



ELDORADO BRASIL

2016 SUSTAINABILITY REPORT



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PRESENTATION

(G4-17, G4-18, G4-26, G4-28, G4-29 and G4-30)



Eldorado Brasil is publishing the new edition of its *Sustainability Report* presenting its main economic, social, environmental, management and governance results for 2016, its fourth year in business. Once again the company has adopted Global Reporting Initiative (GRI) G4 methodology, using the Core option. The report comprises the January 1 to December 31 interval. Nevertheless, whenever relevant, information from the first months of 2017 has been included.

The definition of the report content is based on the principles set forth in Eldorado's Sustainability policy and on the topics considered most

relevant in the company's current materiality matrix. These priorities were reevaluated in the first half of 2017 (*further information ahead*).

The publication of the 2016 Sustainability Report reaffirms the company's commitment to the transparency of its processes for disclosing information, besides constituting an important management tool which will enable Eldorado to enhance processes and evolve its business model in a consistent manner.

Updating of the materiality matrix

(G4-19, G4-24, G4-25, G4-26 and G4-27)

Eldorado reviewed in May and June 2017 the most relevant topics for the business and for stakeholders in a process consisting of document analysis, online consultation and interviews with senior management.

The first stage entailed a review of the company's previous sustainability reports, the reports of other players in the sector, Eldorado's most recent social impact matrix and other internal and external documents.

Following this, on an online platform, employees, customers, suppliers, forestry partners, and members of neighboring communities, settlements, representatives of public authorities and non-governmental institutions selected out of twenty the five most relevant topics for each stakeholder group's relations with Eldorado. In total, there were 96 participants, 74 from Brazil and 22 from overseas. The CEO and the other five board members were also interviewed.

Cross referencing data resulted in a list with 10 priority topics for Eldorado, which will remain as permanent and continuous corporation focus. The topics are:

- _ Developing human capital (investment in retaining and developing talent, employee benefits and satisfaction, knowledge and talent management and specialization of manpower);

- _ Generating employment and income (generating employment, income and driving the local economy, social and economic impacts and incentives for education and culture in the locations in which the company operates);

- _ Social impact on the surrounding communities (reducing impacts, such as degradation of the local road network, increased violence, generation of dust and noise);

- _ Efficiency in the use of resources (responsible use and consumption of water, energy and other resources, efficient waste and effluent management);

- _ Preserving biodiversity (strategies for combating the proliferation of insects and pests in the plantations and the preservation of local fauna and flora);

- _ Good forestry management practices (sustainable forestry stewardship, including the preservation and correct use of the soil);

- _ Corporate governance and transparency (good corporate governance practices, ethics in business, anti-corruption mechanisms, including management of grievances and complaints);

- _ Climate strategy (impact of climate change on operations, including the increase in average global temperatures, changes in rainfall patterns and the occurrence of prolonged droughts impacting the plantations and product transpor-

tation, as well as the monitoring of greenhouse gas emissions, carbon sequestration and emissions reduction measures);

- _ Transparency and engagement of stakeholder groups (projects to engage main stakeholders, making communication channels available and boosting the company's response capacity);

- _ Business growth strategies (profitability, cost competitiveness, return for shareholders, business expansion and financial management).

- _ In the following table, Eldorado presents the stakeholder groups impacted by each topic, as well as the associated GRI aspects and impacts.

(G4-20 and G4-21) TOPICS	EXTENSION OF IMPACTS ¹	GRI ASPECTS	GRI INDICATORS
Human capital development	Colaboradores Sociedade	Employment Training and education	LA1, LA2, LA9 and LA11
Generating employment and income	Society	Indirect economic impacts Local communities	EC8 and SO1
Social impact on surrounding communities	Society	Local communities	SO2
Efficient use of resources	Forestry partners Suppliers Employees Society	Energy Water Effluents and waste	EN3, EN8, EN10, EN22 and EN23
Preserving biodiversity	Forestry partners Suppliers Society	Biodiversity	EN11 and EN12
Good forestry management practices ²	Forestry partners Suppliers Employees Society	-	-
Corporate governance and transparency	Society Public authorities Consumers Forestry partners Suppliers	Anti-corruption Compliance Grievances and complaints	SO3, SO8 and SO11
Climate strategy	Forestry partners Suppliers Employees Society	Economic performance Emissions	EC2, EN15, EN16, EN17, EN18 and EN19
Transparency and stakeholder engagement ²	Consumers Forestry partners Suppliers Employees Society Public authorities	Stakeholder engagement	-
Business growth strategies	Managers Employees	Economic performance	EC1

¹ The extension of the impacts indicates the main stakeholder groups, inside and outside the organization, for whom the material topics are more critical.

² The topics Forestry Management and Transparency and Stakeholder Engagement do not have GRI performance indicators that are directly related. However, Eldorado does account for how it manages these topics throughout the report.

New organization

(G4-22, G4-23 and G4-31)

This year the report innovates with the presentation of an Attachments section containing detailed data on some indicators reported by the company. It should be noted that strategic information continues to be provided and duly contextualized in the chapters *Eldorado, Governance, Strategy and Performance, and Value Chain*.

In addition to the indicators directly related to the ten most relevant topics for the company and for stakeholders, the document provides other data already monitored by Eldorado, as a means of ensuring the corporate information disclosure process.

Any doubts or requests for clarification about the publication should be addressed to the email:

sustentabilidade@eldoradobrasil.com.br.

Enjoy reading it!

Commitments assumed in the Sustainability Policy

- ▶ To supply products in an economically feasible, environmentally correct and socially fair manner;
- ▶ To use natural resources sustainably and to maintain operations focused on preventing pollution;
- ▶ To comply with legislation and other requirements applicable to the corporate activities;
- ▶ To maintain ethical relations and transparent communications with stakeholders;
- ▶ To provide a motivating work environment, with high health and safety standards;
- ▶ To develop and apply technologies that ensure innovation and competitiveness;
- ▶ To identify social and environmental improvements in all the organization's processes;
- ▶ To focus on quality excellence in products and services;
- ▶ To fulfill certification requirements in forestry management in accordance with Forest Stewardship Council principles and criteria;
- ▶ To invest in employees and processes qualification to ensure continuous improvement in the corporate management system.

2016 HIGHLIGHTS

Financial and commercial results

- > **1,638,000** metric tons of pulp produced, the company's highest volume ever
- > **90%** of the pulp exported - accounting for **12%** of Brazil's pulp export volume
- > Ebitda of **R\$ 1.585 billion**

- > **1,665,000** metric tons sold, an increase of 6.6% over 2015

- > Gross revenue of **R\$ 3.460 billion**
- > Ebitda margin of **54%**, the highest in the industry



Forestry area

- > **239,000** hectares of eucalyptus plantations in Mato Grosso do Sul



- > Productivity: **45 m³** of timber per hectare/year in 2014 - the average in 2010 was 20m³/hectare/year

- > Certification by the **Forest Stewardship Council®** and by the **Brazilian Forestry Certification Program (CERFLOR®)**
- > Conservation areas extending over more than **103,000** hectares

Três Lagoas Industrial Plant

- > **5,3%** reduction in water consumption compared with 2015, with higher production
- > Approximately **1.324 million MWh** of clean energy generated

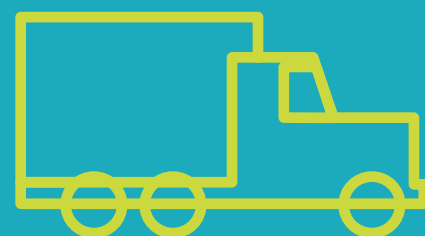
- > Water recirculation rate of **84,79%**, compared with 81% in 2015

- > **20%** reduction in direct GHG emissions



Value chain

- > **4,780** company employees
- > **117** reuniões com comunidades do entorno e representantes de órgãos públicos*



- > **153,867** hours of training - **32,12** hours per employee

- > More than **22 metric tons** of organic produce bought from producers in the PAIS (Produção Agroecológica Integrada e Sustentável / Sustainable and Integrated Agroecological Production) program maintained by Eldorado and Sebrae.*

* BETWEEN MARCH 2016 AND MARCH 2017.

MESSAGE FROM THE CEO



Analyzing 2016, we can clearly see the progress Eldorado Brasil has made, which strengthens the company's successful trajectory. Driven by innovation, competitiveness and sustainability – pillars guiding the corporate activities –, we raised excellence in the forestry area, from the seedling nursery in Andradina (SP), through the eucalyptus plantations to the transportation of timber to the Três Lagoas plant. These efforts resulted in gains in productivity, reduced costs and improved practices and processes in caring for the environment and developing surrounding communities. In the industrial unit, the same pillars steer our work, aimed always at continuous improvement and enabling our production record (1,638,000 metric tons of pulp), while reducing energy and water consumption, as well as greenhouse gas (GHG) emissions.

Innovatively, we also enhanced relations with customers, ensuring product quality, permanent contact with the specialized pre-sale and post-sale teams and faster deliveries. Here it is worth mentioning the consolidation of the operations of the Eldorado port terminal in Santos (SP), as well as the increased use of containers for exporting our pulp.

Aligned with another company pillar, establish the permanent people valuing, we continued the process of insourcing our work force. We are certain that this is essential to strengthen organizational culture. With employees who are highly trained and valued and who think like owners, the work environment at Eldorado will be healthier and more promising for all.

These factors, set forth in the coming pages of this sustainability report, were fundamental in enabling

us to face a series of challenges in 2016, a year marked by the negative fluctuation of pulp prices and the appreciation of the real against the dollar. The results we have achieved so far show that our strategy is on the right track, which, considering the sector's potential for expansion, aims at maintaining and enhancing the high levels of excellence and productivity already reached, making Eldorado a benchmark in the global pulp market. Part of this strategy is based on the Vanguarda 2.0 project, which entails the inauguration of our second industrial plant in Três Lagoas in 2020, with a production capacity of 2.5 million metric tons a year. In 2016, the project progressed with the conclusion of infrastructure works and launching a new timber storage patio.

Eldorado's future depends on constant improvement on all business fronts. In addition to investments in maintaining excellence in our forestry, industrial, commercial and logistics operations, the company is determined to evolve in management and governance. The structuring of a dedicated compliance area is under analysis, which will further strengthen the existing processes. We are also committed to the responsible use of natural resources and to generating value for employees, neighboring communities and society as a whole.

José Carlos Grubisich
CEO



IN THIS CHAPTER:
> NEW INDUSTRY MODEL
> GLOBAL PRESENCE

Eldorado



With a sustainable forestry management model and a production plant focused on efficiency and quality, the company achieved a production record in 2016 and is now preparing for a new growth cycle

(G4-3, G4-4, G4-5, G4-6, G4-7, G4-8, G4-9, G4-10 and G4-15)

NEW INDUSTRY MODEL

Founded in 2010, with the cornerstone of the industrial plant laid in Três Lagoas (Mato Grosso do Sul) on June 15, Eldorado Brasil is a joint stock corporation (business corporation) specialized in producing eucalyptus pulp.

In 2016, its fourth operation year, the company had its highest production and sales volumes ever, helping consolidate its position as a global benchmark in the industry. The company ended 2016 with 4,780 employees, advancing in the insourcing process initiated the previous year by hiring its own teams for the forestry, timber transportation, security and cleaning areas, among others. Eldorado also continued to prioritize practices aimed at developing and retaining employees.

In 2016, the seedling nursery located in Andradina (SP) reached a quality index of 94% while reducing production costs by 7%. By using company-owned and leased lands in Mato Grosso do Sul for planting eucalyptus, the company has been investing in obtaining its own forestry base as a means of driving excellence. During the year, approximately 70% of the timber processed at the Três Lagoas facility came from company-owned forests certified by the Forest Stewardship Council. Another advance in the period was the 55 km reduction in the average forest radius, helping drive productivity and efficiency in forestry operations.

In the industrial park, which runs clean processes for energy generation, water withdrawal, effluent and waste generation, investments in technology and operational excellence contributed to the production record. The volume totaled 1,638,000 metric tons of pulp, 2.6% higher than in 2015.

The company uses a flexible logistics model, with its own port terminal in Santos (SP) and the capacity to operate in terminals in other regions in the country. For exports, Eldorado has been investing in container transportation, which is more competitive than break bulk shipments.

With customers in more than 50 countries, the company supplies the printing and writing, tissue (comfort and personal hygiene), packaging and special paper segments. In addition to its commercial office in São Paulo, Eldorado has three other offices manned by specialized teams located strategically in the United States, Austria and China. In 2016, sales reached 1,665,000 metric tons, an increase of 6.6% over 2015.

To provide a sustainable response to the increased demand for pulp, influenced particularly by growth in consumption in the emerging countries and in the tissue and special papers segments, Eldorado is advancing in its Vanguarda 2.0 project, with a projected investment of R\$ 10 billion that will enable an annual production of 2.5 million metric tons.

1.64 million metric tons, the company's record production in 2016, an increase of 2.6%



BUSINESS STAGES

1



Seedling nursery

Located in the city of Andradina (SP), the Eldorado Brasil forestry nursery occupies a built area of 159,000 m² and has a production capacity of approximately 28 million seedlings a year. Eldorado

also acquires seedlings from the market. While maintaining high levels of quality and efficiency, the nursery has also been steadily reducing production costs. The target for 2017 is to reach a production cost 8.5% lower than the market price.



2



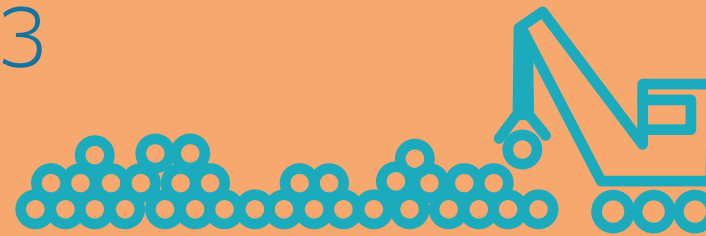
Planting

Eldorado ended 2016 with 239,000 hectares of eucalyptus forest in Mato Grosso do Sul, with 40,000 hectares planted in 2016. In a differentiated format, the

company combines its own planting areas with areas leased from partners on 14-year contracts, the equivalent to two production cycles.



3



Harvest

With a highly trained team and state-of-the-art equipment, the harvest area fells the timber and removes the bark and branches from the trees for use as soil

fertilizer. Already highly mechanized, a project in partnership with Eldorado suppliers aims at further elevating the level of excellence in the harvest process and reducing costs for the company.



4

Timber transportation

In 2016, the timber transportation sector was totally insured. An average of 5.6 million m³ of timber is transported to the storage patio at the Três Lagoas plant per

year. During the year, the average distance between the planted areas and the industrial complex was around 274 km, optimizing costs and reducing environmental impacts.

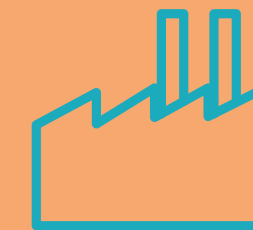


5

Industrial process

In the Três Lagoas pulp mill, the wood chips are cooked, producing an unbleached pulp. This brownstock then undergoes a specific bleaching chemical treatment.

After this, the pulp is dried and cut into sheets, which are stacked in bales and units. In 2016, the plant reached a production record of 1,638,000 metric tons.

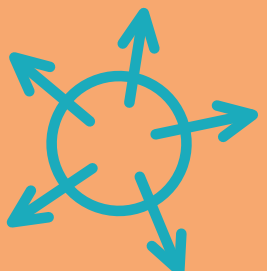


6

Logistics

In the last stage of the process, the units are transported to the company-owned port terminal in Santos (SP), inaugurated in 2015, or to other ports around the

country. With 90% of production destined for the overseas market, Eldorado pulp is exported to more than 50 countries either in bulk shipments or in containers.



GLOBAL PRESENCE

(G4-5, G4-6, G4-8 e G4-9)

Markets served: more than 50 countries in Latin America, North America, Europe, Oceania, Africa and Asia

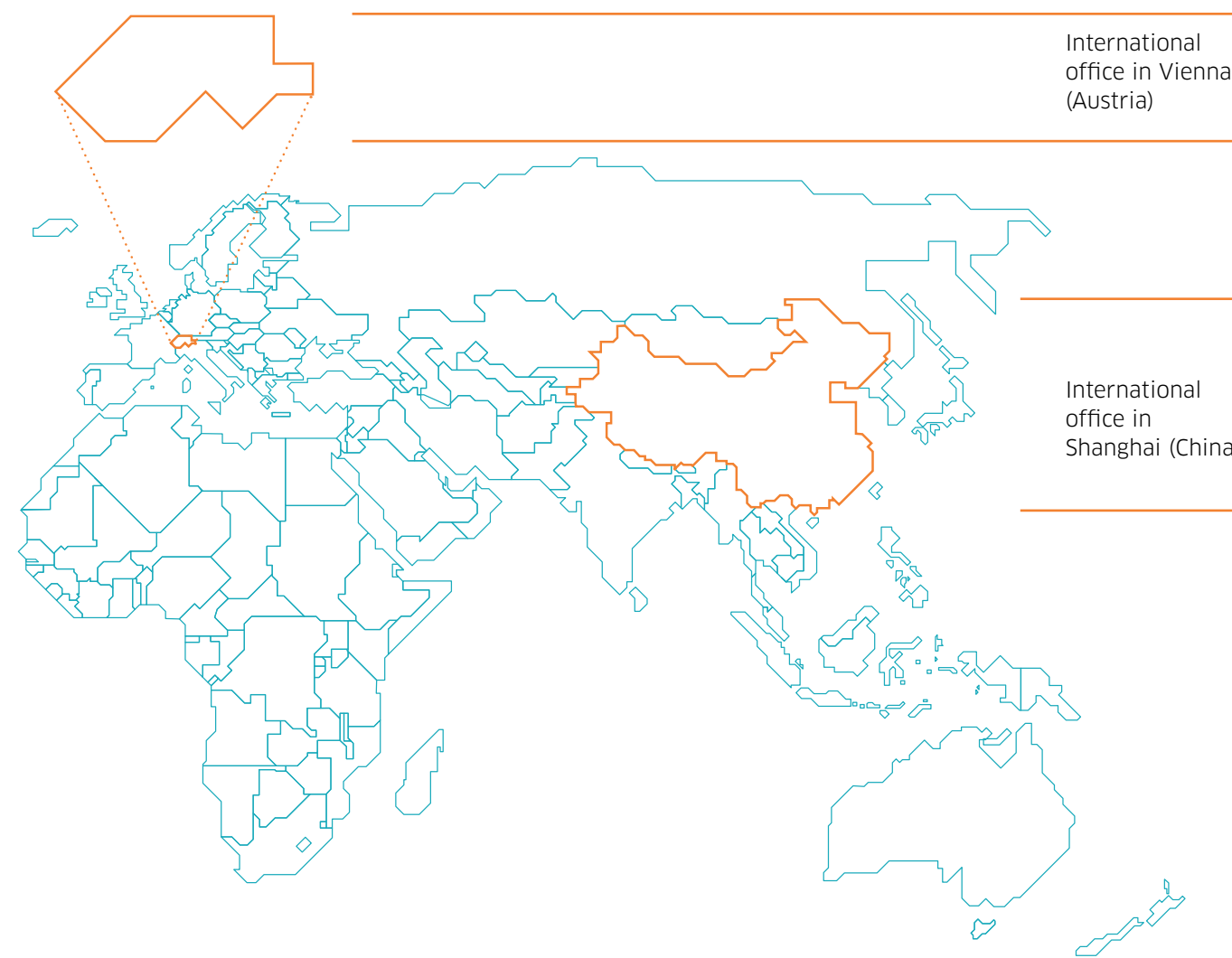
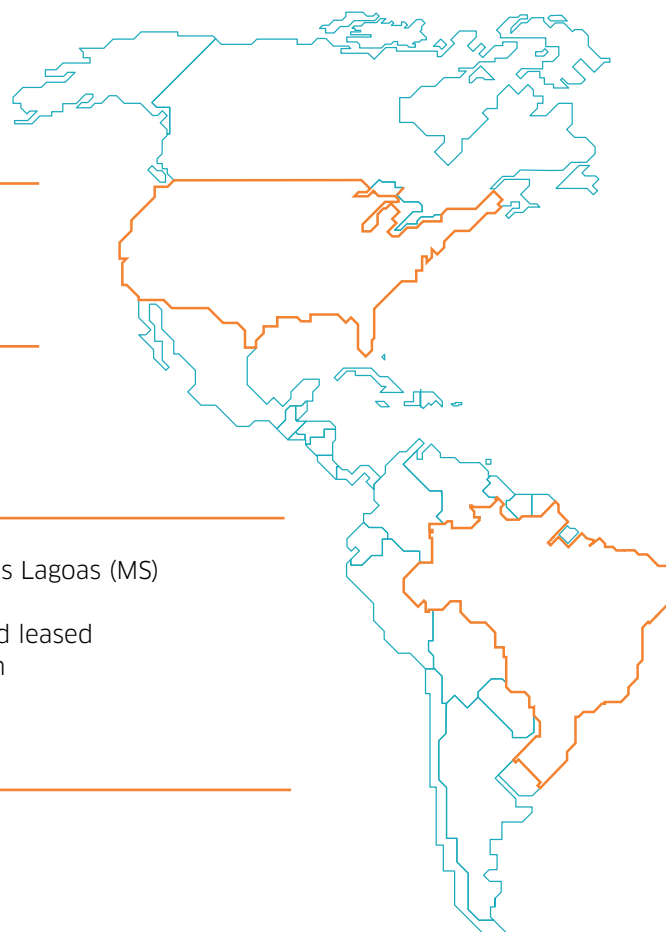
International office in Branford, CT (United States)

Administration head office and commercial office in São Paulo (SP)

Seedling nursery in Andradina (SP)

Industrial unit in Três Lagoas (MS)

Company-owned and leased eucalyptus forests in Mato Grosso do Sul



International office in Vienna (Austria)

International office in Shanghai (China)

Industry segments

Used by virtually everyone in their daily routine, the paper made from Eldorado pulp is split in four main segments:

- ▶ Printing and writing: the most traditional use, present in notebooks, in office supplies, in printing books, newspapers, magazines and advertising banners, among others.
- ▶ Tissue: used for personal hygiene and comfort products, such as toilet paper, paper towels, napkins and facial cleansing tissues.
- ▶ Cartonboard: used mainly to make packaging for medicines, beverages, food contact products and make up, among others.
- ▶ Special papers: used for the most diverse applications, such as thermal papers, decorative papers etc.



Governance



IN THIS CHAPTER:

- > GOVERNANCE PRACTICES
- > ETHIC AND TRANSPARENCY

Committed to the best corporate governance practices and to transparency, Eldorado is focused on continuously improving its internal processes

(G4-34)

GOVERNANCE PRACTICES

Although not listed on the B3 index (former-BM&FBovespa), Eldorado Brasil is registered at Brazil's Comissão de Valores Mobiliários (CVM) as a B category publicly traded company and, therefore, follows the differentiated corporate governance practices established for companies on the Novo Mercado (New Market).

The current corporate governance structure comprises the Board of Directors, the Fiscal Council, the Executive Board and four Advisory Committees. With the mission of conducting company business and tracking and overseeing executive management and actions, the Board of Directors has seven members. All the shareholders are represented on this board.

In compliance with Novo Mercado rules, the board has one independent member. Elected by the General Shareholders' Meeting for one-year term, with entitlement

to reelection, the board members meet on a quarterly basis or whenever deemed necessary. The chairman of the board is not permitted to occupy the position of CEO of the company.

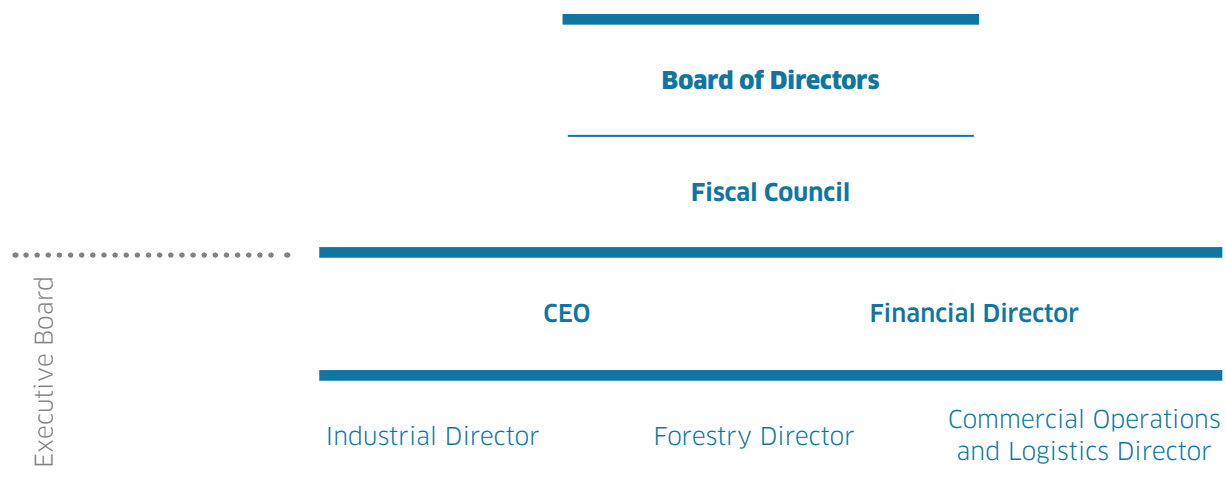
The main duty of the Fiscal Council is to oversee the company's administration, analyzing the Annual Management Report, the balance sheet and the financial statements released quarterly. The council has three members.

To provide support for the Board of Directors, Eldorado has the following committees: Audit, Finance and Risk Management; Related Parties and Conflicts of Interest; People and Development; and Sustainability and Social Responsibility. Both shareholders' and employees' representatives take part in periodic committee meetings.

Responsible for executing company strategy, the Executive Committee comprises the CEO and four other directors (*detailed ahead*). The directors are appointed by the Board of Directors for one-year term which may run consecutively.

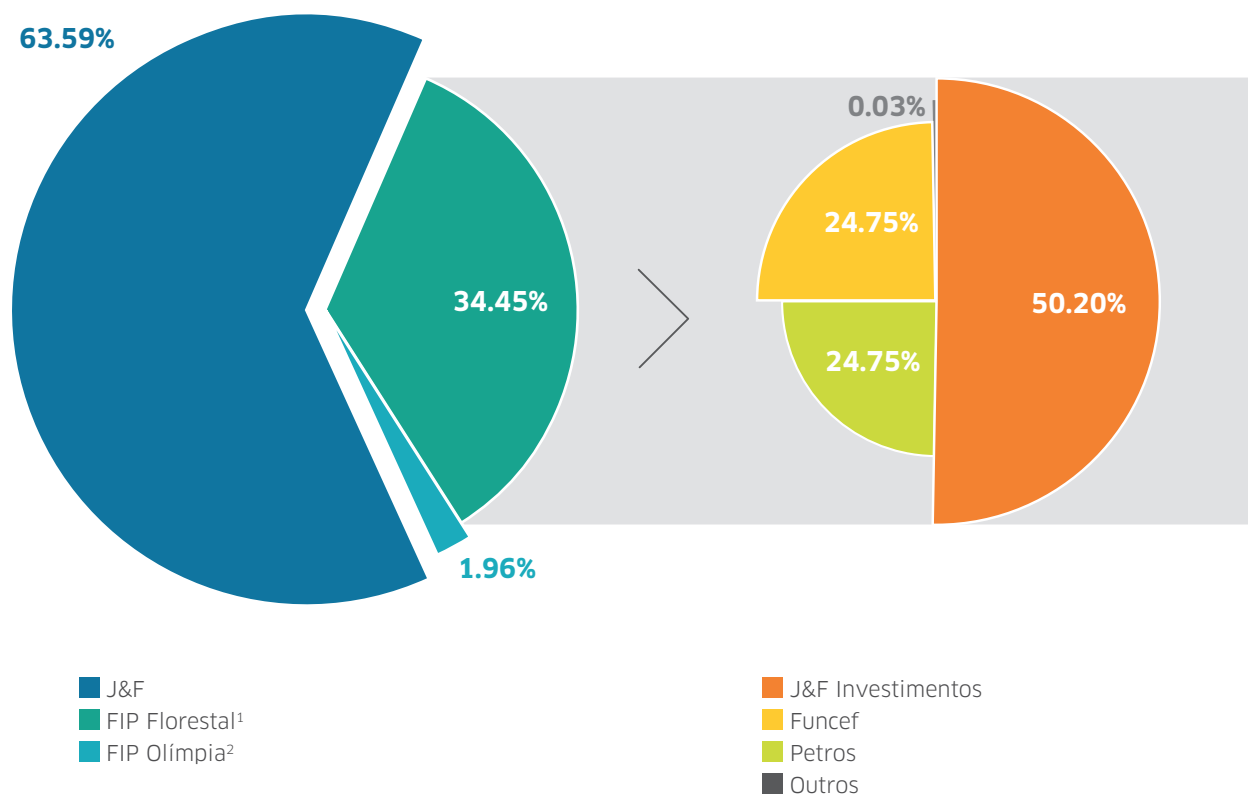


Eldorado Governance structure



Ownership breakdown

Eldorado stock consists exclusively of ordinary shares, the issue of preferred shares being prohibited.



¹ Private equity fund comprising two Brazilian pension funds: Petros (Petrobras) and Funcef (Caixa Econômica Federal).

² Private equity fund with quotas held by company management.

Mission (G4-56)

To build relations based on trust with our shareholders and partners through the constant enhancement of our planted, renewable forestry assets.

Vision

To consolidate Eldorado Brasil as a global leader in the pulp market, building new ways to generate value.

Valores

- _ Owner mindset
- _ Determination
- _ Discipline
- _ Availability
- _ Simplicity
- _ Humility
- _ Frankness

Investor relations



With an Investor Relations area that reports to the CEO, Eldorado seeks to maintain objective, transparent relations with its shareholders and the market in general. Every quarter, the company organizes meetings with analysts and investors to disclose its results. The company also organizes roadshows in Brazil and overseas.

The financial risks monitored include, for example, exchange and interest rates, fluctuations in which could affect Eldorado's yield and generate losses. Environmental risks are also monitored, such as climate and social changes, which could affect the company's license to operate. Through technology, Eldorado tracks possible environmental impacts, entailing the online monitoring of airborne emissions from the production plant and of air quality. In the social scope, the strategy is to develop closer relations with surrounding communities and other society actors.

Risk management

G4-14 and G4-EC2

Risk management at Eldorado is conducted directly by senior management with support from different company areas. In line with best market practice, the objective is to monitor, anticipate and minimize risks capable of impacting the future continuity of the business, within the overall macroeconomic context and the industry.

Grounded in transparency and continuous improvement, Eldorado also tracks risks related to its image and reputation, risks in the legal, information technology and supply areas, as well as other questions associated with the forestry, industrial, commercial and logistics operations.

ETHICS AND TRANSPARENCY

(G4-56, G4-LA9 and G4-S03)

The Eldorado Code of Conduct sets forth the ethical guidelines that all employees must follow in internal and external relationships, including interactions with customers, suppliers, service providers, shareholders, government and communities. After being presented and trained under the Code of Conduct all new employees must formally commit to comply with the rules outlined in the document.

Eldorado's Code of Conduct encompasses the applicable laws in all the countries in which the company operates. It addresses different topics such as equality of opportunity and treatment for all employees, harassment and abuse of power, child and slave labor, conflicts of interest, political participation, gifts and relations with public entities, underscoring the prohibition of the offer of any kind of advantage or privilege for public authorities.

The Ethics Committee, comprising representatives of the Human Resources, Legal, Finance and Supplies departments, must ensure the code is being strictly followed. The committee meets every two months or whenever necessary to analyze reports received via the Ombudsman channel and to decide on courses of action (*further infor-*

Código de Conduta

Widely disseminated, the Code of Conduct may be accessed via the website: www.eldoradobrasil.com.br

mation on the Ombudsman ahead). The Ethics Committee activities are reported to the People and Development Committee, which provides support for the Board of Directors, on a quarterly basis.

In 2016, a workshop was organized for company leaders on Code of Conduct and compliance to emphasize their role in disseminating best practices within the company.

The company also carries out periodic audits to ensure the accuracy of its accounting practices. In July and September, two search and seizure warrants were issued against the Eldorado head office as part of

cautionary measures taken by the federal public prosecution service to investigate alleged irregularities in FI-FGTS fund management and in investments made by four supplementary pension plans (Petros, Funcef, Previ and Postalís). The warrants were aimed at collecting evidence of supposed illicit practices that might have been documented by the company. The company contracted the services of the legal practice Veirano Advogados Associados and an audit by Ernst&Young to conduct an independent investigation, which found no indications that the Public Prosecution service allegations were grounded.

Eldorado reaffirms its willingness to collaborate with the competent authorities in fully clarifying the facts. Committed to transparency and continuous improvement, the company is now analyzing the establishment of a Compliance department to strengthen its internal controls.



Consolidation of the Ombudsman

(G4-58, G4-S03)

One of Eldorado's main communication channels with its stakeholders, the Ombudsman receives reports, complaints, praise and suggestions from employees, ex-employees, suppliers and business partners, members of neighboring communities, customers and the press. In 2016, management of the Ombudsman service was taken over by a specialized external company, reinforcing the channel's credibility. Contacts may be made in Portuguese and English, with full confidentiality guaranteed.

Other company communication channels include the Sustainability area email address, face to face meetings with community members and neighbors, the Contact Us channel on the institutional website and the company's pages on Facebook and LinkedIn.

In November 2016 and February 2017, measures to disseminate contact information for the Ombudsman and the Sustainability area in 16 communities with which Eldorado maintains relations were taken.

Eldorado Ombudsman

E-mail: ouvidoria@eldoradobrasil.com.br
Telephone: 0800 5275 280

A man wearing a white hard hat, sunglasses, and a light-colored long-sleeved shirt is standing in a forest. He is looking upwards and to the right, holding a handheld device in his hands. The background consists of many tall, thin trees with green foliage.

Strategy and performance

IN THIS CHAPTER:

- > **SECTORIAL CONTEXT**
- > **FINANCIAL AND OPERATIONAL PERFORMANCE**
- > **ENVIRONMENTAL PERFORMANCE**

SECTORIAL CONTEXT

Adopting competitiveness, innovation, sustainability and valuing people as drivers, Eldorado pursues its strategy of consolidating the company as a benchmark in the global pulp market

In 2016, the pulp sector was subject to a steady drop in market prices, due to the start up of new production and projections of increased supply. The reduction in prices was partially offset by increased demand. The global pulp market grew by 7.7% compared with 2015, which represented an additional volume of 1.6 million metric tons, according to the World Chemical Market Pulp Global 100 Report.

The pulp sector continued contributing to the Brazilian trade balance, accounting for 4.2% of all Brazilian exports in value. According to the industry association Ibá (Indústria Brasileira de Árvores), the country exported 12.9 million metric tons of pulp, an increase of 11.9% over the previous year. At US\$ 5.6 billion, export revenues were 0.5% down on 2015. The main destination continues to be China, with a 16.3% increase in exports in 2016, reaching US\$ 2.2 billion.

For the coming years, the expectation is that the global pulp market will continue its growth, even with the projected start-up of new plants. The emerging markets demand sustain these positive projections, in particular China, as well as in Brazil and other Latin America countries, depending on the positive economic outlook in these countries. The best prospects are in the tissue segment (comfort

and personal hygiene), driven by higher incomes and consumption in the developing countries, and the higher added value special papers segment.

In view of these projections, Eldorado is pursuing its Vanguarda 2.0 expansion project, with work scheduled to begin on its new industrial unit by the end of 2020. With this project, the company's production capacity will increase by 2.5 million metric tons of pulp per year. The goal is to achieve the lowest investment cost per metric ton and the lowest cash production cost in the global industry. In 2016, the land grading and basic infrastructure works were finalized. The new timber patio was also concluded, providing storage capacity for 120,000 m³ of wood. The company is currently focused on selecting partners for construction of the new unit.

7.7%

was the growth in the global eucalyptus pulp market. Eldorado pursues its expansion project.

Strategic directives

With the challenge of consolidating Eldorado as a global benchmark in the pulp industry, in addition to its expansion project the company is working on boosting efficiency in the industrial, forestry, commercial and logistics areas to drive a more competitive cost structure while maintaining its commitment to quality and to environmentally and socially responsible practices.

Company strategy bases on four major drivers: competitiveness, sustainability, innovation and valuing people. These pillars orientate Eldorado's activities at every stage of the business, focused on the future and on generating value for shareholders, employees, surrounding communities and partners.

Since the company foundation, productivity in the forestry area has grown from 20m³ of timber per hectare/year in 2010 to 45m³/hectare/year in 2014, besides around 19% reduction in forest formation costs. The gains are a reflection of constant investment in technology and innovation, such as the use of genetic material better adapted to the region, enhancement of the fertilization process and the forest monitoring system, which allows more effective and faster tracking of forest fires and pests, among others. Eldorado's performance in terms of mechanization of the planting and harvest processes is also outstanding. In planting, mechanization stands at 80%, well above the industry average. In addition to the

economic benefits for the company, mechanization ensures greater safety and comfort for employees and guarantees conscious use of the planting areas. Another advance has been the reduction in the average distance between the planted areas and the Três Lagoas industrial plant. In 2016, the average forest radius reduced by 55 kilometers over 2015, decreasing timber transportation costs and the environmental impacts caused by transportation.

In the industrial area, Eldorado makes use of a management model that prioritizes permanent engagement and an owner mindset in its team, generating greater operational stability, driving production volume and enhancing efficiency in the use of natural resources, such as water and energy. The result is the lowest cash cost of production in the sector, an indicator that measures operational efficiency, which corresponded to R\$ 619.21 per metric ton in 2016.

Working with optimized stock levels and maintaining a diversified customer base, thus enabling operations on a global scale and reducing the risks of concentration on one particular region or group of companies is part of the company's commercial

strategy. Aimed at strengthening partnerships with customers, Eldorado prioritizes close relations and differentiated performance. In logistics, the focus is also on excellence and competitiveness. In 2016, Eldorado consolidated its flexibility in transportation to the overseas market, combining bulk and container shipments, driving faster deliveries to customers at a lower cost.



INNOVATION FOR PRODUCTIVITY

With innovation and team work as key drivers, in 2016 the industrial area launched its Inovar Program, designed to encourage idea generation among employees in the operational and maintenance areas of the Três Lagoas plant. The goal is to develop initiatives that promote excellence and enhance the work environment.

Since its introduction, the program has received 200 submissions, 50% of which have already been put into practice.

The forestry area is also developing its Evolution program, designed to implement a series of projects to enhance competitiveness and reduce costs in the seedling nursery and in the forestry, harvest and maintenance sectors. This program should be fully operational by 2019.

FINANCIAL AND OPERATIONAL PERFORMANCE

(G4-EC1)

In 2016, Eldorado's gross revenue was R\$ 3.460 billion, down 7% on the 2015 figure of R\$ 3.721 billion. Ebitda (earnings before interest, taxes, depreciation and amortization) was R\$ 1.585 billion, compared with R\$ 1.824 billion the previous year. Ebitda margin was 54%, still the highest margin in the sector.

The company's financial performance was particularly impacted by the drop in pulp prices on the global market, due to new production capacity and the projected startup of new operations, as well as the appreciation of the Brazilian real against the dollar. However, operational efficiency and commercial strategy enabled Eldorado to partially offset these

negative effects. During the year, the company posted a 6.6% increase in sales volume, which was actually higher than its annual production. In contrast, there was a 6.6% drop in the total value for distribution, which decreased from R\$ 1,919.094 in 2015 to R\$ 1,791,550 in 2016 (see the full Value Added Statement in the Attachments section).

In spite of the decrease in pulp prices and the exchange rate, net income was R\$ 288 million in 2016. Cash availability at the end of the year was R\$ 1.2 billion, while long-term indebtedness corresponded to 74% of total debt. In June, the company accessed the international capital market with the issue of US\$ 350 million in

debentures maturing in five years. The positive reception to this issue reinforced market recognition of Eldorado's level of business maturity.

Production and sales volume

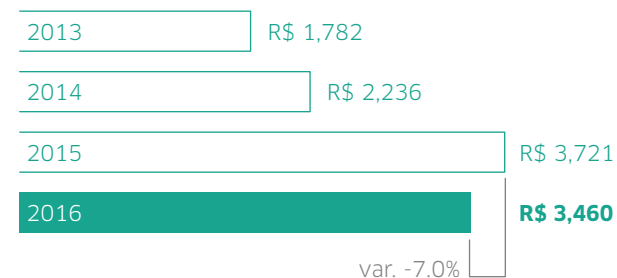
Eldorado's operational results were outstanding in 2016. Production volume reached 1,638,000 metric tons of pulp, an increase of 2.6% over 2015 and 9% over the plant's nominal production capacity of 1.5 million metric tons/year.

Out of 1,665,000 metric tons of pulp commercialized in the year 90% was exported, giving the company a share of approximately 12% in Brazilian pulp exports in 2016. The main destinations were Asia (49%) and Europe (29%). The business segments with the highest volumes were tissue (35%) and printing and writing (25%). The special papers niche was also worthy of note, growing 4 p.p. over the previous year.

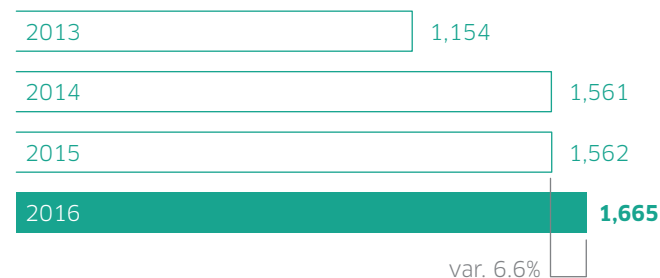
R\$ 3.5 billion

in net revenue, 7% down on 2015, due mainly to lower pulp prices

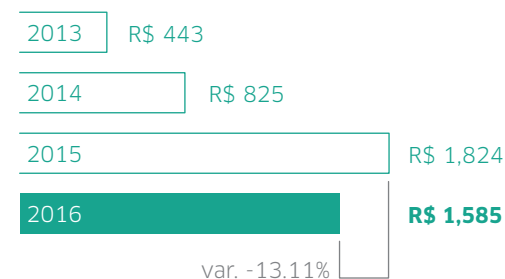
Gross revenue (R\$ million)



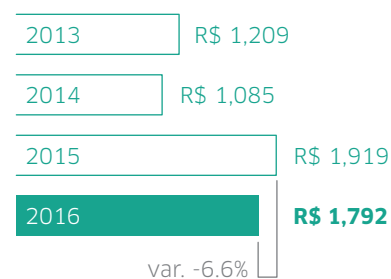
Sales volume (thousands of metric tons)



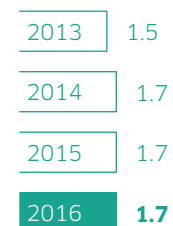
EBITDA (R\$ million)



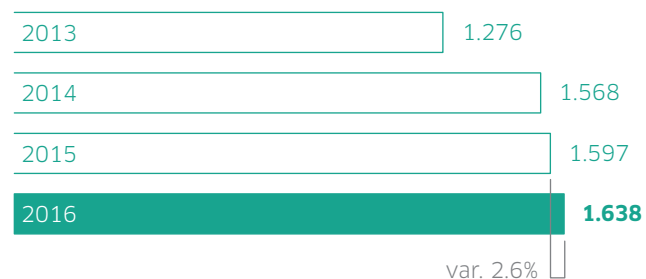
Total added value for distribution (R\$ million)



Production capacity (millions of metric tons)



Actual production (millions of metric tons)



6,6%

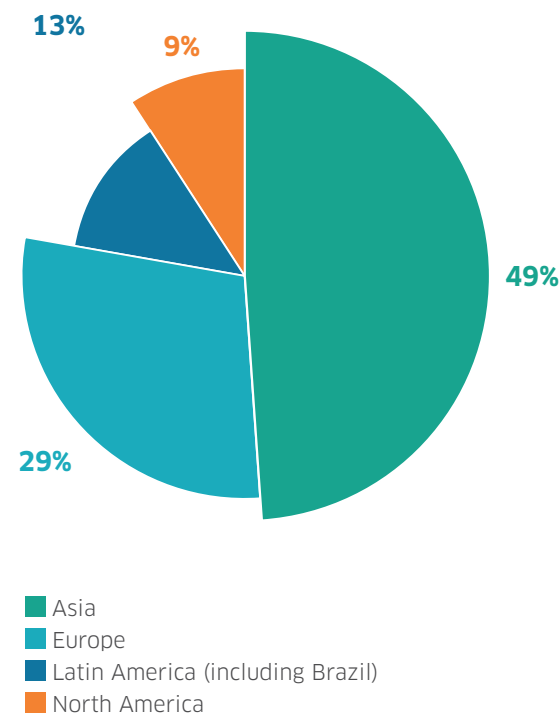
growth in Eldorado's sales volume during the year, totaling 1.6 million metric tons



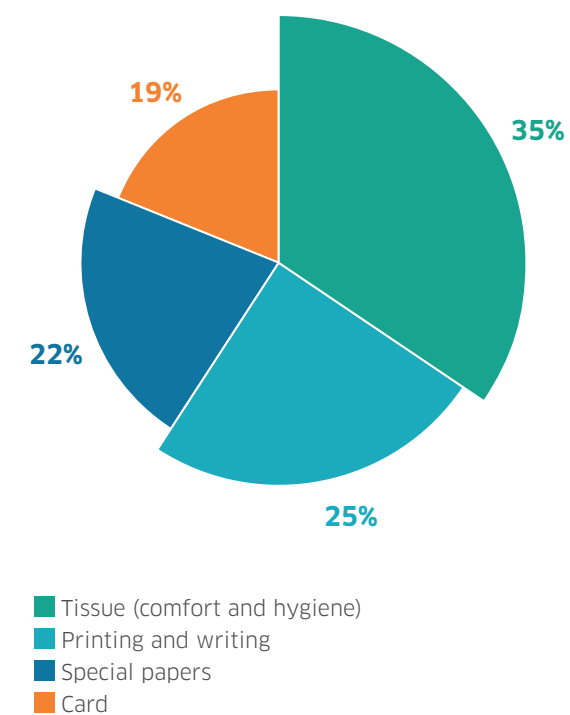
DISTRIBUTION OF ADDED VALUE (%)

G4-EC1	2013	2014	2015	2016
Employees (remuneration, benefits and charges)	37.0%	49.0%	20.5%	28.2%
Government (taxes, charges and contributions)	6.0%	-30.0%	-7.4%	-5.9%
Retained profit /loss in the year	-41.0%	-39.0%	12.3%	16.1%
Interest and rents (remuneration of third-party capital)	98.0%	120.0%	74.6%	61.6%
Total	100.0%	100.0%	100.0%	100.0%

Sales by region



Sales by segment



ENVIRONMENTAL PERFORMANCE (G4-EC2)

Eldorado's business success is directly linked with environmental care and preservation. Having ended 2016 with 239,000 hectares planted, the company recognizes that the extension of its activities goes far beyond this area. For this reason, it acts as the guardian of adjacent preservation and legal reservation areas and ensures appropriate soil use. The eucalyptus trees are planted in anthropized areas that have previously been used as pasture.

The company also invests in leading edge technology to continuously improve its productivity rates, driving higher and higher volumes of eucalyptus pulp per hectare planted.

Currently, the major environmental risk that could affect business continuity for Eldorado is the occur-

rence of long periods of drought, which could have a significant impact on the production process, highly dependent on the availability of water.

Through responsible management practices, which include preventive and mitigation strategies, the company makes every effort to enhance its activities and processes and ensure the maintenance of natural resources. The withdrawal and devolution of water are compliant with all the limits established by the competent authorities, and the Três Lagoas industrial plant is self-sufficient in green energy. Moreover, Eldorado has implanted processes that monitor and seek to reduce the plant's emission levels and other impacts related to different stages of the business, such as timber and pulp transportation.



Periodic monitoring

Fully committed to maintaining the quality of water resources, every two months Eldorado monitors the quality of surface water and aquatic communities at six points around the Três Lagoas plant, in accordance with a specific resolution issued by the national environment council CONAMA.

The company also participates in the PROMAB water basin monitoring and modeling cooperative program, a partnership between the Instituto de Pesquisas e Estudos Florestais (IPEF, Forestry Studies and Research Institute) and the Forestry Hydrology Laboratory (LHF) of the Forestry Sciences Department of ESALQ/University of São Paulo. The quantitative and qualitative monitoring has been in place since the second half of 2016 at the Barraca farm in the town of Inocência (MS). The objective is to analyze the effects of forestry stewardship on water resources, taking into account the water balance in the micro-basin, physical and chemical variables, as well as rainfall and flow rates.

Managing water resources (G4-EN8 e G4-EN10)

To enable industrial processes at the Três Lagoas plant, Eldorado withdraws water from the River Paraná, which basin presents a high biodiversity value and is widely used for fishing, tourism and leisure activities by communities in the region and by visitors. The average flow rate of the River Rio Paraná is

more than 4,000 times greater than the volume withdrawn by the company, as established by the permit from the Brazilian water authority ANA (National Water Agency). In practice, the volume withdrawn by the company is 0.025% of the water body's average flow rate. At times of drought, this may increase to 0.087%, which still does not affect other users of the basin.

In 2016, the total volume of water consumed by the company, counting surface and ground water (the

nursery in Andradina/SP), was the lowest since 2014.

In the comparison with 2015, there was a 5.3% reduction in water consumption in spite of the increase in pulp production volume. This performance reflects efficient management of the industrial plant, based on continuous improvement processes. In the plant maintenance shutdown in 2016, a series of improvements were carried out in the production process, resulting in savings of 200 m³ of clean water per hour.

Regarding irrigation, the company has specific procedures that ensure the most appropriate use of water in accordance with the season of the year.

Another advance in 2016 was in reuse of water in the plant. The recirculation rate, which refers to the volume of water reused by the chilling towers and the recovery of condensates, reached 84.79%, compared with 81% the previous year.

EFFLUENTS (G4-EN22)

The Três Lagoas industrial unit monitors the effluents generated during pulp production on a daily basis. Before returning to the River Paraná, the wastewater is subject to an activated sludge treatment process. Following a downward trend already evident in 2015, the volume of water discharged into the basin was 11.3% lower in 2016, reaching almost 34 million m³. One of the initiatives that contributed to this was the utilization of the water used to clean the wastewater treatment filters in the boiler in the chilling

tower, avoiding the need for treatment.

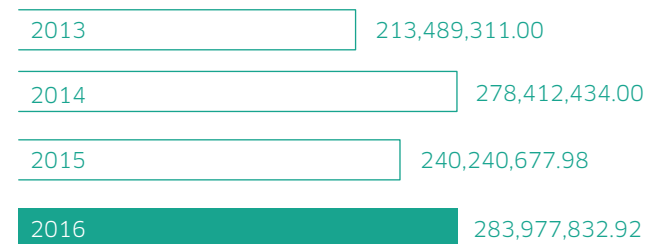
The company is committed to returning the water used in its industrial processes to the River Paraná without jeopardizing other users in terms of quality or flow rate. The process is conducted in accordance with the limits established in the industrial plant's environmental impact study and is compliant with the standards of CONAMA and the state environmental authority CECA.

TOTAL WATER WITHDRAWN BY SOURCE (M³/YEAR) G4-EN8

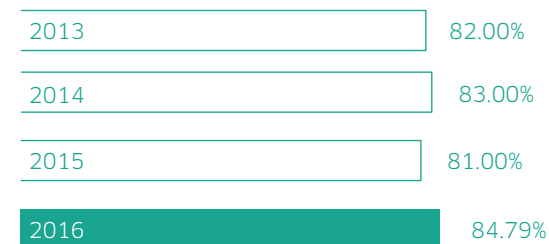
	2013	2014	2015	2016
Surface water (rivers, lakes, wetlands, oceans)	39,478,754.00	46,588,677.00	45,611,125.14	43,181,518.35
Ground water (Andradina Nursery/SP)	475,498.00	45,263.00	348,817.00	350,642.00
Total	39,954,252.00	47,039,940.00	45,959,942.14	43,532,160.35

G4-EN10 Percentage and total volume of water recycled and reused

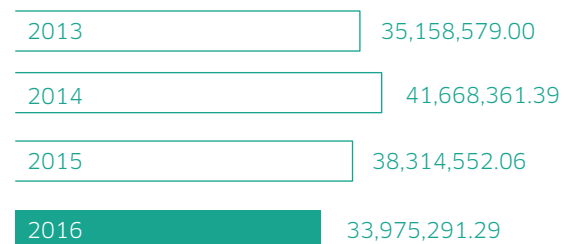
Total volume of water recycled and reused (m³/year)



Recirculation rate (%)



G4-EN22 Total water discharged (m³/year)



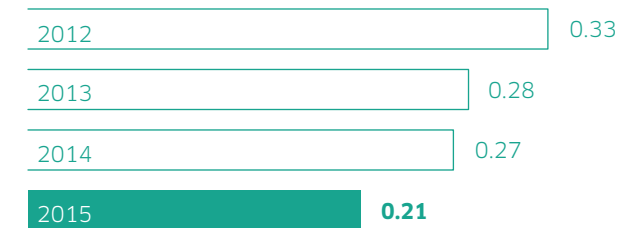
Green energy (G4-EN3)

The recovery and biomass boilers installed in Três Lagoas mill, which produces energy based on residual from pulp production, such as lignin and wood chips, ensures that Eldorado is self-sufficient in energy. In 2016, the company generated almost 1.324 million MWh of clean energy, a little less than the previous year. The company also acquired an additional 20,688 MWh.

A major part of the energy was consumed in the plant and by the chemicals suppliers also installed in the industrial complex. Even so, a total of 182,957 MWh was commercialized via the national energy Grid, generating revenues of approximately R\$ 34 million.

In addition to electricity, the company uses energy from non-renewable sources in its processes. In 2016, there was a 99.95% reduction in the consumption of fuel oil as a result of the substitution by natural gas in the industrial plant's lime kiln, which impacted the company's total energy consumption and direct greenhouse gas (GHG) emissions.

G4-EN18 Energy Intensity (tCO₂e/ADT)^{1,2}



¹ Taking into account scopes 1 and 2: direct emissions and emissions from purchased energy

² Taking into account scopes 1 and 2: direct emissions and emissions from purchased energy

ENERGY CONSUMPTION BY SOURCE (T) (G4-EN3)	2015	2016	VARIATION (%)
NON-RENEWABLE SOURCES			
Fuel oil	53,814.54	25,961.98	-99.95%
LPG - used in forklifts	-	185.78	-
Diesel (used in generators and internal vehicles) ¹	-	50,234,712.05	-
Gasoline (Eldorado fleet) ¹	-	647,648.63	-
RENEWABLE SOURCES			
Biomass	186,452.54	236,143.46	26.65%
Black Liquor	2,465,228.82	2,567,460.45	4.15%

¹ Even though they were used in previous years, reporting of the other fossil fuels was only begun in 2016.

² Measured in liters.

ELECTRICITY (MWH)	2015	2016	VARIATION (%)
Internally Produced	1,338,036.65	1,323,634.01	-1.08%
Purchased	13,997.63	20,688.57	47.66%
Consumed	1,179,048.81	1,161,365.27	-1.50%
Sold	172,985.47	182,957.31	5.76%

Managing emissions

(G4-EN15, G4-EN16, G4-EN17, G4-EN18 and G4-EN19)

Aware of the potential consequences of climate change for the business and for society as a whole and of the impacts caused at some stages of its production cycle, Eldorado is attentive to discussions around this question and seeks to enhance its processes and decrease its greenhouse gas (GHG) emissions. The company's first production stage, however, generates positive impacts. Using responsible planting practices the company's eucalyptus forests, which have a planting to harvest cycle of around seven years, sinks more CO₂ from the atmosphere than older forests.

Eldorado monitors its emissions on an annual basis and publishes its greenhouse gas inventory based on the Brazilian GHG Protocol program, which takes into account the emission factors established by the Intergovernmental Panel on Cli-

mate Change (IPCC). From 2015 to 2016, the company's direct emissions were reduced by 20%, from 369,774.82 tCO₂e to 295,770.75 tCO₂e. The decrease was the result of the substitution of fuel oil with natural gas in the lime kiln, one of the stationary sources at the Três Lagoas industrial plant.

There was also a decrease in indirect emissions (scope 2 and relative to purchased energy) and in other relevant indirect emissions (scope 3, which includes, for example, emissions from the transportation of timber and pulp by third-parties and the emissions generated by business travel). Eldorado's energy intensity, measured by the quantity of tCO₂e generated over the quantity of pulp produced, decreased from 0.27 to 0.21 tCO₂e/ADT (see the following chart and the company's complete emissions data in the Attachments section).



Reductions in 2016

29,450.84 tCO₂e of emissions avoided by Eldorado in 2016



2,300

forestry area employees were trained to identify the fauna on Eldorado's lands

Waste management

(G4-EN23)

Solid waste management at Eldorado complies with the directives set forth in Brazil's national solid waste policy and the solid waste management plan, including actions related to the generation, disposal and reduction of this type of waste.

Although there was an 8.8% increase in the total volume of waste generated due to larger waste volumes in the growing

areas, the company made a series of advances during the year. After new procedures adopted in the wastewater treatment plant at the Três Lagoas industrial unit, it was possible to reduce the volume of biological sludge, driving a positive impact on waste disposal in landfills. The volume of waste recycled also grew during the year (complete information in the Attachments section).

Managing biodiversity

(G4-EN11 and G4-EN12)

As part of its environmental management strategy, Eldorado is constantly engaged in the preservation of conservation areas located near the company's planting areas. The farms in which the eucalyptus forests are concentrated are located in the Cerrado biome and are spread over 13 municipalities in Mato Grosso do Sul: Água Clara, Anastácio, Aparecida do Taboado, Bataguassu, Brasilândia, Dois Irmãos do Buriti, Inocência, Paranaíba, Ribas do Rio Pardo, Santa Rita do Pardo, Selvíria, Terenos and Três Lagoas. These areas extend

over 103,000 hectares, of which more than 81,000 hectares have consolidated vegetation, while the remainder is being reconstituted.

The Canoas and Pântano farms, in Selvíria, and the Serrinha farm, in Três Lagoas, have High Conservation Value Areas (AAVC in the Portuguese acronym) for which reason they are the target of an integrated protection, conservation and monitoring plan. The plan includes actions such as property surveillance; signs prohibiting hunting, fishing and the extraction of timber; fire hazard warnings; environmental education initiatives for nearby communities; training

programs for Eldorado employees; and ongoing monitoring of flora and fauna, in particular medium-sized and large birds and mammals (see the complete list of protected and restored habitats in the Attachments section).

HIGH CONSERVATION VALUE AREAS

Pântano Farm (Selvíria)

Total area: 89.05 km²

- Productive area: **57.74 km²**
- Permanent Protection and Legal Reserve areas: **29.04 km²**
- Pasture, reservoirs and roads: **2.27 km²**



Serrinha Farm (Três Lagoas)

Total area: 8.47 km²

- Productive area: **2.11 km²**
- Permanent Protection and Legal Reserve areas: **3.74 km²**
- Pasture, reservoirs and roads: **2.62 km²**



Canoas Farm (Selvíria)

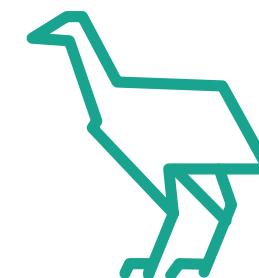
Total area: 56.26 km²

- Productive area: **40.02 km²**
- Permanent Protection and Legal Reserve areas: **15.84 km²**
- Pasture, reservoirs and roads: **0.40 km²**

MONITORING FAUNA

So far, in its areas Eldorado has identified the presence of 144 species of fauna on conservation lists - in 2015, 44 species had been identified. The greater part of these species are classified as being of minimum concern. Only four species are in the status of almost under threat (maned wolf, Pampas deer, jaguar and rhea) and 11 are considered vulnerable, including the blue macaw and the giant anteater.

From 2015 to 2016, the number of species identified grew significantly thanks to the program *Você e o Bicho* ("You and the Animal"), which trained around 2,300 employees in various sectors of the forestry area to identify the fauna in Eldorado areas. The initiative represents a means of stimulating the environmental awareness of the work force, as well as contributing to the company's monitoring processes. In 2017, the program will be extended to other farms, which should generate a further increase in the number of species identified.



4

species in Eldorado's areas are classified as almost under threat: the maned wolf, the Pampas deer, the jaguar and the rhea

Technology at the service of the environment

Planning the planting of eucalyptus, both on company-owned land and in areas leased from partners, is now aided by the agility and precision of unmanned aerial vehicles (UAVs). Currently, three drones monitor on average 500 hectares per day and are able to identify any environmental damage, erosion and uncovered areas. Eldorado was recognized by the Forest Stewardship Council (FSC) as the forestry company that most employs leading edge technology in Brazil.





Value chain

IN THIS CHAPTER:

- > EMPLOYEES
- > CUSTOMERS
- > SECTORAL ENTITIES
- > SUPPLIERS
- > COMMUNITIES

Eldorado is striving to consolidate practices that drive the development of its work force and its business. The company also promotes a series of initiatives aimed at reinforcing relations with customers and suppliers, as well as generating development for local communities

EMPLOYEES

The people in the Eldorado team are the company's most important asset. It is not by chance that they are the focus of one of the company's strategic drivers: ensuring employees are constantly valued. As a relatively young company, Eldorado is engaged in disseminating and strengthening its organizational culture, directly aligned with the company's values, among the people working in every area. For Eldorado, adherence to the company culture drives positive results for the business and creates a healthy, satisfying work environ-

ment that prioritizes a balance between employees' professional and personal lives.

The talent attraction process offers a good example of the importance of this question for the company. Using a differentiated model, after the conventional selection stage involving the requester and the human resources team, the candidate goes before the so-called "Selection Committee", comprising representatives from different areas. In an informal conversation, the committee weighs candidates' fit with

company values and with expected behaviors and mindsets. Conducted for all positions - regardless of functional level -, the practice helps ensure new employees develop a feeling of belonging and contributes towards the retention of talents.

In 2016, as in previous years, the people management area promoted several initiatives to consolidate the organizational culture. This is the case of the "HR in the Field" program, aimed at disseminating the corporate culture and engaging employees in the forestry area, who work distant from the Três Lagoas industrial plant. Through periodic visits, the human resources staff ensures the connection between these professionals and the rest of the team, providing them with relevant information and gathering their perceptions and specific demands.

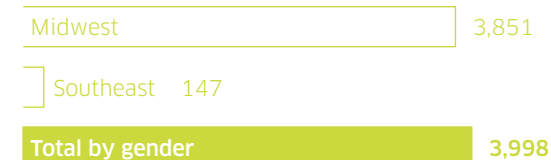


Communication to reinforce the company culture

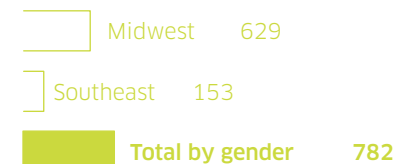
Eldorado's internal communication strategy has been reinforcing the dissemination of organizational culture by means of institutional campaigns and ones disclosing the main events in the company, always promoting the active participation of employees. Worthy of note is the weekly radio program for workers in the planting areas, yet another initiative to bring these individuals closer to Eldorado and strengthen their feeling of belonging.

Number of employees by gender and by region - 2016 G4-10

Men



Women

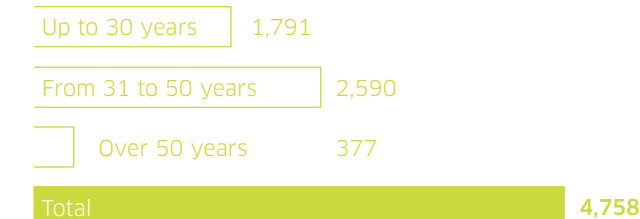


Total



Number of employees by age group G4-10

2015



2016



Employee profile (G4-10)

Eldorado ended 2016 with 4,780 employees. The workforce comprises 84% men and 16% women, all of whom work full time. The number of employees the previous year was 4,758.

The operational areas continued to employ the largest number of people (3,348 men and 555 women), followed by technical and supervisory positions and administrative functions. The majority (4,480) were concentrated in the Midwest, where the company's industrial unit and eucalyptus plantations are located.

Consolidating the insourcing process, Eldorado had no third parties in its work force at the end of the year. In 2013, the company had 1,603 third-party workers. Having its own in-house team enhances workflows, engagement and the

consolidation of the company culture, in addition to optimizing resources for the business.

Even though it already had interns because of partnerships with teaching institutions, in 2016 the company established its own intern program called "Supertalento" ("Supertalent"). In the first cycle, 15 young professionals were hired to work in the most diverse areas of the company (*detailed information about the employee profile in the Attachments section*).

Development initiatives (G4-LA9)

With the mission of retaining employees and developing their competencies as a means of boosting their career and motivating them, Eldorado has a robust training program. In 2016, the amount spent on development initiatives was approximately R\$ 1.3 million, an average of R\$ 2.567 invested in each employee. The total number of hours training was 153,867, corresponding to an average of 32.12 hours per employee.

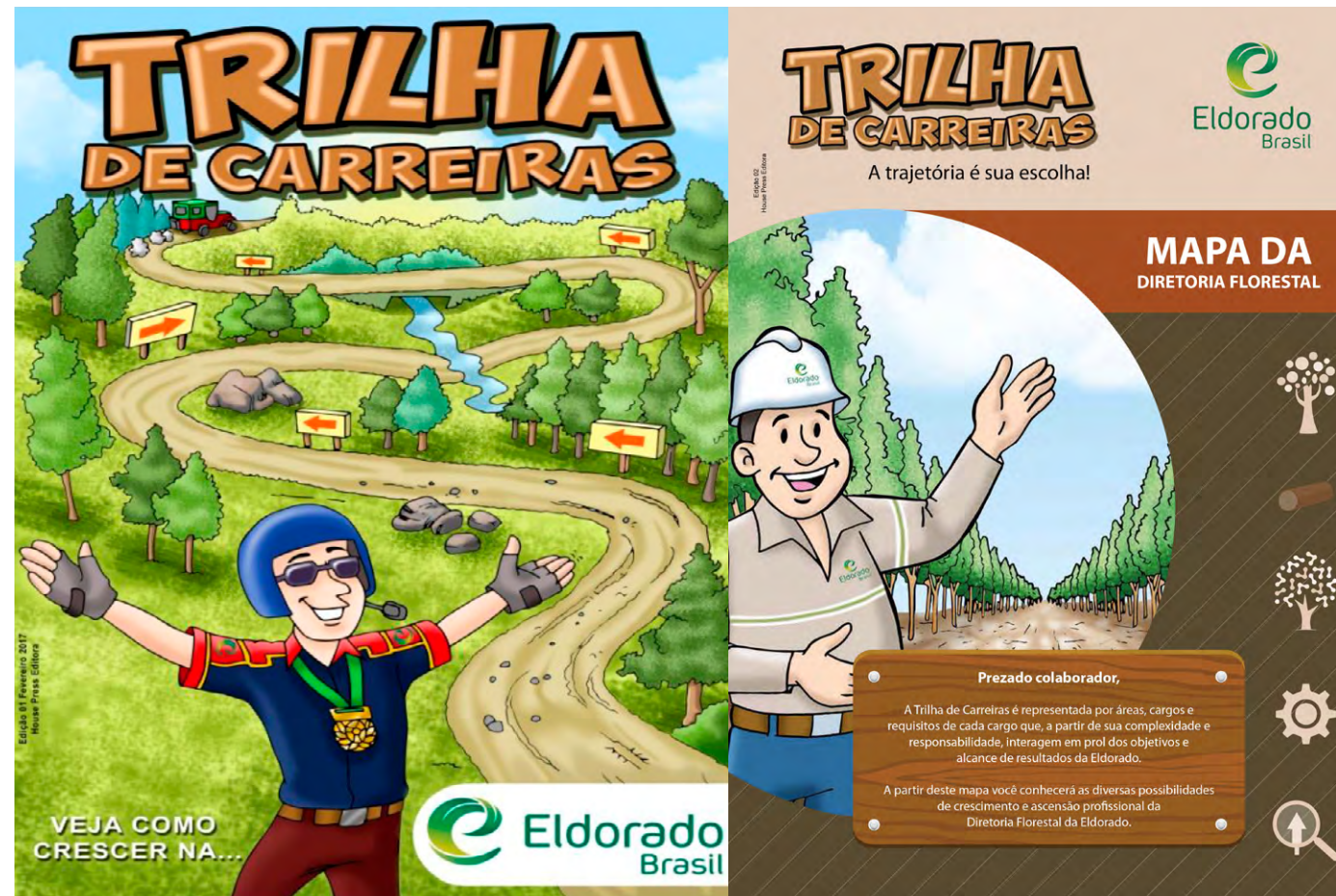
Technical and operational training courses were organized for the forestry harvesting area, which, in addition to practical knowledge, addressed behavioral aspects and environmental education. The company also fulfilled its schedule of safety training and promoted an online program on the sexual exploitation of children and adolescents. In all, 48% of the workforce took part in distance training programs totaling 8,072 hours.

Particularly for leaders, the company provides financial support for external courses, such as language programs. In 2016, a coaching program was also organized.

At the end of 2016, Eldorado launched its Renovar program, aimed at the professional requalifi-

cation of employees working with the maintenance and operation of tractors in the silviculture area. Projected also to reinforce the Eldorado culture and strategic drivers, some 600 employees should undertake a total of 68,000 hours of training.

Training G4-LA9	2015	2016
	Total number of hours	Average number of hours / employee
Men	105,687.06	26.37
Women	48,180	61.61
Total	153,867.1	32.12



CAREER PATH

Projected to ensure greater chances of professional growth and boost internal promotion, in 2017 Eldorado launched its Career Path program, which will help employees in the forestry and industrial areas to map their opportunities for development inside the company. Based on current skills and profile and on competencies that could be acquired, the program will, for example, identify employees with the potential to occupy leadership and management roles in the future.

The Career Path program was created based on suggestions provided by the employees themselves in a round of discussions organized by the people management area from July 2016. Involving employees from different areas, the meetings reinforced internal transparency and dialogue and also provided Eldorado with a reference for measuring organizational climate.

Performance appraisal (G4-LA11)

To support its employee development strategy, Eldorado has a performance appraisal process that evaluates fulfillment of corporate and individual targets and measures the quantitative and behavioral results of eligible employees. At the moment, the appraisal cycle is only conducted with the company's 279 (248 men and 31 women) management level employees. One of the company's challenges is to extend this process to the other levels, which should occur as the initiative matures over the coming years.

In addition to self-appraisal and appraisal by peers, in 2016 the participating managers were also assessed by senior level analysts and professionals from their respective teams. The results are discussed by the People Committee, which comprises the people management team and the peers of each person being appraised. The committee then develops action plans for the appraisees, which can range from promotion and external training courses to job rotation.

Remuneration and benefits (G4-LA1 and G4-LA2)

Eldorado remuneration strategy is aligned with the market and the industry and is aimed at recognizing employees' skills and behaviors as a means of motivating team engagement to drive business continuity. As part of its commitment to generate value for the region in which its largest operation is located, whenever possible Eldorado prioritizes the hiring of local work force.

In 2016, the lowest remuneration paid by the company was R\$ 937, 6.48% higher than the national minimum salary (R\$ 880). Remuneration policy makes no distinction between men and women, meaning that any differences in salary are the result of performance appraisals related to the employee's position. Especially among operational personnel, the majority of whom are men, remuneration may be higher in function of the activities exercised.

In addition to fixed remuneration, the company offers variable remuneration and a series of benefits, which also helps consolidate the organizational climate and drive professional satisfaction and business results. The benefits package includes meal vouchers or meals, transportation, life insurance, medical and dental assistance, coverage for incapacity and invalidity, private pension plan and maternity and paternity leave.

The number of admissions and dismissals remained stable in 2016.

Maternity and paternity leave

All the 226 employees who took leave returned to work and remained in the work force in 2016



The turnover rate was similar to that of previous years, with a higher turnover among operational personnel in the Três Lagoas plant and in the silviculture area, where the size of teams tends to fluctuate during the course of the year in function of the planting schedule (*more complete information on remuneration in the Attachments section*).

Managing health and safety

More than anything, valuing the Eldorado work force means ensuring a safe and healthy work environment for all. This commitment is evident in the diverse practices already consolidated into work routines and in the company's low accident and incident rates. In 2016, the number of injuries remained stable compared to the previous year, while the number of days lost - when an employee is unable to work due to a workplace accident or occupational disease - decreased significantly.

In addition to safety training, provided for new employees and reinforced periodically for older ones, the company organizes Daily Safety Dialogues (DSD), which address a different subject each day, strengthening the concepts of workplace safety and clarifying any employee doubts. The company also encourages employees to communicate risks and incidents, without exposing the individuals involved.

Another measure is the Internal Accident Prevention Week (SIPAT in the Portuguese acronym), which involved almost 2,000 people in 2016. Focused on the theme of safe behavior, the programming included talks, measurement of blood pressure and tests for glycaemia, as well as musical presentations and awards.

The forestry area also participated with its Rural Work Internal Accident Prevention Week (Sipatr), with theater performances, talks on subjects such as the environment, employee health, draws with prizes and a number of interactive events over a two-week period. Around 1,800 people took part in the activities, organized in the municipalities of Selviria, Inocência, Santa Rita do Pardo and Água Clara.

In February, Eldorado organized its "Programa Dias" (Days Program) for the third time, focused on prevention and involving more than one thousand employees. The measure engaged the entire forestry safety area and partners in wide-ranging discussions on safety, further reinforcing company culture.

The company also organized a campaign aimed at timber transporters in Santa Rita do Pardo, with safety actions undertaken on the roads used by the company. In addition to raising community awareness, the initiative is applied in training for truck drivers. The community is also encouraged to report any deviations, such as imprudent driving, accidents and the like, via the toll-free telephone 0800 7279906.

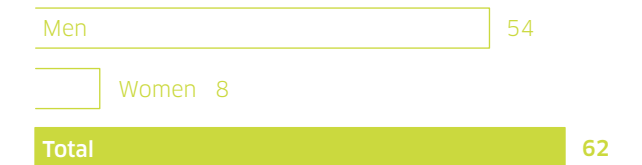
Health and well-being

The initiatives to promote employee health and well-being included a vaccination campaign against influenza H1N1, quick massage sessions on Fridays and the organization of an internal five-a-side soccer tournament and running activities.



Number of injuries¹

2015

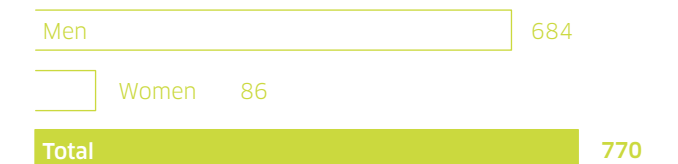


2016



Number of days lost¹

2015



2016



¹ As in previous years, Eldorado did not record any occupational diseases or fatal accidents in 2016.

Eldorado maintains close relations with customers by means of frequent visits both in Brazil and overseas

CUSTOMERS

The central focus of Eldorado's commercial strategy is to maintain close relations with a customer base spread over more than 50 countries. The objective is to build long-term relationships and partnerships based on trust aimed at driving sustainable growth for both the company and its customers. In addition to the head office in Brazil, which serves the domestic market and Latin America, there are offices in strategic regions worldwide: in Austria, focused on the European, African and Middle Eastern markets, in China, responsible for serving the Asian continent, and in the United States, for the US, Canadian and Mexican markets.

To ensure rapid fulfillment of the specific requirements of each customer, Eldorado has highly trained professionals in the commercial, technical and financial areas. They are engaged throughout the process from pre- to after-sales, providing the best possible solutions, prioritizing the quality of the

product, on-time delivery and the optimization of resources.

Maintaining close relations with customers entails series of visits to partners in Brazil and abroad, during which it is possible to gather feedback, measure satisfaction levels qualitatively and identify opportunities for improvements in relations, developing specific measures for each customer.

Using a responsible pulp production model, Eldorado is certified by the Forest Stewardship Council (FSC) and the Brazilian forestry certification program Cerflor for the major part of its forestry stewardship area. This attests to the company's adoption of the most adequate environmental, economic and social practices. The company is certified by the FSC – an independent international organization-, since 2012 and undergoes annual audits. Eldorado will undergo recertification in 2017.



Additionally, the company is compliant with the criteria established by international bodies and legislations, such as the European Timber Regulation (EUTR), from the Bundesinstitut für Risikobewertung (BfR) in Germany, and the United States Food and Drug Administration (FDA) and the Lacey Act, in the United States. The company also responds to customer questionnaires designed to determine the sustainable origin of timber and compliance with environmental and quality management systems, among others.

SECTORIAL ENTITIES

(G4-16 and G4-26)

For Eldorado, relations and dialogue with representative bodies and peer companies are indispensable for the joint evolution of the industry as a whole. Based on this vision, the company participates actively in the main associations representing its area of activity.

Currently the Eldorado Forestry director steers the Forestry Research and Studies Institute IPEF (Instituto de Pesquisas e Estudos Florestais), focused on research and development in forestry sciences. The company is also represented in Ibá (Indústria Brasileira de Árvores), which comprises the main forestry-based companies in Brazil, ranging from pulp producers to manufacturers of wooden panels and laminated flooring.

The main associations in which Eldorado has a strategic participation are:

Instituto de Pesquisas e Estudos Florestais (IPEF)

- ▶ Tolerance of Clonal Eucalyptus to Hydric and Thermal Stress Program (TECHS)
- ▶ Forestry Certification Cooperation Program (PCCF)
- ▶ Forestry Protection Program (PROTEF)
- ▶ Silviculture and Stewardship Program, (PTSM)
- ▶ Forest Improvement Cooperative Program (PCMF)
- ▶ Polyploidy in Eucalyptus Plants Program
- ▶ Water Basin Monitoring and Modeling Cooperative Program (PROMAB)

Viçosa Federal University

- ▶ NUTREE Program (study center and cross-disciplinary projects in forestry soil and nutrition) – Soils Department

Associação Brasileira Técnica de Celulose e Papel (ABTCP)

- ▶ Water Resources Technical Commission
- ▶ Environmental Licensing Technical Group

Indústria Brasileira de Árvores (Ibá)

- ▶ Certification Committee
- ▶ Climate Change Committee
- ▶ Sustainability Committee
- ▶ Biodiversity Technical Group
- ▶ Environmental Licensing Technical Group

Associação Sul-Mato-Grossense de Produtores e Consumidores de Florestas (Reflore)

- ▶ Forest Consumers (Reflore)
- ▶ Environmental Technical Group
- ▶ Forest Fire Fighting Technical Group

World Wide Fund for Nature (WWF) – MS

- ▶ Participation in Dialogue Notebooks
- ▶ Mato Grosso do Sul Forestry Forum

Agroicone SP

- ▶ Participation in meetings on the roadmap for the implementation of the Forestry Code for the Planted Forests Chain

SUPPLIERS

(G4-12)

Improvements in supply chain management

In the second half of 2016, the “Equipo Portal” was implemented to simplify the registration of Eldorado suppliers. Registration involves the electronic analysis of a series of documents from potential partners to demonstrate their compliance with labor, human rights and environmental legislation. Partners may also access the Code of Conduct on the portal, and sign the required commitment term digitally.



Partners in the Eldorado supply chain are fundamental for the execution of company strategy and for its good performance on all business fronts. Relations with these partners are guided by appropriate commercial practices, development incentives, and compliance with standards of ethics and integrity. In 2016, the Eldorado supplier base consisted of some 1,500 companies – including effective and potential suppliers –, broken down into the categories of inputs and services for the company's forestry, indus-

trial, logistics and transportation areas.

Aware of the contribution that a company of its size may make to the region in which it operates, since its foundation; Eldorado has undertaken initiatives to develop local companies with a view making them commercial partners in the future. In 2016, the company contracted 172 suppliers based on the positive impacts these partnership generate for the community. At the same time, Eldorado takes

care to minimize the risks of small suppliers becoming economically dependent, carrying out a painstaking analysis of each partner's financial situation. A good example is the PAIS (Integrated and Sustainable Agro-ecological Production) program, a partnership between Eldorado and Sebrae, which enabled the production of organic foods by smallholders in the region. In 2016, the company started buying produce from this group of agricultural producers (*further information about this initiative in the sub-chapter Communities*).

Aimed at reinforcing traceability in its supply chain and ensuring compliance with all legal requirements, in 2016 Eldorado concluded the distribution of its Code of Conduct to its suppliers, who signed and returned the term of commitment, including a specific clause on the non-use of child or slave labor. Worth to remind that the Ombudsman channel is also open to suppliers.

All of the suppliers contracted in 2016 were assessed based on compliance with human rights and

labor criteria, as well as environmental legislation. No significant negative impacts were proven after this process. Eldorado terminated commercial partnerships with only seven companies upon discovering that they did not comply with its requisite human rights parameters.

COMMUNITIES

(G4-26, G4-27, G4-EC8, G4-SO1 and G4-SO2)



SOCIAL IMPACT MATRIX

At the beginning of 2017, Eldorado updated its social impact matrix for the second time. This assesses the positive and negative social, economic and operational impacts the cultivation of eucalyptus has on the region. For this review, meetings and interviews were conducted with communities located up to 3 km away from company areas or timber transportation routes (11 settlements and 4 districts), in addition to representatives of public authorities and unions.

In general terms, the study indicated a significant improvement in positive perceptions on the part of the community and a sharp decrease in negative manifestations. Among the positive impacts generated by the company, worthy of note is the generation of employment and improved road networks. The most mentioned negative impacts were noise, dust and a reduction in employment. To address these first two impacts, Eldorado invests in publicizing its community communication channels. Also periodically, it employs water tankers to sprinkle roads in order to mitigate problems caused by dust. In the latter case, the response came after a strategic Eldorado decision to dismiss a number of employees at the end of 2016, including some members of these communities.

Strengthened relations

To make the commitment to local development come true, the first step is to build close, transparent relations with these communities. Based on the guidelines established in its Social Monitoring Plan, Eldorado has an annual schedule of visits and meetings with stakeholders.

From March 2016 to March 2017 a total of **117 meetings** were held including:

20 encounters with representatives of public authorities (municipal education, environment and agriculture departments, and the public prosecution service, among others);

97 meetings focused on community engagement, such as the monitoring of the execution of projects and works, as well as environmental education initiatives.

There is also the Demands Center, an electronic database in which all community requests are recorded.

During this same period, there were **810 entries** in the Demand Center, of which:

641 were requests for information, duly answered; and **124 were requests for action, 21 of which were fulfilled** and 101 stored in the Demand Center for future analysis and/or action.

After just a few years in operation, the dimensions of Eldorado's activities have been generating growth and wealth for the municipality of Três Lagoas and the other cities in Mato Grosso do Sul where the company operates. This includes a series of benefits that directly affect the public, such as the development of companies in the regions, a stimulus to consume locally produced goods, the generation of employment and income, investments in infrastructure and the modernization of labor relations. On the other hand, the company's activities also generate some negative impacts, such as

noise from the forestry operations, dust raised and damage caused to roads serving the eucalyptus plantations.

Aware of these challenges, but also of the progress that Eldorado promotes in its surroundings, the company remains committed to local development, prioritizing actions that enhance economic, health and educational indicators in the region. There are even community engagement initiatives in the areas in which Eldorado makes its presence felt through its forestry partners. Considering all company work fronts, monitoring impact and development actions now cover 50% of the operations.

The objective is to grow in an integrated manner, ensuring business sustainability and value generation for local communities, who endorse the company's license to operate on a daily basis.

Other social initiatives led by Eldorado in 2016 were:

► Donation of equipment for the Hospital Auxiliadora in Três Lagoas;



► Construction of an Infant Education Center in the Novo Oeste district of Três Lagoas;



► Roof for the Três Lagoas Fire Brigade's multi-sport court in function of the "Bombeiros do Amanhã" project, which organizes physical, play, school reinforcement and accident prevention activities for underprivileged children aged from 9 to 14 years;



► Construction of a multi-sport court at the Moranga school in the city of Inocência;



► Construction of a public clinic in the Novo Oeste district of Três Lagoas, and donation of two ICU ambulances to the Três Lagoas Municipal Administration;



► Construction of a clinical analysis laboratory in the municipality of Inocência;



Practical benefits

The social matrix results are used in the definition of company strategy to drive positive impacts, reduce, and mitigate negative ones. Each stage of every project focused on local development is monitored and perception of its effectiveness is measured among the communities involved. Specific action plans are developed in case any need for adjustment or improvement is identified.

One of the measures undertaken by Eldorado in 2016 offered professional training in the Garcias district of Três Lagoas, meeting a community demand. In partnership with Senai, a 360-hour course on brickwork and building was offered for residents. At the end of the program, participants were given the mission of remodeling the local community center, where the main leisure and entertainment activi-

ties in Garcia take place and which could be used for future training courses. The company enabled the execution of the course and provided the building materials for the remodeling of the center, inaugurated in August 2016.

PAIS: driving results for everyone involved

In partnership with Sebrae, Eldorado conducts the PAIS (acronym in Portuguese for integrated, sustainable agro-ecological production) program, which disseminates sustainable land management and organic agricultural techniques among small farmers, helping drive economic development, food security and the preservation of the environment in Mato Grosso do Sul.

Over its three years, the program distributed 45 kits in the municipalities of Três Lagoas, Selvíria and Aparecida do Taboado. In the latter, the technology was implemented in an institution that cares for un-

derprivileged children and adolescents, with the organic produce being consumed by the very program participants.

In February 2016, Eldorado started acquiring organic produce planted in the settlement Pontal do Faia in Três Lagoas for use in the factory restaurant. In June, the company also began to buy produce from the Alecrim settlement in Selvíria for the restaurants in its forestry units in Inocência and Selvíria. Between March 2016 and March 2017, Eldorado bought more than 22 metric tons of vegetables from the program, ensuring a healthier diet for company employees and generating income for the produc-

ers. Project participants also sell produce to some municipal governments, for meals served in schools and other entities.

The Pontal do Faia and Canoas settlements, which join the PAIS program, benefited from other Eldorado actions in 2016. Producers participating in the program in the two communities received screens and shades to protect their plantations. At the Canoas settlement, a limestone donation to enrich the soil was also concluded. In 2017, five protected cultivation units will be provided for producers in the Pontal do Faia and Alecrim settlements.

2017 project schedule

Ongoing measures to foment local development and drive improved education, health-care and income levels are under execution or scheduled for 2017:

- Infrastructure improvements at the school Escolinha Master Clube Recanto do Galo, in Três Lagoas, which organizes sporting activities for underprivileged children;
- Vocational baking and dressmaking courses in the Garcias district of Três Lagoas;
- Donation of vehicle to transport organic produce from the PAIS project in the Pontal do Faia settlement;
- Donation of a school bus to transport children in the Selvíria rural zone;
- Donation of a bus for the Três Lagoas Court, aimed at ensuring access to justice for low-income families in the city;
- Donation of materials for the old people's home Lar de Idosos - Grupo da Fraternidade Espírita José Xavier, in Três Lagoas.
- Donation of an ICU ambulance to the Santa Rita do Pardo Municipal Health Department;
- Expansion of the clinical area in the Hospital Auxiliadora, in Três Lagoas.

ATTACHMENTS

Financial and operational performance

G4-EC1 Direct economic value generated and distributed¹

ADDED VALUE STATEMENT (R\$ THOUSANDS)	2013	2014	2015 ²	2016	VARIATION 2015/2016 (%)
Revenues	R\$ 2,351,624	R\$ 2,451,315	R\$ 3,435,174	R\$ 3,168,529	-7.8%
Sales of merchandise, products and services			R\$ 3,243,863	R\$ 2,996,140	-7.6%
Non operating			R\$ 191,311	R\$ 172,389	-9.9%
Inputs acquired from third- parties	-R\$ 995,263	-R\$ 1,165,871	-R\$ 1,335,735	-R\$ 1,218,313	-8.8%
Cost of goods and services sold			-R\$ 1,335,735	-R\$ 1,218,313	-8.8%
Gross added value	R\$ 1,356,361	R\$ 1,285,444	R\$ 2,099,439	R\$ 1,950,216	-7.1%
Retentions	-R\$ 171,465	-R\$ 212,652	-R\$ 231,591	-R\$ 256,862	-10.9%
Depreciation, amortization and exhaustion			-R\$ 231,591	-R\$ 256,862	-10.9%
Net added value produced by organization	R\$ 1,184,896	R\$ 1,072,792	R\$ 1,867,848	R\$ 1,653,354	-11.5%
Added value received in transfer	R\$ 24,348	R\$ 12,545	R\$ 51,246	R\$ 98,196	91.6%
Financial revenue			R\$ 51,246	R\$ 98,196	91.6%

ADDED VALUE STATEMENT (R\$ THOUSANDS)	2013	2014	2015 ²	2016	VARIATION 2015/2016 (%)
Added value for distribution	R\$ 1,209,244	R\$ 1,085,337	R\$ 1,919,094	R\$ 1,791,550	-6.6%
Added value distributed			R\$ 1,919,094	R\$ 1,791,550	-6.6%
Personnel and charges			R\$ 393,979	R\$ 504,686	28.1%
Taxes, charges and contributions			-R\$ 142,895	-R\$ 104,915	-26.6%
Interest and rent			R\$ 1,431,300	R\$ 1,103,392	-22.9%
Retained profit/loss in year			R\$ 236,710	R\$ 288,387	21.8%

1 Includes revenues, operating costs, remuneration, donations and other community investments, accumulated profits and payments to capital providers and governments.

2 2015 figures restated.

Environmental performance

G4-EN15, G4-EN16 and G4-EN17 Total direct, indirect and other relevant indirect emissions, by weight

EMISSIONS (tCO ₂ e)	2013	2014	2015	2016	VARIATION
					2015/16 (%)
Total direct emissions (scope 1) ¹	416,082.57	439,996.14	369,774.82	295,770.75	-20.0%
Total indirect emissions (scope 2) ²	15,637.84	1,838.71	2,165.17	1,794.75	-17.1%
Total other relevant indirect emissions (scope 3) ³	261,010.75	314,275.62	275,432.9	120,341.52	-56.3%

1 Includes the use of fertilizers; the generation of electricity, heat or steam resulting from the burning of fuel from stationary sources (boilers and kilns etc.); transportation of materials, products, waste, employees and passengers in trucks, buses and internal combustion-powered vehicles belonging to the company; solid waste and liquid effluents; and fugitive emissions resulting from deliberate or accidental releases, hydrofluorocarbon emissions and methane leaks. Gases included in the calculation: CO₂, CH₄, N₂O, HFC-134^a, R-22, R-410^a and SF₆. **2** Takes into account acquired energy. Although the volume of energy bought was higher in 2016, there was a decrease in indirect emissions due to the significant reduction in the Average Annual Emissions Factor, from 0.1244 tco₂e/MWh in 2015 to 0.0817 tco₂e/MWh in 2016. **3** Includes air travel by executives; employee commuting; and timber and pulp transportation by third-parties. Gases included in the calculation: CO₂, CH₄, N₂O.

G4-EN23 Total weight of waste, by type and disposal method (T)

CLASSIFICAÇÃO	ORIGIN OF WASTE	DESTINATION	2013	2014	2015	2016	VARIATION
							2015/16(%)
Class I	Industrial	Re-refining	8.36	4.92	12.32	11.80	-4.2%
	Industrial and Forestry	Class 1 industrial landfill (external)	88.08	144.37	192.86	409.50	112.3%
		Class 2 industrial landfill (internal) ¹	121,347.50	119,637.26	124,695.19	109,513.59	-12.2%
Class II	Industrial	Recycling ^{2,3}	3,953.20	6,227.42	748.50	2,990.63	299.5%
		Co-processing ⁴	181,642.25	196,858.11	186,452.54	226,424.80	21.4%
	Forestry	Class 2 industrial landfill (external)	42.80	68.07	153.79	338.97	120.4%
		Recycling	50.35	102.57	48.00	0.00	-100.0%
	Total			- 307,132.54 t	323,042.72	312,303.2 t	339,689.29 t

1 Sum of organic and inorganic waste. **2** The following were taken into account: primary sludge (used in the recycled paper and packaging industry), dry fiber, paper, cardboard, plastic and metal scrap. **3** Biomass for third-parties was included under recycling. **4** Waste for energy recovery was taken into account, such as biomass for third-parties, biomass burned in the auxiliary boiler and dejects from wood chip production.

Employees

G4-10 Total number of workers, by functional level, type of employment, work contract and region, discriminated by gender

NUMBER OF EMPLOYEES BY FUNCTIONAL LEVEL AND GENDER	2013		2014		2015		2016 ¹	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
CEO					1	0	1	0
Board	11	1	16	1			10	0
Executive Board	5	0	6	0	4	0	4	0
Management	22	4	19	5	23	4	22	6
Heads/Coordination	56	8	58	8			64	7
Technical/Supervision	80	7	218	10			336	29
Administrative	259	174	372	240	385	193	190	170
Operational	2,069	435	2,938	546	3,539	589	3,348	555
Trainees	0	0	30	1			0	0
Third-parties	1,122	481	935	55			0	0
Apprentices	8	5	4	8	0	0	29	4
Interns	17	18	12	3	14	6	4	11
Total by gender	3,649	1,133	4,608	877	3,966	792	4,008	782
Total	4,782		5,485		4,758		4,790	

1 Board members are not direct company employees. Therefore, the number of employees given in other parts of this report does not take into account the ten board members and corresponds to 4,780.

NUMBER OF EMPLOYEES BY REGION	2013		2014		2015		2016	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
	Midwest	2,386	421	3,536	638	3,852	651	3,851
Southeast	141	231	136	184	114	141	147	153

NUMBER OF EMPLOYEES BY TYPE OF EMPLOYMENT	2013		2014		2015		2016	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
	Permanent	22	15	18	23	3,966	792	3,908
Fixed term	2,505	637	3,655	799	0	0	90	22
Total by gender	2,527	652	3,672	822	3,966	792	3,998	782
Total	3,179		4,494		4,758		4,780	

G4-LA1 Total number and rate of new employee admissions and employee turnover, by gender, age group and region

TERMINATIONS BY GENDER	2015	2016
Men	1,456	1,568
Women	394	395

TERMINATIONS BY AGE GROUP	2015	2016
Up to 30 years	792	812
Between 31 and 50 years	928	959
Over 50 years	130	192

TERMINATIONS BY REGION	2015	2016
Midwest	1,706	1,904
Southeast	144	59
Total	1,850	1,963

TURNOVER RATE (%) BY GENDER	2015	2016
Men	40.4%	39.7%
Women	47.3%	49.7%

TURNOVER RATE (%) BY AGE GROUP	2015	2016
Up to 30 years	47.5%	50.3%
Between 31 and 50 years	39.1%	36.1%
Over 50 years	30.6%	36.8%

TURNOVER RATE (%) BY REGION	2015	2016
Midwest	40.5%	42.2%
Southeast	60.6%	28.2%

ADMISSIONS BY GENDER	2015	2016
Men	1,751	1,605
Women	356	383

ADMISSIONS BY AGE GROUP	2015	2016
Up to 30 years	908	934
Between 31 and 50 years	1,098	906
Over 50 years	101	148

ADMISSIONS BY REGION	2015	2016
Midwest	1,942	1,878
Southeast	165	110
Total	2,107	1,988

NEW ADMISSIONS RATE (%) BY GENDER	2015	2016
Men	36.8%	33.6%
Women	7.5%	8.0%

NEW ADMISSIONS RATE (%) BY AGE GROUP	2015	2016
Up to 30 years	19.1%	19.5%
Between 31 and 50 years	23.1%	19.0%
Over 50 years	2.1%	3.1%

NEW ADMISSIONS RATE (%) BY REGION	2015	2016
Midwest	40.8%	39.3%
Southeast	3.5%	2.3%

SUMMARY OF GRI CONTENT

General disclosures

Aspect	Description	Page/response	External assurance	Omission
Strategy and analysis	G4-1 Message from the CEO			
	G4-2 Description of main impacts, risks and opportunities			
Organizational profile	G4-3 Name of the organization			
	G4-4 Primary brands, products and/or services			
	G4-5 Location of the organization's headquarters			
	G4-6 Countries in which the operation's main or most relevant units for the sustainability aspects of the report are located			
	G4-7 Nature of ownership and legal form			
	G4-8 Markets served			
	G4-9 Scale of organization			
	G4-10 Employee profile			

G4-11 Percentage of employees covered by collective bargaining agreements 100% of the employees are covered by collective bargaining agreements

G4-12 Description of organization's supplier chain

G4-13 Significant changes in the organization's size, structure, ownership, and supplier chain In 2016, there were no changes in size, structure or ownership

G4-14 Description of how the precautionary approach or principle is addressed by the organization

G4-15 Social charters, principles, or other initiatives developed externally

G4-16 Participation in associations and organizations

Material aspects identified and boundaries **G4-17** Entities included in the organization's consolidated financial statements, and entities not included in the report

G4-18 Process for defining the report content

G4-19 List of material aspects

Aspect	Description	Page/response	External assurance	Omission
	G4-20 Boundary within the organization for each material aspect			
	G4-21 Boundary outside the organization for each material aspect			
	G4-22 Restatements of information provided in previous reports			
	G4-23 Significant changes in scope and boundaries of material aspects in relation to previous reports			
Stakeholder engagement	G4-24 List of stakeholder groups engaged by the organization			
	G4-25 Basis for identification and selection of stakeholders with whom to engage			
	G4-26 Approach to stakeholder engagement			
	G4-27 Key topics and concerns that have been raised through engagement, by stakeholder group			

Report profile	G4-28 Reporting period			
	G4-29 Date of most recent previous report	2015		
	G4-30 Reporting cycle	Annual		
	G4-31 Contact point for questions regarding the report or its contents			
	G4-32 Option of application of guidelines and location of GRI table			
	G4-33 Policy and current practice with regard to seeking external assurance for the report	The 2016 Sustainability Report was not subject to external assurance		
Governance	G4-34 Organization's governance structure			
Ethics and integrity	G4-56 Values, principles, standards and norms of behavior in the organization			
	G4-58 Internal and external mechanisms for communicating concerns about non-ethical behavior			

SPECIFIC DISCLOSURES				
Economic category				
Aspect	Description	Page/response	External assurance	Omission
Economic performance	G4-DMA Management approach			
	G4-EC1 Direct economic value generated and distributed			
	G4-EC2 Financial implications and other risks and opportunities for organization's activities due to climate change			
Indirect economic impacts	G4-DMA Management approach			
	G4-EC8 Description of significant indirect economic impacts			
Environmental category				
Aspect	Description	Page/response	External assurance	Omission
Energy	G4-DMA Management approach			
	G4-EN3 Energy consumption within the organization			
Water	G4-DMA Management approach			
	G4-EN8 Total water withdrawn by source			
	G4-EN10 Percentage and total volume of water recycled and reused			

Biodiversity	G4-DMA Management approach
	G4-EN11 Operational sites owned, leased, managed or adjacent to, protected areas and areas of high biodiversity value outside protected areas
	G4-EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas
Emissions	G4-DMA Management approach
	G4-EN15 Direct greenhouse gas (GHG) emissions
	G4-EN16 Indirect greenhouse gas (GHG) emissions from the acquisition of energy
	G4-EN17 Other indirect greenhouse gas (GHG) emissions
	G4-EN18 Greenhouse gas (GHG) emissions intensity
	G4-EN19 Reduction in greenhouse gas (GHG) emissions

Aspect	Description	Page/response	External assurance	Omission
Effluents and waste	G4-DMA Management approach			
	G4-EN22 Total water discharge, discriminated by quality and destination			
	G4-EN23 Total weight of waste, by type and disposal method			

Social category - labor practices and decent work

Aspect	Description	Page/response	External assurance	Omission
Employment	G4-DMA Management approach			
	G4-LA1 Total number and rates of new employee admissions and employee turnover, by age group, gender and region			
	G4-LA2 Benefits provided for full-time employees			
Training and education	G4-DMA Management approach			
	G4-LA9 Average hours training per year			
	G4-LA11 Percentage of employees receiving regular performance and career development reviews			

Social category - society				
Aspect	Description	Page/response	External assurance	Omission
Local communities	G4-DMA Management approach			
	G4-S01 Percentage of operations with implemented local community engagement, impact assessment, and development programs			
	G4-S02 Operations with significant actual and potential negative impacts on local communities			
Anti-corruption	G4-DMA Management approach			
	G4-S03 Units assessed for corruption-related risks			
Compliance	G4-DMA Management approach			
	G4-S08 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations		<p>Fine nº9.114.487 in the amount of R\$ 194,850.00. Corresponding to improper disposal of timber material from the construction of line 1 on the Eldorado site.</p> <p>Fine nº 9.103.284 in the amount of R\$ 50,500.00. Corresponding to potentially polluting activity (transportation of hazardous products - diesel oil diesel S500-UN 1202 - without license or authorization from the competent environmental authorities).</p>	

Aspect	Description	Page/response	External assurance	Omission
	G4-DMA Management approach			
Grievance and complaint mechanisms for impacts on society	G4-SO11 Number of grievances and complaints about impacts on society filed, addressed, and resolved through formal grievance mechanisms	From January to December 2016, Eldorado received 64 complaints related to odor, dust, dangerous driving, improper waste disposal, illegally parked vehicles etc. In all, 22 complaints were sent to the Sustainability area email, 14 to the Ombudsman, one to the Contact channel on the institutional website, 14 to the Strategic Operations Center, and 13 to the Odor Alert Network. All were addressed and resolved.		

SUSTAINABILITY REPORT EXECUTIVE COMMITTEE

Overall project coordination - Eldorado

Elcio Trajano Júnior
 Fábio José de Paula
 Rafael de Araujo da Silva
 Sidnei Ramos
 Michele Dantas

GRI and materiality consulting, editorial coordination, content and design

Report Sustentabilidade

Revision

Assertiva Mindfulness Editora e Treinamentos

Photography

Eldorado Archives