



SUSTAINABILITY REPORT 2017

 Eldorado
Brasil



**SUSTENTA
BILIDADE**
C O M P A R T I L H A D A

ELDORADO BRAZIL

SUSTAINABILITY REPORT 2017

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FOREWORD



Our Sustainability Report 2017 is the latest of our annual reports describing key accomplishments in the year—from January 1 to December 31—as part of Eldorado Brazil's commitment to transparent accountability to stakeholders (the 2016 edition of our Sustainability Report is available at <http://www.eldoradobrasil.com.br/Sustentabilidade/Sustentabilidade-Eldorado/Relatorio-de-Sustentabilidade>).
102-50 102-51 102-52

The report has been prepared in accordance with the Core option under the Global Reporting Initiative (GRI) Standards. The contents of the report are connected to material topics identified in a materiality process in 2016, in which we surveyed the following stakeholders:
102-40

- Employees;
- Customers;
- Suppliers;
- Forestry partners;
- Members of nearby communities and small-holder settlements;
- Representatives of the government and non-government organizations.

These stakeholders were identified as part of the Environmental Impact Assessment (EIA) that informed our Environmental Impact Report (RIMA) and Basic Environmental Plan (PBA) for the development of Eldorado's pulp mill facilities and forestry assets. The database is updated annually with current information on contact details and the area of influence of our assets. Stakeholder engagement activities are conducted during routine visits to our stakeholders.
102-42

The content in this report is also based on the principles outlined in Eldorado's sustainability policy and the material topics in our current materiality matrix. The financial statements additionally cover the banks and other entities with which we have transacted financial instruments including debt securities, short-term investments and derivatives: Banestes; Banco Mercedes-Benz; Banco Volkswagen; Banco do Brasil; BNDES; Bradesco; Caixa Econômica Federal; Caterpillar; ABC Brasil; Credit Suisse; ECAs (EkN, Finnvera, OekB); HP Financial Services; Itaú; Banco Lage Landen; FI-FGTS; Banco Pine; Santander; Banco Daycoval. Any questions and feedback on our Sustainability Report can be sent by e-mail to sustentabilidade@eldoradobrasil.com.br
102-42 102-45 102-46 102-48 102-53

The content in this report is connected to Eldorado's material topics.

MATERIAL TOPICS 102-47

Eldorado's business and sustainability strategy is informed by the topics considered to be most material in a materiality process that surveyed stakeholders who, alongside our customers, are a priority for the company.

The list of material topics was revised in May and June 2017 based on an online stakeholder survey, interviews with senior leadership and a document review.

The most important topics and concerns identified by our stakeholders are related to: human capital development; creating job and business opportunities; social impacts on surrounding communities; resource efficiency, climate strategy and protecting biodiversity; good forestry management practices; corporate governance and transparency; stakeholder engagement; and strategies to grow the business. **102-44**

This process yielded the following material topics: **102-43**

- Developing human capital (investing in retaining and developing talent, employee benefits and satisfaction, knowledge and talent management, and capacity building);
- Creating jobs and business opportunities (creating job and business opportunities as a local economic stimulus, social and economic impacts, and support for education and culture in the geographies where we operate);
- Social impact on surrounding communities (reducing impacts such as local road degradation, increased violence, and dust and noise emissions);
- Resource efficiency (responsible use of water, energy and other resources, and efficient waste and wastewater management);
- Preserving biodiversity (strategies to prevent the spread of insects and pests from our plantations and preserve local fauna and flora);
- Good forestry management practices (sustainable forest management, including soil preservation and proper use);
- Corporate governance and transparency (good corporate governance practices, business ethics and anti-bribery mechanisms, including action to address concerns and grievances);
- Climate strategy (impacts from climate change on our operations, including higher global average temperatures, changing rainfall patterns and extended droughts causing impacts on plantations and product transportation, and monitoring greenhouse gas emissions, carbon sequestration and emissions reduction initiatives);
- Stakeholder accountability and engagement (programs to engage with our key stakeholders, available communication channels, and enhanced capacity to respond);
- Strategies to grow the business (profitability, cost efficiency, shareholder returns, business expansion and financial management).

Sustainability Policy: our commitments

- 1 Ensure the business remains competitive and operates in a socially and environmentally responsible manner.
- 2 Comply with applicable laws and regulations in accordance with the requirements laid down by the Forest Management Council.
- 3 Innovate and develop technologies that boost competitiveness while preventing pollution.
- 4 Use natural resources sustainably and protect local biodiversity.
- 5 Contribute to attaining Brazil's INDC targets through forestry and by producing energy from renewable sources.
- 6 Foster ethical relations and transparent communication with stakeholders.
- 7 Provide working conditions that offer equal rights without discrimination based on gender, race or color.
- 8 Provide a motivating, safe and healthy work environment.
- 9 Invest in training and develop a culture of continual improvement in our operations

Our material topics were revisited in 2017 in a process that involved online surveys, interviews with senior leadership and document review.

TOPICS	EXTENT OF IMPACTS ¹	GRI ASPECTS	GRI DISCLOSURES
Developing human capital	Employees Society	Employment Training and education	401-1, 401-2, 404-1 and 404-3
Job and business opportunities	Society	Indirect economic impacts Local communities	203-2 and 413-1
Social impact on surrounding communities	Society	Local communities	413-2
Resource efficiency	Forestry partners Suppliers Employees Society	Energy Water Effluents and waste	302-1, 303-1, 303-3, 306-1 and 306-2
Conservation of biodiversity	Forestry partners Suppliers Employees	Biodiversity	304-1 and 304-2
Good forestry management practices²	Forestry partners Suppliers Employees Society	-	-
Corporate governance and transparency	Society Government Consumers Forestry partners Suppliers	Anti-corruption Compliance Grievances and concerns	205-1 and 419-1
Climate strategy	Forestry partners Suppliers Employees Society	Economic performance Emissions	201-2, 305-1, 305-2, 305-3, 305-4 and 305-5
Stakeholder accountability and engagement	Customers Forestry partners Suppliers Employees Society Government	Stakeholder engagement	-
Strategies to grow the business	Management Employees	Economic performance	201-1

¹ The extent of impact denotes the primary stakeholders within and outside the organization in relation to which the material topics are most critical.

² The topics Forestry management and Stakeholder accountability and engagement have no corresponding GRI disclosures. Our management approach to these topics is nevertheless described throughout this report.

MESSAGE FROM THE CEO

102-14



The year 2017 will go down in our history as a year of significant, positive results and memorable achievements. We delivered record volumes of pulp sales—1.721 million thousand metric tons—to our markets in Asia, Europe, Latin America and North America.

This generated gross revenue of R\$ 4.2 billion, up 24% from 2016, and net revenue of R\$ 3.3 billion, up 13%. We delivered EBITDA of R\$ 2.221 billion, 40% above the figure for the previous year, and an EBITDA margin of 66%, posting net income of R\$ 713 million, a resounding increase of 249%.

Our own-grown to third-party wood mix saw an important reversal to 72% own-grown eucalyptus wood as a result of a eucalyptus plantation program running since 2010. Our pulp mill also set a production record of 1,708 thousand metric tons, a volume 4% higher than in 2016 and 14% higher than the mill's design capacity. As a result, our electric power output for export increased from 30MW to 40MW at November 2017.

We supplied the market with high-quality pulp and our production process was re-certified by the Forest Stewardship Council® (FSC) and by the Brazilian Forestry Certification Program (CERFLOR®) for good environmental, economic and social responsibility practices.

In our relations with stakeholders, we have worked to be increasingly present and available by strengthening our communication channels and building transparent relations.

Our practices demonstrate a commitment to creating social, environmental and economic value and to developing our supply chain. The value of our assets was attested in the year by the sale of a 49% interest in Eldorado Brazil by J&F Investimentos to Paper Excellence (PE), in a R\$ 15 billion deal.

These are just some of our highlights in the year, the result of our employees' efforts and the talent they invested in our day-to-day operations at Eldorado.

We invite you to learn more about our operations and the management practices that have sustained our continuous growth.

I hope you enjoy the report.

Aguinaldo Ramos Gomes Filho
Chief Executive

About Eldorado

In this chapter

- > Pursuing global leadership in the pulp industry
- > 2017 at a glance
- > Efficiency and record-setting production





PURSUING GLOBAL LEADERSHIP IN THE PULP INDUSTRY

Eldorado Brazil is a publicly held corporation specializing in the production of bleached eucalyptus pulp. The company has head offices and commercial offices in São Paulo (SP), south-eastern Brazil, and three international offices in the US, Austria and China staffed by specialist teams. 102-1 102-3 102-4 102-5

MISSION

To build relations of trust with our shareholders, our people and our partners, through the on-going enhancement of our planted, renewable forest assets.

VISION

Eldorado Brazil as a global leader in the pulp industry, building new ways to generate value.

VALUES 102-16

Ownership
Determination
Discipline
Availability
Simplicity
Humility
Honesty

Our pulp is sold to 45 countries in Latin America, North America, Europe, Oceania, Africa and Asia as a raw material for products in four major segments. 102-2 102-6



PRINTING AND WRITING PAPER

For the manufacture of notebooks, stationary, books, newspapers, magazines, posters and other products.



PAPERBOARD

For the manufacture of packaging materials in the pharmaceutical, food and beverage, and cosmetics industries.



TISSUE PAPER

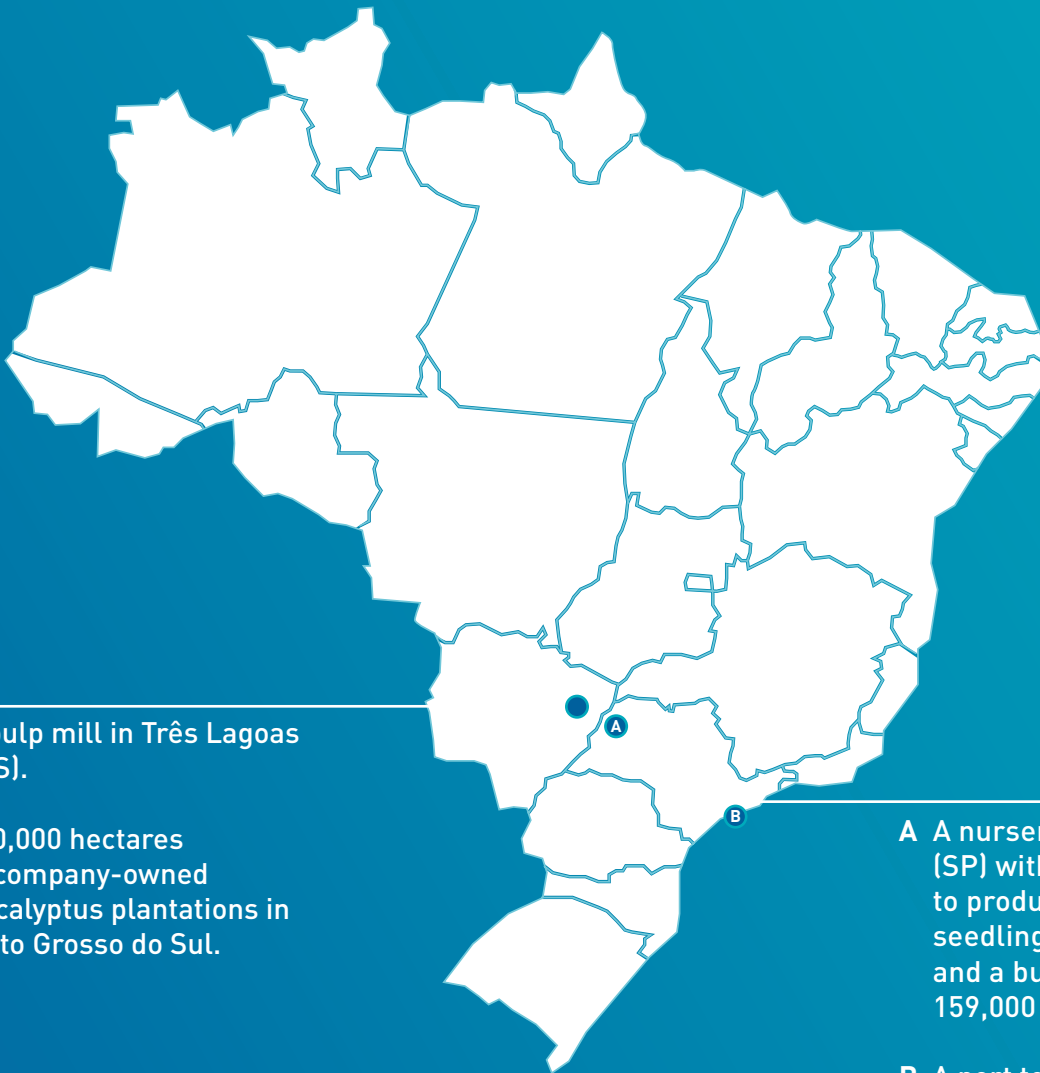
For the manufacture of personal care and household products such as toilet paper, paper towels, napkins, facial tissue and wet wipes.



SPECIALTY PAPER

For the manufacture of thermal paper rolls, decorative paper and other products.

Eldorado's production operations are based in Brazil, where we own forestry, mill and logistics assets including: 102-4



A pulp mill in Três Lagoas (MS).

230,000 hectares of company-owned Eucalyptus plantations in Mato Grosso do Sul.

A A nursery in Andradina (SP) with a capacity to produce 26 million seedlings per year and a built-up area of 159,000 m².

B A port terminal in Santos (SP) and terminal capacity in other regions of Brazil.

2017 AT A GLANCE 102-7

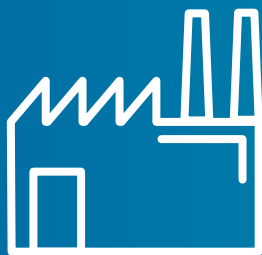


3,804
employees



Customers in more than

40
countries



1,708,000
metric tons
produced



An average of
5.6
million

cubic meters of
wood hauled to our
mill each year



180417A580569

Eldorado
Brasil
100% PLANTAS EUCALIPTUS
MADE IN BRAZIL

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Eldorado
Brasil
100% PLANTAS EUCALIPTUS
MADE IN BRAZIL

180417C680664

Eldorado
Brasil
100% PLANTAS EUCALIPTUS
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MADE IN BRAZIL

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Eldorado
Brasil
100% PLANTAS EUCALIPTUS
MADE IN BRAZIL

EFFICIENCY AND RECORD-SETTING PRODUCTION

Eldorado's production assets are managed under an approach that aims to achieve quality, efficiency and operating excellence while reducing costs and creating environmental, social and economic value.

1



Nursery

Our 159,000 square-meter nursery has a capacity to produce 26 million seedlings per year, and we also source seedlings from the market.

- Eldorado has conducted research to predict potential impacts from climate change. The climate scenarios deriving from this research are used to develop clones and forestry practices that are more suited to predicted conditions. We have completed studies modeling climate conditions through 2050.
- Eldorado's two own-developed clones (Eld1 and Eld2) provide a 16% improvement in yields. These cultivars, developed locally on our eucalyptus plantations, are performing better compared with other clones.

2



Plantations

Eldorado has 230,000 hectares of eucalyptus plantations in Brazil's Midwest state of Mato Grosso do Sul. Our plantations are either owned by us or held under lease or partnership agreements with a term of 14 years, or two harvest cycles.

- We use state-of-the-art technologies in managing our forestry operations to improve efficiency and prevent environmental impact (*read more in Technologies supporting risk management, p. 32*).
- Long-range monitoring cameras help to identify incipient forest fires and monitor our plantations.
- Drones are used to capture aerial imagery that is used to build a 3D relief model of our plantations. The imagery supports our mechanized planting operations and in-field planning activities.
- In 2017 we retained our FSC® and CERFLOR® certification.

3



Harvesting

Eldorado's harvesting operations use state-of-the-art equipment and a highly skilled team. The trees are felled and the branches and bark are left to provide nutrients and organic matter to the soil, improving fertility.

4

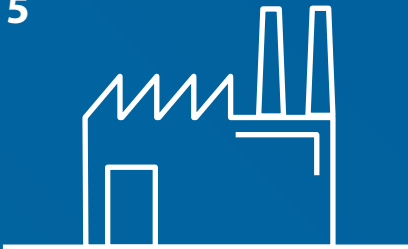


Haulage

Every year we transport approximately 5.6 million cubic meters of wood from our plantations to the Três Lagoas pulp mill. Haulage trucks are operated by Eldorado and third-party employees.

- In 2017, the average haul distance (AHD) from plantation to mill decreased by 19% compared to 2016. The resulting improvements in haulage efficiency and performance helped to reduce log haulage costs to the lowest levels to date.
- Our log hauling trucks have been equipped with a software technology that monitors and prompts more efficient driving behavior. As a result, fuel consumption has been reduced by 18% and CO₂ emissions by 7.8 million kilos.

5

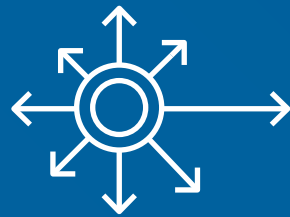


Pulp Mill

Eldorado boasts the lowest production costs in our industry. Our pulp mill is not only self-sufficient in energy, but also produces surplus energy for two suppliers producing pulping chemicals and oxygen. Our pulping process stages include cooking, washing, four bleaching stages, drying, sheet cutting, and baling, producing a high-quality end product.

- In 2017 we produced 1.708 million metric tons, a volume 4% higher than in 2016.
- Our production volumes were also 14% higher than the mill's design production capacity.
- Our electric power output for export to the grid increased from 30MW to 40MW at November 2017.

6



Logistics

Eldorado owns a port terminal in Santos (SP) and also has terminal capacity in other regions of Brazil, from which pulp is exported to customers in 45 countries. Our logistics network also includes partners which transport our product to the port.

- Record sales of 1.721 million metric tons, up 3%.
- Net income of R\$ 713 million, an increase of 249%.

Read more about our operating performance under Efficiency and delivering positive impact, page 31.





In this chapter

- > Governance Practices
- > Investor Relations
- > Ethics and anti-corruption

GOVERNANCE

GOVERNANCE PRACTICES



While Eldorado Brazil is not listed on B3 (formerly BM&FBovespa), we are registered with the Brazilian Securities Commission (CVM) as a category B¹ publicly traded company, and we have implemented the enhanced corporate governance practices required for listing on *Novo Mercado*. Our governance structure comprises our Board of Directors, its advisory committees, an Audit Committee and our Board of Executive Officers. 102-18

BOARD OF DIRECTORS

Our Board of Directors exercises oversight of our operations and the activities of our executives. It comprises seven members representing all shareholders as well as an independent member as required by *Novo Mercado* listing rules.

Directors are elected in General Meetings for a renewable term of one year. Members of the Board of Directors meet on a quarterly basis or as otherwise necessary. The chairman is precluded from acting as chief executive of Eldorado.

¹ Eldorado's share capital consists exclusively of common shares. Preferred shares are not permitted.

AUDIT COMMITTEE

The Audit Committee exercises oversight of financial matters, which includes reviewing our Annual Report and our quarterly statement of financial position and financial statements. It is composed of three members.

ADVISORY COMMITTEES

The Board of Directors is advised by Audit, Financial & Risk Management; Related Parties & Conflict of Interest; People & Development; and Sustainability & Social Responsibility committees. These Committees meet periodically and are composed of both shareholder and employee representatives.

BOARD OF EXECUTIVE OFFICERS

The Board of Executive Officers is responsible for executing company strategy. It is composed of the chief executive and six officers: industrial operations, forestry operations, commercial operations and logistics, financial, legal, and HR, sustainability and communications.

ORGANIZATIONAL STRUCTURE



INVESTOR RELATIONS

Eldorado fosters best-practice, transparent investor relations.

Eldorado fosters transparent relations with shareholders through our Investor Relations service. Each quarter, Eldorado organizes meetings with investors and analysts to discuss our results for the period.

In 2017, Eldorado Brazil's controlling shareholder, J&F Investimentos, sold a 41% interest in the company to Netherlands-based Paper Excellence (PE) as part of a R\$ 15 billion deal to sell 100% of Eldorado to PE. J&F Investimentos is Eldorado's controlling shareholder with a 50.59% interest in the company's share capital; CA Investment (Brazil) S.A, a Paper Excellence group company, has a 49.40% interest; and FIP Florestal owns the remaining share capital.

RISK MANAGEMENT 102-11

Eldorado's senior management is responsible for managing risk with support from other functions. It uses industry-recognized practices to monitor, anticipate and mitigate risks with the potential to impact the future continuity of the business, taking account of the current industry and macroeconomic context.

With transparency and continuous improvement as guiding principles, Eldorado monitors risks related to our image and reputation as well as legal, information technology and procurement risks, and risks related to our forestry, industrial, commercial and logistics operations. Our risk management procedures additionally cover the following risks:

Financial

Market risks such as foreign-exchange and interest rates, fluctuations in which can affect our performance and result in financial losses.

Environmental

Climate change and related impacts, research to adapt cultivars to different micro climates, surface water withdrawals for forestry, and water recycling in our industrial operations.

Social

Risks that can affect our operations. We monitor potential impact on the environment using technologies such as on-line monitoring of pulp mill emissions and air quality, which can affect local communities.

A high standard of quality in operational risk management

In March 2017, Eldorado Brazil's industrial operations were given Highly Protected Risk (HPR) status by reinsurers FM Global in recognition of the high standards of quality in risk management in our operations. The HPR designation also recognizes the stringent safety controls in place in our assets to safeguard the integrity of our operations and our customers, and the reliability of our facilities.



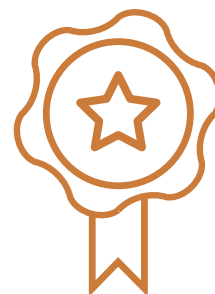
RISKS AND OPPORTUNITIES RELATED TO CLIMATE CHANGE 201-2

Eldorado has conducted research to predict potential impacts from climate change as part of our efforts to maintain sustainable forestry practices. The climate scenarios deriving from this research are used to develop clones and forestry practices that are more suited to predicted conditions. Eldorado has worked with Embrapa on research to predict likely climate change scenarios over the next 30 years.

Water shortages could also significantly affect our mill operations, which use water to produce pulp, and discharge treated wastewater into a river. Eldorado invests continually in process improvements to protect our natural resources.

Our forestry operations have procedures in place on the use of natural resources—including soil and water—and use precision forestry technology to improve process efficiency and plantation yields while also making more efficient use of natural resources (*read more in Value Chain, page 44*).

Eldorado's forestry operations have procedures in place on the use of natural resources, and we successfully retained FSC® certification and obtained CERFLOR® certification in 2017.



ETHICS AND ANTI-CORRUPTION

205 103

CÓDIGO DE CONDUCTA



Eldorado uses recognized best practice in dealings with key stakeholders. Our internal rules and policies are compliant with the laws and regulations of the countries in which we operate, addressing the primary legal concerns in each of our geographies.

These include issues such as equal treatment and opportunity for employees, harassment and abuse of power, child and forced labor, political contributions, offering gifts, and other significant matters.

Our policies also contain guidance on dealings with government officials and prohibit the giving of anything of value to government officials to influence the performance of their official duties. Eldorado's Procurement Policy establishes requirements for requesting quotations from, and awarding contracts to, third parties to avoid any preferential treatment or other misconduct. It also contains guidance on the documentation required for contracting with third parties providing services involving interaction with government officials on behalf of Eldorado.

Our Code of Conduct also supports employees in identifying conflicts of interest, which are evaluated by our Related Parties & Conflict of Interest Committee. No potential conflicts of interest were reported for review in 2017.

Newly hired employees are introduced to the Code of Conduct and sign an affirmation form confirming their knowledge of its content. Throughout their time with the company, employees also undergo training on ethical business conduct.

OMBUDSMAN'S OFFICE: A CHANNEL FOR TRANSPARENCY

Our Ombudsman's Office can be contacted via a toll-free number or by e-mail to ouvidoria@eldoradobrasil.com.br, and is one of our primary channels for communication with stakeholders. It receives reports on compliance concerns, complaints, compliments and suggestions from employees, former employees, suppliers and business partners, members of neighboring communities, customers and the media. The Ombudsman's Office is managed by an independent, specialist firm and handles calls anonymously in both Portuguese and English.

Concerns are referred to the relevant function for an investigation and to take any required action. The findings and actions planned as a result of the investigation are communicated to the Ombudsman's Office and shared with the party that made the report. The primary reasons for complaints are: dust emissions; difficult to overtake truck convoys; truck driving speed; degradation in neighboring properties; and odors from the pulp mill. **103-2; 413-2**

Any suspected violations of our Code of Conduct are investigated by an Ethics Committee composed of representatives from Human Resources, Legal, Financial and Procurement. With meetings held periodically or as otherwise necessary, the committee ensures compliance

with our policies and investigates and decides on any required action to address concerns. The Ethics Committee submits quarterly activity reports to the People & Development Committee, which advises the Board of Directors. **103-2**

The graphic features a white background with a green and yellow wave at the bottom. It contains several icons: a blue telephone handset, a blue smartphone, a yellow '@' symbol, a green ear, and an orange laptop. The text is in Portuguese and provides contact information for the Ombudsman's Office.

OUVIDORIA ELDORADO BRASIL.
Nós ouvimos você.

Este é um canal transparente de acesso para denúncias, reclamações, elogios e sugestões sobre temas relacionados aos princípios do nosso Código de Conduta.

Colabore. O Sigilo é absoluto.

ligue **0800-5275 280**
Escreva **ouvidoria@eldoradobrasil.com.br**

OUVIDORIA

Eldorado
Brasil

Where applicable, reports communicated through the Ombudsman channel are assessed for corruption risk involving employees and government agencies or officials. In 2017 there were no reports of potential employee involvement in bribery. 205-1

Eldorado also operates a center for handling written requests for donations and sponsorship. These requests are reviewed by our sustainability function's advisory committee on whether the proposed project is economically feasible and will generate effective social impact. Eldorado supports programs in the areas of education and health. We provide no donations in cash, but only equipment and construction under a donation agreement. All initiatives are fully managed by Eldorado. 205 103

After complying with two search and seizure warrants in 2016 as part of an investigation by the Federal Public Prosecutor's Office on alleged irregularities in the management of the Severance Indemnity Investment Fund (FI-FGTS) and investments by four pension funds (Petros, Funcef, Previ and Postalís), Eldorado worked to establish transparent communications with employees, communities, the market, customers, the media, the government and other stakeholders.

In 2017 Eldorado invested in initiatives to disseminate our ombudsman channel and provide guidance to key stakeholders on how to use it to file complaints and reports.

We publicized the availability of channels for communication with these stakeholders and created new channels to establish closer communications between our employees and leadership, including a question-and-answer forum for employees. The communication strategy that we put in place included frequent dialog and making senior management accessible to employees.

As a result of these efforts, Eldorado successfully navigated these headwinds and came out with flying colors, delivering its best performance in the history of the company, in terms of both financial and operating results, and surpassing set performance targets (*read more in Strategy and Performance, page 26*).

GRIEVANCE MECHANISMS 103-2

Complaints	2015	2016	2017
Number of complaints filed	7	64	56
Number of complaints addressed	7	64	56
Number of complaints resolved	7	64	56
Number of complaints filed prior to the reporting period that were resolved during the reporting period	0	0	0





STRATEGY AND PERFORMANCE

In this chapter

- > Financial results on the rise
- > Energy management
- > Water management
- > Biodiversity management
- > Emissions management
- > Waste and wastewater management



FINANCIAL RESULTS ON THE RISE

201-1

Record sales in 2017: 1.721 million metric tons sold, up 3%

The year 2017 saw significantly positive results for Eldorado. We generated EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) of R\$ 2.221 billion, 40% above the figure for the previous year, and an EBITDA margin of 66%, the largest in our industry in 2017, reflecting excellence in operational performance.

Our net revenue of R\$ 3.3 billion was up 13% from the prior year—the result of a 19% increase in added value in the year—and net income was R\$ 713 million, an increase of 249%. Eldorado ended the year with cash and cash equivalents of R\$ 600 million.

We set a new record in pulp sales at 1,721 metric tons, an improvement of 3%. This generated gross revenue of R\$ 4.2 billion in the year, up 24% from 2016.

Our positive financial results were also helped by higher pulp prices in the year. The commodities market performed well due to strong demand and nonrecurring events affecting the level of supply.

Eldorado's financial information is prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the financial reporting standards, interpretations and guidance issued by the Brazilian Financial Standards Committee (CPC). Brazilian financial reporting standards are approved by resolutions of the Federal Accounting Board (CFC) and conform to the requirements laid down by the Brazilian Securities Commission (CVM). Eldorado's financial reporting includes information on unit costs, production and sales volumes, and performance indicators. [201 103](#)

Our financial information is also independently audited and we use SAP enterprise resource planning software to manage accounting balances and transactions. Financial performance is monitored against indicators which also inform targets that are set for our employees and senior management. [201 103](#)



The highest
EBITDA margin in the
industry in 2017

66%



EBITDA

R\$ 2.221

billion

up 40%



Pulp volume

1.708

million

metric tons,

up 4%

14%

above nominal
mill capacity



Net income

R\$ 713

million

up 249%

Technologies support risk management, helping to mitigate and prevent negative impact.



Nanosatellite plantation imagery

In 2017, Eldorado implemented a satellite monitoring system that captures images of our plantations every three days, providing a level of visibility that allows any damage in the monitored area to be promptly detected.

Full HD fire prevention

Since its creation, Eldorado Brazil has been at the forefront of technological innovation in our production processes. Our corporate culture supports the adoption of good production management practices and the use of systems to monitor quality and to protect our forestry assets from the risks of fire and trespassing. In 2017 Eldorado implemented a state-of-the-art Full HD camera monitoring system consisting of 11 strategically sited lookout towers that can detect any incipient fires and transmit images showing the status of our forest areas.

The system can automatically detect incipient fires 360° around in real time, 24 hours a day. It is also integrated with meteorological stations that transmit real-time information about weather conditions in each monitored forest area.

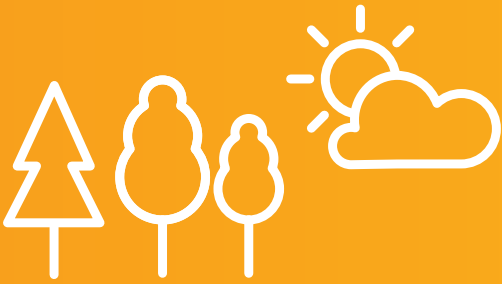
If a fire is detected, Eldorado has 58 monitors and 22 fire fighting teams available to respond. Since implementing the new system, the amount of area destroyed by fire has been reduced by 70%.



3D plantation models

As part of our plantation management capabilities, aerial imagery captured by drones is fed into a software system that builds a 3D model of our eucalyptus plantations, precisely re-creating the relief of the terrain including native forest cover, thalwegs (which are modeled using rainfall simulations), protected areas, legal reserves, log hauling roads and other terrain features.

This data allows forestry engineers to plan plantation rows in a way that helps to prevent erosion. The 3D model is also used by our planting machinery's operating software to navigate the terrain and perform automated planting operations. This technology has not only successfully controlled erosion, but also delivered 3% savings in plantation area.



Cultivating seedlings for 2030/2040 climate conditions

Working with the Brazilian Agricultural Research Corporation (EMBRAPA), Eldorado completed its two-year “Tree of the Future” research program in 2017. The research modeled likely climate change conditions through 2050 using climate models that have been validated and are recognized and accepted by climate scientists.

Based on the modeled climate scenarios, Eldorado will carry out field experiments in areas of Brazil where climate conditions are similar to those predicted in the study and that are similar in soil properties, relief and altitude to our current plantations. Our goal is to anticipate predicted climate conditions by developing clones and forestry techniques that are better suited to those conditions.

The initiative is part of our “Climate Change Impact on Eucalyptus Yields” program to ensure sustainable forestry practices are maintained on our plantations.

Biological pest control

In 2017, Eldorado initiated research into the lab rearing and release of natural enemies for biological control of some of the most common pests on eucalyptus plantations. The lab-reared insects are released in our eucalyptus woodlands to counter the threat of pest populations of insects to our plantations. Biological control is another tool for Integrated Pest Management (IPM) and natural enemies are currently being released in approximately 2,000 hectares of forests each month.



Plantation nutrition management system

In 2017, Eldorado developed a system for assessing nutritional balance and providing fertilization recommendations for plantations. Calibrated for local soil, climate and genetic conditions, the recommendations are generated from soil analysis and each plantation’s yield potential. The technology optimizes fertilization costs by ensuring that plantations receive optimal amounts for their growth. It also prevents under- and over fertilization from compromising plant development.

At 18 months of age, our plantations undergo further nutritional monitoring based on foliar analysis to assess tree vigor and plan topdressing operations where nutritional deficiencies are identified.

Fuel saving software

In 2017, Eldorado deployed a driver behavior prompting software system for log haulage trucks. The program monitors vehicles and prompts drivers to use fuel-efficient driving techniques. As a result, fuel consumption has been reduced by 18% and CO₂ emissions by 7.8 million kilos.

STATEMENT OF ADDED VALUE (R\$ THOUSAND) 201-1

	2015	2016	2017
Revenue	R\$ 3,435,174.00	R\$ 3,168,529.00	R\$ 3,753,651.00
Sales of goods, products and services	R\$ 3,243,863.00	R\$ 2,996,140.00	R\$ 3,384,540.00
Nonoperating	R\$ 191,311.00	R\$ 172,389.00	R\$ 369,111.00
Inputs purchased from third parties	-R\$ 1,335,735.00	-R\$ 1,218,313.00	-R\$ 1,142,228.00
Cost of goods and services sold	-R\$ 1,335,735.00	-R\$ 1,218,313.00	-R\$ 1,142,228.00
Gross added value	R\$ 2,099,439.00	R\$ 1,950,216.00	R\$ 2,611,423.00
Withholdings	-R\$ 231,591.00	-R\$ 256,862.00	-R\$ 431,727.00
Depreciation, amortization and depletion	-R\$ 231,591.00	-R\$ 256,862.00	-R\$ 431,727.00
Net added value produced by the entity	R\$ 1,867,848.00	R\$ 1,693,354.00	R\$ 2,179,696.00
Transferred value added	R\$ 51,246.00	R\$ 98,196.00	R\$ 39,835.00
Financial revenue	R\$ 51,246.00	R\$ 98,196.00	R\$ 39,835.00
Total added value to be distributed	R\$ 1,919,094.00	R\$ 1,791,550.00	R\$ 2,219,531.00
Distribution of added value	R\$ 1,919,094.00	R\$ 1,791,550.00	R\$ 2,219,531.00
Payroll and related charges	R\$ 393,979.00	R\$ 504,686.00	R\$ 338,368.00
Taxes, charges and contributions	-R\$ 142,895.00	-R\$ 105,869.00	R\$ 207,726.00
Interest and rent	R\$ 1,431,300.00	R\$ 1,106,196.00	R\$ 960,070.00
Retained earnings/loss for the year	R\$ 236,710.00	R\$ 286,537.00	R\$ 713,367.00

FINANCIAL RESULTS 201-1

	2015	2016	2017
Gross revenue (R\$ million)	R\$ 3,721.00	R\$ 3,460.00	R\$ 4,067.00
EBITDA (R\$ million)	R\$ 1,824.00	R\$ 1,585.00	R\$ 2,221.00
Design production capacity (million metric tons)	1.50	1.50	1.50
Actual production volume (million metric tons)	1,597	1,638	1,708
Sales volume (thousand metric tons)	1,562	1,665	1,721
Total added value to be distributed (R\$ million)	R\$ 1,919.09	R\$ 1,791.55	R\$ 2,219.53

EFFICIENCY AND DELIVERING POSITIVE IMPACT

CERTIFICATIONS

Eldorado Brazil has the following green certification / labels



FSC® (FSC-C113536), Forest Stewardship Council® certification attesting that responsible forestry and value-chain practices are used in our operations.



Greenhouse Gas Emissions Inventory. Complete with scopes 1, 2 and 3.

The Brazilian Forest Certification Program evaluates the mechanisms for sustainable forest management and the compliance of the practices according to technical, social and environmental aspects.



HIGHLY PROTECTED RISK (HPR) – An HPR designation is given to a company with a very high level of protection against losses, including procedures, protection of assets, equipment safety systems and adequate fire protection.



Annual & Sustainability Reports conforming to Global Reporting Initiative Standards reporting guidelines.



Audits against the Equator Principles, a set of social and environmental management policies and guidelines for financing. Requirements are based on standards issued by the International Finance Corporation (IFC).

Improving efficiency is a central goal for our operations, and we are recognized for having the lowest operating costs in our industry. To continue to deliver positive results each year, our management processes include monthly meetings to review operating costs and communicate our performance to executive officers and managers.

An ownership mindset is encouraged among all employees, who are engaged around individual targets related to the efficient performance of our industrial and forestry operations. Eldorado also has a technology intelligence

function that identifies potential strategic partners that can support our operations and drive performance.

Employees are also encouraged to create innovative solutions with the potential to create positive impact on our operations, using a digital, interactive platform as part of our *Inovar* industrial innovation program. We annually mark Innovation Day by organizing disruptive discussions with technology and innovation experts as well as discussions in which our forestry functions present innovation cases and the projects they are currently developing.

ENERGY MANAGEMENT



Eldorado's Electricity Savings Committee develops energy-saving and energy-efficiency initiatives to reduce consumption and improve quality and operating efficiency.

Our operations are managed to continually reduce consumption of energy and other resources. An Electricity Savings Committee composed of staff from our production, sustainability, safety, administrative and communications functions develops energy-saving and energy-efficiency initiatives within their functions. Besides energy efficiency, their initiatives also target water savings. The committee is currently developing function-specific indicators to monitor electricity consumption at each function within the company. [302 103](#)

In 2017, electricity consumption at our pulp mill was approximately 7% less than in 2016, and the amount of surplus electricity supplied to the grid increased by 27.5% as another example of the level of operating efficiency achieved at the mill. The increase in electricity exported to the grid was the result of heat exchanger improvements that helped to deliver more steam to the turbine, and an increase in the export limit from 30MW to 40MW in November 2017. [302-1](#)

Diesel consumption declined by 45.9% due to reduced fueling volumes for log hauling trucks and partly because pulp transportation has been outsourced and is no longer accounted for in Eldorado's fuel consumption figures. Our energy efficiency efforts have also helped to reduce consumption of fuel oil and LPG and our overall energy intensity. [302-1](#)

After perfecting the methods of and the renewable and non-renewable sources accounted for in our calculations, we updated the energy consumption figures for all categories for 2015 and 2016. [302-1](#)

FUEL CONSUMPTION – NONRENEWABLE (GJ) [302-1](#)

	2015	2016	2017
Fuel oil	2,163,344.51	1,043,671.60	1,019,190.60
LPG – forklifts	0.00	4,752.20	5,061.51
Diesel – generators/on-site vehicles	0.00	1,659,471.28	890,087.77
Gasoline - fleet	0.00	14,822.12	11,152.51
Natural gas – lime kiln	NA	ND	1,959,901.71
Total	2,163,344.51	2,722,717.20	1,925,492.40

NON-RENEWABLE FUEL CONSUMPTION INTENSITY (GJ/ADT)

	2015	2016	2017
Fuel oil	1,354.63	637.16	596.72
LPG – forklifts	NA	2.90	2.96

FUEL CONSUMPTION – RENEWABLE (GJ) ³⁰²⁻¹

	2015	2016	2017
Liquor	29,582,745.84	30,809,525.40	31,918,957.57
Biomass	3,410,216.96	4,319,063.88	3,563,701.29
Biodiesel – diesel content	0.00	116,602.90	70,620.39
Ethanol – gasoline content	0.00	3,731.42	2,807.61
Total	32,992,962.80	35,248,923.61	35,556,086.86

ENERGY CONSUMED (GJ) ³⁰²⁻¹

	2015	2016	2017
Electricity	4,816,931.94	4,765,082.44	4,439,354.58
Heating	0.00	0.00	0.00
Cooling	0.00	0.00	0.00
Steam	0.00	0.00	0.00
Total	4,816,931.94	4,765,082.44	4,439,354.58

ELECTRICITY SOLD (GJ) ³⁰²⁻¹

	2015	2016	2017
Electricity	622,747.69	658,646.32	840,002.46
Heating	0.00	0.00	0.00
Cooling	0.00	0.00	0.00
Steam	0.00	0.00	0.00
Total	622,747.69	658,646.32	840,002.46

TOTAL ENERGY CONSUMED (GJ) ³⁰²⁻¹

	2015	2016	2017
Nonrenewable fuels	2,163,344.51	2,722,717.20	1,925,492.40
Renewable fuels	32,992,962.80	35,248,923.61	35,556,086.86
Electricity consumed	4,816,931.94	4,765,082.44	4,439,354.58
Electricity sold	622,747.69	658,646.32	840,002.46
Total	39,350,491.55	42,078,076.93	41,080,931.37

ENERGY INTENSITY (GJ/ADT)

	2015	2016	2017
Total energy consumption	24,640.26	25,688.69	24,052.07

WATER MANAGEMENT



Eldorado has procedures in place to monitor water and wastewater streams. Informed by a matrix of environmental aspects and impacts, our water management approach is designed to protect the quality of both groundwater and surface water resources. In our forestry operations, we monitor sub-drainage basins and river courses within our area of influence. In our industrial operations, we monitor effluent discharge and permits for water withdrawal.

We are also participants in the Forestry Research Institute's (IPEF) Collaborative River Basin Monitoring and Modeling Program, which monitors the quantitative and qualitative aspects of sub-drainage basins and their areas of influence. [303 103](#)

The effluents produced by our industrial operations, and the volume of water we withdraw from local surroundings, are monitored continually. In 2017 no parameters were found to be outside regulatory limits, indicating that our effluents are treated and returned to the river within required quality standards. [303 103](#)

In 2017 we initiated two major projects to optimize water efficiency on our plantations. The first is an "Irrigation Calculator" software system that assists field technicians in determining the amount and frequency of irrigation required based on weather forecast data. The second project is being developed in partnership with the Federal University of Mato Grosso do Sul. The project, titled "When and How Much To Irrigate", is developing techniques and equipment to accurately determine the optimal timing and volumes of irrigation. Scheduled to be deployed in 2018, the technology will improve both water efficiency and the overall efficiency of our forestry operations. [303 103](#)

Our water consumption increased by 1% in the year due to our higher pulp production volumes, but water consumption intensity has been reduced year over year. The shut-down of a cooling tower in the utilities area helped to reduce losses in the process, in addition to ensuring water is treated and recycled more efficiently within the mill. [303-1](#)

Eldorado monitors water withdrawal on our properties in line with best practice in sustainable use.

WATER WITHDRAWAL BY SOURCE (M³) ³⁰³⁻¹

	2015	2016	2017
Surface water, including water from wetlands, rivers, lakes, and oceans	45,611,125.14	43,181,518.35	43,915,416.68
Groundwater ¹	348,817.00	350,642.00	291,860.00
Total	45,959,942.14	43,532,160.35	43,973,602.54

WATER CONSUMPTION INTENSITY (M³/ADT)

	2015	2016	2017
Surface water	28,560.50	26,362.34	25,711.60

¹ Withdrawn for use at the nursery (Andradina-SP).

Note: Eldorado does not use rainwater collected directly and stored, wastewater from other organizations, or municipal water supplies.

The mill's water recycling rate—or the rate at which water is recycled through the cooling towers and condensate returns—was kept above 84%. [303-3](#)

In Mato Grosso do Sul, withdrawals of surface water using tank trucks for use in forestry operations do not require a water withdrawal permit (CERH/MS Resolution 41). Eldorado monitors water withdrawal at all withdrawal sites on our properties in accordance with water stewardship standards.

WATER RECYCLED AND REUSED ³⁰³⁻³

	2015	2016	2017
Volume of water recycled and reused by the organization (m ³)	240,240,677.98	283,977,832.92	275,575,775.71
Recycling rate	80.87%	84.67%	84.04%

WATER RECYCLING INTENSITY (M³/ADT)

	2015	2016	2017
Water recycled	150,432.48	173,368.64	161,344.13



Brown-crested Flycatcher

As a security measure to protect our plantations, Eldorado employs patrollers to watch for incipient fires; inspect service roads, firebreaks and water withdrawal sites; and monitor our properties for stray cattle, pests, waste, damage, trespassers and poachers. We also have a fire fighting team equipped and trained to respond to any fire incidents (*read more in Efficiency and delivering positive impact, page 31*).

In 2017 we implemented a camera monitoring system consisting of 11 strategically located towers. We also trained 22 fire-fighting teams. As a result, damages caused by forest fires in 2017 declined by 53% compared with the average over the previous three years.

Other activities in the year included environmental education initiatives in neighboring communities; training for employees; and regular monitoring of flora and fauna, especially medium and large-sized birds and mammals.

Eldorado has three High Conservation Value (HCV) areas with significant biological, ecological, social or cultural value.

Eldorado has three High Conservation Value (HCV) areas, or areas whose biological, ecological, social or cultural value is outstandingly significant or critically important as defined by the FSC® Forest Management Standards: Fazenda Canoas (Selvíria, MS), Fazenda Pântano (Selvíria, MS) and Fazenda Serrinha (Três Lagoas, MS). [304-1](#)

- Fazenda Canoas, HCV 1 – Species diversity. Concentrations of biological diversity including endemic species, and rare, threatened or endangered species, that are significant at global, regional or national levels.
- Fazenda Pântano, HCV 2 – Landscape-level ecosystems and mosaics. Intact forest landscapes and large landscape-level ecosystems and ecosystem mosaics that are significant at global, regional or national levels, and that contain viable populations of the great majority of the naturally occurring species in natural patterns of distribution and abundance.
- Fazenda Serrinha, HCV 3 – Ecosystems and habitats. Rare, threatened, or endangered ecosystems, habitats or refugia.

The impacts from our operations on biodiversity are positive and extend throughout the areas where we operate. They include protected areas and good practices that improve the quality of and help to maintain ecosystem services. Our monitoring programs and management practices contribute to improving habitats and local diversity.

Fauna monitoring programs have helped to increase biodiversity and sustained the movement of species even in traffic-intensive planting and harvesting periods. [304-2](#)

We also conduct studies on local flora to monitor any damages sustained by native vegetation and the quality of revegetation in degraded areas. Based on recent monitoring data, impacts have been positive on vegetation and on natural regeneration and vegetation development in degraded areas. [304-2](#)



EMISSIONS MANAGEMENT

305 103



Greenhouse gas emissions have been measured within the GHG Protocol since 2013.

Eldorado has set environmental best-practice indices (IPA) for regulatory atmospheric emissions parameters, and we also monitor non-regulatory parameters as part of our approach to securing the long-term sustainability of the business and improving environmental efficiency.

Our greenhouse gas emissions are measured within the Brazilian GHG Protocol Program, of which we have been a Silver-certified member since 2013 as a company publishing complete emissions inventories.

Fixed-source emissions are also monitored in real time 24 hours per day. On-line emissions monitoring reports are issued to the environmental regulator on a monthly basis, and offline monitoring is conducted every six months.

Eldorado's Odor Perception Network includes a toll-free number (0800 727 9905) available to local communities

Our air quality station in Três Lagoas (MS) collects and transmits real-time air-quality parameters to the environmental regulator. We also operate an Odor Perception Network with a toll-free number available to members of surrounding communities.

In total, scope 1 emissions decreased by 13.4% compared with 2016. Emissions generated by transportation of materials, products, waste, employees and passengers declined by 40.8% compared with 2016 with the increased use of barges to transport pulp. Emissions from solid waste and liquid effluents increased by 7.2% compared with the previous year. [305-1](#)

DIRECT GREENHOUSE GAS EMISSIONS (T CO₂ EQUIVALENT)³⁰⁵⁻¹

	2015	2016	2017 ²
Agricultural (use of fertilizers)	24,636.67	37,672.21	32,586.30
Generation of electricity, heat or steam ¹	198,140.19	169,010.07	147,828.00
Physical-chemical processing	0.00	0.00	0.00
Transportation of materials, products, waste, employees and passengers	189,587.46	133,049.08	78,747.20
Solid waste and wastewater	9,885.15	9,448.01	10,127.00
Fugitive emissions	1,233.41	3,698.49	3,671.44
Total CO₂ emissions (tCO₂e)	398,846.20	315,205.64	272,959.94

¹ 2016 figure restated to include emissions from natural gas combustion in the lime kiln.

² Gases accounted for: carbon dioxide, methane, nitrous oxide, hydrofluorocarbons and sulfur hexafluoride.

Emissions from electricity consumption declined by more than 50% compared with 2016.

BIOGENIC CO₂ EMISSIONS (T CO₂ EQUIVALENT) ³⁰⁵⁻¹

2015	2016	2017
ND	3,637,201.08	3,254,451.09

ENERGY INDIRECT GHG EMISSIONS (T CO₂ EQUIVALENT) ³⁰⁵⁻²

2015	2016	2017
2,165.17	1,794.75	878.00

OTHER INDIRECT GHG EMISSIONS (T CO₂ EQUIVALENT) ³⁰⁵⁻³

	2015	2016	2017 ¹
Upstream			
Business travel	ND	333.98	283.61
Other activities – commuting	ND	4,452.50	4,763.78
Subtotal	ND	4,786.48	5,047.39
Downstream			
Downstream transportation and distribution	ND	115,555.04	300,272.19
Subtotal	ND	115,555.04	300,272.19
Total	275,432.90	120,341.52	305,319.58

² Gases accounted for: carbon dioxide, methane and nitrous oxide.

BIOGENIC CO₂ EMISSIONS (T CO₂ EQUIVALENT) ³⁰⁵⁻³

2015	2016	2017
3,060.62	851.02	625.09

Emissions from electricity consumption decreased by more than 50% compared with 2016 as a result of substantially lower energy requirements in our mill operations. In addition, our process team used applications to optimize programmable logic controllers for improved plant stability and fewer maintenance shutdowns, reducing the requirement for purchased electricity between shutdown and startup. [305-2](#)

Between 2016 and 2017, scope 3 emissions increased by 153.5% primarily due to the significantly larger weight of waterborne transportation modes in downstream pulp transportation and distribution. [305-3](#)

Emissions intensity accounts for only scope 1 and scope 2 emissions, not including shipborne transportation. [305-5](#)

The scope 1 reductions achieved in 2017 are the result of combustion process stabilization in our mill operations. Reductions in scope 2 emissions are the result of the process team's work to optimize programmable logic resources. [305-5](#)

Eldorado monitors black smoke emissions from diesel-cycle equipment and vehicles in accordance with applicable federal regulations. This helps to reduce both black smoke emissions and fuel consumption.

In 2017, all 779 equipment units and vehicles in our operations were monitored. Approximately 775 were up to standard and only four required corrective maintenance. High efficiency levels are the result of adequate preventive maintenance.

GREENHOUSE GAS EMISSIONS INTENSITY ³⁰⁵⁻⁴

	2015	2016	2017
Metric tons of pulp produced (ADT)	1,597,302.00	1,637,784.00	1,708,094.00
Greenhouse gas emissions intensity	0.27	0.21	0.16

REDUCTION OF GHG EMISSIONS (T CO₂ EQUIVALENT) ³⁰⁵⁻⁵

	2015	2016	2017
Reduction of direct (Scope 1) GHG emissions	2,790.45	29,450.84	42,242.70
Reduction of energy indirect (Scope 2) GHG emissions	0.00	0.00	916.80
Reduction of other indirect (Scope 3) GHG emissions	0.00	0.00	0.00
Total GHG emissions	2,790.45	29,450.84	43,162.50
Reductions from offsets	0.00	0.00	0.00

WASTEWATER AND WASTE MANAGEMENT

306 103



Our solid waste management practices conform to Brazil's National Solid Waste Policy and Solid Waste Management Plan (PGRS) and include activities spanning the generation, disposal and reduction of solid waste materials.

Eldorado has implemented a number of initiatives since 2016 with a goal to reduce landfilling by 50% by 2021.

In 2017, landfilling decreased by 8.8% compared with 2016 despite our higher pulp production rates in the period. This was achieved by recycling some waste materials from our mill operations—such as boiler sand for use in masonry work at the plant—and by implementing improvements at the wastewater treatment plant to reduce the amount of biological sludge going to landfill.

Wastewater from the plant is treated using an extended aeration activated sludge system. Flowrate data is collected by automatic meters coupled to the Parshall flume at the outlet from the treatment plant and transmitted to a database. Other data is collected through laboratory testing. [306-1](#)

Eldorado has testing routines in place to monitor our effluents on a daily basis. In addition to tests performed as part of our self-monitoring program, an independent laboratory also performs tests on our effluents.

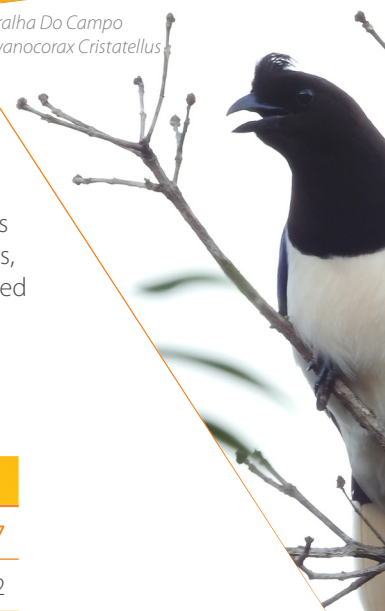
In 2017 the wastewater treatment system was shown to be 97.4% efficient in reducing Biochemical Oxygen Demand (BOD). Effluents discharged into the recipient water body conform to the requirements specified in National Council for the Environment (CONAMA) Resolution 430/2011 and State Council for Environmental Control (CECA) Resolution 36/12.

In 2017 we began using filter wash water from the boiler water treatment plant—which was already being used as makeup water for the utilities cooling tower—for log washing. This has no effect on the process and helps to reduce water withdrawals and effluent discharge.

Our pulping mill has been designed to minimize specific effluent discharge, with a wastewater treatment plant that is recognized as one of the most robust and efficient in

the world, reducing BOD and COD levels to well below regulatory limits in the effluent discharged into the river. Specific effluent discharge has consistently declined and our goal is to reach values lower than 20 m³/ADT within the coming years. 306-1

Eldorado also manages the disposal of agro-chemical packaging in our forestry operations in accordance with environmental regulations, with 100% of containers disposed of at licensed facilities.



TOTAL VOLUME OF WATER DISCHARGES (M³) 306-1

	2015	2016	2017
To surface waters	38,314,552.06	33,975,291.29	34,444,150.32

EFFLUENT DISPOSAL INTENSITY (M³/ADT)

	2015	2016	2017
Effluents discharged	23,991.58	20,741.94	20,166.36

Note: Eldorado's wastewater discharge is not reutilized by other organizations.

WASTE BY TYPE AND DISPOSAL METHOD 306-2

Disposal of hazardous and nonhazardous waste (t)

Waste classification	Source of waste	Disposal	2015	2016	2017
Class I	Industrial	Re-refining	12.32	11.80	5.70
	Industrial & Forestry	Class I Industrial Landfill (off-site)	192.86	409.50	136.45
Class II	Industrial	Class I Industrial Landfill (on-site)	124,695.19	109,513.59	111,943.36
		Recycling	748.50	2,990.63	1,715.53
	Forestry	Co-processing	186,452.54	226,424.80	194,844.25
		Class II Industrial Landfill (off-site)	153.79	338.97	572.64
		Recycling	48.00	0.00	564.00
Total			312,303.20	339,689.29	309,781.93

SOLID WASTE INTENSITY (T/ADT)

	2015	2016	2017
Solid waste generated	195.56	207.38	181.37

A photograph of three workers in green uniforms and caps standing in a field. A white truck is visible on the left. The background shows a dirt road and trees. The bottom left corner of the image is overlaid with a green geometric pattern.

In this chapter

- > Employees
- > Training and education
- > Customer relations
- > Supplier relations
- > Community relations

VALUE CHAIN



EMPLOYEES 401 103

Our employees played a central role in delivering positive results in the year. Eldorado employees are, each of them, recognized and valued.

At Eldorado we recognize and value our workforce as our most important asset. Currently, 50% of our wood haulage drivers, 100% of our employee transportation providers and 100% of our providers of occasional services, primarily maintenance, are outsourced. In 2017, a significant reduction in planting quantity meant there was a reduction in the number of employees working in forestry operations (*read more in Training and education, page 49*). ¹⁰²⁻⁸

Our employees' efforts helped us to meet our strategic planning targets for the year, and led to the best results in Eldorado's history (*read more in Strategy and performance, page 27*).

WORKFORCE BY EMPLOYMENT CONTRACT AND GENDER ¹⁰²⁻⁸

Employment contract	2015			2016			2017		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Definite term	0	0	0	90	22	112	0	0	0
Indefinite term	3,966	792	4,758	3,908	760	4,668	3,222	582	3,804
Total	3,966	792	4,758	3,998	782	4,780	3,222	582	3,804

TOTAL WORKFORCE BY EMPLOYMENT TYPE, EMPLOYMENT CONTRACT, AND REGION ¹⁰²⁻⁸

Region	2015			2016			2017		
	Definite term	Indefinite term	Total	Definite term	Indefinite term	Total	Definite term	Indefinite term	Total
MW	0	4,503	4,503	ND	ND	4,480	0	3,575	3,575
SE	0	255	255	ND	ND	300	0	229	229
Total	0	4,758	4,758	112	4,668	4,780	0	3,804	3,804



WORKFORCE BY EMPLOYMENT TYPE ¹⁰²⁻⁸

Employment type	2015			2016			2017		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full time	3,966	792	4,758	3,998	782	4,780	3,197	570	3,767
Part time	0	0	0	0	0	0	25	12	37
Total	3,966	792	4,758	3,998	782	4,780	3,222	582	3,804

NEW EMPLOYEE HIRES AND HIRING RATE BY AGE RANGE ⁴⁰¹⁻¹

Age range	2015		2016		2017	
	No.	Rate	No.	Rate	No.	Rate
< 30	908	19.1%	934	19.5%	192	5.0%
30 to 50	1,098	23.1%	906	19.0%	235	6.2%
> 50	101	2.1%	148	3.1%	26	0.7%
Total	2,107	44.3%	1,988	41.6%	453	11.9%

Note: A significant reduction in planting quantity in 2017 meant there was a reduction in hiring and turnover rates.

NEW EMPLOYEE HIRES AND HIRING RATE BY GENDER ⁴⁰¹⁻¹

Gender	2015		2016		2017	
	No.	Rate	No.	Rate	No.	Rate
Men	1,751	36.8%	1,605	33.6%	367	9.6%
Women	356	7.5%	383	8.0%	86	2.3%
Total	2,107	44.3%	1,988	41.6%	453	11.9%

NEW EMPLOYEE HIRES AND HIRING RATE BY REGION ⁴⁰¹⁻¹

Region	2015		2016		2017	
	No.	Rate	No.	Rate	No.	Rate
Midwest	1,942	40.8%	1,878	39.3%	431	11.3%
Southeast	165	3.5%	110	2.3%	22	0.6%
Total	2,107	44.3%	1,988	41.6%	453	11.9%

TOTAL TERMINATIONS AND TURNOVER RATE BY AGE RANGE ⁴⁰¹⁻¹

Age range	2015		2016		2017	
	No.	Rate	No.	Rate	No.	Rate
< 30	792	47.5%	812	50.3%	485	31.6%
30 to 50	928	39.1%	959	36.1%	809	22.5%
> 50	130	30.6%	192	36.8%	136	19.7%
Total	1,850	41.6%	1,963	41.3%	1,430	24.8%

TOTAL TERMINATIONS AND TURNOVER RATE BY GENDER ⁴⁰¹⁻¹

Gender	2015		2016		2017	
	No.	Rate	No.	Rate	No.	Rate
Men	1,456	40.4%	1,568	39.7%	1,143	23.4%
Women	394	47.3%	395	49.7%	287	32.0%
Total	1,850	41.6%	1,963	41.3%	1,430	24.8%

TOTAL TERMINATIONS AND TURNOVER RATE BY REGION ⁴⁰¹⁻¹

Region	2015		2016		2017	
	No.	Rate	No.	Rate	No.	Rate
Midwest	1,706	40.5%	1,904	42.2%	1,336	24.7%
Southeast	144	60.6%	59	28.2%	94	25.3%
Total	1,850	41.6%	1,963	41.3%	1,430	24.8%

TRAINING & EDUCATION

404 103 404-1

Eldorado believes that investing in vocational training is one of the key paths to ensuring the quality of our team and achieving success. For that reason, we provides staff with continuing training opportunities.

The training process is systematic, and involves the sharing of knowledge to fulfill business objectives, in line with the skills and competencies of each job role. Skills training at Eldorado is more than just training. It seeks to guide staff through a process of education, reskilling and behavioral change.

Eldorado expanded the provision of distance learning to our employees, with 18,744 hours of training on standards and combating the abuse and exploitation of children. We also awarded language study grants to those in managerial positions and full graduate grants for certain strategic posts. [404-1](#)

People management is supported by the company's "business partners", the name given to people specialists who work at each function

at Eldorado, supporting our employees with a focus on human resources. They evaluate aspects such as satisfaction, career development and pay.

The training offered by Eldorado is geared to three objectives:

- **Promote safety and compliance**
Increasing staff and employers' compliance with Brazilian legislation. Taking into account procedures necessary to carry out Eldorado's operations.
- **Promote technical and operational know-how**
Developing staff's technical and managerial skills, crucial to achieving better performance. Providing employees with the operational skills they need for their role or position, including technical information to enable them to better exploit and develop those skills.

Continuous training enhances safety, skills, compliance and leadership development.

136,071 hours

of training to

13,642 employees

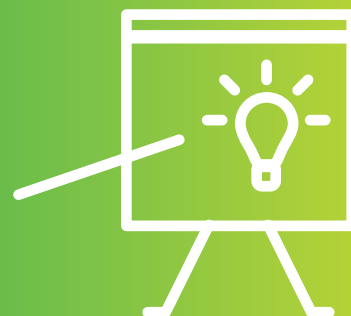
in an investment of

R\$ 1,275,048.64



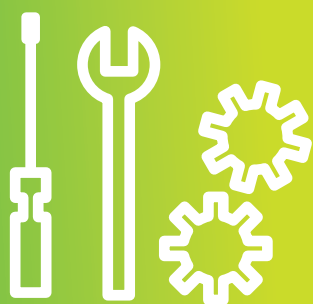
Investment in e-learning

In 2017, Eldorado invested in technology to build a distance-learning platform delivering skills-building and other important content to a larger number of employees, supporting the acquisition of essential skills for the development of the business. E-learning training programs will be available from 2018.



1,320 hours

of leadership training



72,192 hours

of technical/operational training



Three maintenance and forestry operations **leaders** trained in the **Renovar Program Management Module**

3,104 hours

of green belt, management routines, PDCA, TWI, high agreement and problem solving training

■ Provide leadership training

Including operational management content, giving partners guidance on the 'Career Paths' program, addressing issues around attracting and recruiting talent, organizational culture, code of conduct, assessment processes and application technology, among other themes.

Eldorado also offers our 'Career Paths' program, which tells employees about what skills and knowledge they need to progress in their roles. By this means, we are able to fill internal vacancies with our own employees, valuing our staff and recognizing their performance.

The program is supplemented and backed up by skills training provided as part of the *Renova* program, which develops the knowledge necessary for career advancement.

Projects are another means of engaging internal stakeholders around Eldorado's business objectives, valuing people who are responsible for the company's positive performance.

AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE BY GENDER ⁴⁰⁴⁻¹			
	2015	2016	2017
Men	23.11	26.43	38.33
Women	11.01	61.61	21.62
Total	21.09	32.19	35.77

AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE BY EMPLOYEE CATEGORY ⁴⁰⁴⁻¹			
	2015	2016	2017
CEO	0.00	8.00	0.00
Executive Board	0.75	12.50	4.25
Middle Management	5.56	24.29	41.00
Head/coordinator	-	38.46	48.32
Technical/supervisor	-	62.96	55.94
Administrative	16.16	38.30	22.75
Operational	21.62	27.89	34.43
Apprentice	-	73.00	37.81
Intern	43.15	157.90	107.00
Total	21.09	32.19	35.77

PERFORMANCE ASSESSMENT

Performance assessment is a core practice of our human resources department. It is an effective tool for motivating staff because it generates positive feedback and greater commitment and enthusiasm from company employees. 404-3

Eldorado carries out an annual assessment cycle based on seven values: ownership, determination, humility, simplicity, availability, discipline and honesty. Because we recognize the importance of this process to employee development, in 2017 we extended our 360° assessment format to include senior technicians and analysts, who had previously only taken part in the process as evaluators. 404-3

In a 360° assessment, behavioral aspects concerned with adherence to company values and the professional performance of each employee are considered. After formal completion of the 360° assessment, a meeting of the 'People Committee' is held to take a fresh look at the as-

essment and talk openly and sincerely about it, providing employees in people management or technical management positions with opportunities for development. 404-3



In 2017, more than

400 people

received training within the *Renovar* program and more than 270 were promoted.

PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS (%) 404-3

	2015			2016			2017		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
CEO	ND	ND	100%	100%	-	100%	100%	-	100%
Executive Board	ND	ND	100%	75.0%	-	75.0%	100%	-	100%
Middle Management	ND	ND	100%	100%	100%	103.6%	100%	100%	100%
Head/coordinator	ND	ND	0%	98.4%	100%	98.6%	100%	100%	100%
Technical/supervisor	ND	ND	0%	47.0%	62.1%	47.0%	62.1%	48.2%	64.8%
Administrative	ND	ND	32.0%	0.0%	0.0%	0.0%	10.5%	6.9%	8.6%
Operational	ND	ND	0.1%	0.0%	0.0%	0.0%	7.6%	3.6%	7.1%
Apprentice	ND	ND	0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Intern	ND	ND	0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	5.87%	3.16%	5.42%	6.2%	4.0%	5.8%	16.3%	10.5%	15.4%

CUSTOMER RELATIONS

Direct customer sales are part of Eldorado's strategy. Accordingly, we have international sales offices located in strategic consumption centers to cater for our customers in 45 countries.

Sales operations are run from our head office in São Paulo, which caters for the Brazilian and Latin American markets, and offices in Austria (for Europe, the Middle East and Africa), China (for the Asian market) and the United States (for the US, Canada and Mexico).

Overseas sales conform to the requirements of international bodies and legislation, such as the EU Timber Regulation (EUTR), the German Federal Institute for Risk Assessment (BfR), and the United States' Food and Drug Administration (FDA) and Lacey Act. Eldorado also completes a series of customer questionnaires to attest to the sustainable origin of our wood and compliance with environmental management and quality systems.

Our overseas sales operations function as local players, with their own teams of staff. These

professionals have a high level of sales, technical and financial expertise, working in pre- and post-sales to deliver customers the best possible solutions, a top-quality final product and optimized use of resources.

The teams endeavor to develop close relationships to cater for the needs of clients in each region. Customer satisfaction surveys are used as part of the improvement process, to enable us to deliver an ever more positive customer experience. This has helped to build a growing customer base and presence on the international market.

In 2017, Eldorado worked towards having a broader sales mix in 2018 by diversifying our customer portfolio and avoiding overconcentration in certain countries or regions. The aim is also to grow in the expanding segments of the pulp and paper industry, such as tissue paper, specialty paper and paperboard, a result achieved this year, with the highest ever growth in those segments.

Our overseas sales operations function as local players, with their own teams of staff.

SUPPLIER RELATIONS 102-9

Eldorado's business partners were essential to the pursuit of our strategy and to achieving positive performance in the year.

Eldorado's supply chain comprises 370 business partners, organized into categories of inputs and services provided to our forestry, industrial, logistics and transportation operations.

In 2017, Eldorado onboarded suppliers based in a process that evaluated the positive impact they have on the community. We have practices in place to promote the development of local businesses in order to make them future business partners. At the same time, we take care to minimize the risks of economic dependence from small suppliers. Accordingly, part of the relationship development process involves analyzing each partner's financial circumstances.

Eldorado's business partners are fundamental to the pursuit of our strategy and to achieving positive performance. All business partners are invited to learn about our Code of Conduct and sign a commitment that includes provisions on child and slave labor.

All new suppliers in the year were screened for compliance with human rights, labor rights and environmental regulations. No cases of significant negative impacts were identified.

Our supplier contracts also include specific provisions on practices forbidden under the Brazilian Anti-Bribery Act (Act 12.846/2013). Eldorado's operations use a responsible pulp production model and in 2017 retained Forest Stewardship Council® (FSC) and Brazilian Forestry Certification Program (CERFLOR®) certification for good environmental, economic and social responsibility practices.

Eldorado onboarded new suppliers

in 2017 in a process that evaluated the positive impact they have on the community.

COMMUNITY RELATIONS

102-43 203 413 103

Local development with social responsibility is among the objectives we aspire to with each new project or operation. We believe that genuine and open partnership with communities creates greater value for the business and provides benefits to all parties concerned.

Eldorado runs a visitation program covering communities and smallholder settlements near our operations—in the municipalities of Três Lagoas, Selvíria, Inocência, Brasilândia, Santa Rita do Pardo, Água Clara, Bataguassu, Paranaíba, Dois Irmãos do Buriti and Ribas do Rio Pardo, in the state of Mato Grosso do Sul—and complies with requests presented during meetings where possible. Neighbors within a radius of 50 meters of our plantations are also included in the visitation program. [203-2](#)

Our communication channels provide a platform for sharing information and effectively interacting with stakeholders in the different areas where we operate. Eldorado has an internal system for managing stakeholder relations and prioritizes investment in healthcare and education.

Through initiatives such as donations of materials and equipment, construction projects, meetings with stakeholders, environmental education, and ecological farming projects in smallholder settlements, we have expanded the reach of our positive impacts across different sectors of society. [203-2](#)

Also as part of our social commitment, we do not tolerate any form of child, slave or otherwise degrading labor such as forced labor or illegally recruiting and employing workers under conditions analogous to slavery.

Eldorado supports local development through initiatives to build close and transparent relations with our key stakeholders. Our initiatives are informed by a Social Monitoring Plan developed based on inputs from annual visits and meetings with stakeholders. [203-2](#)

In 2017 Eldorado made a number of donations to local communities, including the following:

- Donated a utility vehicle to the Pontal do FAIA Organic Smallholder Association in Três Lagoas (MS), which will be used to transport organic products to the PAIS Project.
- Donated a rural school bus to the Municipal Government of Selvíria (MS) to transport children from smallholder settlements and other smallholder farms to the São Joaquim Rural School.
- Donated an adapted ambulance to the Municipal Government of Santa Rita do Pardo (MS) for National Healthcare System (SUS) patients.
- Built a daycare center in the district of Novo Oeste in Três Lagoas (MS), with a capacity for up to 224 infants and toddlers in two shifts.



IN 2017 WE HAD:



104

requests for
donations and
sponsorship



151

meetings



74

requests received



100%

requests
responded to

Eldorado also engages with organizations and peers in our industry, providing valuable inputs into discussions within the pulp and paper market. As part of this, we are active members of several important industry organizations. ¹⁰²⁻³

Eldorado is a member of the following organizations: ¹⁰²⁻¹³

■ **Brazilian Pulp and Paper Association (ABTCP)**

ABTCP supports the technical development of professionals in the pulp and paper value chain. Eldorado is a member of the Technical Committee on Water Resources and the Technical Group for Environmental Licensing. We are also a member of the Editorial Board of the magazine *O Papel* (which publishes print and online content from ABTCP).

■ **Diálogo Florestal – WWF Brazil**

Eldorado is a member of the Mato Grosso do Sul *Diálogo Florestal* forum.

■ **FSC®**

Eldorado is a member of FSC® International and participates in working and discussion groups providing inputs into forest certification processes.

■ **Indústria Brasileira de Árvores (Ibá)**

Ibá represents forestry companies to significant stakeholders. Its mission is to increase the competitiveness of the industry and align its members on aspects such as science, technology and responsibility. Eldorado participates in forums and working groups to improve practices in the industry. We are a member of the Certification Committee; Climate Change Committee; Sustainability Committee; Communication Committee; Technical Group on Biodiversity; and Technical Group on Environmental Licensing.

■ **Annual GHG Inventory (GHG Protocol)**

Eldorado Brazil annually publishes a complete (scope 1, 2 and 3) greenhouse gas emissions inventory. Emissions are computed using the Brazilian GHG Protocol methodology.

■ **Mato Grosso do Sul Association of Forestry Producers and Consumers (REFLORE)**

As a member of REFLORE, Eldorado participates in forums along with other players in the industry. We are a member of the Technical Group for the Environment and the Technical Group for Forest Fire Prevention and Control.

■ **Instituto de Pesquisas e Estudos Florestais (IPEF)**

Eldorado's head of forestry operations serves as chairman of Instituto de Pesquisas e Estudos Florestais (IPEF), which conducts R&D in the field of forestry science.

■ **Federal University of Viçosa**

NUTREE (Center for Multidisciplinary Research on Forestry and Soil Nutrition) – Soil Department.

■ **AGROICONE SP**

Eldorado participates in meetings to discuss a roadmap for implementation of the Plant-ed Forest Value Chain.

■ **Universities**

Eldorado is part of research projects developed by two universities in Brazil, Unesp and UFMS, that are situated in the states of São Paulo and Mato Grosso do Sul.

GRI Content Index

102-55

GENERAL DISCLOSURES

GRI Standard	Disclosure	Page/URL
ORGANIZATIONAL PROFILE		
GRI 102: General disclosures 2017	102-1 Name of the organization	Page 12
	102-2 Activities, brands, products, and services	Page 12
	102-3 Location of headquarters	Pages 12 and 61
	102-4 Location of operations	Pages 12 and 13
	102-5 Ownership and legal form	Page 12
	102-6 Markets served	Page 12
	102-7 Scale of the organization	Page 14
	102-8 Information on employees and other workers	Pages 50 and 51
	102-9 Supply chain	Page 58
	102-10 Significant changes to the organization and its supply chain	There were no significant changes in the year.
	102-11 Precautionary principle or approach	Page 22
	102-12 External initiatives	Eldorado has not subscribed to, signed or otherwise endorsed any charters or other external initiatives
	102-13 Membership of associations	Page 61
STRATEGY		
GRI 102: General disclosures 2017	102-14 Statement from senior decision-maker	Page 8

GRI Standard	Disclosure	Page/URL
ETHICS AND INTEGRITY		
GRI 102: General disclosures 2017	102-16 Values, principles, standards, and norms of behavior	Page 12
GOVERNANCE		
GRI 102: General disclosures 2017	102-18 Governance structure	Page 20
STAKEHOLDER ENGAGEMENT		
	102-40 List of stakeholder groups	Page 4
	102-41 Collective bargaining agreements	All Eldorado employees are covered by collective bargaining agreements.
GRI 102: General disclosures 2017	102-42 Identifying and selecting stakeholders	Page 4
	102-43 Approach to stakeholder engagement	Pages 5 and 59
	102-44 Key topics and concerns raised	Page 5
REPORTING PRACTICES		
	102-45 Entities included in the consolidated financial statements	Page 4
	102-46 Defining report content and topic Boundaries	Page 4
	102-47 List of material topics	Page 5
	102-48 Restatements of information	Page 4 In 2017 there were changes to the energy data underlying disclosure 302-1, as explained in this report.
	102-49 Changes in reporting	There were no significant changes in our reporting or reporting boundaries.
GRI 102: General disclosures 2017	102-50 Reporting period	Page 4
	102-51 Date of most recent report	Page 4
	102-52 Reporting cycle	Page 4
	102-53 Contact point for questions regarding the report	Page 4
	102-54 Claims of reporting in accordance with the GRI Standards	Core option
	102-55 GRI Content Index	Page 62
	102-56 External Assurance	This report has not been independently assured.

MATERIAL TOPICS

GRI Standard	Disclosure	Page/URL
ECONOMIC PERFORMANCE		
GRI 103: Management Approach 2017	103-1 Explanation of the material topic and its Boundary	Page 30
	103-2 The management approach and its components	Page 30
	103-3 Evaluation of the management approach	Page 30
GRI 201: Economic performance 2017	201-1 Direct economic value generated and distributed	Page 30 and 34 Economic value information is presented on the accrual basis of accounting. The portion of economic value generated and distributed outside Brazil is insignificant.
	201-2 Financial implications and other risks and opportunities due to climate change	Page 23
INDIRECT ECONOMIC IMPACTS		
GRI 103: Management Approach 2017	103-1 Explanation of the material topic and its Boundary	Page 59
	103-2 The management approach and its components	Page 59
	103-3 Evaluation of the management approach	Page 59
GRI 203: Indirect economic impacts 2017	203-2 Significant indirect economic impacts	Page 59
ANTI-CORRUPTION		
GRI 103: Management Approach 2017	103-1 Explanation of the material topic and its Boundary	Pages 24 and 26
	103-2 The management approach and its components	Pages 24 and 26
	103-3 Evaluation of the management approach	Pages 24 and 26
GRI 205: Anti-corruption 2017	205-1 Operations assessed for risks related to corruption	Page 26
ENERGY		
GRI 103: Management Approach 2017	103-1 Explanation of the material topic and its Boundary	Page 36
	103-2 The management approach and its components	Page 36
	103-3 Evaluation of the management approach	Page 36
GRI 302: Energy 2017	302-1 Energy consumption within the organization	Pages 36 and 37
WATER		
GRI 103: Management Approach 2017	103-1 Explanation of the material topic and its Boundary	Page 38
	103-2 The management approach and its components	Page 38
	103-3 Evaluation of the management approach	Page 38
GRI 303: Water 2017	303-1 Water withdrawal by source	Pages 38 and 39
	303-3 Percentage and total volume of water recycled and reused	Pages 39
BIODIVERSITY		
GRI 103: Management Approach 2017	103-1 Explanation of the material topic and its Boundary	Page 40
	103-2 The management approach and its components	Page 40
	103-3 Evaluation of the management approach	Page 40

GRI Standard	Disclosure	Page/URL
GRI 304: Biodiversity 2017	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Page 41
	304-2 Significant impacts of activities, products, and services on biodiversity	Page 41
EMISSIONS		
GRI 103: Management Approach 2017	103-1 Explanation of the material topic and its Boundary	Page 42
	103-2 The management approach and its components	Page 42
	103-3 Evaluation of the management approach	Page 42
GRI 305: Emissions 2017	305-1 Direct (Scope 1) GHG emissions	Pages 43 and 44
	305-2 Indirect (Scope 2) GHG emissions	Pages 44 and 45
	305-3 Other indirect (Scope 3) GHG emissions	Pages 44 and 45
	305-4 GHG emissions intensity	Page 45
	305-5 Reduction of GHG emissions	Page 45
EFFLUENTS AND WASTE		
GRI 103: Management Approach 2017	103-1 Explanation of the material topic and its Boundary	Page 46
	103-2 The management approach and its components	Page 46
	103-3 Evaluation of the management approach	Page 46
GRI 306: Effluents and waste 2017	306-1 Water discharge by quality and destination	Pages 46 and 47
	306-2 Waste by type and disposal method	Page 47
EMPLOYMENT		
GRI 103: Management Approach 2017	103-1 Explanation of the material topic and its Boundary	Page 50
	103-2 The management approach and its components	Page 50
	103-3 Evaluation of the management approach	Page 50
GRI 401: Employment 2017	401-1 New employee hires and employee turnover	Pages 51 and 52
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	In addition to fixed compensation, the company offers variable compensation and a range of employee benefits that help to improve the organizational climate, employee satisfaction and business results. Our benefits package, offered to both full-time and part-time employees, includes meal vouchers or food service, transportation, life insurance, health and dental insurance, invalidity coverage, private pension plan, and parental leave.
TRAINING AND EDUCATION		
GRI 103: Management Approach 2017	103-1 Explanation of the material topic and its Boundary	Page 53
	103-2 The management approach and its components	Page 53
	103-3 Evaluation of the management approach	Page 53
GRI 404: Training and education 2017	404-1 Average hours of training per year per employee	Pages 53 and 55
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 56

GRI Standard	Disclosure	Page/URL
LOCAL COMMUNITIES		
GRI 103: Management Approach 2017	103-1 Explanation of the material topic and its Boundary	Page 59
	103-2 The management approach and its components	Page 59
	103-3 Evaluation of the management approach	Page 59
GRI 413: Local communities 2017	413-1 Operations with local community engagement, impact assessments, and development programs	Eldorado tracks the performance indicators to inform continual improvement. In 2017 we conducted: eight assessments of social impacts, including assessments of gender impact using a participatory process; ten environmental impact and continual improvement assessments; three public releases of results from environmental and social impact assessments; six local development programs based on local community needs; six stakeholder engagement plans informed by stakeholder mapping exercises; 151 committee meetings and a broad consultation process involving local communities, including vulnerable groups; nine meetings with working groups, occupational health and safety committees and other organizations representing employees to discuss impacts.
	413-2 Operations with significant actual and potential negative impacts on local communities	Page 25 Physical or economic isolation is not a potential impact that is monitored by Eldorado as no evidence exists of this type of impact. Eldorado has implemented systems to improve our investment in initiatives for the social, economic and environmental development of the regions where we operate. As with every large operation, social responsibility is among our strategies for sustainable development and through effective management we are able to mitigate social impacts and support local improvements. Our operations are carried out in a way that minimizes potential impact and we monitor indicators related to community satisfaction.
SOCIAL AND ECONOMIC COMPLIANCE		
GRI 103: Management Approach 2017	103-1 Explanation of the material topic and its Boundary	Eldorado monitors and assesses impacts from our operations and takes both preventive and mitigation action to address those impacts.
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 419: Social and economic compliance 2017	419-1 Non-compliance with laws and regulations in the social and economic area	Eldorado received two fines in 2017, one for failing to properly dispose of timber used in the construction of line I at the Eldorado site, and the other for allegedly causing environmental degradation to Bandeira Creek, in the municipality of Ribas do Rio Pardo (MS), as a result of inadequate forestry practices in Fazenda Java II. The two fines are a total of R\$ 255,961.99. No monetary sanctions were imposed or arbitration proceedings brought against the company.

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