

Forest Management Plan

PUBLIC SUMMARY



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



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01 INTRODUCTION

This Forest Management Plan (*FMP*) covers the procedures and guidelines for managing the forest areas certified according to **FSC®** (*Forest Stewardship Council®*) **Principles and Criteria**.

This document is part of Dexco's Management System documentation and is directed to the different stakeholders interested in getting to know our work.

FSC forest management license code: FSC-C006042

02 GOALS OF THE MANAGEMENT PLAN

These are the goals of Dexco's Forest Management Plan:

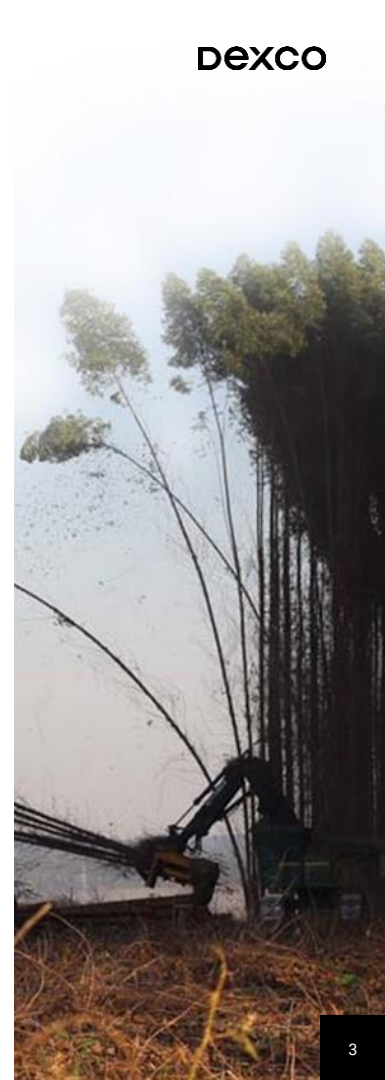
- From an **economic standpoint**, ensure wood production to supply its reconstituted wood panel factories according to established quality standards, while maintaining cost competitiveness. When economically viable, other forestry products may be obtained, such as resin, lumber, and wood chips for energy, as well as selling wood from standing trees.

- From a **social standpoint**, ensure the protection, inclusive well-being, and functional development of the people directly involved in the company's forest management activities; respect the rights and foster the advancement of the communities in Dexco's forest areas, maintaining channels to engage with the affected parties and stakeholders.
- From an environmental standpoint, conserve biodiversity, water resources, and soil to maintain and/or improve ecosystem services and environmental values, using natural resources and other inputs required for forest management activities in a rational and sustainable manner.

03 DEXCO'S ORGANIZATIONAL IDENTITY

The company - Dexco S.A. is a private, publicly traded Brazilian company, with shares listed on the B3 (Brazilian Stock Exchange) and controlled by Itaúsa – Investimento Itaú S.A. and Companhia Ligna de Investimentos, with the remaining capital traded in the open market.

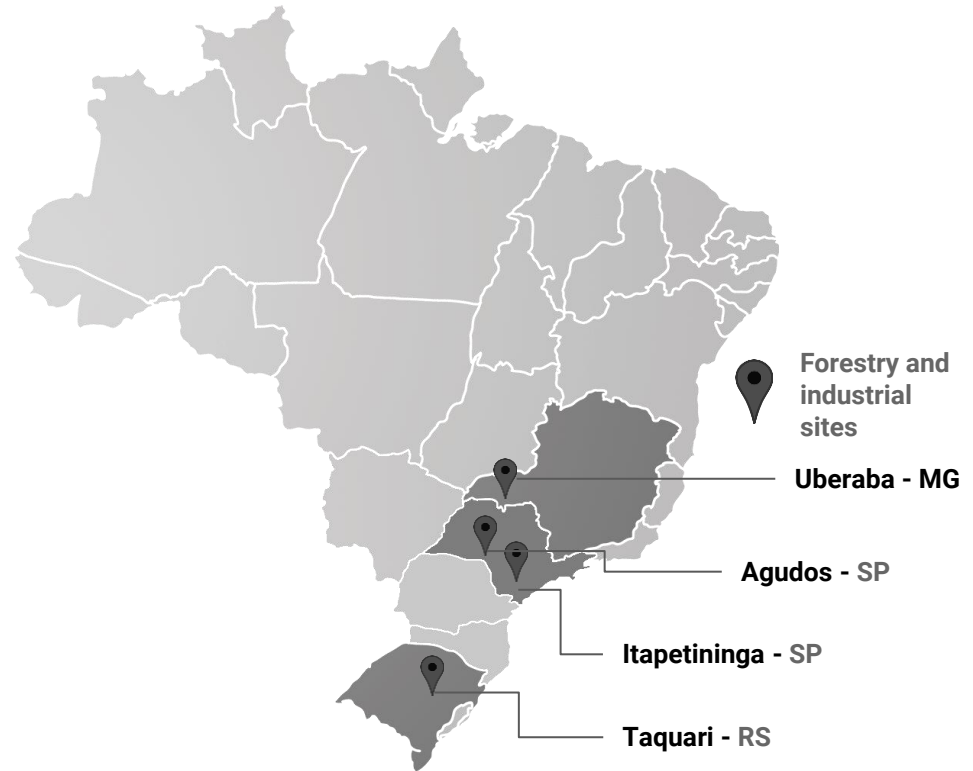
Purpose - To offer solutions to live better.



04 MANAGED AREAS AND FOREST RESOURCES

Dexco has approximately 130,000 hectares, where it manages eucalyptus and pine plantations, and preserves areas with native vegetation. That includes company-owned and leased farms in different parts of the states of São Paulo, Minas Gerais, and Rio Grande do Sul.

In addition to these areas, Dexco maintains fostered forest partnerships with smallholders in around 12,000 hectares, the majority of which located in Rio Grande do Sul. This document includes information related to certified areas. The guidelines and practices described herein also apply to the areas that are not yet certified. These areas will be submitted for certification in the future, in line with our target to achieve 100% of company-owned and leased FSC-certified areas by 2025.



Dexco's forest plantations are established in previously anthropized areas that have been predominantly used for farming or cattle ranching, with no deforestation or conversion of natural ecosystems for reforestation purposes.

Based on the analysis of climatic and soil conditions of the planting sites, management techniques for the areas are defined, such as the species to be planted, spacing, and fertilization. In the São Paulo and Minas Gerais sites, the most commonly used eucalyptus species are *Eucalyptus grandis*, *E. urophylla*, and hybrids of these species.

In the areas planted with pine, the most widely used species are *Pinus caribaea* var. *hondurensis*, *P. oocarpa*, *P. tecunumani*, and hybrids of *P. caribaea* and *P. tecunumani*.

LAND USE: CERTIFIED AREAS		
Land use	FSC-certified	
	ha	%
Effectively planted	82,425.56	64%
Conservation areas	41,840.43	32%
Other uses*	5,431.66	4%
Total	129,697.65	100%

Other uses: roads, infrastructure, power lines, etc.
Reference: March 2023

DEXCO'S CERTIFIED AREAS

Land tenure	São Paulo		Minas Gerais		Rio Grande do Sul		Total	
	ha	%	ha	%	ha	%	ha	%
Owned	57,723	78%	-	-	5,985	70%	63,708	49%
Leased and partnerships	16,446	22%	47,026	100%	2,518	30%	65,990	51%
Total	74,169	-	47,026	-	8,503	-	129,698	-

Base March/2023

Between 2018 and 2019, the company sold approximately 40,000 hectares. This reduction in the forest base aimed to balance the supply of wood with the productive capacity of its factories, ensuring a continuous supply of wood for its manufacturing plants.

The establishment of LD Celulose, a joint venture with Austria's Lenzing AG to produce water-soluble cellulose in 2020, led to Dexco's no longer owning some of the forests in Minas Gerais that were previously certified.

In 2020 and 2021, with the market picking up and soaring industrial demand, Dexco revisited its strategy and began a new project with the goal of expanding the company's forest base by acquiring and leasing farms in the regions where it operates.



Knowing the conditions of the areas where Dexco operates allows identifying environmental limitations regarding forest management. These include climate and soil conditions, pests and diseases, risk of forest fires, and possible legal restrictions to forest plantations and the use of pesticides.

In order to identify alternatives to these limitations, Dexco follows its operational procedures that minimize possible impacts on forest management and works with partners in the forestry industry to set up policies regarding forest management.



05 FOREST PLANNING AND RESEARCH

OBJECTIVES:

- Devise the Operational and Strategical Planning, ensuring the flow of information needed for the adequate execution of forestry activities, focusing on sustainable wood supply for our factories.
- Support our Senior Management and Operations Teams in carrying out economic and financial assessments of investment alternatives in new business, technologies, and/or operational processes.
- Continuously improve Dexco's economic/financial results, maximizing the returns from its forestry business unit, while meeting the stakeholders' needs and expectations.
- Ensure innovation in our processes and the transfer of technology to operations teams to develop technologies designed to increase productivity, optimize resources and/or cut costs, preserve natural resources, and protect people.
- Monitor forest growth and dynamics using forestry inventory. Permanent plots are established for continuous measurements and, in specific situations, temporary plots are set for inventory some months ahead of harvesting in order to have more precise estimates of wood stocks on the farms. Volume modelling is carried out using well established methodologies and equations, ensuring the reliability of information.
- Continually taking forestry inventory ensures greater knowledge of our forests productivity and allows generating reliable data on wood stocks, which support Dexco's future operational planning.

06 FOREST MANAGEMENT OPERATION

Forest management and harvesting practices are carried out employing appropriate, widely-used technologies in the forestry industry, which are constantly evolving.

In 2022, Dexco implemented the forest operations monitoring room. The project aims to establish connectivity with the field, unify information, assist in the management of forest indicators, and identify opportunities for process improvement.

In planting and maintaining our forests, we use equipment that aims to deliver efficient, high-quality forestry operations with no harms to the environment or our workers.

That includes tractors with implements designed specifically for preparing the soil (*subsoiling*), fertilizing, irrigating, and performing pest, disease, and weed control, in addition to manual tools used to plant seedlings and apply herbicides and baits for leaf-cutting ants.

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

Harvesting is carried out mechanically using harvesters for felling and tracing, or sets of feller-bunchers for felling and grapple saws for processing.



The removal of wood from the plots is carried out using forwarders or hauled using skidders. The logs are then loaded with forest loaders, before being transported to our factories with regular trucks or large off-road trucks whenever possible.

The annual harvesting and exploitation rates are set based on the long-term planning that aims to sustain continuous wood supply to Dexco's industrial plants, using data obtained through forestry inventory and demand forecasts from our fiberboard factories.

The permanent cycles of planting and harvesting of rapid-growth forests ensure the sustainable supply of wood required for industrial production over the long term. This wood may come from our own or leased areas, or be procured from local producers.

ORIGIN OF THE FORESTS

1. Collection of seeds or sprouts of selected trees
2. Seedling production at nursery
3. Planting of seedlings using the minimal tillage system



1



2



3

MAINTENANCE

4. Weed control
5. Leaf-cutting ant control
6. Fertilizing



4



5



6

HARVESTING

7. Felling and processing
8. Wood removal from forests
9. Transport of logs to factories



7



8



9

ENVIRONMENTAL CONTROLS

10. Road maintenance
11. Protection of springs and water streams
12. Waste management



10



11



12

07 FOREST PROTECTION

INTEGRATED FOREST PEST MANAGEMENT AT DEXCO

Dexco employs pest management techniques in its forests, as required to maintain forest productivity, while safeguarding the health of workers and environmental conservation.

Pest management at Dexco follows the concepts of IPM (*Integrated Pest Management*), which aims to associate techniques to manage the main pest populations, in order to keep them at reasonable levels without compromising the forest.

Programs are run considering climate zoning of the plantation regions, genetic breeding by selecting pest and disease-resistant trees, minimum tillage techniques, and maintenance of conservation areas with native vegetation, which act as source for natural enemies to the pests. When pest control is needed, biological control is prioritized.

USE OF PESTICIDES

The use of pesticides is used when all other forms of pest control prove insufficient. They are important tools in responsible forest management, which may be used whenever necessary, but require special control.

To select the products used in the IPM at Dexco, all pesticides undergo an Environmental and Social Risk Analysis (ARAS, for its acronym in Portuguese), considering the legal aspects related to the use of pesticides, the safety of individuals, and environmental conservation.

Priority is given, whenever necessary, to the use of products from the green toxicological class (*practically non-toxic to humans*). The workers are trained on the correct application of pesticides and must wear Personal Protective Equipment (PPE) designed for their safety.

FSC PESTICIDES POLICY

Dexco complies with the current Brazilian legislation and FSC policies regarding the use of pesticides.

As required by the current version of FSC Pesticides Policy, Dexco developed environmental and social risk assessments for the chemicals used in forest management.

Through these assessments, control measures are established to minimize risks to people and the environment when using 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 2022, 96 fires were recorded at Dexco, all of which were duly controlled and caused no substantial damage.

In cases of accidents involving transportation of hazardous substances, our workers have the required knowledge and resources to mitigate harmful effects and to communicate the potential risks to related stakeholders.

Stakeholders potentially impacted by possible environmental accidents in the company are informed and supported as needed and according to legal requirements. There are information signs at the entrances of our farms identifying Dexco, the farm name and the phone number for contacting the forestry unit.



08 ENVIRONMENTAL PROGRAMS

ENVIRONMENTAL CONTROL IN CONSERVATION AREAS

To develop technologies to protect the environment in these areas, Dexco maintains relationships with the scientific community to assess and foster partnerships in research projects, studies, and educational activities.



Native vegetation along planted forests

RESTORATION OF DEGRADED AREAS

In areas undergoing restoration, natural regeneration is monitored for at least five years before any decision to plant native species. Should significant natural regeneration not occur, enrichment can take place with a range of regional species.

CONNECTIVITY

Dexco considers the conservation of Permanent Preservation Areas (PPAs, for its acronym in Portuguese) the primary measure in ensuring connectivity between conservation areas. In areas where PPAs are far apart, corridors may be created to link them, and thus create greater connectivity. Such measures have been introduced in Rio Claro (*Lençóis Paulista*) and Monte Alegre (*Agudos*) farms, both in the state of São Paulo.



Aerial of the forest plantation

WILDLIFE SURVEYING AND MONITORING

Dexco has had wildlife surveying and monitoring programs since 1977, in partnership with universities and other institutions, as well as through the registry of our workers' animal sightings. The studies cover communities of mammals, birds, amphibians, reptiles, and fish.

PLANT LIFE SURVEYING AND CHARACTERIZATION

Plant life surveys determine the phyto-ecological environments of the surveyed area and its successional stage, so that, when necessary, programs for the recovery of degraded areas can be introduced, along with monitoring of high conservation value areas. To support these decisions, the company combines field assessments with geotechnologies, such as photointerpretation and digital processing of satellite images using Geographic Information Systems.



Black lion tamarin (*Leontopithecus chrysopygus*)



Bokermannohyla sazimai

RARE AND ENDANGERED SPECIES IDENTIFICATION AND PROTECTION PLAN

In order to identify the wildlife and plant life found in our forest plantation farms, particularly rare, threatened and endangered species, Dexco has conservation biology projects in partnership with conservation biology programs and research institutes, involving researchers, graduate students and mid-level field technicians, as well as Dexco's own technicians and employees.

Surveys are also conducted through sampling in pilot areas, prioritizing those of greatest environmental significance, such as high conservation value areas.

Dexco's forest plantations also set aside areas where native vegetation is preserved, enabling the conservation of regional wildlife and plant life.

HYDROLOGICAL MONITORING

Monitoring of water resources is conducted using water analyses, along with the results of the "Flow Tower" Project, which, due to its complexity, is carried out in a cooperative system.

At Dexco's units, monitoring is conducted through qualitative parameters, with seasonal sampling at fixed and mobile collection points distributed according to forest operations.

09 MONITORING RESULTS

Monitoring indicators for forest management were defined with the purpose of measuring adherence of our operations to the management objectives, including targets related to relevant environmental, social and economic aspects.

These indicators are used as reference for periodic critical analyses of our performance against management goals and set targets.

If needed, the targets and indicators may be updated and adjusted to ensure adherence to management goals.

ENVIRONMENTAL INDICATORS					
Theme	Indicator	Unit	2022 Result	2022 Target	Target met?
Water collection control	Annual water consumption in the nursery - SP	m ³	169,212	554,184	Yes
	Annual water consumption in the nursery - MG		67,023	106,374	Yes
Surface water monitoring (WQI)	Surface water quality variation - Agudos	%	-	20.00	-
	Surface water quality variation - Itapetinga		2.05	20	Yes
	Surface water quality variation - Uberaba		9.95	20	Yes
	Surface water quality variation - Taquari		15.20	20	Yes
Pesticide usage	Recommendations for no control of leaf-cutting ants in the Survey Before Control	%	32	35	No
Fertilizer usage	Plots that meet the recommended dose of fertilizers	%	83	60	Yes
Alien species in permanent protection and conservation areas	Number of hectares with alien species elimination activities	ha	16.93	100	No
High Conservation Value Areas - HCVAs	Presence of the species <i>Bokermannohyla sazimai</i>	Number	25	> 0	Yes
	Surface water quality variation (WQI)	%	10.3	20	Yes
Biodiversity	Number of contributions to the Animal Lens program (animal sightings registry)	Number	1,540	1,584	No

MONITORING RESULTS

ECONOMIC INDICATORS					
Theme	Indicator	Unit	2022 Result	2022 Target	Target met?
Harvested wood	Volume of harvested wood	m ³	4,038,352	4,704,928	No
Certified wood	Percentage of certified company-owned and leased areas	%	94.66	97	No
Forest quality	1st rotation areas meeting quality standards	%	80	96	No
	2nd rotation areas meeting quality standards		80	96	No
Forest fires	Commercial area (ha) burnt / fire spots in Agudos	hectares/fire spot	0.50	6	Yes
	Commercial area (ha) burnt / fire spots in Uberaba	hectares/fire spot	0.20	12	Yes
	Commercial area (ha) burnt / fire spots in Itapetininga	hectares/fire spot	0.20	4.00	Yes
Seedling production	Seedlings shipped (mil) – SP	Number	19,042	15,600	Yes
	Seedlings shipped (mil) – MG	Number	4,026	3,000	Yes
	Seedlings produced (mil) – SP	Number	18,190	18,000	Yes
	Seedlings produced (mil) – MG	Number	4,081	3,000	Yes
Fuel consumption	Annual average fuel consumption/m ³ of felled wood - Agudos	l/m ³	2.00	1.70	No
	Annual average fuel consumption/m ³ of felled wood - Itapetininga	l/m ³	2.00	1.50	No
	Annual average fuel consumption/m ³ of felled wood - Uberaba	l/m ³	2.00	1.70	Yes

MONITORING RESULTS

SOCIAL INDICATORS					
Theme	Indicator	Unit	2022 Result	2022 Target	Target met?
Environmental awareness	Visitors to Espaço ARVORAR	Number	2,153	1,008	Yes
	Visitors to the Taquari River Trail	Number	37	157	No
Social use of forests	Events	Number	3	2	Yes
Social-environmental monitoring	Dialogues with neighbors (farms and routes)	%	90	100	No
	Invasion events addressed		98	100	No
	Stakeholders' requests addressed		100	100	Yes
	Stakeholders' complaints addressed		100	100	Yes
Research	Ongoing or completed research projects in the year	Number	1	1	Yes
Safety – Evaluation of Contracted Companies (AEC, for its acronym in Portuguese)	AEC - Agudos	%	98.54	90	Yes
	AEC - Itapetininga		94.65	90	Yes
	AEC - Uberaba		96.84	90	Yes
	AEC - Taquari		98.50	90	Yes
Safety – Wood Transport Truck Safety Inspection Form (FISCTM, for its acronym in Portuguese)	FISCTM - Agudos	Number	10	10	Yes
	FISCTM - Itapetininga		10	10	Yes
	FISCTM - Uberaba		10	10	Yes
	FISCTM - Taquari		5	5	Yes
Training	Average training hours by active worker	Hours	6.31	6.00	Yes

1 HIGH CONSERVATION VALUE AREAS (HCVAs)

Locations that present environmental and/or social values of an exceptional nature or that are of critical importance are classified as High Conservation Value Areas (HCVAs). In these areas, we have measures in place to protect the identified values, such as banning hunting or fishing, surveillance patrols, actions to prevent and control forest fires, lower speed limits on roads nearby these areas, and alien species control, in addition to specific monitoring procedures for the attribute identified there.

These actions protect rare, threatened and endangered species and native ecosystems, as well as regional wildlife and plant life relevant for the livelihood of local communities and their traditional practices.

In 2020, an endemic frog species (*Bokermannohyla sazimai*) was found at Nova Ponte farm, in Minas Gerais, which led to the location being classified as a category 1 HCVA, spanning 32.50 hectares.

In 2023, during the analysis of the farms that underwent an increase in scope, a High Conservation Value Area (HCVA) was classified as HCV 2 with the attribute of "extensive fragment of native vegetation in the buffer zone of a Protected Area (Integral Protection)" on the Vitória Farm (São Paulo), spanning 704 hectares. Protection and monitoring measures were put into place to maintain or enhance the attribute.

HCVA Categories	
HCV 1	<p>Species diversity</p> <p>Concentrations of biological diversity including endemic species, and rare, threatened or endangered species that are significant at global, regional or national levels.</p>
HCV 2	<p>Landscape-level ecosystems and mosaics</p> <p>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 species with natural occurrence in natural patterns of distribution and abundance.</p>
HCV 3	<p>Ecosystems and habitats</p> <p>Ecosystems and habitats. Ecosystems, habitats, or refuges of rare, threatened, or endangered biodiversity.</p>
HCV 4	<p>Ecosystem services</p> <p>Critical environmental services. Basic ecosystem services in critical situation, including protection of water catchment areas and control of erosion of vulnerable soils and slopes.</p>
HCV 5	<p>Community needs</p> <p>Community needs. Areas and fundamental resources to meet the basic needs of local communities, indigenous peoples, and traditional populations (subsistence, food, water, healthcare, etc.), identified in cooperation with these communities or people.</p>
HCV 6	<p>Cultural values</p> <p>Cultural values. Places, resources, habitats, and landscapes of global or national cultural, archaeological or historical significance, and/or of critical cultural, ecological, economic or religious/sacred importance for the traditional cultures of local communities, indigenous peoples, or traditional populations, identified through engagement with these local communities or people.</p>

11 ECOSYSTEM SERVICES

Taking care of the environments in which we operate is fundamental for the management of natural resources that can be impacted by our activities. Our forests also contribute to the maintenance of ecosystem services, meaning the benefits that forests bring to human well-being, such as water supply, natural pest control, recreational spaces, and climate regulation.

In this context, in 2022, our forests in Brazil were recognized according to FSC® standards for their positive impact on the maintenance of ecosystem services resulting from:

Conservation of biodiversity, contributing to the preservation of species diversity, with the maintenance of focal species and the conservation of their habitats.



Bokermannohyla sazimai



HCVA – Nova Ponte Farm

Carbon sequestration and storage, contributing to the maintenance of forest carbon stocks through forest plantations and conservation of native vegetation areas.



Dexco's forest management area in Itapetininga/SP

Recreational services, contributing to the maintenance of recreational and tourism activities through the conservation and improvement of local conditions (Espaço Arvorar).



Museum as an exhibition site



Espaço Arvorar's educational trail

12 SOCIOECONOMIC ASPECTS

Dexco historically maintains communication channels with internal and external communities in order to promote dialogue. The low incidence of conflicts indicates that the commitment to the environment, people, and communities made in the Forest Management Plan has become an integral part of the company's activities and operations.

Dexco's certified areas are spread throughout 48 cities in São Paulo, Minas Gerais and Rio Grande do Sul states, in the following meso-regions: Bauru, Itapetininga, Marília, Triângulo Mineiro/Alto Paranaíba, and Porto Alegre's metropolitan area.

Established in rural areas, our forest plantations are predominantly surrounded by other forest management sites, crops (*mostly sugarcane and soybean*), and pastures for cattle ranching.

Dexco does not manage areas officially recognized as indigenous or *quilombolas*. In case they are considered for future actions, free, prior, and informed consent must be obtained from the affected communities before any forestry operation.

Its job opportunities are advertised in the communities where it operates, hires employees, and works on training people to form teams.

The cities where our forests are located, as well as the communities that surround our farms and transportation routes, are listed on the following pages:



Community close to the edge of a farm

Cities with Dexco's management and identified communities

UNITY	CITY	COMMUNITY	CATEGORY	
Agudos	Agudos	Assentamento Barro Preto	Surroundings	
		Capela Faz. Monte Alegre	Cultural value	
		Centenário/Cohab	Surroundings	
		Centro de Exposição Espaço Arvorar	Cultural value	
		Espírito Santo da Fortaleza e Porcinos	Traditional	
		Lar dos Desamparados	Surroundings	
		Recanto dos Nobres	Surroundings	
	Avai	Santa Cândida	Surroundings	
	Avaré	Araribá/Ekeruá	Traditional	
	Bauru	Assentamento ferroviária	Assentamento ferroviária	Surroundings
			Assentamento Miracema	Route
			Centro de Progressão Penitenciária I	Surroundings
			Nogueira	Surroundings
			Santa Maria	Surroundings
		Tibiricá	Route	
		Cabrália Paulista		
		Duartina	Santa Luzia	Route
		Gália		
		Garça		
	Lençóis Paulista	Casa da Sede da Faz. Rio Claro	Cultural value	
Paranapanema				
Paulistânia	Limoeiro	Surroundings		
Pederneiras				
Piratininga	Brasília Paulista	Brasília Paulista	Surroundings	
		Casa da Sede da Faz. São Pedro	Cultural value	
		Parque Pontal	Surroundings	
		Real Village	Surroundings	
Presidente Alves	Presidente Alves	Route		
São Manuel				

UNIT	CITY	COMMUNITY	CATEGORY	
Itapetininga	Angatuba	Bairro Aterrado	Route	
		Araçoiaba da Serra	Cercado	Route
	Bofete	Alpes da Castelo	Surroundings	
		Chácaras São Pedro	Surroundings	
	Botucatu	Parque Bela Vista	Surroundings	
		Rubião Junior	Surroundings	
		Bairro dos Costas	Route	
	Buri	Bairro Matão	Route	
		Buri	Route	
		Capelinha	Route	
	Capão Bonito	Brás	Surroundings	
		Taquaral Abaixo	Route	
	Guareí	Balneário	Route	
		Cohab Ribeirão Grande	Route	
		Guareí	Route	
		Penitenciária	Route	
	Itapetininga	Bairro Espigão	Bairro Espigão	Route
			Bairro Gramadinho	Route
			Juvu	Surroundings
			Moquem	Surroundings
			Pacaembu II	Route
			Porto Velho	Route
			São Roque	Route
			Tupi	Surroundings
			Varginha	Route
			Várzea	Surroundings
	Vila Palmeira	Route		
	Itapeva			
	Itatinga			
	Pilar do Sul	Bairro Turvinho	Surroundings	
		Pombal	Route	
	Salto de Pirapora	Jardim Alexandre	Route	
Condomínio Fazendinha		Surroundings		
Comunidade Fazendinha		Surroundings		
São Miguel Arcanjo	Abaitinga	Surroundings		
	Capela São Roque	Cultural value		
Sarapuí	São Bento	Route		
	Sarapuí	Route		

UNIT	CITY	COMMUNITY	CATEGORY			
Taquari	Arroio dos Ratos	Vila Garcia	Route			
		Vila Pinho	Surroundings			
	Bom Retiro do Sul	Mundo Novo	Surroundings			
	Butiá	Vila São José	Surroundings			
	General Câmara		Banheiro Velho	Surroundings		
			Comunidade Boca da Picada	Surroundings/ Route		
			Comunidade Boqueirão	Surroundings/ Route		
			Comunidade Passo da Taquara	Surroundings		
			Potreiro / Tivico	Route		
	Minas do Leão					
	Rio Pardo	Sem nome	Surroundings			
	São Jerônimo		Assentamento	Route		
			Morrinhos	Route		
			Porto do Conde	Surroundings/ Route		
	Taquari		Assentamento do Governo	Route		
			Assentamento Tempo Novo	Surroundings/ Route		
			Comunidade Amoras	Route		
			Comunidade Carapuça	Surroundings		
			Comunidade Costa do Santa Cruz	Surroundings/ Route		
			Comunidade Fazenda Lengler	Route		
			Coqueiros	Surroundings		
			Fazenda dos Porto	Route		
			Passo da Aldeia	Surroundings		
			Comunidade do Gil	Surroundings		
			Triunfo		Ponte seca	Surroundings
					Ponte seca	Route
	Vale Verde	Monte Alegre	Route			

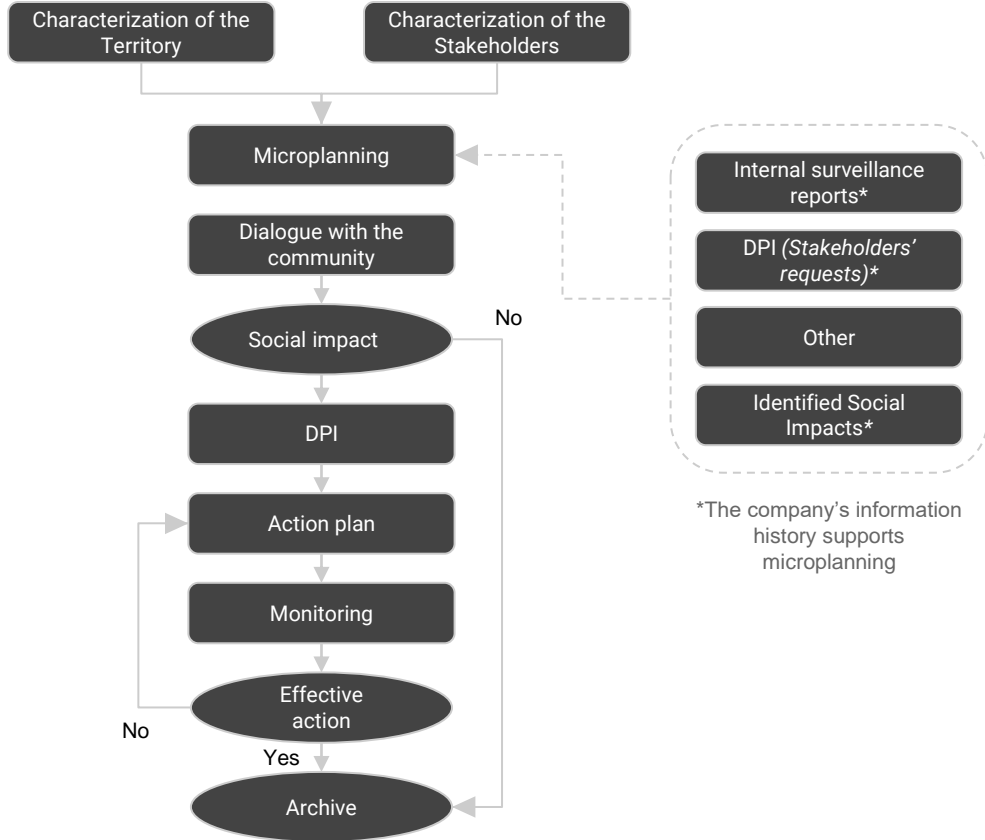
UNIT	CITY	COMMUNITY	CATEGORY	
Uberaba	Nova Ponte	Cemitério Nova Ponte	Cultural value	
		Distrito Industrial de Nova Ponte	Surroundings	
		Parque das Árvores	Surroundings	
	Patrocínio			
	Perdizes			
	Prata	Patrimônio do Rio do Peixe	Route	
	Sacramento			
	São João Batista do Glória			
	São Roque de Minas			
	Uberaba		Assentamento rural	Surroundings
			Chácaras Bougainville	Route
	Veríssimo		Distrito Industrial	Route
			Sete de Setembro	Route

SOCIOECONOMIC ASPECTS

Consultations with the affected stakeholders are periodically carried out to assess the social aspects of Dexco’s forest management activities.

These consultations follow our internal procedure, which aims to establish methods and criteria to identify, measure, and assess the relevance of the social impacts caused by Dexco’s forest management operations, set prevention or mitigation actions, and monitor their effectiveness.

This flow chart summarizes the steps that make up this methodology:



Through these assessments, we identified the following possible social aspects arising from forest management activities:

POSITIVE

- Acquisition of products and services
- Professional capacity building (*technical and awareness training*)
- Employment generation
- Tax payments

NEUTRAL

- Forest harvesting
- Forest production

NEGATIVE

- Traffic accidents
- Traffic disruption
- Domestic animal roadkill
- Damage to roads
- Damage to neighboring properties
- Dust
- Noise
- Vibration
- Domestic animal poisoning
- People poisoning

While planning forestry activities, when the likelihood of these or other negative social aspects is identified, the operations teams are responsible for taking preventive measures. If this is not possible, measures for mitigation or compensation should be agreed with the impacted stakeholders.

The main negative social aspects observed in the company's historical records are road damages, and dust and noise generation. These aspects mostly occur during the transportation of logs. The main measures taken to prevent these aspects are: compliance with traffic laws, and road maintenance and water spraying.

Internal records of these consultations is maintained, along with the characterization of these impacted stakeholders. This information is used as a reference to establish community engagement and define monitoring actions.



SOCIAL PROGRAMS

ENVIRONMENTAL EDUCATION ACTIONS

Dexco runs a visitor center, which tells the history of wood and its importance to society, as well as the importance of responsible forest management to meet people's needs. There are also demonstrations of the environmental protective measures Dexco takes in our forestry activities.

Located in Agudos (São Paulo), Espaço Arvorar offers interactive installations and organized spaces dedicated to the development of educational and environmental awareness activities for schools, universities, employees, community members, and other interested audiences.

Available resources include:

- Auditorium equipped with audiovisual equipment for exhibits on responsible forest management.

- An exhibition center equipped with panels and other resources describing the history of wood, its importance in our lives, information on forest management, and the importance of biodiversity and other natural resources.

- Forest trails to conduct activities focused on environmental awareness, allowing visitors to get in touch with the local native vegetation and forest plantations.

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

Visits are pre-booked and conducted by a company guide. Bookings can be made through the following channels:

**Espaço Arvorar**

Rodovia Marechal Rondon, Km 323
Fazenda Monte Alegre – Zona Rural
Postal Code 17139-899
PO Box 50
Phone: (55 14) 3262-8100
E-mail: avap@dex.co

**Taquari River Ecological Trail**

Rua Júlio de Castilho, 1787
Bairro Coqueiro
Postal Code 95860-000
Phone: (55 51) 3653-6551
E-mail: sustentabilidade@dex.co

SCHOOL VEGETABLE GARDENS

Since 2016, Dexco has teamed up with a public school in rural Taquari (Rio Grande do Sul) to create vegetable gardens. Through this partnership, the schools provided the space and Dexco contributed with seedlings, suppliers, and labor to build the vegetable garden.

Training for teachers, students and community members was conducted through a partnership with EMATER (State Agency for Rural Extension) and SENAR (National Service for Rural Learning).

The products grown in the garden are used in the school kitchen and by the students' families. In 2022, with the help of volunteers, a vegetable garden was implemented in the São José community, located in Taquari (RS), with the aim of being a school break activity, complementing educational practices in the community.

Currently, Dexco has a similar project in the district of Patrimônio do Rio do Peixe, located in the city of Prata (MG).

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

OTHER DEXCO ACTIONS

- Partnership with beekeepers;
- Na Mão Certa (*In the Right Hands*) program;
- Professional and social inclusion programs;
- Incentive program for educational, cultural, and sporting events;
- Cuidar Juntos (*Together we Care*) – health and well-being program for the Dexco team;
- Formare program.



Participation in community dialogue

COMMUNICATION CHANNELS

In addition to direct consultations with our surrounding communities by applying questionnaires, Dexco identifies the community's needs using the following channels:

- Stakeholders' requests (*DPI*) registry;
- Assessment of questionnaires answered by visitors at Espaço Arvorar and the Taquari River Ecological Trail;
- Round tables;
- Internet channels;
- Internal public;
- Whistleblower hotline.

FOREST FOSTERING PROGRAM

Forest fostering stimulates the alternative use of rural properties, enabling the implementation of agricultural, forestry, and livestock programs and, therefore, the diversification of income sources, creating jobs and contributing to keeping people in rural areas.

Our fostered partners are located within 60 kilometers of the plants. We offer these farmers the Eucalyptus seedlings, technical support, and a manual of good practices.

With Dexco's support, two groups of fostered partners, called Forest Producers of Vale do Taquari – Group 01, achieved the responsible forest management certification, and currently comprise around 52% of all the planted areas of fostered producers in our Taquari unit.



OCCUPATIONAL HEALTH AND SAFETY

Dexco is committed to providing its teams with adequate working conditions, allowing them to better perform their activities, eliminating possible causes and minimizing the risk of accidents.

All workers are provided with personal protective equipment (*PPE*) free of charge and are trained on its correct use. All work must be carried out safely, following the applicable safety rules and procedures.

QUALITY OF LIFE

One of the commitments of our forest management is to monitor and promote the occupational health of our staff. We work to prevent labor-related injuries and diseases and to promote the well-being of our employees.

TRAINING AND DEVELOPMENT

Dexco has programs and activities to train its employees and raise awareness of the aspects of activities related to the environment, workplace safety, and motivation.

All internal training programs cover aspects with relation to environmental conservation and occupational health and safety.

ONBOARDING PROGRAM

All new Dexco employees, contractors, and clients undergo an onboarding process before starting their activities in the company. This program presents information about the company, including internal regulations and procedures regarding occupational health and safety, the environment, and human resources.

13 CHAIN OF CUSTODY

The Forest Management Plan supports the chain of custody for certified products manufactured at Dexco's Wood division.

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

Since 2007, we have had procedures and criteria in place for assessing wood suppliers, and we are committed to not procuring wood from illegal sources by implementing a policy for wood supply from controlled sources.

FSC license code for chain of custody: FSC-C003088



14 COMPLIANCE WITH INTERNATIONAL AGREEMENTS

The **Convention on Biological Diversity** is an instrument of international law whose objective is to promote the conservation of biological diversity, sustainable use of resources, and 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, as we keep set-aside areas for native vegetation conservation and in compliance with environmental legislation. These areas can be made available upon request to universities and other institutions for research and study purposes.

The **International Labor Organization's (ILO)** deliberations are applied to the company's activities through their incorporation into the procedures for the protection of employees' and contractors' health and social integrity. Compliance with Brazilian labor and occupational health and safety laws is objective evidence of our efforts to abide by the ILO's guidelines and conventions ratified by the Brazilian government. The ILO's Code of Practices for safety and health in forestry work serves as the foundation for Dexco's operational procedures.

In 2022, reaffirming its commitment to the best practices of sustainable growth, Dexco published its Biodiversity Commitment. Additionally, in the same year, Dexco published its Human Rights Policy, which was based on international and national reference documents, such as the principles of the Universal Declaration of Human Rights, the Declaration of the International Labor Organization, and the United Nations Guiding Principles on Business and Human Rights.



15 ENVIRONMENTAL PROTECTION

Dexco's forest management abides by rules and guidelines that ensure our operations are conducted in a way they have the least possible impact on the environment and surrounding communities.

PROTECTION OF CONSERVATION AREAS

Our conservation areas are comprised of Permanent Preservation Areas (native vegetation along waterways and steep slopes) and other areas that are preserved complementarily. Protection of these areas helps preserve the water and biodiversity¹.

- Do not cause damage to the trees and plants in conservation areas when moving equipment and vehicles;
- Do not cut native trees to facilitate maneuvering or transit of equipment and vehicles. Only dead trees or those that have been felled by the wind or rain may be cut when they present risks or are obstructing roads;
- Do not park or build tents, shelters, or other facilities in conservation areas;
- Do not dump or dispose of any type of waste (*such as tires, food packaging, paper, plastic, used rags, etc.*) or harvesting residues (*twigs and branches*) in conservation areas;
- Do not collect ferns, orchids or any other native plants from conservation areas;
- Fight fires in native vegetation areas or where they 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.)



SOIL PROTECTION

Dexco strives not to degrade the soil. Examples of soil degradation are the loss of natural fertility, reduction of organic matter, erosion (*loss of soil caused by rainwater*), contamination by waste disposal, or chemical spillage.

To conserve the soil, we use the minimum tillage technique, which consists in keeping the remaining plant material at the harvesting site in order to form layers of physical protection for the soil and to ensure nutrient cycling.

As part of this technique, we do not use fire in our forest management activities, thus helping to preserve the soil.

- Optimize the movement of equipment in planted areas to minimize soil compaction;

Do not leave any form of waste (*such as tires, food packaging, paper, plastic, used rags, etc.*) in the field or in any other areas;

- Use trays or other containers to collect any oil or grease residues when servicing machinery in the forest;
- Communicate the occurrence of erosion (*loss of soil*) and siltation (*accumulation of soil in streams, reducing their water flow*);
- In case of oil or chemical spillage onto the soil, follow the instructions provided for specific procedures.

WATER PROTECTION

Water is an essential resource for life on the planet. All precautions must be taken to preserve and not pollute springs, rivers, reservoirs, and lakes.

- Do not dump any kind of waste (*such as tires, food packaging, paper, plastic, used rags, etc.*) into streams, water intakes, and reservoirs;

- Do not dump any kind of chemicals into streams, water intakes, and reservoirs;
- When washing equipment and machinery is needed, do so in places specified by the company, far away from waterways;
- Never wash any type of equipment in lakes, water intakes, or streams;
- Use trays or other containers to collect any oil or grease residues when servicing machinery in the forest;
- Avoid wasting water. Use it responsibly.

AIR PROTECTION

The air is the gaseous layer that covers the Earth, also known as the atmosphere. Precautions should be taken to keep it in adequate conditions.

- Renew the air in enclosed spaces such as meeting rooms, watchtowers, and forestry equipment cabins;
- Conduct periodic equipment inspections with regards to the emission of black smoke;
- Ensure adequate maintenance of machinery and equipment in order to prevent air pollution.

WILDLIFE PROTECTION

Wildlife is the group of animals found in any given location, with each species having a role in maintaining the natural balance.

The benefits of preserving the regional fauna include the dispersal of seeds of native plants, recovery of forests, and pest control.

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

- Avoid running over wildlife. To that end, observe the speed limits while driving and if you see an animal on the road:
 - Slow down or stop the vehicle;
 - At night, switch to low beams and allow time for the animal to find its way and leave the road;
- Let a Dexco employee know when traps, hunters, or fishermen are found in the forest, as capturing or hunting wildlife is not allowed.



FOREST FIRE PREVENTION

Forest fires cause damages to the environment (*soil, air, water, wildlife, and plant life*), local communities, future generations, crops, and forests.

These fires can be caused by intentional burning to clear land that goes out of control, matches or cigarette butts thrown by smokers or arsonists, or other causes.

Prevention is the most effective way to avoid forest fires and it is up to each one of us. Follow these recommendations to help preventing these fires:

- Smoking is not allowed in plantation and conservation areas. If you are a smoker, smoke on the roads;
- Carry out machinery or equipment maintenance in cleared-out locations, creating firebreaks around them;
- Clear the site when welding and always have fire extinguishers at hand;

- 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 there are fire extinguishers on vehicles, machinery, and equipment and they are up to date and ready to use;
- Do not store or dispose of fuel, lubricants, solvents, tires, plastic, rags, towels, grease, oil, solvents, alcohol, or gasoline in the forest;
- Do not light fires in planting or conservation areas;
- Contact Dexco employees if you come across candles, matches, alcohol, or any trespassing vehicle or people;
- Immediately let a Dexco employee know of any fire risk or when noticing smoke or flames in the forest or its surroundings.

In case of fire on vehicles or forestry equipment:

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

OCCUPATIONAL SAFETY

Contractors and clients must abide by the safety standards and all guidelines under the SESTR (*Specialized Service for Health and Safety at Work, for its acronym in Portuguese*) at Dexco's forestry units. If there any questions, a Safety Engineer must be contacted.

- Wear the required PPE (Personal Protective Equipment) for the activity being carried out;
- Be sure to transport people or materials carefully and safely;
- Be careful when walking inside the plots to avoid accidents;
- Do not unnecessarily obstruct the farm's access roads or pathways with vehicles and equipment;
- Speed limits must be observed at all times when driving any kind of vehicle;



- Respect traffic signage;
- It is now allowed to transport people on the back of trucks, pick-up trucks, or any other open vehicles;
- The workplace should be kept safe and clean, with daily cleaning and waste removal if necessary;
- Employees and contractors are not allowed to consume or possess alcoholic beverages or illegal drugs during working hours;
- Guide and instruct people on the correct use of PPE and the compliance to safety procedures for their activities;
- Should you have any questions, contact a Dexco employee.

CONTACT INFO

Regarding the Forest Management Plan:

Integrated Management and Training – Environmental Management – Wood Division

Phone: +55 14 3262-8169/8148

Whistleblower hotline 0800 011 70 73

Whistleblower website: <https://www.canalconfidencial.com.br/dexco/>

Agudos Forestry Unit

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Uberaba Forestry Unit

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Itapetininga Forestry Unit

Rod. Raposo Tavares, km 172
Postal Code 18.200-000 –
C.P. 168
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Rio Grande do Sul Forestry Unit

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