest fires; reducing the speed of motorists; and controlling invasive species, in addition to the monitoring of attributes identified in the location. The actions adopted protect the nature remaining and the species that are rare, threatened or in danger of extinction, and the local flora and fauna that is of importance to local communities and their traditional practices.



Bokermannohyla sazimai

In 2020, Duratex reassessed its areas for the criteria for identifying HVCAs for categories 1 and 4. This analysis resulted in the reclassification of one of its areas.

Based on the reassessed criteria, the presence of an endemic herpetofauna species (*Bokermannohyla sazimai*) on the Nova Ponte plantation, in Minas Gerais, led the location being given an HVCA label for category 1, totaling an area of 32.50 hectares.

HVCA Categories	
HVC 1	Diversity of species Species diversity. Concentrations of biological diversity including endemic, rare, threatened or endangered species, significant at the global, regional or national level..
HVC 2	Landscape-level ecosystems and mosaics Extensive ecosystems and ecosystem mosaics at the landscape level, significant at the global, regional or national level, containing viable populations of the vast majority of naturally occurring species in natural patterns of distribution and abundance.
HVC 3	Ecosystems & habitats Ecosystems and habitats. Rare, threatened or endangered ecosystems, habitats or biodiversity refuges.
HVC 4	Ecosystemic Services Critical environmental services. Basic environmental services in critical situations, including watershed protection and erosion control in vulnerable soils and slopes.
HVC 5	Needs of the communities Community needs. Key areas and resources to meet the basic needs of local communities, indigenous populations or traditional populations (subsistence, food, water, health, etc.), identified in cooperation with these communities or populations.
HVC 6	Cultural Values Cultural values. Areas, resources, habitats and landscapes of special cultural, archaeological or historical significance at a global or national level, and/or of critical cultural, ecological, economic or religious importance to the traditional culture of local communities, indigenous populations or traditional populations, identified in cooperation with these communities or populations.

12 SOCIO-ECONOMIC ASPECTS

It is a tradition at Duratex to maintain communication channels with the internal and external communities in order to enable dialogue. The low incidence of recorded conflict indicates that the care for the environment, people and community assumed in the Forest Management Plan are incorporated into the activities and operations carried out by the company.

Duratex's certificated areas are distributed throughout 43 municipalities in São Paulo, Minas Gerais and Rio Grande do Sul, and the meso-regions of Bauru, Itapetininga, Marília, Macro-Metropolitan Paulista, Triângulo Mineiro/Alto Paranaíba, South/South-east of Minas, West of Minas, Central-East Rio-Grandense and the Metropolitan Region of Porto Alegre.

Implemented in rural areas, the forestry plantations are predominantly surrounded by other forestry properties, agricultural areas (in general sugar cane and soya) and pastures for cattle-grazing.

Duratex does not manage areas designated as indigenous or quilombos. In these cases, it has been established that the free, prior and informed consent of the impacted communities must be obtained in advance of any forestry activities.

The following is a list of municipalities where the Company is present and communities close to the managed areas or transport route:

São Paulo		Minas Gerais	
Agudos	Itapetininga	Delfinópolis	Sacramento
Angatuba	Itapeva	Nova Ponte	São João Batista do Glória
Avaí	Itatinga	Patrocínio	São Roque de Minas
Bauru	Lençóis Paulista	Perdizes	Uberaba
Bofete	Paulistânia	Prata	Veríssimo
Botucatu	Pilar do Sul		
Buri	Piratininga		
Cabralia Paulista	Presidente Alves		
Capão Bonito	Salto de Piraporá		
Duartina	São Miguel Arcanjo		
Gália	Sarapuí		
Guareí	-		

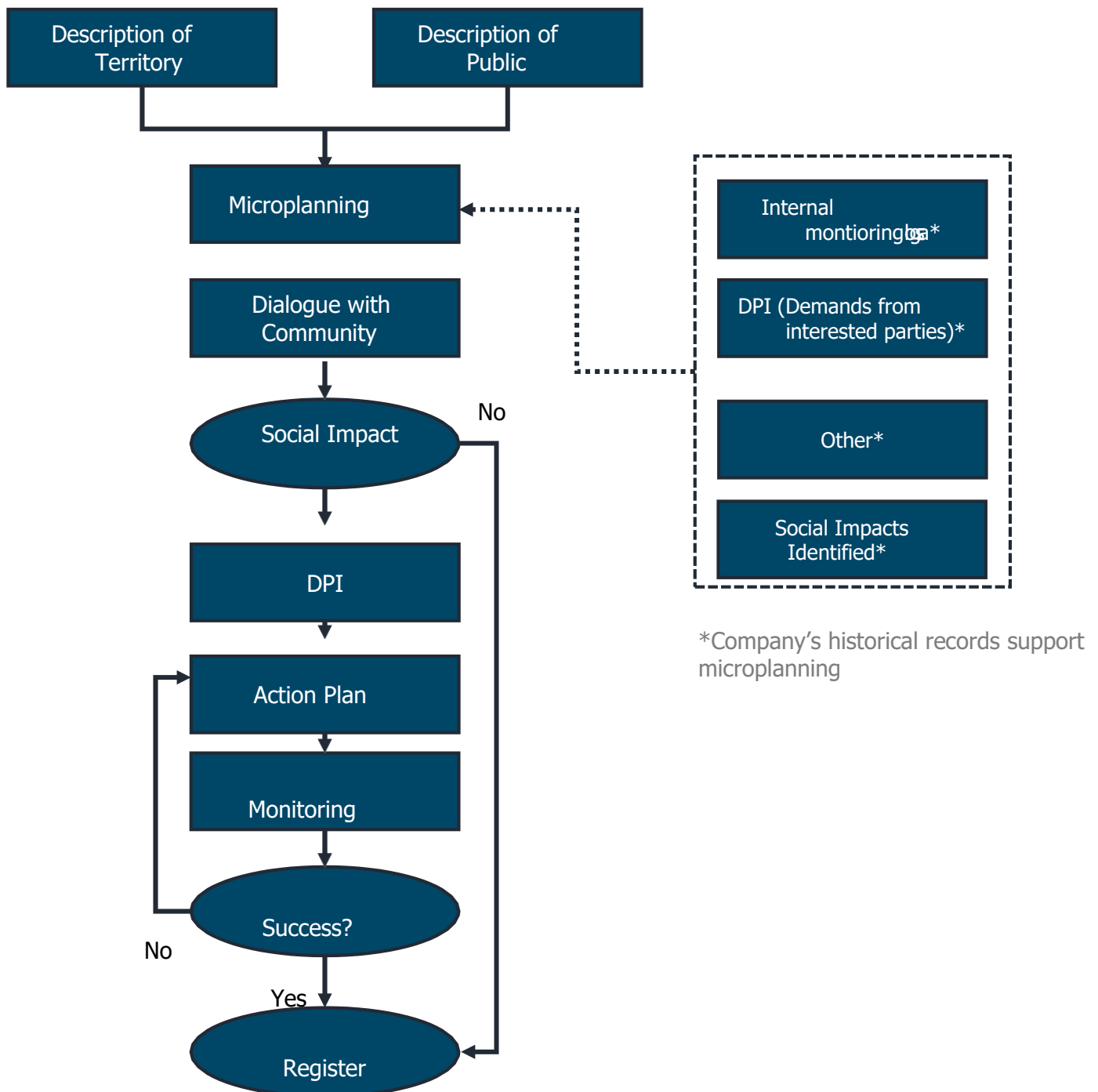
Rio Grande do Sul	
Arroio dos Ratos	Rio Pardo
Bom Retiro do Sul	São Jerônimo
Butiá	Taquari
General Câmara	Triunfo
Minas do Leão	Vale Verde

Unit	Municipality	Community	Category
Agudos	Agudos	Centenário/Cohab	Neighbor
		Espirito Santo da Fortaleza e Porcos	Quilombola
		Lar dos Desamparados	Neighbor
		Recanto dos Nobres	Neighbor
		Santa Cândida	Neighbor
	Avaí	Araribá/Ekeruá	Indigenous
	Bauru	Centro de Progressão Penitenciária I	Neighbor
		Nogueira	Neighbor
		Santa Maria	Neighbor
		Tibiricá	Route
	Duartina	Santa Luzia	Route
	Piratininga	Parque Pontal	Neighbor
		Real Village	Neighbor
	Presidente Alves	Presidente Alves	Route

Unit	Municipality	Community	Category
Itapetininga	Angatuba	Bairro Aterrado	Route
	Bofete	Alpes da Castelo	Neighbor
	Botucatu	Chácaras São Pedro	Neighbor
		Parque Bela Vista	Neighbor
		Rubião Junior	Neighbor
	Buri	Bairro Capelinha	Route
		Bairro dos Costas	Route
		Bairro Matão	Route
		Buri	Route
	Guareí	Balneário	Route
		Cohab Ribeirão Grande	Route
		Penitenciária	Route
	Itapetininga	Bairro Espigão	Route
		Bairro Gramadinho	Route
		Juvu	Route
		Moquém	Neighbor
		São Roque	Route
		Tupi	Neighbor
		Varginha	Route
		Várzea	Neighbor
	Itatinga	Itatinga	Route
		Lobo	Neighbor
	Pilar do Sul	Bairro Turvinho	Neighbor
		Pombal	Route
	Salto de Pirapora	Condomínio Fazendinha	Neighbor
		Salto de Pirapora	Neighbor
		Salto de Pirapora	Route
	São Miguel Arcanjo	Abaitinga	Neighbor
	Sarapuí	São Bento	Route
		Sarapuí	Route
Taquari	Arroio dos Ratos	Vila Pinho	Neighbor
	Bom Retiro do Sul	Mundo Novo	Neighbor
	Butiá	Vila São José	Neighbor
	General Câmara	Potreiro/ Tivico	Route
		Banheiro Velho	Neighbor
	Rio Pardo	Sem nome	Neighbor
	São Jerônimo	Assentamento	Route
		Morrinhos	Route
		Porto do Conde	Route
	Taquari	Assentamento do Governo	Route
		Coqueiros	Neighbor
		Fazenda dos Porto	Route
		Passo da Aldeia	Neighbor
	Triunfo	Ponte Seca	Route
	Vale Verde	Monte Alegre	Route
Uberaba	Nova Ponte	Distrito Industrial de Nova Ponte	Neighbor
	Nova Ponte	Parque das Árvores	Neighbors
	Prata	Patrimônio do Rio do Peixe	Route
	Uberaba	Chácaras Bougainville	Route
	Veríssimo	Sete de Setembro	Route

Periodically, assessments are carried out to establish the parties impacted and to diagnose the social aspects of managing Duratex's forestry plantations. To do this, an internal procedure is followed that aims to establish the criteria for identifying, measuring, and assessing the significance of social aspects on the management of Duratex's forestry plantations, and then agreeing preventative or mitigating actions and tracking their subsequent impact.

The flow chart below summarizes the phases that make up the methodology:



In these assessments the following possible social aspects arising from management activities have been identified:

Positive

- Acquisition of products or services
- Development of professionals (awareness and training)
- Generation of employment
- Payment of taxes

Neutral

- Logging
- Forestry development

Negative

- Traffic accidents
- Alteration to traffic
- Running over of domestic animals
- Damage to the highways
- Damage to neighboring properties
- Dust generation
- Noise generation
- Vibrations
- Poisoning of domestic animals
- Poisoning of people

When, while planning operations, the possibility of these or other negative social aspects is identified, it is the responsibility of the operational areas to adopt preventative measures. Should this not be possible, mitigating or compensatory measures should be agreed with the parties impacted.

The main negative social aspects observed in the Company's historical records are: damage to the highways, and the generation of dust and noise. The operation that has recorded the greatest incidence of these impacts is road haulage of the timber. The main measures adopted to prevent these aspects are: observance of the traffic laws, maintenance, and the watering of the highways.

Internally, a registry of consultations and description of the parties impacted is maintained, information used as a point of reference in establishing engagement and monitoring actions.

SOCIAL PROGRAMS

ACTIONS AIMED AT ENVIRONMENTAL EDUCATION

Duratex runs a visitor center in which it describes the history of wood and its importance in Society, as well as the importance of sustained forestry management in fulfilling customer demand. There are also demonstrations of the environmental protective measures Duratex adopts in carrying out its forestry activities.

Located in Agudos (SP), the Arboreal Zone offers displays and function rooms dedicated to the development of educational and environmental awareness activities for educational institutions, employees, members of the community and other interested publics.



The resources offered include:

- A multimedia room with audiovisual equipment for displays discussing the theme of forestry plantation management.
- An exposition center equipped with panels and other resources describing the history of wood, its importance in the different aspects of our life, characteristics of forestry management, and the importance of natural resources and biodiversity.
- Forest trails for developing activities focused on environmental awareness, permitting the visitor to have contact with the local native vegetation and the commercial forestry plantations.

In Rio Grande do Sul there is the Ecological Trail of Rio Taquari in which visitors can get to know and experience a typical area of riparian forest.

Duratex participates in initiatives in the communities where it operates sharing knowledge of its techniques and results of its research and monitoring with seminars, round tables, fairs, councils, and other events of interest.

SCHOOL VEGETABLE GARDEN

In 2016, Duratex set up a partnership with the municipal school at Taquari to create a school vegetable garden.

The school provided the land and Duratex contributed materials and labor to build the garden. Training for the people involved (teachers and students and members of the community) was carried out through a partnership with EMATER (RS agency for rural expansion) and SENAR (National Service for Rural Learning).

The products grown in the garden are enjoyed by the school and the families of those involved.

Currently Duratex is running a similar project in the district of Patrimônio do Rio do Peixe, in the municipality of Prata (MG).

In dialogues with the communities, opportunities for introducing new vegetable gardens adopting a similar methodology have been identified, one being in Taquari, and the other in Nova Ponte (MG).

Visits are pre-booked and include a guide from the Company. To schedule a visit contact:



Espaço Arvorar

Rodovia Marechal Rondon, Km 323
Fazenda Monte Alegre – Zona Rural
CEP 17120-000
Caixa Postal 50
Fone: (14) 3262-8169
E-mail: arvorar@duratex.com.br

Trilha Ecológica do Rio Taquari

Rua Júlio de Castilho, 1787
Bairro Coqueiro
CEP 95860-000
Fone: (51) 3653-6413
E-mail: sustentabilidade@duratex.com.br

OTHER DURATEX ACTIONS

- Partnership with beekeepers
- In The Right Hands program
- For All program, which aims to recruit people with disabilities
- D+Valor volunteer program
- Professional and social inclusion projects
- Incentive program for educational, cultural and Sporting projects
- Caring Together – health and well-being program for Duratex employees
- Formare program



COMMUNICATION CHANNELS

In addition to direct consultations with the community, through the use of questionnaires, Duratex identifies the community's demands in relation to forestry management through the following channels:

- Registration of the Demands of Interested Parties (DIP)
- Evaluation of the questions received from visitors to the Arboreal Zone and Trail
- Round Tables
- Internet channels
- Internal Public
- Ombudsman

PROGRAM FOR FORESTRY DEVELOPMENT

Forestry development stimulates the alternative use of rural properties, enabling the implementation of agrosilvipastoral programs and, as a consequence, the diversification of income, generating jobs and contributing to connecting people to the countryside.

Forestry development is located within 60km of the industrial units. These rural producers are supplied with Eucalyptus saplings, technical assistance and an instruction manual. With the support of Duratex, at the beginning of 2021 the first group of developers, called Forest Producers of Vale do Taquari – Group 01, received the certificate in responsible forest management, totaling about 20% of the effective planting area developed by the Taquari unit.

FSC license code for the group: FSC-C165415

WORKPLACE SAFETY AND OCCUPATIONAL HEALTH

Duratex is dedicated to providing its employees suitable working conditions in facilitating good performance, eliminating possible causes of accidents and minimizing risk. All employees receive protective equipment (PPE) free of charge and are trained in its use. All work should be carried out safely, following the rules and procedures for the protection of people.

QUALITY OF LIFE

To monitor and promote the occupational health of employees is one of the commitments of forestry management. One of the main targets is to act in preventing occupational sickness and promoting the well-being of employees.

TRAINING AND DEVELOPMENT

Duratex runs programs and activities that aim to raise awareness and train its employees in the aspects of activities that relate to the environment, workplace safety and the field of motivation.

All internal training carried out discusses questions of the environment and workplace safety.

INDUCTION PROGRAM

All new Duratex employees and service providers and clients undergo a process of induction before starting their activities with the Company. This program presents information about the Company, and internal norms and procedures regarding health and safety, the environment and human resources.



Training on site and in the office

13 CUSTODY CHAIN



Panel Stocks

The Forestry Management Plan provides support to the custody chains of the products certificated from the Duratex wood panel factories.

In 2000, the standards required for FSC custody chain certification were met. This certification ensures the traceability of the wood to its forest of origin, ensuring that certified products manufactured by Duratex use only certified forest-based raw materials or from other controlled sources.

Since 2007, Duratex has set up a procedure adopted criteria for evaluating wood suppliers and is committed to not acquiring wood from illegal sources through a policy for the supply of wood from FSC controlled sources.

FSC license code for the custody chain: FSC-C003088

14 FULFILLING INTERNATIONAL AGREEMENTS



Black Lion Tamarin (*Leontopithecus chrysopygus*)

The **Convention on Biological Diversity** is an instrument of international law whose objective is to promote the conservation of biological diversity, the sustainable use of resources and the fair and equitable sharing of benefits arising from the use of genetic resources. The convention encompasses all aspects of biological diversity: genomes and genes, species and communities, habitats and ecosystems. The Company's projects may be influenced by the Convention or converge with public efforts, in that the native areas of the Company are conserved in fulfillment of environmental law and made available to universities and other institutions for research and study.



Forestry worker in a sapling plantation

The deliberations of the **International Work Organization (IWO)** are applied to the Company in being incorporated into the procedures for the protection of worker's health and social integrity, be they employees of the Company or of third-parties. The fulfilment of Labor and Workplace Safety laws constitutes objective evidence of Duratex's actions in fulfilling the requirements of this international organization duly ratified by the Brazilian government. The Guide to Health & Safety At Work in the Forestry Industry from the IWO serves as the foundation for Duratex's operational procedures.

15 ENVIRONMENTAL CARE

Duratex's forestry management conforms with norms and guidelines so that the activities take place in a manner that involves the least impact possible on the environment and on the communities in which it operates.

PROTECTION OF CONSERVATION AREAS

The conservation areas are comprised of Areas of Permanent Preservation (native vegetation on the margins of the water-courses, springs and steep slopes) and of other areas maintained in a complementary manner. The protection of these areas aims to conserve water and biodiversity¹.

- Not to cause damage to the trees and plants in the areas of conservation during the movement of equipment and vehicles;
- Not to cut native trees in facilitating the movement or transit of vehicles. Only trees that are dead or that have been felled by the wind or rain may be cut, when they obstruct trucks or present risks;
- Not to park or construct tents, shelters or other installations in areas of conservation;
- Not to dump or otherwise dispose of any type of garbage (such as tires, food wrappers, paper, plastic, used rags, etc) or forestry residue (twigs and branches) in the conservation areas;
- Not to collect ferns, orchids or any other native plant from the conservation areas;
- To combat fires either in the areas of native vegetation or that threaten these protected areas.

¹Biodiversity is the set of animal and plant species living in any given area (Source: The Brazilian Environmental Atlas, EMBRAPA, 1994.)

PROTECTION OF THE SOIL

Duratex takes care not to degrade the soil. Examples of soil degradation are: the loss of natural fertility, reduction of organic material, erosion (loss of soil caused by rainwater), the contamination from garbage or spillage of chemical products.

To conserve the soil, Duratex uses the technique of minimum cultivation, which consists of keeping the remaining plant material at the site of the harvest in order to form layers of protection for the soil and ensure nutrient recycling.

As part of the minimum cultivation methodology, Duratex doesn't deploy fire (burn) in the areas it manages, thus supporting the conservation of the soil.

- To minimize the movement of machinery in the cultivated areas to minimize compacting of the soil;
- Not to abandon any form of garbage (such as tires, food wrappers, paper, plastic, used rags, etc) in the field or any other areas;
- To use trays or other containers to collect any residue such as oil, grease or others, while carrying out maintenance of equipment in the forest;
- To communicate the incidence of erosion (loss of soil) and silting of water-courses (the deposit of soil in the rivers, reducing the flow of these waters);

- In cases where oil, or other chemicals, are spilled onto the soil: follow the instructions indicated in the specific procedures,

- Periodically inspect equipment with respect to the emission of black smoke;
- Ensure that motors and engines are maintained to prevent air pollution.

PROTECTION OF THE WATER

Water is resource that is essential to the survival of life on this planet. Every care should be taken to conserve and not to pollute springs, rivers, dams and lakes.

- Not to throw any type of garbage (such as tires, food wrappers, paper, plastic, used rags, etc) into the streams, water outlets and dams;
- Not to dump any type of chemical product into the streams, water outlets and dams;
- When it becomes necessary to wash equipment and machinery, to do so in one of the locations indicated by the Company;
- To never wash any type of equipment in lakes, water outlets or streams;
- To use trays or other containers to collect any residue such as oil, grease or others, while carrying out maintenance of equipment in the forest;
- To avoid the wastage of water. Use it responsibly.

PROTECTION OF THE AIR

The air is the gaseous layer that covers the Earth, also known as the atmosphere. Care should be taken to keep the environmental air at an appropriate level of freshness.

- Renew the air in enclosed spaces such as meeting rooms, watchtowers and the cabins of forestry equipment;

PROTECTION OF THE FAUNA

Fauna is the collection of animals found in any given location, with each species having a given function in maintaining the equilibrium of Nature.

The benefits of maintaining the fauna of a region stem from the dispersal of seeds of plants responsible for conservation to the recovery of forests and the control of forest pests.

Thus the variety of animals in a given location demonstrates that the environmental conditions are being maintained and that ecological balance is being preserved.

- Avoid running over forest animals. To facilitate this, always respect the established speed limit and, on seeing an animal on the highway:
 - Either reduce the speed or stop the vehicle;
 - At night, dip the headlights and give the animal time to gather itself and exit the highway;
- Inform a Duratex employee when traps, hunters or fishermen are encountered in the forest, since it is expressly prohibited to capture or hunt forest animals.

PREVENTION OF FOREST FIRES

Forest fires cause damage to the environment (soil, air, water, fauna and flora), to man, to the local community, to future generations, to agriculture and to forests. These fires can be

caused by burning to clear land that goes out of control, matches or cigarettes butts thrown by smokers or arsonists, or other causes.

Prevention is the most effective method for avoiding forest fires and depends on each of us. Take note of the following tips:

- If you are a smoker, smoke on the highways, away from the cultivated and conversation areas;
- Carry out maintenance of machinery and equipment in clean locations creating firebreaks around them;
- Clear the site when welding and always have fire extinguishers present;
- Always check whether the vehicles and machinery under your responsibility are not producing sparks from the exhaust or are at risk of short-circuiting;
- Always ensure fire extinguishers on vehicles, machinery and equipment are up to date and ready for use;
- Do not store or dispose of in the forest: fuel, lubricants, solvents, tires, plastics, paper, cloths, towels or dirty rags with oil, grease, solvents, alcohol or gasoline;
- Don't light fires in the forest;
- Communicate to Duratex employees when you find sites with candles, matches, alcohol or the trespassing of strange vehicles or people;
- Communicate immediately with Duratex employees on encountering the risk of fire or on noticing smoke or flames at the forestry units or in their proximity.

In case of fire in vehicles or forestry equipment:

- Shut down the operation, switch off the engine and the master key;
- Use the extinguisher on the equipment;
- Use the radio as soon as possible to alert the fire and seek help if needed;
- Create a firebreak around the equipment if you are unable to put out the fire.

WORKPLACE SAFETY

Services companies and clients should follow safety norms and all of the guidelines from the SESTR (Specialized Service for Health and Safety at Work) at the Duratex forestry units.

In case of doubt, the Safety Technician at the unit should be sought.

- Use the IPEs (Individual Protection Equipment) needed for the work you are carrying out;
- Be sure to transport people or materials safely and securely;
- Walk with care, to avoid accidents in the working environment;
- Don't unnecessarily obstruct internal roadways and thoroughfares on the plantations with vehicles and equipment;
- Transport and haulage vehicles should not proceed at excessive speed;
- Respect the traffic signals;
- It is prohibited to transport people by truck or pick-up or any other open vehicle;

- The on-site location should be maintained in safe and hygienic conditions, with the daily cleaning and removal of every type of residue;
- It is not permitted for employees and third-party service providers to ingest or possess alcoholic beverages or illicit drugs while working;
- To guide and supervise employees in the team regarding the appropriate use of EPIs and the fulfilment of the safety norms in the activities being delivered;
- In case of doubt, enter in contact with Duratex.



Contacts

About the Forestry Management Plan:
Central Administration & Training – Environmental Management Wood Operations
Tel: **+55 14 3262-8169/8148**
Online form: <http://www.duratex.com.br/pt/fale-conosco>
Hotline: **0800 55 75 77**

Commercial and corporate contacts of Duratex forestry units:

Agudos Forestry Unit Rod.
Marechal Rondon, km 323 CEP
17.120-000 – C.P. 50
Agudos, SP – Brazil
Tel: +55 14 3262-8169/8148

Uberaba Forestry Unit
Av. Bernardo Seibel, 700
CEP 38.056-610
Uberaba, MG – Brazil
Tel: +55 34 3318-9500

Itapetininga Forestry Unit
Rod. Raposo Tavares, km 172
CEP 18.200-000 – C.P. 168
Itapetininga, SP - Brazil
Tel: +55 15 3275-8555

Rio Grande do Sul Forestry Unit
Rua Julio de Castilho, 1787 – Coqueiros
CEP 95.860-000
Taquari, RS – Brazil
Tel: +55 51 3653-6500

