

ELDORADO BRASIL

2020 SUSTAINABILITY
REPORT





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Message from the CEO

GRI 102-14

For each of the roughly 5,000 employees at Eldorado Brasil, sustainability is more than just about striving to operate responsibly. Being sustainable is at the core of what we do, and this is seen in practice in the way we deliver positive impacts on the environment and the communities where we operate, within a modern and transparent management and governance model.

This report illustrates how we maintained our leading position in the previous year—both in our own industry and in the broader Brazilian market—as a company that reconciles innovation, efficiency, sustainability, social responsibility and governance.

Besides as retaining our national and international certifications, in 2020 we went a step further and joined the United Nations Global Compact, pledging our full-fledged commitment to the universal principles of human rights, labor rights, environment and anti-corruption.

The strong performance we delivered amid a raging pandemic demonstrates that our approach in responding to the health crisis—the severest in recent history—was sound. As we implemented new protocols to protect our employees, we joined government authorities and civil-society organizations in a major effort to tackle the pandemic.

Following recommendations from health authorities, we introduced new procedures in our forestry, pulpwood haulage, pulp logistics and mill operations and at our offices in Brazil and other countries. Employees in administrative positions were reassigned to work from home, as were all employees in the at-risk group.

We kept our business and operations running safely at a time when the pulp and paper industry experienced rising demand for personal care and hygiene products, as consumers embraced new hygiene habits to prevent coronavirus transmission.

But the enormous challenges in the present did not deter us from our aspirations for the future. And because we are confident in our future, rather than terminating employees in the year, we instead hired more people to ensure we are well staffed today and poised for growth tomorrow.

Within this ambition, we bid successfully for a new site at the Port of Santos to expand our export capacity and logistics efficiency. For the first time, ships will be able to berth at our own wharf, increasing loading and shipping efficiency. We will also be better positioned for multimodal integration of truck, rail and ship transportation for deliveries to our customers—all from a 44,000 square-meter site with a handling capacity for 2.5 million metric tons of pulp per year.

Another milestone in the year was the completion of our first on-site thermal power plant, bringing innovation to our industry in Brazil. The new plant will make us the first pulp producer to utilize 100% of our pulpwood within the value chain, including the stumps and roots to produce biomass. The plant, a self-funded project, will produce enough clean and renewable electricity to power a city with a population of 700,000.

These combined achievements, for which we have each of our employees to thank, will empower us to continue on a path of sustainable and socially responsible growth.

We invite you to learn about our key results in 2020 in this newly released edition of our Sustainability Report.

We hope you find the report informative and inspiring.

Carmine De Siervi Neto
CEO





Eldorado Brasil Celulose S.A. hereby pledges its continuing support for the Global Compact and its 10 principles on human rights, labor, the environment and anti-corruption. We reaffirm our commitment to continued implementation of these principles. We pledge to make the Global Compact and its principles an integral part of our business strategy, day-to-day operations and organizational culture, and to engage in collaborative projects that support broader UN goals, such as the UN Sustainable Development Goals.

Sincerely,

Carmine De Siervi Neto
CEO





COVID-19 response

To protect the health and safety of our employees, their families and local communities, we developed a comprehensive pandemic response plan outlining several measures to prevent COVID-19, including the following:

Crisis Committee

- We established a Crisis Committee of employees from all departments, including the communications and health and safety departments, to establish an action plan and measures to prevent and mitigate impacts from COVID-19

Enhanced prevention measures

- We created an Enhanced Protocol of good practices to prevent and combat the novel coronavirus both within and outside our operations

Programs

- We ran regular COVID-19 prevention campaigns in all our operations, including Eldorado Radio broadcasts and podcasts
- We also raised awareness about good practices when not on the job, such as social distancing and sheltering in place

Flu vaccination

- In an early influenza vaccination campaign, quadrivalent vaccines were administered for free for all employees

Access restrictions

- Third-party access to our operations was restricted, and daily pre-shift temperature screening was implemented at offices and at work fronts

Quarantine

- Employees were instructed to quarantine if anyone in their household showed symptoms or had returned from abroad

Telecommuting and teleconferencing

- Employees in office positions and in the at-risk group were assigned to work from home
- On-site visits were canceled, and other activities and meetings were held outdoors
- Internal and external meetings were held primarily using digital technologies (videoconferencing, teleconferencing, etc.)
- Exhibitions at fairs and other events were canceled

Social distancing

- Meal times at cafeterias were staggered to prevent crowding and maintain proper table and seat spacing
- Employees were instructed to use stairs and ramps rather than elevators

Emergency donations to hospitals and nursing homes in the municipalities where we operate

Mato Grosso do Sul and São Paulo

- 605+ people benefited at nursing homes
- 4,600 hospital staff benefited, approximately—these professionals provided care to around 78,000 people per month

- Disposable shoe covers
- Alcohol gel
- Laser thermometers

Donations to nursing homes

- Pairs of disposable gloves
- Disposable masks
- Bleach
- Alcohol gel
- Grocery packages, 1 per resident

Donations to communities

- 408,000 cloth masks sewn by around 70 seamstresses and artisans in Três Lagoas (MS), generating R\$ 1,500 in income for each professional
- 32,700 grocery packages
- 15 neighboring municipalities covered—more than 800,000 people benefit in total, including 600,000 living in the Três Lagoas area

Donations to the Mato Grosso do Sul State Health Department

- 2.6 million items of PPE
- 68,000 rapid COVID-19 tests

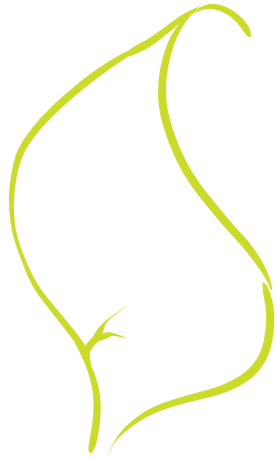
Return-to-work plan

In July 2020, with some of our employees returning to work on-site, the following measures were taken:

- Temperature screening for employees, visitors and suppliers
- Social distancing
- Free personal protective equipment (face masks and alcohol gel)
- Regular office cleaning and disinfection
- Disinfection of all company vehicles



ESG Strategy



Our approach to sustainability prioritizes seven material topics which define the scope of quantitative and qualitative disclosures in this report. These disclosures have been compiled in accordance with the reporting principles for defining report content—stakeholder inclusiveness, sustainability context, materiality and completeness—outlined in the Global Reporting Initiative (GRI) Standards.

Our 2020 Sustainability Report has been prepared in accordance with the GRI Standards—Core option, and is for the period from January 1 to December 31, 2020. The report has not been externally assured. The financial information in the report refers to the operations of Eldorado Brasil Celulose S.A. GRI 102-45 | 102-50 | 102-54 | 102-56

> To read the 2019 Sustainability Report and previous annual editions, go to <https://eldoradobrasil.com.br/Sustentabilidade/Sustentabilidade-Eldorado/Relatorio-de-Sustentabilidade> GRI 102-51 | 102-52

Eldorado Brasil has published sustainability reports since 2013 as an act of transparency and accountability to our stakeholders and society.



For questions and feedback on our 2020 Sustainability Report

Please send your questions and feedback on the 2020 Eldorado Brasil Sustainability Report to: sustentabilidade@eldoradobrasil.com.br. GRI 102-53



Eldorado Brasil's material topics



MATERIAL TOPIC <small>GRI 102-47</small>	MANAGEMENT SCOPE	SDG	SDG TARGETS	BOUNDARIES OF IMPACT <small>GRI 103-1 102-46</small>
ENVIRONMENTAL				
Forestry certifications and good practices	Voluntary forestry certifications; and incentives for sustainable land-use practices.	12 15	12.6 12.7 15.1 15.2 15.3	Forestry partners (in Mato Grosso do Sul) Customers (in Brazil and overseas; read more on page 16)
Managing environmental efficiency	Material efficiency; water and energy management at our offices, mill, and forestry operations; effluent management; waste management, material reuse and recycling (including electronic waste).	2 9 11	2.4 9.4 11.6	Environment (forestry and mill operations in the state of Mato Grosso do Sul) Forestry partners (in Mato Grosso do Sul) Customers (in Brazil and overseas; read more on page 16)
Biodiversity	Engaging in environmental education initiatives for surrounding communities; employee training and wildlife monitoring; managing information on Eldorado Brasil's High Conservation Value (HCV) areas; fire responder activities.	2 15	2.4 15.1 15.2 15.3 15.5	Environment (forestry and mill operations in the state of Mato Grosso do Sul)
Innovation and technology	Investments in more efficient and sustainable production technology; innovation program awards; the Eldorado Brasil Forestry Intelligence Center; number of initiatives within our <i>Inovar</i> Program.	2 8 9 12	2.4 8.2 9.4 12a	Universities (Mato Grosso do Sul State University) Environment (forestry and mill operations in the state of Mato Grosso do Sul) Employees (in Brazil; read more on page 60)



MATERIAL TOPIC GRI 102-47

MANAGEMENT SCOPE

SDG

SDG TARGETS

BOUNDARIES OF IMPACT [GRI 103-1](#) | [102-46](#)

SOCIAL

Human and organizational development

Employee onboarding program; attracting and retaining talent; performance reviews; leadership development; average training hours per year.

5
8

5.1
5.5
8.5

Employees (in Brazil and other countries; read more on page 60)

Local community development

Managing positive and negative social, environmental and economic impacts on surrounding communities; environmental education activities and social initiatives in municipalities within our area of influence; company engagement in the social programs of partner organizations; and corporate volunteer work.

11
12
17

11.3
11.6
11.a
12.8
17.16

Communities (in Mato Grosso do Sul; read more on page 71)

Suppliers

Employees (in Brazil; read more on page 60)

Environment (forestry and mill operations in the state of Mato Grosso do Sul)



MATERIAL TOPIC GRI 102-47

MANAGEMENT SCOPE

SDG

SDG TARGETS

BOUNDARIES OF IMPACT [GRI 103-1](#) | [102-46](#)

GOVERNANCE

Transparency, ethics and anti-corruption

Communications and training on anti-corruption policies; protecting our reputation and credibility; preventing misconduct in management; confirmed incidents of corruption and corrective and/or disciplinary action taken.

16

16.5
16.6
16.7

Employees (in Brazil and other countries; read more on page 60)

Customers (in Brazil and other countries; read more on page 16)

Government Agencies (environmental monitoring for compliance with operation license requirements, including air emissions and wastewater discharge, water bodies and aquatic communities, noise emissions, fauna and flora, and other periodic monitoring)

Global Compact Principles

Eldorado Brasil’s material topics, and related GRI and SASB disclosures and SDGs and targets, have been mapped to the Ten Principles of the United Nations Global Compact.

Our material topics, their scope, boundaries of impact and related KPIs are described in the

relevant chapters of this Sustainability Report. Information about our approach to managing each material topic and outcomes within each Global Compact Principle is given below.

GLOBAL COMPACT PRINCIPLES

SCOPE

READ MORE ON



Human Rights

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence.

Pages 29 and 32

Principle 2

Businesses should make sure that they are not complicit in human rights abuses.

Pages 29 and 32

Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Pages 59, 60, 61 and 76



Employment

Principle 4

Businesses should uphold the elimination of all forms of forced and compulsory labor.

Page 29

Principle 5

Businesses should uphold the effective abolition of child labor.

Page 29

Principle 6

Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Page 60



Environmental

Principle 7

Businesses should support a precautionary approach to environmental challenges.

Page 31

Principle 8

Businesses should undertake initiatives to promote greater environmental responsibility.

Page 31

Principle 9

Businesses should encourage the development and diffusion of environmentally friendly technologies.

Pages 19, 39 and 55



Anti-corruption

Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery.

Page 27



ABOUT THE MATERIALITY ASSESSMENT PROCESS GRI 102-49

In 2020 Eldorado Brasil conducted a materiality assessment exercise to identify the topics that are most material to our ESG strategy and map them to related GRI disclosures and SDGs and targets. The materiality process comprises the following four steps:

Identification

- Selecting topics that are most material to our operations based on a review of internal and industry publications
- Listing and classifying stakeholders in terms of their impact on our business and operations

Prioritization

- Eliciting stakeholders' views on the prioritization of material topics

Assessment

- Assessing and weighting identified topics

Validation

- Validation of the material topics by senior management based on responsiveness (GRI disclosures), our ESG strategy, and an assessment of risks and opportunities

Multi-stakeholder survey

The prioritization step included interviews with Eldorado Brasil executives and local community leaders, and an online survey of our employees, forestry partners, suppliers, customers and government agencies.

GRI 102-42

> Read more about stakeholder engagement in the Social chapter on page 57.

About Eldorado Brasil



Eldorado Brasil Celulose S.A. is a leading Brazilian producer of eucalyptus pulp. With headquarters in São Paulo (SP), we have forestry and mill operations in Três Lagoas (MS) and sales offices in Brazil and around the world (read more on page 16). [GRI 102-1](#) | [102-2](#) | [102-3](#) | [102-4](#) | [102-5](#)



Mission

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



Vision

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



Values

GRI 102-16

- Owner mindset
- Determination
- Discipline
- Availability
- Simplicity
- Humility
- Honesty





GRI 102-4 | 102-7

FSC® (C113939) and PEFC certified eucalyptus pulp

Production output 18% higher than design mill capacity (in metric tons) in the last three years

2018: 1,715,000

2019: 1,786,220

2020: 1,770,000 – down 1% from 2019 due to a scheduled maintenance shutdown in 2020

Design mill capacity

1.5 million metric tons per year

Sales offices

São Paulo (Brazil) | Connecticut (US)
Vienna (Austria) | Shanghai (China)

Employees GRI 102-8

4,661

based in Mato Grosso do Sul, São Paulo and our international offices

Company-owned Eucalyptus forests

RR-FM-000.A

Approximately **230,000 hectares**

Protected areas and other land uses RR-FM-000.A

More than 143,000 hectares

Seedling production capacity

26 million
at a nursery in Andradina (SP)

Operations at 6 ports

Private terminal in Santos (SP)
Paranaguá (PR)
Itapoá (SC)
São Francisco do Sul (SC)
Navegantes (SC)
Imbituba (SC)

Strategy and performance

GRI 103-2, 103-3 | 201

Amid the COVID-19 pandemic and its severe impacts on the global economy, demand for chemical pulp—an essential commodity—remained relatively strong. According to the Pulp and Paper Products Council (PPPC), global demand rose by 1.6% in 2020 compared with the previous year, while demand for short-fiber pulp increased by 4.4%.

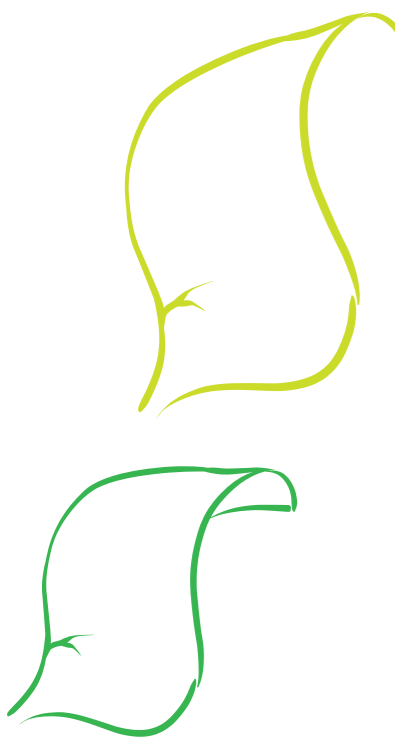
The higher demand was primarily driven by the tissue segment, which saw global growth of 3.8% in 2020 and is projected to see compound annual growth (CAGR) of 2.7% through 2024, led by China at 4.4% CAGR through 2024, according to the PPPC.

Growth rates were also positive in the packaging market, reflecting changing consumer patterns and, in particular, the e-commerce boom as a result of the novel coronavirus pandemic.

Combined, the tissue and packaging segments consume 51% of all bleached chemical pulp sold on the market, according to Hawkins Wright, an independent consultancy providing market intelligence and business information services to the international pulp, paper and bioenergy industries.

The writing paper and printing segments were significantly impacted by the pandemic, with only the Chinese market showing growth from 2019 at 5.9%, according to the PPPC. This segment consumes only 24% of the bleached chemical pulp sold on the market.

Demand in the segment contracted by 15.7% in 2020 according to PPPC data, and is forecast to shrink further at a CAGR of 4% in the period 2021–2024, with the highest contraction in developed economies.



EXPANDED TISSUE PORTFOLIO AND SALES

In 2020 we adopted a strategy of expanding our portfolio of products sold to the tissue segment, one of the fastest-growing markets for pulp (accounting for 55.2% of sales in 2020 compared with 43.8% in 2019), while reducing sales to the Printing & Writing segment (17% of sales in 2020 compared with 20% in 2019).

Foreign markets remain the primary destinations for our pulp products—45 countries on all continents—with Asia accounting for the bulk of our exports, at 48% of total sales in 2020. [GRI 102-7](#)

Eldorado Brasil set a new production record in the fiscal year, generating Net Revenue of R\$ 4.4 billion (up 4% on 2019). EBITDA (earnings before interest, taxes, depreciation and amortization) was R\$ 2,149 million in 2020 (with an EBITDA margin of 48.6%), a year-on-year gain of 7% primarily driven by the 31% strengthening of the US dollar against the Brazilian real in the period. Gross revenue rose by 2% compared with 2019, to R\$ 5.3 billion.

Reflecting foreign-exchange variance in the period, net income in 2020 was a net loss of R\$ 108 million, compared with net income of R\$ 541 million in 2019.

In 2020 we produced a total of 1,770,000 metric tons of pulp, 1% less than in 2019 as a result of a scheduled maintenance shutdown in the first quarter of 2020. Despite the slight year-on-year reduction, our production output again exceeded the mill’s design capacity—of 1.5 million metric tons of pulp per year—by 18%. [RR-PP-000.A](#)

Sales volumes in the year were a total of 1,799,000 metric tons of pulp, decreasing 5% from the previous year as inventory levels normalized.



LEVERAGE, NET DEBT AND CASH COST OF PRODUCTION

Cash cost of production remained competitive in 2020 at an average of 591 R\$/t (115 US\$/t) at year-end, excluding the effect of the scheduled maintenance shutdown.

Net Debt to EBITDA Ratio in 2020
3.15x in R\$ (ND 6,777/EBITDA 2,149= 3.15) and 3,14x in US\$.

Net debt in 2020
R\$ 6,777 million, an increase of 15% on the previous year driven by foreign-exchange variance of 31% in the period.

Net debt in US\$ in 2020
US\$ 1,304, with a sustained reduction in dollar-denominated debt.

CUSTOMER RELATIONS

A key driver of our business strategy at Eldorado Brasil is a continuous focus on developing a strong customer base spanning diversified segments and geographies.

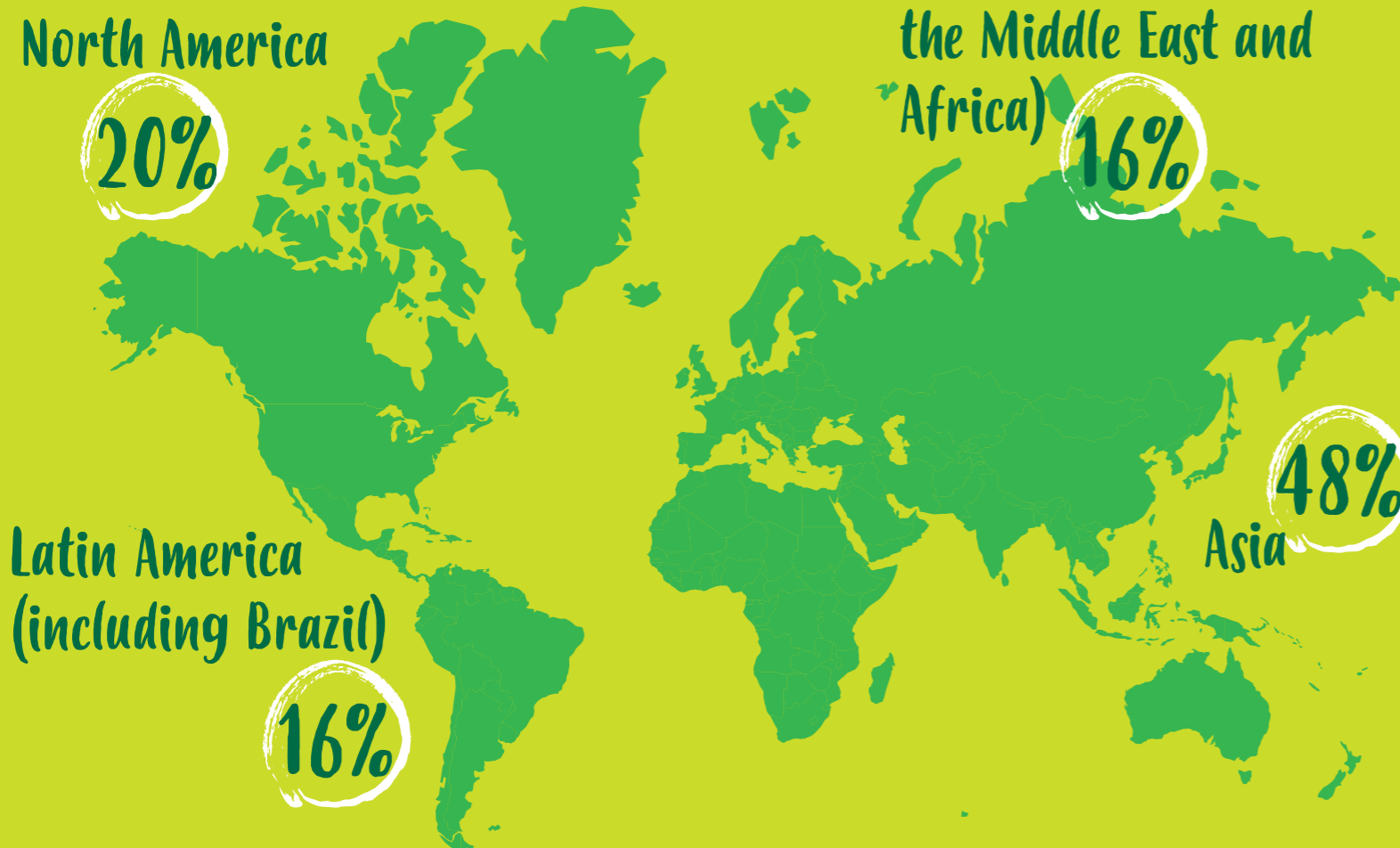
We cultivate long-term relationships with our customers, and work to manage risks and related impacts in each market and segment.

Primary segment served in 2020

Tissue paper—largely reflecting demand created by the COVID-19 pandemic.



Markets served in 2020 GRI 102-6



DIRECT ECONOMIC VALUE GENERATED (R\$) GRI 201-1	2018	2019	2020
Revenue (R\$)	5,004,133.00	4,340,163.00	4,730,688.00
Sales of goods, products and services	4,746,984.00	4,419,899.00	4,561,764.00
Non-operating	257,149.00	- 79,736.00	168,924.00
Inputs purchased from third parties	-1,353,939.00	-1,642,928.00	-1,871,233.00
Cost of goods and services sold	-1,353,939.00	-1,642,928.00	-1,871,233.00
Gross value added	3,650,194.00	2,697,235.00	2,859,455.00
Retained	-400,624.00	-407,408.00	-396,458.00
Depreciation, amortization and depletion	-400,624.00	-407,408.00	-396,458.00
Net added value produced by the entity	3,249,570.00	2,289,827.00	2,462,997.00
Transferred added value	29,729.00	241,716.00	196,422.00
Added value to be distributed	3,279,299.00	2,531,543.00	2,659,419.00

ECONOMIC VALUE DISTRIBUTED (R\$) GRI 201-1

DISTRIBUTED	2018	2019	2020
Operating costs ¹	362,867.00	358,873.00	351,387.00
Payments to providers of capital	1,671,095.00	1,409,396.00	2,372,317.00
Payments to government	429,457.00	221,953.00	44,126.00
Interest on equity	815,880.00	541,321.00	108,411.00
TOTAL	3,279,299.00	2,531,543.00	2,876,241.00

¹ Salaries and benefits.

ECONOMIC VALUE RETAINED (R\$) GRI 201-1

	2018	2019	2020
“Direct economic value generated” less “Economic value distributed”	1,724,834.00	1,808,620.00	2,071,269.00

ECONOMIC VALUE DISTRIBUTED GRI 201-1

	2018	2019	2020
Gross revenue (R\$ million)	R\$ 5,636.00	R\$ 5,233.00	R\$ 5,311.00
EBITDA (R\$ million)	R\$ 3,114.00	R\$ 2,016.00	R\$ 2,149.00
Design production capacity (million metric tons)	1.5	1.5*	1.5
Actual production volume (million metric tons)	1,715	1,786	1,771
Sales volume (thousand metric tons)	1,590	1,892	1,799
Total added value to be distributed (R\$ million)	R\$ 3,279.29	R\$ 2,531.54	R\$ 2,659.41

*Restated from 1.8 in the previous report. GRI 102-48

More efficient and competitive logistics

GRI 102-7, 102-10, 103-2, 103-3 | 201

In our logistics operations, we remained focused on strengthening operational processes and implementing solutions to enhance productivity, minimize costs and maintain quality of service to customers. Amid the pandemic, appropriate COVID-19 safety measures were put and kept in place in our operations throughout the year.

A major milestone in 2020 was our successful bid for area STS14 at the Port of Santos (SP), in an auction organized on August 28, 2020 by the Brazilian maritime transportation agency, ANTAQ.

Located near Ponta da Praia, the site measures 44,550 square meters in area and will be used to build a new pulp terminal with a static capacity of approximately 120,000 metric tons.

The new facility will expand our pulp export capacity to 2.5 million metric tons per year, nearly double our current operational capacity.





A 25-year lease agreement was signed on November 17 at our current Rishis terminal in Outeirinhos, with total fees of R\$ 250 million paid to the Santos Port Authority (SPA).

The STS14 area will host a new warehouse directly adjacent to the wharf with a rail link to the port's rail network to accommodate incoming trains carrying pulp shipments.

Eldorado Brasil plans to invest approximately R\$ 190 million in modernizing the site, in a project forecast to be completed in 2023.

The Port of Santos is the largest in Latin America and has played a strategic role in reducing costs, as well as having strategic value for exports. The STS14 facility is integral to our plans to expand pulp production in the medium term.

Eldorado Brasil bid successfully for a 25-year lease on STS14, a 44,550 square-meter site at the Port of Santos (SP). The site has a static capacity of 120,000 metric tons and a handling capacity of 2.5 million metric tons per year.

COMPLETION OF THE ONÇA PINTADA ("JAGUAR") THERMAL POWER PLANT

GRI 102-10, 102-7

Our new thermal power plant was completed on schedule in 2020, and satisfied the legal and regulatory requirements for the project and the technical and environmental license standards required to initiate operation in April 2021. The power plant is located on-site at Três Lagoas, adjacent to our pulp mill.

The facility will generate clean electricity from eucalyptus biomass, making Eldorado Brasil the first pulp company in Brazil to consume 100% of our pulpwood within our own value chain. The plant will be fueled with a mixture of eucalyptus roots and stumps that are unused in the pulp production process.

In the first quarter of 2021 we performed the commissioning tests and fine-tuning needed to secure the operation license for the plant. The license has since been awarded by the appropriate environmental agencies.

Execution of the project created a major challenge in terms of operational, human resources and health & safety management due to the project site being located near the pulp mill, coupled with the risks created by the COVID-19 pandemic—these were addressed through prevention measures and protocols followed by the entire work-site team (read more on page 53).

> Read more in the 2020 Eldorado Brasil Annual Report at

<https://eldoradobrasil.com.br/Investidores/Informacoes-financeiras/Relatorio-Anual>

Innovation

Priority topic:

Innovation and technology

Investments in more efficient and sustainable production technology; innovation program awards; the Eldorado Brasil Forestry Intelligence Center; number of initiatives within our *Inovar* Program.

SDG: 2, 8, 9 and 12

Targets: 2.4, 8.2, 9.4 and 12a

Boundary of impact: Universities, Environment and Employees

Eldorado disclosures: Projects in the pipeline at the Eldorado Brasil Forestry Intelligence Center and awards within the *Inovar* Program 2020.

At Eldorado Brasil we believe that business sustainability is intrinsically dependent on establishing a culture of innovation. Continuous technological advancement can help to reduce environmental impacts and optimize natural resource use. We also invest in R&D to develop new products that can create added value.



Innovation management

GRI 103-1

Innovation management spans our entire value chain—from our eucalyptus plantations, through our mill processes, to distribution logistics—delivering:

- Higher productivity
- Lower operational costs
- Reduced greenhouse gas (GHG) emissions
- Improved health and safety conditions for employees and surrounding communities

Eldorado Brasil's innovation structure is focused on the following fronts:

Forestry operations



Mill operations



Integrated logistics



Many of the innovative solutions we implement are developed by our own mill operations team. Eldorado's *Inovar* Program generated 142 ideas in 2020, of which 10 were implemented at the mill to improve operations efficiency and safety during the maintenance turnaround. Six health and safety ideas were also implemented as part of the COVID-19 response.

In our forestry operations, R&D innovation and new technologies in forestry processes have improved eucalyptus clone development, cultivation and pulpwood harvesting.

TechWeek

Eldorado Brasil organized a TechWeek event in 2020 with a group of 14 telecom carriers. Participating companies showcased 13 proofs of concept for our Forest Connectivity Project using LTE, Satellite, Fiber-Optic and Digital Radio solutions.

Forestry automation

We also made further progress on forestry automation in 2020, implementing more than 10 proofs of concept for telemetry and remote-sensing solutions for forestry, road and loading applications.

Logistics and storage monitoring

In 2020 we invested in new hardware and software solutions such as EldTruck, an end-to-end cargo management and control system that operates in conjunction with our Control Tower.

We also implemented a warehouse management system (EWM) in the year to optimize the reliability of stock information.

INNOVATION PROGRAM AWARDS 2020

We presented awards for ideas from the 2019 cycle, and launched two new campaigns: PG2020 and COVID-19

Awards: COVID-19 Campaign

6 ideas received awards, including the following:

- Adapt beverage dispensers at the cafeteria
- Replace tap actuation systems
- Install contactless hand hygiene dispensers
- Install acrylic partitions and develop visual awareness campaign materials

PG2020 Campaign (maintenance turnaround)

10 ideas received awards, including the following:

- Interconnect stormwater gutters
- Install electric panel boards at strategic locations for the maintenance shutdown
- Develop devices to move large equipment more efficiently and safely in the recovery boiler and digester area, and improve access points



PROJECTS IN THE PIPELINE AT THE EL Dorado BRASIL FORESTRY INTELLIGENCE CENTER

VALUE CAPTURE

Forestry 4.0 (Forestry Connectivity)	N/A
Forest Connectivity	N/A
Road Connectivity	N/A
Loading Connectivity	N/A
Maintenance telemetry and sensing	N/A
Expansion of fire monitoring	N/A
Digitization of operation checklists	R\$ 262,800
Reduction of pulpwood soiling during harvesting	N/A
Digital Harvesting	R\$ 974,125
Eldorado Map Portal	Intangible
Genotyping	N/A
Metagenomics	N/A
Pizarro	N/A
Sap Flow Monitoring	N/A
SGF Road Module	N/A
SGF Biomass Module	Intangible
Budget Simulator Redesign	Intangible
PCM Process Digitization	Intangible
Forest Connectivity	N/A

DEPLOYING ARTIFICIAL INTELLIGENCE AND TELEMETRY IN PULPWOOD HAULAGE

The truck fleet used to haul pulpwood to the mill and wood chips to the power plant is managed by an artificial intelligence system that collects vehicle tracking and driving safety information. This information is shared in real time with the control tower and monitored by an analyst, who can then remotely orchestrate any needed safety measures or fleet repairs and maintenance.

In addition, 100% of our pulpwood haulage fleet vehicles have on-board telemetry systems. This technology also allows control tower operators to monitor truck performance variables using a proprietary software system, including data on fuel consumption, truck movement, braking, and other vehicle data.

This has allowed us to determine optimal indicators to benchmark pulpwood haulage performance. This technology is also helping to improve operational safety and efficiency, and has delivered positive environmental impacts by reducing greenhouse gas (GHG) emissions.



> Learn more about our pulpwood haulage operations in the chart on page 39.

Governance

Governance structure

Risk Management

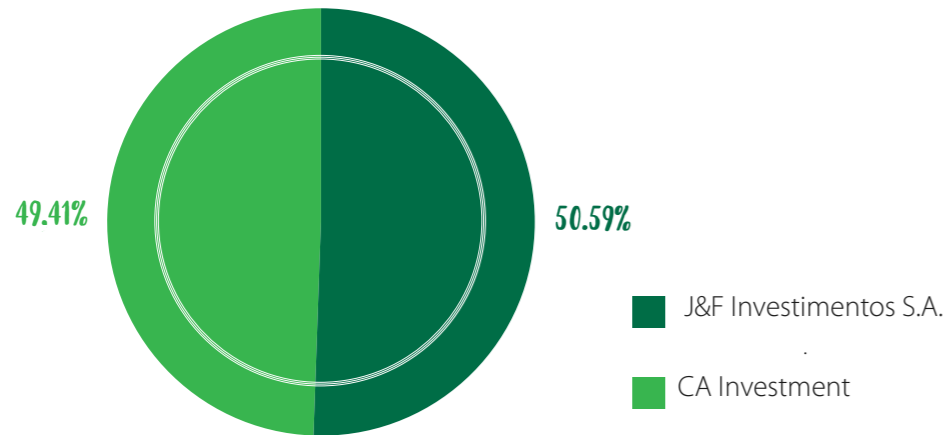
Transparency and anti-corruption



Governance structure

Eldorado Brasil's governance structure comprises the Board of Directors, four advisory committees to the Board, an Audit Board and seven Executive Officers. [GRI 102-18](#)

Our governance practices are guided by *Novo Mercado* listing rules, although we are not listed on the São Paulo stock exchange, B3. Eldorado is registered with the Brazilian Securities Commission (CVM) as a category B1 listed company.



OWNERSHIP STRUCTURE

J&F Investimentos S.A. is Eldorado's controlling shareholder with an equity interest of 50.59%; CA Investment has an interest of 49.41%.

Composition of the Board of Directors in 2020

- The Board of Directors oversees the business and the management activities of executive officers, and is responsible for strategic planning
- It comprises seven members representing all shareholders
- It also has an independent member as required by *Novo Mercado* listing rules
- Directors are elected in General Meetings for a renewable term of one year
- Board members meet periodically or as otherwise necessary

Members

- Aguinaldo Ramos Filho¹
- Sérgio Longo
- Francisco de Assis e Silva
- Márcio Antônio Teixeira Linares
- João Adalberto Elek Júnior
- Raul Rosenthal Ladeira de Matos
- Mauro Eduardo Guizeline

Executive Board Composition in 2020

- The Executive Board is responsible for executing company strategy, which is developed and monitored by the Board of Directors

Members

- CEO and Chief Legal Officer: Carmine De Siervi Neto
- Industrial Operations: Carlos Monteiro
- Forestry Operations: Germano Vieira
- Commercial, Logistics & Investor Relations: Rodrigo Libaber
- Human Resources, Sustainability & Communications: Elcio Trajano Jr
- Transportation: Marcius de Lucca Braga
- Financial: Fernando Storchi



1. Under our bylaws, the chairman of the Board is precluded from acting as chief executive of Eldorado.

Audit Board

With a composition of five members, the Audit Board exercises oversight of financial matters, which includes reviewing our Annual Report, statement of financial position and financial statements on a quarterly basis.

Advisory committees

Advisory committees are composed of Eldorado shareholders and employees, who hold periodic meetings in support of the Board of Directors. The following committees are in place:

- *Audit, Finance & Risk Management*
- *Related Parties & Conflicts of Interest*
- *People & Development*
- *Sustainability & Social Responsibility*

*> Read more about our
governance practices at*

<https://eldoradobrasil.com.br/Investidores/Modelo-de-Governanca>



Risk management



Risk management at Eldorado Brasil is overseen by the CEO and executive officers, who are responsible for managing and monitoring risks and impacts on the business and our operations.

Our risk management plan is disseminated across all levels of the organization, providing guidelines on monitoring, preventing and mitigating impacts, and the boundaries of impacts within and outside the organization.

KEY BUSINESS AND OPERATIONAL RISKS GRI 102-15

Operational	Forestry, mill, haulage, commercial and pulp logistics risks
Reputational	Risks related to Eldorado's credibility and public trust
Regulatory	Risks related to impacts on our business and operations from new laws, regulations and standards
Information technology	Risks to information security and customer and employee data privacy
Supply chain	The risk of shortages, inability to source business-essential materials or failure to comply with good operational practices, such as failure by our suppliers to comply with laws, regulations and technical standards
Financial	Market risks, such as foreign-exchange and interest rate fluctuations
Social	The risk of impacts on local communities that could affect our operations
Environmental	The risk of climate change and its financial implications.

RISK MANAGEMENT PROCEDURES IN ACCORDANCE WITH THE PRECAUTIONARY PRINCIPLE GRI 102-11

Eldorado Brasil develops matrices of social and environmental aspects and impacts, which identify the most significant operational risks to the business. These are regularly monitored and kept up to date by internationally recognized certification entities.

Our Operations Committee for Sustainable Planning (COPS) conducts risk management procedures in accordance with the Precautionary Principle (Principle 15) outlined by the United Nations (UN), namely that of protecting the environment and preventing potential damage, especially serious and irreversible damage. These procedures include:

- On-site micro-planning by a multidisciplinary team
- Assessments of potential risks prior to initiating any activities on our farm properties
- Monitoring of air emissions and wastewater parameters, using an online system that measures our performance against the Environmental Best-Practice Index (IPA), allowing us to act proactively to prevent any potential environmental risks

FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES DUE TO CLIMATE CHANGE GRI 201-2, RR-FM-450A.1

CLASSIFICATION	RISKS	OPPORTUNITIES
Description of the risk or opportunity	<p>1 - The international community's perceptions of climate policy in Brazil, especially in the Amazon</p> <p>2 - The risk of reduced water availability</p> <p>3 - The risk that foreign markets could impose tariffs on Brazilian products due to the country's environmental policies.</p>	<p>Demonstrate that our forestry assets are located outside the Amazon region and that deforestation and forest fires are prohibited and actively prevented. All planted forests are located in previously disturbed areas used for decades for extensive cattle farming. Our planted forests have internationally recognized forestry management certification attesting that we have adopted and adhere to best practices in forestry management, across the environmental, social and economic dimensions.</p>
Description of impact associated with the risk or opportunity	<p>Products produced in Brazil could be banned in foreign markets due to the country's poor climate policies.</p> <p>Reduced water supplies would increase the cost of forestry operations by requiring water to be transported from more distant locations.</p> <p>Prolonged droughts create a risk for forest fires.</p>	<p>Demonstrate how sustainable forestry management practices, including planted forests, help to absorb CO₂ from the atmosphere, supporting global efforts to mitigate impacts from climate change.</p> <p>Remediate protected areas and buffers along water bodies.</p> <p>Expand our contingent of personnel and equipment to monitor hotspots and fire outbreaks, and provide vehicles and equipment to rapidly respond to forest fires.</p>
Financial implications of the risk or opportunity before action is taken	<p>Loss of markets due to poor government policy and failure to comply with international agreements on emissions reduction targets to mitigate climate change.</p>	<p>Eldorado's forestry operations support efforts against climate change through carbon sequestration. Our responsible practices also create added value for our products.</p>

Eldorado Brasil works to manage risks and opportunities arising from climate change



Transparency and anti-corruption



Priority topic:

Transparency, ethics and anti-bribery

Communications and training on anti-bribery policies; protecting our reputation and credibility; preventing misconduct in management; confirmed incidents of corruption and corrective and/or disciplinary action taken.

SDG: 16

Targets: 16.5, 16.6 and 16.7

Boundary of impact: Employees; Customers; Government agencies

GRI Standard: 102-9, 102-12, 102-13, 205-1



Ethics Hotline Channels:

www.linhaetica.eldoradobrasil.com.br

linhaetica@eldoradobrasil.com.br

0800 527 5280

It is a priority for Eldorado Brasil that our customers, suppliers and shareholders feel comfortable and confident in doing business with us, and that our employees feel assured they are working for a respectable company, and have company pride.

Eldorado's Compliance Program is designed to disseminate the values and a culture of ethics, integrity, compliance and transparency in doing business, and to help prevent, detect and remediate any misconduct in business activities. The program periodically undergoes independent audits and reviews to support continuous improvement.

Eldorado Brasil's compliance department is responsible for managing transparency, ethics and anti-corruption practices. It plans annual training for 100% of employees and other strategic stakeholders, as well as communications campaigns to engage employees, primarily, but also suppliers and our communities around these issues.

Compliance planning efforts aim to improve control processes and protocols each year, strengthen and enhance training, and advertise our Ethics Hotline—a third party-managed channel for receiving reports on suspected violations of applicable regulations and our Code of Conduct & Ethics.

In 2020 there was an increase in Ethics Hotline reports primarily as a result of efforts to advertise the channel and campaigns to raise awareness among employees and other stakeholders about the type of misconduct that should be reported via the Ethics Hotline, and how to file a report.

The increase also reflects tone from the top and, especially, efforts by the Company to address reported cases and provide feedback to whistleblowers—whose identities are kept anonymous in their reports confidential.

Eldorado Brasil has joined the Global Compact

GRI 102-12, 102-13

Eldorado Brasil joined the Global Compact in 2020, undertaking a public commitment to support the Sustainable Development Goals (SDGs) of the UN's 2030 Agenda for Sustainable Development, and its related principles on human rights, labor, environment and anti-corruption (read more on page 27).

Cadastro Agroíntegro (“Ag Integrity Register”)

Eldorado has also joined the Ag Integrity Register, an initiative of the Brazilian Ministry of Agriculture for the agribusiness sector, and we support its related integrity programs.

Instituto Ethos

Eldorado Brasil is a signatory of the Business Initiative for Integrity and Transparency and the Business Pact for Integrity and Against Corruption, two initiatives run by Instituto Ethos de Empresas e Responsabilidade Social.

Eldorado’s Compliance department is independent from executive management and reports directly to the Board of Directors

Ethics survey

In 2020 we conducted a survey to elicit employees’ views on our culture of ethics and integrity. A total of 260 employees anonymously answered questionnaires designed to identify ways to strengthen our culture of ethics and integrity.

The survey findings were positive, and informed campaigns in 2020 to continuously improve our Compliance Program and raise awareness about the conduct that management expects of all employees.

INTERNAL AUDIT

In 2020 Eldorado Brasil created an Internal Audit function under the Compliance department—which reports directly to the Board of Directors—tasked with reviewing processes, performing audits, and assessing and testing internal controls.

In 2021 the Internal Audit will continue to perfect its processes so it is better equipped to assist the organization in achieving goals and making sound decisions in addressing risks.

The Internal Audit is subordinate to the Compliance department



Anti-corruption

GRI 103-2, 103-3 | 205

In 2019 Eldorado Brasil commissioned an independent audit to assess compliance risks within the Company and improve existing controls. Concurrently, an external audit commissioned by J&F Group has been running since 2019, assessing 197 items against international standards ISO 19600 and ISO 37001. [GRI 205-1](#)

The audit found that 91% of assessed items were compliant, and five items were deemed not applicable for the purpose of prevention, detection and correction. Outstanding items, although not considered material, have been assessed and will be addressed throughout 2021. [GRI 205-1](#)

Eldorado Brasil commissioned an independent audit to assess compliance risks in 2019



MANAGING TRANSPARENCY, ETHICS AND ANTI-CORRUPTION WITH OUR SUPPLIERS

All supplier contracts contain provisions on anti-corruption, child labor, forced labor and human rights. Supplier compliance in these areas is also required under our Code of Conduct & Ethics.

In 2020 we developed a Business Partner Integrity Assessment Policy that came into effect in January 2021. During onboarding by the Procurement department, suppliers are required to sign an anti-corruption declaration and an affirmation of acceptance of the Eldorado Code of Conduct & Ethics, and to submit relevant documentation for review. These procedures are documented in our Procurement Policy.

To strengthen control barriers, it is a policy at Eldorado Brasil to select the most critical suppliers among our more than 1,500 active suppliers—based on contract value or any heightened risk for corruption due to the nature of the contract—to undergo enhanced integrity due diligence over and above the onboarding due diligence.

[GRI 102-9](#)

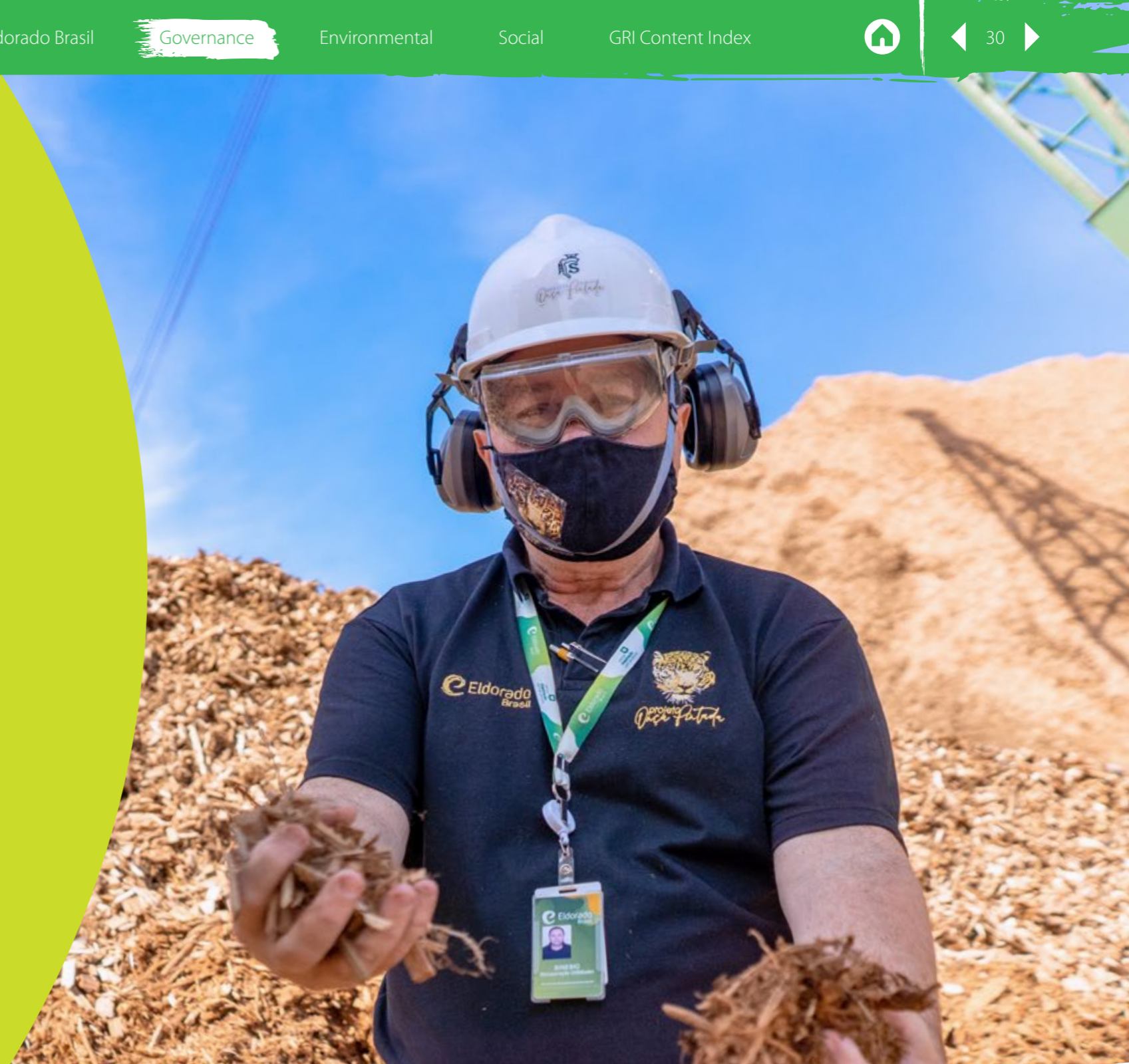
TRAINING AND RETRAINING ON ETHICS

Middle management was the focus of this year's training on transparency, ethics and anti-corruption, which was conducted online due to the COVID-19 pandemic. The training addressed approaches to preventing and combating workplace and sexual harassment, and reiterated our corporate values.

In 2020, employees who demonstrated outstanding ethical conduct received recognition to reinforce positive behavior. These employees received certificates and public recognition from Eldorado Brasil as role models of ethical conduct.

Suppliers attended a refresher workshop on the Eldorado Brasil Code of Conduct & Ethics and our Ethics Hotline, which discussed the requirements in the Code that are especially important or mandatory for suppliers.

Middle management was the focus of this year's training on transparency, ethics and anti-corruption



Environmental

FSC® and PEFC certified pulp
Forestry operations
Pulp mill
Onça Pintada Thermal Power Plant





FSC® (C113939) and PEFC certified pulp

Priority topic:

Forestry certifications and good practices

Voluntary forestry certifications; and incentives for sustainable forestry practices.

SDG: 12 and 15

Targets: 12.6 and 12.7, 15.1, 15.2 and 15.3

Boundary of impact: Forestry partners and Customers.

GRI and SASB disclosures: 103-1, RR-FM-160a.1, RR-PP-430a.1

Certified forests

Forestry certifications attest that we use responsible practices in certified forestry operations—in accordance with local and international laws and regulations—while respecting labor and human rights. They provide assurance that our processes and management practices conform to mandatory legal requirements, and support environmentally compliant, socially beneficial and economically feasible forestry operations.

Eldorado Brasil manages more than 350,000 hectares of land, including more than 230,000 hectares of eucalyptus forests, of which 91% are certified by the Forest Stewardship

Council® (FSC® – C113536) and CERFLOR. Our goal is to certify 100% of the remaining, out-of-scope forest assets, which will accordingly undergo certification audits in the future. We also source pulpwood from regional eucalyptus growers in Três Lagoas (MS). For eucalyptus forests that are not under our control, all pulpwood we purchase is required to be FSC® certified or Controlled Wood (CW). In 2020 the pulpwood we sourced from the market was 39% FSC® certified and 61% FSC® Controlled Wood (CW). [GRI 103-1](#), [RR-FM-160a.1](#), [RR-PP-430a.1](#)

Certifications and good practices at Eldorado Brasil

Brazilian Forestry Certification Program (CERFLOR)

This program provides assurance that our forests are managed sustainably in accordance with best practices in preventing and mitigating environmental and social impacts.

Program for the Endorsement of Forest Certification (PEFC)

PEFC is a non-government organization that identifies good practices in support of sustainable forestry management.

Halal

Halal certification provides assurance that processes and products are compliant with legal requirements and principles and values that benefit humanity. It is based on ethical and moral standards on what is lawful in social settings, in personal conduct, in Justice, in finances and in dietary habits based on Islamic law.



Kosher Certification

Kosher certification attests that our pulp is produced in accordance with Orthodox Jewish dietary laws. It is also recognized globally as synonymous of the highest standards of quality control.



EU Ecolabel

Established in 1992 and recognized worldwide, the EU Ecolabel certifies that Eldorado Brasil meets high environmental standards throughout the product lifecycle: from pulpwood extraction to disposal of pulp-based products. It provides important assurance that our operations create minimal impact, and independent verification ensures that our practices are effective. This certification is a good indication that as a company we are on the right path and helping to build a more sustainable planet.



Brazilian Climate Coalition

GRI 102-13

We are signatories of the Brazil, Forests and Agriculture Coalition, a multi-stakeholder initiative through which leading agribusiness players in Brazil have united to address issues stemming from climate change.



Priority topic: Biodiversity

Engaging in environmental education initiatives for surrounding communities; employee training and wildlife monitoring; managing information on Eldorado Brasil's High Conservation Value (HCV) areas; fire responder activities.

SDG: 2 and 15

Targets: 2.4; 15.1, 15.2, 15.3 and 15.5

Boundary of impact: Environment

GRI, SASB and ETHOS disclosures: 102-2, 102-7, 304-1, 304-2, RR-FM-160a.4



Forestry operations

Eldorado Brasil ended 2020 with approximately 230,000 hectares of planted eucalyptus forests and some 109,000 hectares of protected areas.

Our harvesting operations were the most productive to date at 1,962 cubic meters harvested per person, per month, a gain of 10.2% on our previous record in 2017. [RR-FM-000.C](#)

This enabled us to harvest more than 6 million cubic meters of pulpwood for the third consecutive year, for an aggregate total of 45 million cubic meters harvested since 2012. [RR-FM-000.C](#)

Eldorado Brasil has properties with eucalyptus plantations near the Pombo Municipal Park in Três Lagoas (MS). We also have plantations near the Piraputanga Park Road State Protected Area in Dois Irmãos do Buriti (MS). Adjacent to this protected area is another surface protected area. These areas are used to harvest non-timber forest products, and measure respectively 9,41km² and 8,42km². [GRI 102-7 | 304-1 | RR-FM-160a.2](#)

FORESTRY: EUCALYPTUS QUALITY

Research at our Genetic Improvement and Biotechnology site has continued to progress. In 2020 we planted 650 progenies and 402 clones in experimental areas within our Genetic Improvement Program (PMGF). [GRI 102-2](#)

In 2020 we conducted our first analysis of genotype x environment (G x E) interaction. The analysis assessed variation in commercial clone development under varying (climate and clay content) conditions, informing our first farm- and field-specific clone recommendations, and clone classifications by degree of planting flexibility or constraints.

Newly launched Genotyping, Metagenomics and Pizarro projects are incorporating biotechnology tools into genetic improvement strategies. We also developed the first versions of our Economic-Operational Decision-Making for Damaged Areas and Tactical Forestry Planning simulators.



Forestry operation highlights 2020

Sap flow monitoring

We installed a sap flow monitoring network and conducted a robust assessment of short-, medium- and long-term climate-change scenarios. The goal of the initiative is to gain an understanding of the relationship between eucalyptus yields and climate, and predict potential impacts from climate change, and how to mitigate them.

Nutrition and crop management initiatives were also implemented in the year, such as nutritional calibration with a focus on micronutrients, to improve eucalyptus quality and yields. Eldorado Brasil uses a proprietary system, called FertiEld, to match the nutritional needs of planted genetic material to the soil and climate conditions of the areas where we operate.

Physical soil characterization

We conducted physical soil characterization on our properties and established 4 major management units.

Management units are areas that share similar soil, climate and eucalyptus yield attributes.

This allows us to select optimal genetic materials and predict likely yields.

Biomass supply to the Onça Pintada power plant

Our Forestry Planning and Measurement department made progress on the development of a biomass supply plan for the Onça Pintada power plant, and on implementation of a Harvesting Protocol for High-Mortality Areas. The thermal plant will be fueled by stumps, roots and spoiled pulpwood not suited for pulp production (read more on page 53).

Digital harvesting

Completed in 2020, the initial deployment of our on-board Digital Harvesting system has improved efficiency in controlling and managing operational indicators.

Biodiversity management

GRI 103-1

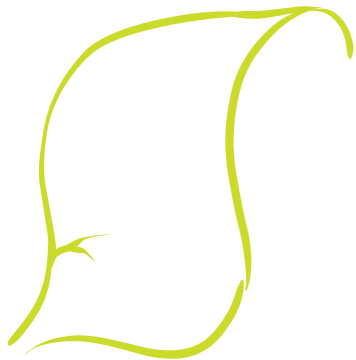


Eldorado Brasil is committed to preserving biodiversity in the areas where we operate. Our practices are compliant with environmental legislation on natural resource stewardship, and our operations undergo both independent and internal audits as tools for continual improvement of our operations.

We conduct assessments to identify natural habitats that are rich in, and important for conservation of, biodiversity, in line with Forest Certification requirements (read more on page 32).

Eldorado's approach to managing biodiversity includes regular ecosystem monitoring and assessments of the areas hosting our operations. Programs are in place to identify potential impacts from our operations, and ensure that we mitigate negative impacts and enhance positive ones. [GRI 103-2, 103-3 | 304](#)

We also work to protect and rehabilitate ecologically sensitive areas, sustainably manage our eucalyptus forests, and conserve natural resources in the areas of influence of our operations.



In addition, Eldorado assists the rehabilitation of disturbed native vegetation in protected areas and legal reserves. We have established Key Performance Indicators (KPIs) to track ecological restoration in these areas, such as species diversity and number of individuals—these indicators improved by respectively 33% and 26% in monitored areas.

Other areas either remained unchanged or experienced some reduction in both species diversity and number of individuals. However, Eldorado uses methodologies designed to achieve the best possible outcomes in rehabilitating these areas. It is important to note that these areas were disturbed in the past and are being rehabilitated by the Company merely as a good practice.

Eldorado manages more than 100,000 hectares of protected areas, in accordance with Brazilian environmental regulations, representing 30% of the total properties we own.

We also have programs and projects to maximize the benefits and minimize any negative effects from our forestry operations. We use a matrix of methods and criteria to identify and assess the potential aspects and impacts of our forestry operations and activities, ensuring that any environmental impacts are addressed. [GRI 304-2, RR-FM-160a.4](#)

ASPECT GRI 304-2

DESCRIPTION OF IMPACTS

	2018	2019	2020
Species affected	Fauna	Fauna	Fauna
Extent of areas impacted	Protected areas	Protected areas	Protected areas
Duration of impacts	Short term	Short term	Short term
Reversibility or irreversibility of the impacts	Reversible	Reversible	Reversible

¹This impact refers to wildlife being displaced by noise from our operations, and is deemed reversible due to these being localized, short-duration activities. The reversibility of this impact has been demonstrated by monitoring using camera traps.

Our forestry teams supported fire response efforts on our own properties and, within our operational capabilities, in broader Mato Grosso do Sul



MONITORING FIRE RISK

Eldorado provided valuable support in protecting ecosystems in Mato Grosso do Sul in 2020. Our forestry teams supported fire response efforts on our own properties and across the state, within our operational capabilities.

We also built two new control towers to expand our fire monitoring envelope, and implemented satellite-based, predictive fire risk monitoring systems in the year.

Forest fire prevention campaigns

[ETHOS sector disclosures]

Eldorado Brasil is a member of the Association of Planted Forest Producers and Consumers of Mato Grosso do Sul (Reflora/MS), which brings together strategic players in the forestry value chain.

In 2020 we organized our 8th Forest Fire Prevention and Response Campaign to share insight about ways to prevent and respond to wildfires and reduce the number of fire outbreaks in Mato Grosso do Sul.

Due to the COVID-19 pandemic, our environmental education outreach, which is largely in the form of lectures and workshops, was transmitted on digital media and in online training sessions—reaching local communities, schools and employees.



Haulage

Our Transportation Division, created in early 2019, played an important role in introducing innovation to improve control and management of pulpwood haulage operations, delivering improvements in operational efficiency and, most importantly, in health and safety (read more on page 63).

The average age of our pulpwood and woodchip haulage fleet is less than one year. This provides environmental benefits in the form of fuel economy and, consequently, lower greenhouse gas (GHG) emissions (read more on page 38).

The Transportation Division is tasked with expanding our pulpwood and woodchip (thermal power plant biomass) haulage operations in a way that improves environmental, health and safety performance.

In 2020 the Transportation Division operated 60% of our pulpwood haulage fleet and 100% of the woodchip fleet.

Fleet renewal and the use of truck monitoring technology also has positive environmental impacts by reducing fuel consumption and, consequently, greenhouse gas (GHG) and carbon emissions.

- Haulage operations run 24 hours per day
- Our fleet covers 42 million km per year to supply pulpwood and woodchips to the mill and power plant, of which 24 million are covered by our own Transportation Division

- 400 drivers work in the Transportation Division
- Pulplogs and woodchips are hauled by a fleet of 224 double and triple road trains
- Eldorado's haulage fleet has an average age of less than 1 year
- Our haulage trucks are equipped with managed telemetry systems

MANAGING FARM INFRASTRUCTURE AND ROADS

In 2020 our Infrastructure and Roads department operated a fully company-owned fleet. We built 1,490 km of new roads and maintained 1,560 km of service roads on our forest properties, supporting an uninterrupted flow of pulpwood haulage trucks and machinery on our properties. We also assisted municipal governments in repairing and maintaining bridges and roads, helping to mitigate impacts on local road networks.

In 2020 we implemented a Forestry Management System in these areas to ensure that operations planning and management is done in an integrated manner and continuously improved.

Supporting road maintenance in the region where we operate

To ensure the roads between our farms and the mill in Três Lagoas (MS) are kept in good condition and improved, we have an engineer responsible for locating and mapping road sections requiring repairs and maintenance.

Reports with photographs of these locations are shared with the government agencies responsible for road management and maintenance. This has helped to keep local roads in good working condition, benefiting local communities while helping to prevent damage to our truck fleet.

The pulpwood and biomass haulage cycle

Trucks head out to the eucalyptus plantations

Our Transportation Division fleet covers 24 of the 42 million km covered annually by the broader fleet. Trucks driven by the division's more than 400 drivers travel on paved and unpaved roads to our eucalyptus plantations.

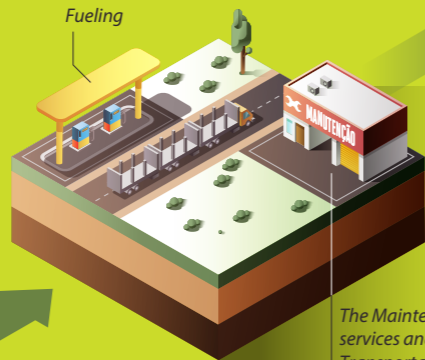
Double road trains set off from the Onça Pintada power plant.

Triple road trains set off from the pulp mill.

224
double/triple road trains

Trucks unload at the mill

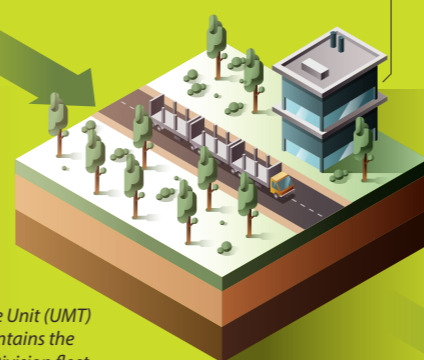
Pulplogs are unloaded at the pulp mill, and woodchips are discharged at the power plant to produce clean electricity. The trucks are then washed before returning to the eucalyptus plantations for loading.



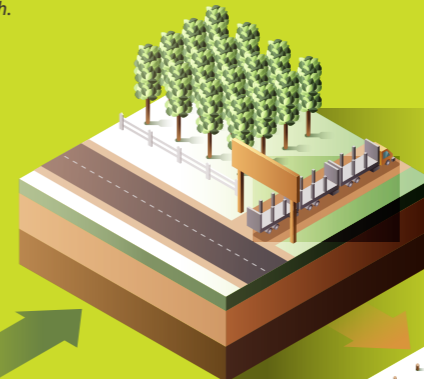
Fueling

The Maintenance Unit (UMT) services and maintains the Transportation Division fleet using modern preventive and predictive maintenance techniques.

Using on-board fleet management technologies, the Transportation Division and Control Tower ensure that hours-of-service regulations (Law no. 13 103) are strictly complied with.



24h
Haulage Operations

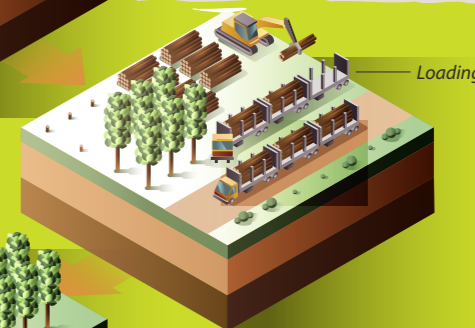


Loading at the eucalyptus plantation

Pulpwood and stump biomass are loaded onto the road trains, which are up to 30 m long. Load capacities are approximately:

62 m²
of pulpwood per triple road train.

40t
of woodchips per double road train



Loading

Haulage to the mill

The double and triple road trains carry their loads from the eucalyptus plantations to respectively the pulp mill and power plant in Três Lagoas (traveling on both paved and unpaved roads).

Transportation Division Fleet



Preventive, corrective and predictive maintenance



Logistics system



Hours-of-service management



Fatigue and distraction detector

Telemetry



Fleet age less than 1 year



State-of-the-art on-board technology

Pulp mill

Priority topic: Managing environmental efficiency

Material efficiency; water and energy management at our offices, mill, and forestry operations; effluent management; waste management, material reuse and recycling (including electronic waste).

SDG: 2, 9 and 11

Targets: 2.4, 9.4, 11.6

Boundary of impact: Environment, Forestry partners and Customers

GRI and SASB disclosures: 302-1, 303-1, 303-2, 303-3, 303-4, 303-5, 305-1, 305-2, 305-3, 305-4, 305-5, 306-1, 306-2, 306-3, 306-4, 102-7, 102-10, 102-43, 102-44, 102-12, 102-13, RR-PP-130a.1, RR-PP-140a.2, RR-PP-110a.2

Our pulp mill performed strongly in 2020, setting a new monthly production record in July at 163,492 metric tons.

Eldorado Brasil's total production output of 1,770,000 metric tons in 2020 was 18% higher than the mill's annual design capacity of 1.5 million metric tons of bleached eucalyptus pulp. Production volumes were the highest to date by volume in a year with a maintenance turnaround, from March 10 to 20, 2020.

Our operating efficiency, measured as the average maximum sustainable rate (MSR), was 92% in the year. Much of the improvement can be attributed to efficiency gains achieved through the use of innovative process automation technology at the mill, including Industry 4.0 and artificial intelligence (AI) solutions.

Another strong-performing operational indicator in 2020 was cash cost of production, which stood at R\$/t 591 (Us\$/t1 15) in the year, excluding the effect of the scheduled maintenance shutdown in 2020.

At Eldorado Brasil we work to continuously perfect our production processes in order to improve environmental performance. The positive environmental impacts from these efforts are described on the following pages.



Energy

GRI 103-2, 103-3 | 302

Eldorado Brasil is committed to using natural resources responsibly. Our energy management practices are compliant with applicable environmental regulations, and our operations are continuously improved in cycles through internal and external audits.

Eldorado's pulp mill is energy self-sufficient, with around 93% of our electricity requirements coming from renewable sources, and only 7% from non-renewable sources, including natural gas.

Energy self-sufficiency

Our pulp mill is energy self-sufficient with biomass generation capabilities that use waste materials from pulp production—such as lignin and wood waste—as fuel

1,477,000 MWh generated in 2020



766,000 MWh consumed on-site

430,000 MWh sold to chemicals suppliers co-located at the mill



281,000 MWh exported to the national grid – generating revenues of R\$ 62.5 million

RR-PP-130a.1



NON-RENEWABLE FUEL CONSUMPTION INTENSITY	2018	2019	2020
Fuel oil	750.81	719.63	687.94
LPG – forklifts	5.22	8.78	6.6

FUEL CONSUMPTION – NONRENEWABLE (GJ) GRI 302-1	2018	2019	2020
Fuel oil	1,287,640.53	1,285,254.40	1,218,281.89
LPG – forklifts	8,944.80	15,677.73	10,740.01
Diesel—generators/on-site vehicles	756,815.26	821,074.75	1,051,674.37
Gasoline—fleet	18,698.50	20,932.92	26,370.24
Natural gas—lime kiln	1,619,339.21	1,553,501.84	1,503,270.64
TOTAL	3,691,438.30	3,696,441.64	3,810,337.16

FUEL CONSUMPTION – RENEWABLE (GJ) GRI 302-1	2018	2019	2020
Liquor	33,504,338.15	34,476,346.38	32,954,396.57
Biomass	1,892,583.66	1,855,205.44	2,694,018.34
Biodiesel — diesel content	60,046.43	65,144.83	94,865.32
Ethanol — gasoline content	4,707.29	5,269.80	4,996.78
TOTAL	35,461,675.53	36,401,966.45	35,748,277.01

ENERGY INTENSITY GRI 302-3	2018	2019	2020
Energy intensity ¹ (within the organization)	23.08%	24.89%	23.63%
Type of energy	Electricity, Renewable fuel and Nonrenewable fuel	Electricity, Renewable fuel and Nonrenewable fuel	Electricity, Renewable fuel and Nonrenewable fuel

¹The metric we use to calculate the energy intensity rate is total pulp production, which was 1,715,366.00 t in 2018, 1,786,220.00 t in 2019, and 1,770,910.00 t in 2020.

ENERGY CONSUMED (GJ) GRI 302-1	2018	2019	2020
Electricity	4,335,656.73	4,360,383.26	4,306,333.54

ELECTRICITY SOLD (GJ) GRI 302-1	2018	2019	2020
Electricity	840,002.46	1,050,231.46	1,012,651.42

TOTAL ENERGY CONSUMED (GJ) GRI 302-1, RR-PP-130A.1	2018	2019	2020
Nonrenewable fuels	3,691,438.30	3,696,441.64	3,810,337.16
Renewable fuels	35,461,675.53	36,401,966.45	35,748,277.01
Electricity consumed	4,335,656.73	4,360,383.26	4,306,333.54
Electricity sold	840,002.46	1,330,984.97	1,012,651.42
TOTAL	42,648,768.10	43,127,806.38	42,852,296.29

Water and effluents GRI 103-2, 103-3 | 303

Eldorado relies on natural resources, in particular water, for its forestry and mill operations. Intelligent natural resource use, energy efficiency and low emissions create both operational benefits as well as environmental value for society. [GRI 103-1](#)

Eldorado Brasil conducts internal and external audits and visits to compile indicators that are monitored as part of our water resource management program.

We have dynamic ecosystem assessment processes that provide an early indication of any impacts from our operations and inform risk assessments and measures to prevent and mitigate impacts.

Our matrix of environmental and social aspects and impacts is periodically updated based on the results from audits, inspections and investigations of concerns raised by stakeholders. This way, all social and environmental aspects and impacts are identified and corrective and mitigation action is taken to ensure that natural resources are used responsibly at all times. Water resources in our state are regulated by laws and decrees that require

responsible use in a way that takes social, economic and environmental aspects into account. [GRI 303-1](#), [RR-PP-140a.2](#)

Wastewater discharge requirements and parameters are established in applicable regulations (CONAMA 430/2011). Eldorado Brasil also uses an Environmental Best-practice Index (IPA) as an internal environmental control. IPA limits are lower than those required by regulations, and are monitored on a daily basis and any deviations remediated promptly. [GRI 303-2](#)

Total water discharge in 2020 was 37,737.97 ML. Total water consumption was 6,021.25 ML, part of which was either incorporated into the product or evaporated in cooling towers. [GRI 303-4](#), [303-5](#)



Eldorado Brasil has one of the lowest plant water consumption rates per metric ton of pulp produced GRI 103-1

TOTAL VOLUME OF WATER WITHDRAWAL ACROSS ALL AREAS AND IN AREAS WITH WATER STRESS, BY SOURCE (ML) GRI 303-3, RR-PP-140A.1

	2018	2019	2020
SOURCE	ALL AREAS	ALL AREAS	ALL AREAS
Surface water (Total)	43,483.54 ML	44,814.44 ML	43,759.23 ML
Freshwater (≤1000 mg/l of Total Dissolved Solids)	43,483.54 ML	44,814.44 ML	43,759.23 ML
Groundwater (Total)	210.10 ML	133.73 ML	360.00 ML
Freshwater (≤1000 mg/l of Total Dissolved Solids)	210.10 ML	133.73 ML	360.00 ML
TOTAL	43,693.64 ML	44,948.17 ML	44,119.23 ML

¹ Surface water includes only water withdrawn for mill processes. Groundwater is used for our seedling nursery, with consumption increasing in 2020 compared with previous years due to increased seedling production.

Reducing water consumption

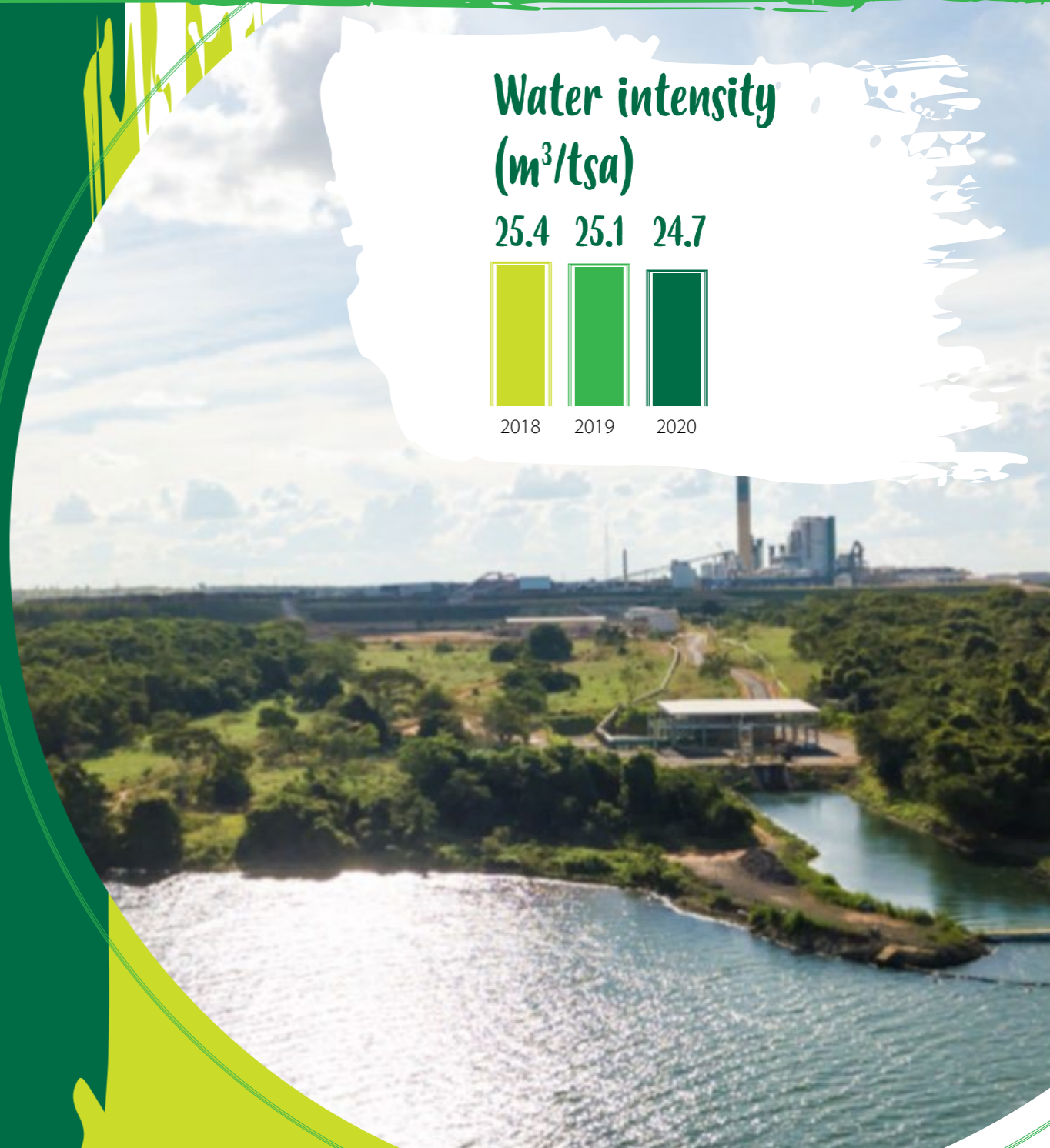
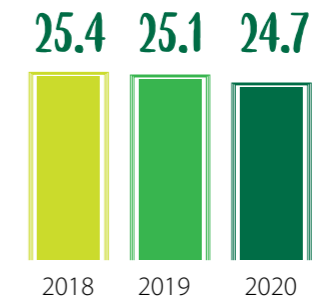


Each year, every metric ton of pulp we produce has consumed less water, less electricity and less chemicals, as well as generating less effluents



In 2020, our water intensity was **24.7 m³/t_{sa}**, down from 25.1 m³/t_{sa} in the previous year

Water intensity (m³/t_{sa})



Emissions

GRI 103-2, 103-3 | 305, RR-PP-110a.2

Our Environmental Best-Practice Index (IPA) is used to monitor both statutory and non-statutory emissions parameters in our production process. Eldorado Brasil uses more stringent operational limits than under Brazilian regulations, which helps to ensure the sustainability of the business and improves our environmental efficiency.

Particulate, NO_x and SO₂ emissions are monitored and assessed in accordance with environmental standards and are consistently below regulatory limits.

1,288,475 tCO₂e sequestered by eucalyptus plantations in the year

694.763 tCO₂e sequestered by protected areas in 2020

GREENHOUSE GAS EMISSIONS INTENSITY GRI 305-4	2018	2019	2020
Metric tons of pulp produced (ADT)	1715366.00	1786220.00	1770910.00
Total GHG emissions (t CO ₂ equivalent)	248304.46	216645.20	210065.90
Greenhouse gas emissions intensity	0.14	0.12	0.12

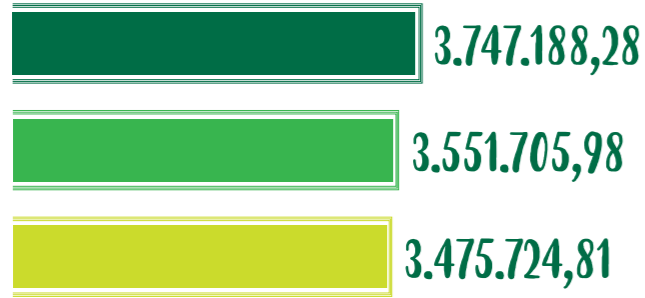
DIRECT GHG EMISSIONS (T CO ₂ EQUIVALENT) GRI 305-1, RR-PP-110A.1	2018	2019	2020
Agricultural (use of fertilizers)	33015.10	13652.55	3795.69
Production of electricity, heat or steam	135888.04	131438.81	126420.46
Transportation of materials, products, waste, employees and passengers	66202.93	55249.63	62418.37
Solid waste and wastewater	10359.89	11784.00	11954.13
Fugitive emissions	1944.88	3050.33	1705.40
TOTAL GROSS CO₂ EMISSIONS	247410.84	215175.32	202498.35

Note 1: Reductions of direct emissions (Scope 1): 2018, 25.280,55 tCO₂; 2019, 32.235,38 tCO₂; and 2020, 12.676,97 tCO₂. GRI 305-5

Note 2: Calculated based on the GHG Protocol method.

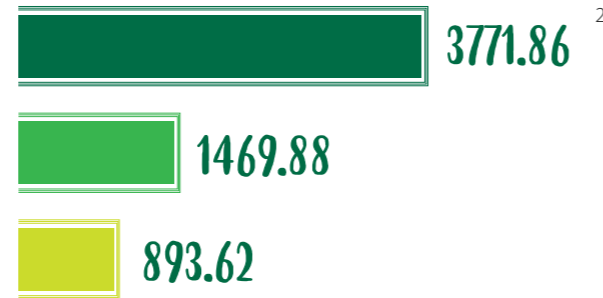


Biogenic CO₂ emissions (tCO₂ equivalent) GRI 305-1



2020
2019
2018

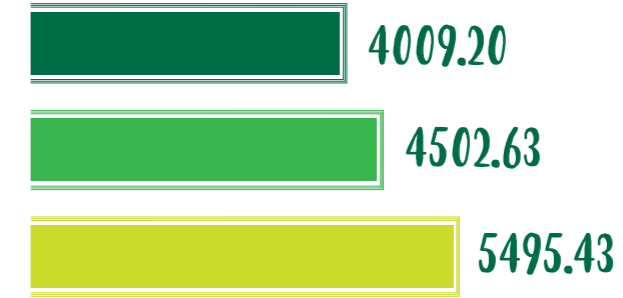
Energy indirect GHG emissions (tCO₂ equivalent) GRI 305-2



2020
2019
2018

¹ Calculated based on the GHG Protocol method.
² More electricity was purchased from the grid in the year due to a turbo generator set being shut down for maintenance.

Biogenic CO₂ emissions (t CO₂ equivalent) GRI 305-3



2020
2019
2018

¹ Calculated based on the GHG Protocol method.

Emissions in 2020 RR-PP-120a.1

NO_x: 2,695.36 t/year

SO_x: 111.35 t/year

Our Environmental Best-Practice Index (IPA) measures both statutory and non-statutory emissions parameters in our production process

OTHER GREENHOUSE GAS EMISSIONS (T CO₂ EQUIVALENT) GRI 305-3

	2018	2019	2020
UPSTREAM			
Transportation and distribution (third-party fleet—upstream)	44817.63	38666.75	28389.69
Transportation and distribution (third-party fleet—downstream)	294697.62	557185.73	285375.13
Business travel	234.30	305.72	65.18
Other activities — commuting	4764.72	4091.43	5005.72
TOTAL	344514.27	600249.6	318835.72

Waste

GRI 103-2, 103-3 | 306

Eldorado Brasil has a Waste Management Program comprising a set of management procedures that are planned and implemented in accordance with applicable legal requirements and technical standards.

The Program aims to minimize waste generation and ensure generated waste is disposed of in a safe, traceable and efficient manner that protects the health of employees, ensures natural resources are managed responsibly, and prevents environmental impacts.

The waste generated in our operations is primarily derived from our forestry, mill, seedling nursery and other value-chain operations. In our waste management activities we address two primary risks: the risk of biome littering and the risk of biome contamination. [GRI 306-1](#)

Eldorado Brasil's environmental education, leadership training and employee induction programs cover topics related to preventing and mitigating environmental impacts. We also conduct internal audits to ensure employees understand

waste management processes and procedures in order to improve waste management performance and reduce environmental violations. Eldorado has identified opportunities to improve our management of, and reduce environmental impacts from, chemical packaging, such as by using higher-volume chemical containers, maximizing packaging recycling, and reducing the risk of packaging-related violations. We have annual targets set for increasing the volumes of waste materials that are recycled. [GRI 306-2](#)

Waste volumes generated in our forestry and mill operations are measured on a monthly basis. This information is entered in an internal system that then generates KPIs used to inform waste management. Waste indicators are also reported to municipal, state and federal government agencies as required by applicable laws and regulations. [GRI 306-2](#)



TOTAL WASTE GENERATED BY COMPOSITION (T)^{GRI 306-3}

CATEGORY	2018		2019		2020	
	TYPE	QUANTITY GENERATED (T)	TYPE	QUANTITY GENERATED (T)	TYPE	QUANTITY GENERATED (T)
MILL						
Boiler sand	non-hazardous	4,213.59	non-hazardous	3,497.87	non-hazardous	4,179.52
Filter sand	non-hazardous	409.99	non-hazardous	499.21	non-hazardous	250.35
Digester stand	non-hazardous	378.24	non-hazardous	421.64	non-hazardous	394.85
Woodyard sand	non-hazardous	13,553.71	non-hazardous	14,721.80	non-hazardous	12,033.17
Lime	non-hazardous	807.52	non-hazardous	1,644.60	non-hazardous	2,221.11
Bark	non-hazardous	7,670.62	non-hazardous	9,598.89	non-hazardous	6,736.87
Ash	non-hazardous	3,349.83	non-hazardous	3,385.86	non-hazardous	3,742.51
Dregs	non-hazardous	21,633.50	non-hazardous	20,439.68	non-hazardous	21,857.32
Grits	non-hazardous	3,239.70	non-hazardous	4,237.47	non-hazardous	3,259.24
Lime mud	non-hazardous	1,534.43	non-hazardous	816.61	non-hazardous	15,069.15
Biological sludge	non-hazardous	5,2652.17	non-hazardous	57,378.21	non-hazardous	59,365.69
Water treatment sludge	non-hazardous	29.10	non-hazardous	29.23	non-hazardous	202.31
Primary sludge	non-hazardous	0.00	non-hazardous	0.00	non-hazardous	702.51
Knots	non-hazardous	3,204.40	non-hazardous	2,919.58	non-hazardous	3,314.99
Organic	non-hazardous	230.16	non-hazardous	261.81	non-hazardous	563.02
Shives	non-hazardous	8,227.85	non-hazardous	6,215.67	non-hazardous	3,109.10
Digester dust	non-hazardous	36.54	non-hazardous	17.50	non-hazardous	14.29

Our Waste Management Program comprises a set of waste management procedures that are planned and implemented in accordance with applicable legal requirements and technical standards

TOTAL WASTE GENERATED BY COMPOSITION (T)^{GRI 306-3}

CATEGORY	TYPE	2018		2019		2020	
		QUANTITY GENERATED (T)	TYPE	QUANTITY GENERATED (T)	TYPE	QUANTITY GENERATED (T)	
MILL							
Pulping waste	non-hazardous	1,670.13	non-hazardous	560.17	non-hazardous	2.80	
Wood Waste	non-hazardous	193.06	non-hazardous	98.81	non-hazardous	0.00	
Filter Cake - Sodium Chlorate Plant	non-hazardous	216.78	non-hazardous	167.37	non-hazardous	223.18	
FORESTRY AND NURSERY							
Bags	non-hazardous	28.08	non-hazardous	32.04	non-hazardous	20.71	
Chemical packaging	hazardous	50.00	hazardous	65.00	hazardous	60.00	
BOTH OPERATIONS							
Used lubricants	hazardous	76.00	hazardous	59.00	hazardous	74.00	
Paper/Cardboard	non-hazardous	48.21	non-hazardous	40.15	non-hazardous	35.45	
Plastic	non-hazardous	3.76	non-hazardous	138.56	non-hazardous	18.61	
Nonhazardous waste in general	non-hazardous	524.27	non-hazardous	602.91	non-hazardous	1,231.29	
Hazardous waste in general	hazardous	890.00	hazardous	800.00	hazardous	940.00	
Scrap metal	non-hazardous	330.21	non-hazardous	375.23	non-hazardous	266.95	
TOTAL		125,201.85		129,024.87		139,888.99	

Eldorado Brasil's practices aim to minimize waste generation and ensure waste is disposed of in a safe and traceable manner

TOTAL WASTE DIVERTED FROM DISPOSAL, BY RECOVERY OPERATION (T) GRI 306-4						
		2018		2019		2020
NONHAZARDOUS WASTE	LOCATION ORGANIZATION/ONSITE	TOTAL	LOCATION	TOTAL	LOCATION	TOTAL
Recycling	Within the organization	5603.941	Within the organization	5054.81	Within the organization	528.65
HAZARDOUS WASTE						
Recycling	Within the organization	76	Within the organization	59	Within the organization	74
TOTAL WASTE DIVERTED FROM DISPOSAL	ORGANIZATION	5603.94		5113.81		602.65

TOTAL WASTE DIVERTED FROM DISPOSAL, BY COMPOSITION (T) GRI 306-4			
COMPOSITION	QUANTITY DIVERTED FROM DISPOSAL (T)	QUANTITY DIVERTED FROM DISPOSAL (T)	QUANTITY DIVERTED FROM DISPOSAL (T)
Mill			
Lime mud	1,534.43	803.76	0
Shives	1,913.12	3,104.9	186.93
Pulping waste	1,670.13	560.17	0
Forestry and nursery	28,082	32.04	20.71
Bags			
Both operations			
Paper/Cardboard	4,820.85	40.15	35.45
Plastic	376.05	138.56	18.61
Scrap metal	330.21	375.23	266.95
Used lubricants	76	59	74
TOTAL	5,603.94	5,113.81	602.65

The weight of waste materials generated in our forestry and mill operations is measured monthly

TOTAL WASTE DIRECTED TO DISPOSAL, BY COMPOSITION (T) GRI 306-5

	2018	2019	2020
COMPOSITION	QUANTITY DIRECTED TO DISPOSAL (T)	QUANTITY DIRECTED TO DISPOSAL (T)	QUANTITY DIRECTED TO DISPOSAL (T)
Mill	4213.59	3497.87	4179.52
Boiler sand			
Filter sand	409.99	499.21	250.35
Digester stand	378.24	421.64	394.85
Woodyard sand	13553.71	14721.8	12033.17
Lime	807.52	1644.6	2221.11
Bark	7670.62	9598.89	6736.87
Ash	3349.83	3385.86	3742.51
Dregs	21633.50	20439.68	21857.32
Grits	3239.70	4237.47	3259.24
Lime mud	-	12.85	15069.15
Biological sludge	52652.17	57378.21	59365.69
Water treatment sludge	29.1	29.23	202.31
Primary sludge	-	-	702.51
Knots	3204.40	2919.58	3314.99
Organic	230.16	261.81	563.02
Shives	6314.73	3110.77	2922.17
Digester dust	36.54	17.5	14.29





TOTAL WASTE DIRECTED TO DISPOSAL, BY COMPOSITION (T) <small>GRI 306-5</small>	2018	2019	2020
COMPOSITION	QUANTITY DIRECTED TO DISPOSAL (T)	QUANTITY DIRECTED TO DISPOSAL (T)	QUANTITY DIRECTED TO DISPOSAL (T)
Pulping waste	-	-	2.80
Wood Waste	193.06	98.81	-
Filter cake - Sodium chlorate plant	216.78	167.37	223.18
Forestry and nursery	50.00	65.00	60.00
Chemical packaging			
Both operations	524.27	584.27	784.27
Nonhazardous waste in general			
Hazardous waste in general	890.00	800.00	940.00
TOTAL	119597.91	123892.42	138839.32

TOTAL WASTE DIRECTED TO DISPOSAL, BY OPERATION, IN METRIC TONS (T)	2018	2019	2020
NONHAZARDOUS WASTE	WITHIN THE ORGANIZATION/ONSITE	WITHIN THE ORGANIZATION/ONSITE	WITHIN THE ORGANIZATION/ONSITE
Incineration (with energy recovery)	7863.68	9697.70	6736.87
Landfilling	110987.29	113428.53	131105.25
TOTAL	118850.97	123126.23	137842.12
HAZARDOUS WASTE			
Landfilling	890.00	800.00	940.00
Other disposal operations	50.00	65.00	60.00
TOTAL	940.00	865.00	1000
TOTAL WASTE DIRECTED TO DISPOSAL	119597.91	123892.42	138839.32

Onça Pintada Thermal Power Plant

GRI 102-7, 102-10

In 2020 we completed construction of our Onça Pintada (“Jaguar”) thermal power plant, a biomass-fueled facility co-located at our pulp mill. The R\$ 400 million investment was fully funded by Eldorado Brasil, with no government subsidies or financing.

The power plant is the first in Brazil to employ a unique technology that uses eucalyptus stumps, roots and spoiled pulpwood—which has been damaged by pests, disease, fires, natural death, windstorms or drought—to produce biomass from eucalyptus forests.

Before the power plant was built, spoiled pulpwood was either sold at a negligible price or stockpiled in the field for natural decomposition, occupying part of the useful area for planting. With the power plant

also using eucalyptus stumps and roots as biomass, our eucalyptus forests are now fully utilized within our own value chain, making our operations more efficient and sustainable within a circular economy approach.

In addition to providing a value-added use for eucalyptus waste, the new power plant uses the biomass to generate 100% clean and renewable electricity, enough to power a city with a population of 700,000.

The power plant started operation in April 2021 after receiving authorization from the Brazilian power sector regulator, ANEEL (to supply power to the grid via the Regulated Contracting Environment (ACR)); the National Grid Operator (ONS); and the Mato Grosso do Sul state environmental authority, IMASUL.

Onça Pintada Thermal Power Plant

50 Megawatt/h capacity

1,500 metric tons of biomass

per day

35,000 m² in built area

110 jobs supported, including in forestry and plant operations

1,500 jobs created during the plant construction phase

The new power plant is the first in the pulp industry to use eucalyptus stumps as biomass

THE NEW POWER PLANT IS THE FIRST IN THE PULP INDUSTRY TO USE EUCALYPTUS STUMPS AS BIOMASS

Our Onça Pintada (“Jaguar”) thermal power plant is the first in our industry to produce biomass from eucalyptus stumps. As a novel process, the project presented a number of challenges—from the development of the engineering design to the procurement and installation of pre-chipping, screening and final chipping machines.

Eldorado Brasil was required to import specially designed machines from Europe as they were not available in Brazil. Learn more about how eucalyptus biomass is produced at Eldorado Brasil in the chart on the following page.



Generating renewable electricity from eucalyptus biomass

The Onça Pintada ("Jaguar") power plant produces clean electricity from eucalyptus stumps and roots supplied from 100% planted forests.

1 STUMP REMOVAL

After harvesting the pulplogs, a specially designed excavator removes the eucalyptus stumps and roots from the ground.

2 STUMP FORWARDING

Approximately 30 days after removal, a specially designed truck is loaded with the stumps and roots.

3 CHIPPING

Another 30 days after forwarding, the stumps and roots are pre-chipped.

4 DIRT REMOVAL

The woodchips are placed in a trommel screen to remove excess dirt. After screening, the woodchips are processed in a final woodchipper and placed in storage before being transported to the power plant.

100% EUCALYPTUS WOOD, generating renewable electricity

50 MEGAWATT CAPACITY

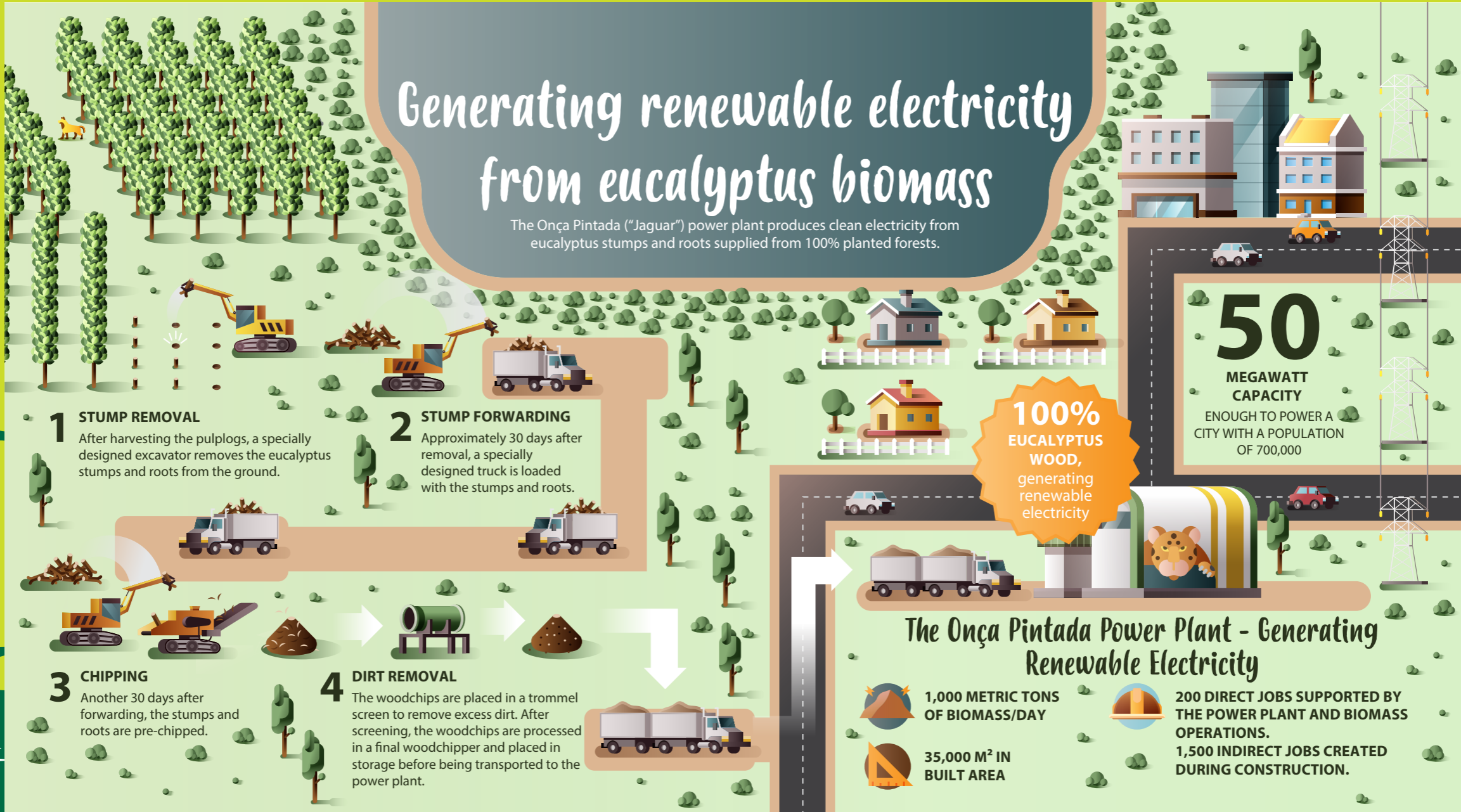
ENOUGH TO POWER A CITY WITH A POPULATION OF 700,000

The Onça Pintada Power Plant - Generating Renewable Electricity

1,000 METRIC TONS OF BIOMASS/DAY

35,000 M² IN BUILT AREA

200 DIRECT JOBS SUPPORTED BY THE POWER PLANT AND BIOMASS OPERATIONS.
1,500 INDIRECT JOBS CREATED DURING CONSTRUCTION.



Social



Stakeholder engagement
Our people
Communities

Stakeholder engagement

Eldorado Brasil's operations have both a positive and negative impact on the communities surrounding our forestry and plant operations, the Onça Pintada power plant, and our pulpwood haulage and pulp shipping logistics operations, which haul most of the pulp volumes to ports located in the South and Southeast of Brazil for shipment to customers abroad (more on page 16).

Eldorado Brasil involves its main stakeholders in a materiality assessment to understand who these audiences are, their visions and their environmental, social and governance priorities, all of which must be addressed as part of the Company's ESG strategy.

During the course of the year we also engage with those stakeholders that are directly or indirectly impacted by Company business and operations, to ensure positive value from the programs and actions implemented by Eldorado Brasil.

This is why frequent interactions with the communities around our operations, our customers, suppliers, the government (for the regulatory and legal compliance matters that underlie operating permits) and employees is part of our culture. Regarding our employees, we realize we are fully dependent on them to deliver quality and positive performance in our business and operations.

PARTICIPATION IN EXTERNAL ASSOCIATIONS AND ORGANIZATIONS WITH A FOCUS ON THE BUSINESS AND THE ESG AGENDA GRI 102-12, 102-13

Eldorado Brasil is a member of industry associations, and takes part in strategically relevant technical meetings with the timber industry, and in pulp forums to keep up with industry trends.

We are actively involved in social and environmental agendas in Brazil and abroad. The priority topic of our ESG agenda is FSC®, CERFLOR and PEFC certification (read more on page 32).

ACCESS OTHER ELDORADO BRASIL PUBLICATIONS

Eldorado Brasil Forest Management Plan, at
<http://eldoradobrasil.com.br/Institucional/Imprensa%20Comunica%C3%A7%C3%A3o/Publicacoes>

Greenhouse gas inventory, at
<https://www.registropublicodeemissoes.com.br/participantes/568>

2020 Annual Report and Financial Statements, at
<https://eldoradobrasil.com.br/Investidores/Informacoes-financeiras/Relatorio-Anual>





STAKEHOLDERS GRI 102-40

APPROACH TO ENGAGEMENT GRI 102-43

MAIN CONCERNS RAISED GRI 102-44

Communities and civil society

Calendar of periodic meetings with neighbors and the community.

Social programs, including vegetable gardens, training courses for the surrounding communities and smallholder settlements.

Continuous outreach via communication channels, availability of a center to receive community requests and complaints, availability of an Ethics Hotline.

Keep a harmonious and transparent relationship with the communities within the area of influence of our operations and civil society as a whole, creating income and jobs.

Customers

Hold meetings, forums and commercial events with customers during the course of the year.

Provide a channel for customer complaints on the Eldorado Brasil website.

Monitor and manage concerns raised by business partners.

Maintaining certifications attesting to the good social and environmental practices in place within the Company, and making clear our stance against logging in native forests. Through innovation, we have improved our relations with customers by ensuring high product quality, ongoing communications with teams specializing in pre- and after-sales, and efficient delivery.

Government and industry associations

A schedule of periodic meetings, working with partners on infrastructure and centers to receive requests. Regular participation in working groups and surveys to create improvements for the region.

Ensure a regular agenda with government and institutions to maintain transparent and ethical relationships.

Increasingly contribute to sustainable development, creating jobs and income for society, always responsibly using natural resources in our production processes.

NGOs and Forums

Participate in meetings, forums and industry and NGO working groups to discuss public policies and topics relevant for industry development, seeking sustainable development.

We are members of the WWF MS Forum, and signatories of the UN Global Compact and the Brazil Climate Coalition. We are members of Instituto Ethos de Empresas e Responsabilidade Social, and active members of FSC International, IBÁ – Indústria Brasileira de Árvores, ABTCP (the Brazilian Pulp and Paper Association), REFLORE (the Association of Mato Grosso do Sul Reforestation Companies) and IPEF (Institute for Forestry Studies and Research). [GRI 102-12](#) [102-13](#)

We strive to maintain close dialog with NGOs, sharing information about our processes and their potential positive or negative impact, keeping an open communication channel.

Regarding associations, we are active participants in these forums, seeking to improve our processes and share experience with other industries.

Suppliers

We manage our entire supply chain. Our suppliers are committed to best socioenvironmental practices, in line with our Code of Conduct and Ethics and Brazilian and international legislation.

Maintaining an active supply chain for services, products and materials for production.



STAKEHOLDERS GRI 102-44

APPROACH TO ENGAGEMENT GRI 102-43

MAIN CONCERNS LISTED

Shareholders and investors

Maintain close and frequent relationships with our stakeholders, primarily via phone or video-calls (Microsoft Teams).

We manage concerns reported by stakeholders and share information on our business results and operating performance.

Our economic, environmental, social and governance results, as well as our performance, are transparent.

Employees

Periodic communications on results, collective bargaining agreements, internal communications via our Intranet, internal memos, periodic newsletters, PA systems on shuttle buses, and visual management dashboards.

Training and skills building, communication of job openings and internal recruiting, compensation and benefits.

Offering performance incentives such as rewards for innovation projects and variable compensation programs.

We monitor concerns reported by employees to ensure the continued growth and development of our workforce, while also improving quality of life for our people and their families.

Continuously engaging with employees, supporting their growth and development, providing regular employee training, improving quality of life and safety.

Creating employment and income.

Forestry Partners

An annual meeting and telephone contact with our forestry partners.

Contract management via post-leasing, keeping our forestry partners informed and answering questions during the course of the contract.

Quickly answering questions posed by our forestry partners.

Keep an active and open communication channel with our forestry partners.

Maximize plantation development and yields using new techniques (genetic material and planting techniques).

Ground- and camera-based monitoring to minimize forest fire outbreaks in our planted forests.

Maintain long-term (16-year) agreements and attempt to renew most of them, maintaining our forest base and ensuring income for our forestry partners.

Provide faster/easier response to the contractual demands of our forestry partners.



Our people

Priority topic: Human and organizational development

Employee onboarding program; attracting and retaining talent; performance reviews; leadership development; average training hours per year.

Also covers: Organizational Culture; People Management Model, HR Analytics; Training & Development (Programs, KPIs, Onboarding (employee induction and experience) and Offboarding (KPIs).

SDG: 5 and 8

Targets: 5.1 and 5.5, 8.5

Boundary of impact: Employees

GRI Standard: 203, 102-8, 401-1



Eldorado Brasil is known in the industry for the quality of our eucalyptus pulp; as a leader in the use of technology and R&D in our forest operations; for our high-performing mill operations—which have broken production records year after year; and for the trust-based relationships we have with our customers. These and other competitive advantages are entirely thanks to our employees.

Our organizational culture is one that focuses on people and values our employees. Creating long-term added value is the result of our responsible conduct, based on the development, engagement and training of our employees. Eldorado Brasil deploys practices and processes to provide health, safety, well-being and quality of life for our people.

We first engage Our People around our values, and our team is part of our strategy to foster our job-creating brand with our external stakeholders.

For example, we have a program titled "Referring People Like Us" to attract professionals with a good fit with our organizational culture. These selection processes are open to all professionals regardless of race, ethnicity, gender and special needs.

Employees are managed according to Brazilian consolidated labor regulations (CLT) and the collective agreements signed with employees and unions. We also have formal HR practices that address Compensation, Recruiting and Training. [GRI 103-2, 103-3 | 401](#)

Eldorado Brasil organizes surveys and benchmarking in compensation, benefits, and best practices in development and training. [GRI 103-2, 103-3 | 203](#)

Attracting talent

We run a transparent and automated selection process that is convenient and optimized for those participating in the process, regardless of location.

We hire professionals who share Company values and have the correct strategic skills and competencies for the position in question. We offer benefits and policies such as variable compensation, profit sharing, private pension plan, collective agreements, health and dental insurance, all of which foster retention.



Organizational Development

Eldorado Brasil performs the following employee development actions.

New Employee Onboarding: induction training in modules that include an introduction to the Company business and operations (with information about our history, production volumes, organizational structure, market data, main customers, Code of Conduct and Ethics, etc.). This training also presents HR processes, such as our working hours, vacations, absences, health and safety.

Legally Required Training (Safety Regulations) for each employee based on the position held, with a qualification matrix showing the required training and how often it must be completed.

Technical and Behavioral Training: we provide technical training based on the employee's position to help them become qualified and develop specific skills for their role using distance and face-to-face learning.

Leadership Training: training, mentoring and/or coaching to train future leaders and improve those already in leadership positions.

English Language Training: offered to employees who must use English in their job.

Employees in 2020

4,661 employees

Midwest: 4,307 – in our forestry and mill operations

Southeast: 354 – at our headquarters and the nursery in Andradina (SP)

Training and development

We have invested R\$ 13million in training and development in the past decade. Eldorado prioritizes local hiring GRI 103-1





Health and safety

We ensured that appropriate COVID-19 safety protocols were in place during the pandemic, and that health and safety measures were properly communicated and emphasized to employees (read more on page 4).

In 2020, our forestry operations reached a historical milestone of more than 6 million man-hours worked with no lost-time injuries. This year saw the smallest number of lost-time injuries in our forestry activities since Eldorado Brazil started operation in 2010. The injury frequency rate was 0.67.

Planting operations were halted during the critical periods of the pandemic to protect the safety of our employees. This required us to revise our operational planning. Employment contracts were temporarily suspended with incentives from the Federal Government, and many employees were furloughed. No employees were terminated as a result of the pandemic and the curtailment of our operations.

Contracts with third-party seedling suppliers were renegotiated, and our tractor and implement fleet was taken out of service but kept in a ready condition to resume operation.

Despite the challenges created by the COVID-19 pandemic, in 2020 our production levels were successfully maintained as planned in 2019. Eldorado Brasil implemented health and safety measures that included: staggered work shifts, hygiene campaigns, and regular engagement activities organized by the Sustainability and Human Resources departments to communicate COVID-19 safety measures. At the mill, access was restricted in strategic areas of the facility.

In our logistics operations, management training was intensified via videoconferencing. Significant safety investments were also made in our pulpwood haulage operations (which transport pulpwood from our eucalyptus forests to the mill in Três Lagoas), including:

- New trucks with vehicle tracking, vehicle performance and driver safety monitoring systems;
- Training;
- Real-time, end-to-end haulage tracking systems.

TOTAL WORKFORCE BY EMPLOYMENT CONTRACT AND GENDER GRI 102-8

CONTRACT TYPE	2018			2019			2020		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Permanent	3040	510	3550	3474	640	4114	3896	765	4661
Temporary	85	25	110	4	5	9	0	0	0
TOTAL	3125	535	3660	3478	645	4123	3896	765	4661

TOTAL WORKFORCE BY EMPLOYMENT CONTRACT AND REGION GRI 102-8

REGION	2018			2019			2020		
	TEMPORARY	PERMANENT	TOTAL	TEMPORARY	PERMANENT	TOTAL	PERMANENT	TOTAL	
Midwest	108	3289	3397	9	3829	3838	4307	4307	
Southeast	2	261	263	0	285	285	354	354	
TOTAL	110	3550	3660	9	4114	4123	4661	4661	

*In 2020 Eldorado Brasil had no temporary employment contracts.

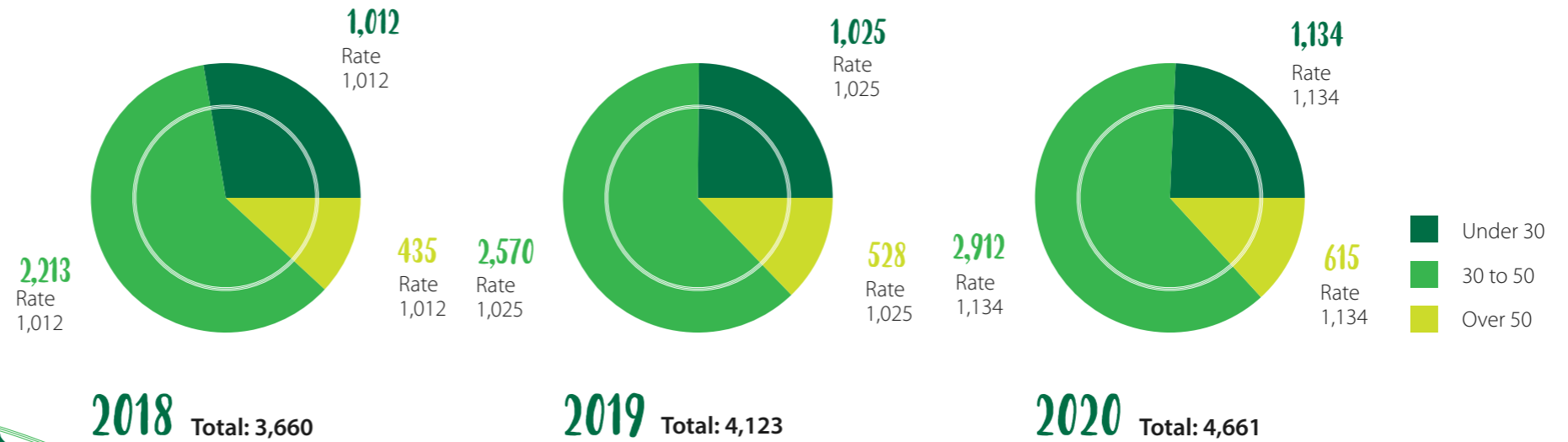
WORKFORCE BY EMPLOYMENT TYPE GRI 102-8

EMPLOYMENT TYPE	2018			2019			2020		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Full time	3097	522	3619	3474	640	4114	3896	765	4661
Part time	28	13	41	4	5	9	-	-	-
TOTAL	3125	535	3660	3478	645	4123	3896	765	4661



Workforce by age group

GRI 102-8



WORKFORCE BY EMPLOYEE CATEGORY GRI 102-8

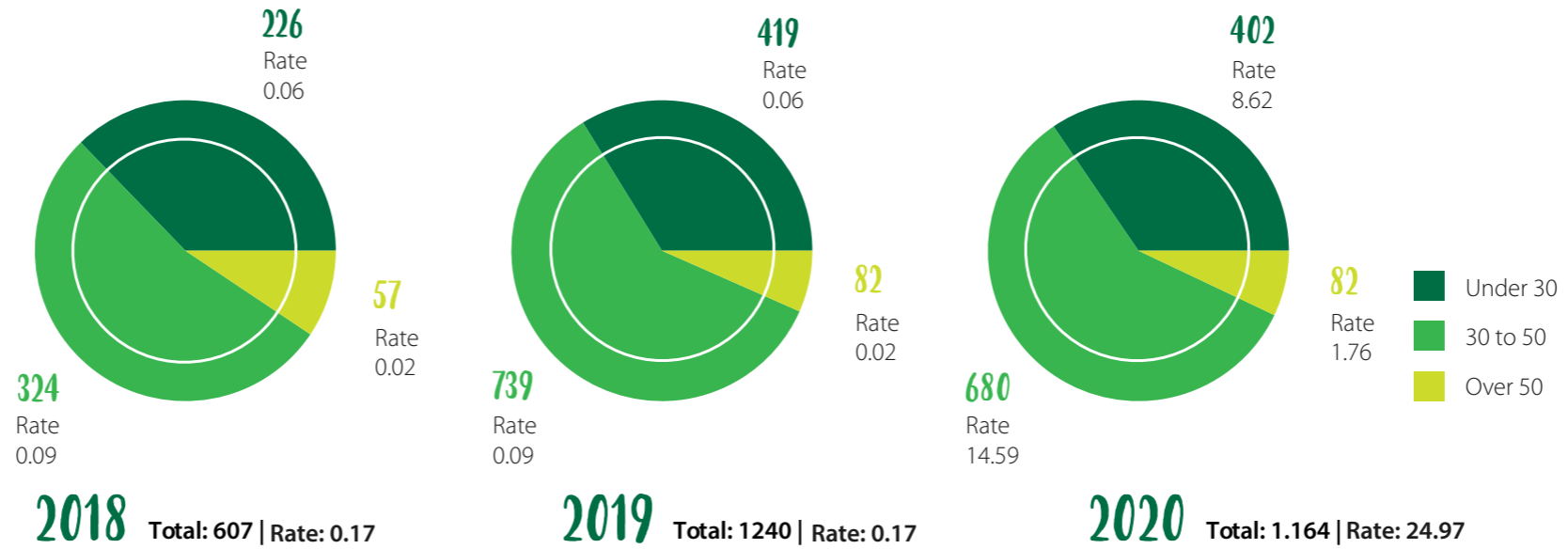
	2018	2019	2020
Executive Officers	5	7	8
Managers	30	37	38
Heads/coordinators	70	92	105
Technical/supervisor	358	383	412
Administrative	365	408	458
Operational	2,791	3,187	3,640

WORKFORCE BY EMPLOYEE CATEGORY GRI 102-8

	2018	2019	2020
Apprentices	29	0	0
Interns	12	9	0
TOTAL	3,660	4,123	4,661

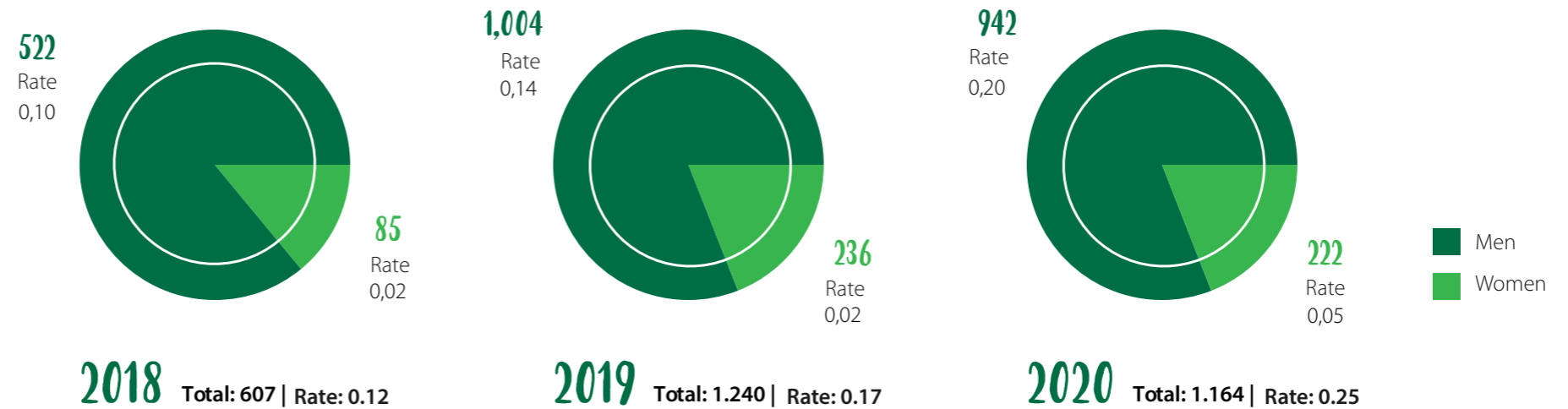
New hires by age group

GRI 401-1



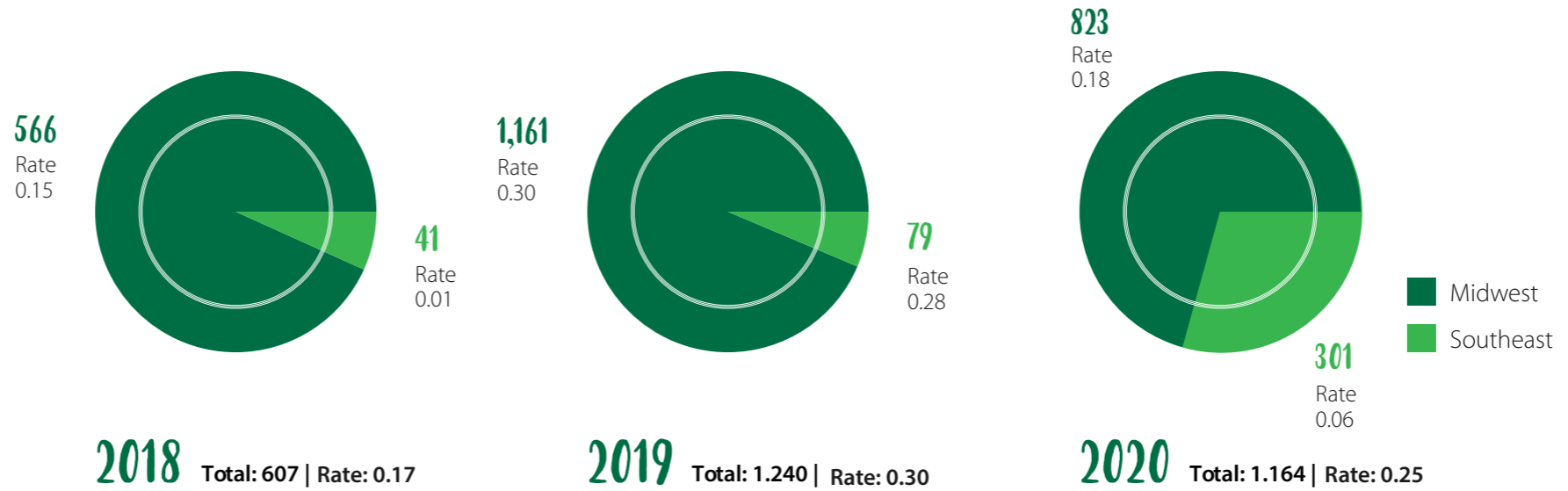
New hires by gender

GRI 401-1



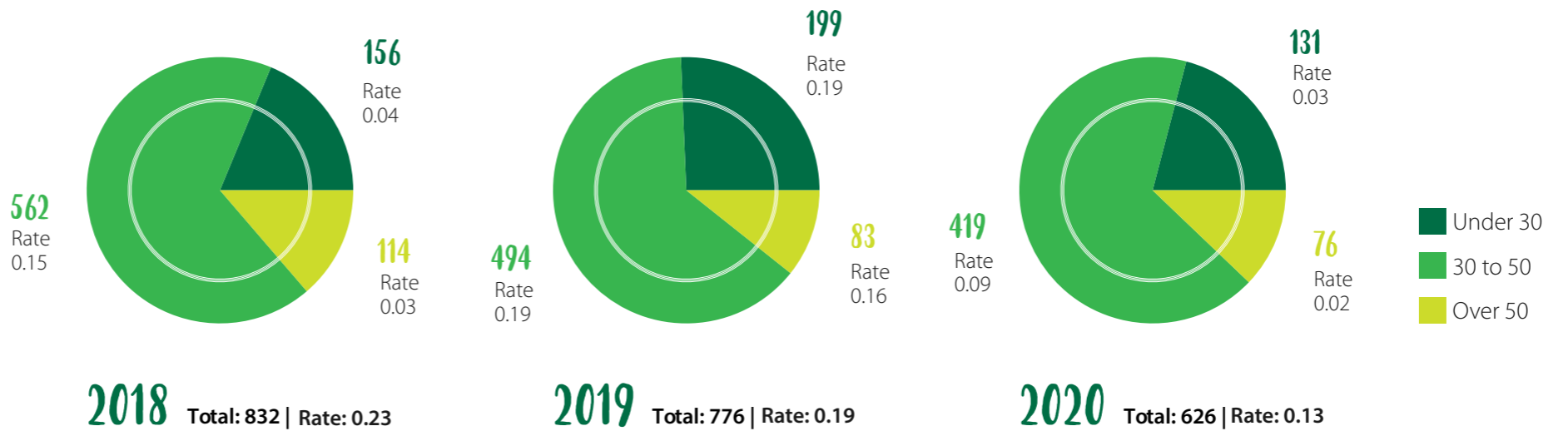
New hires by region

GRI 401-1

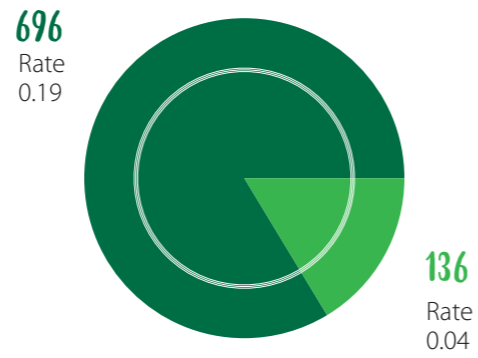


Turnover by age group

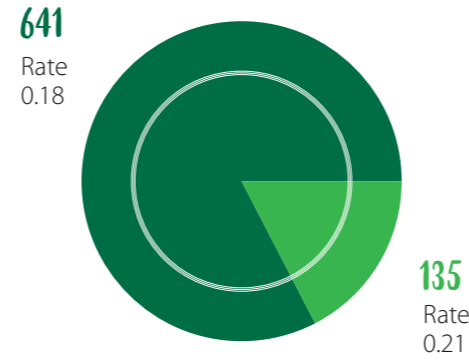
GRI 401-1



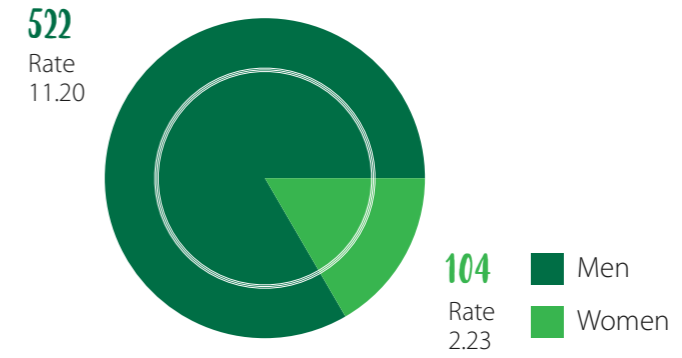
Turnover by gender RI 401-1



2018 Total: 832 | Rate: 0.23



2019 Total: 776 | Rate: 0.23



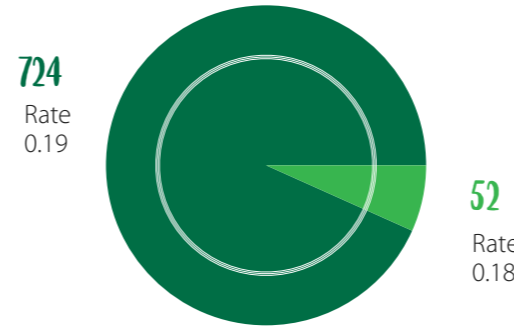
2020 Total: 626 | Rate: 13.43

Men
Women

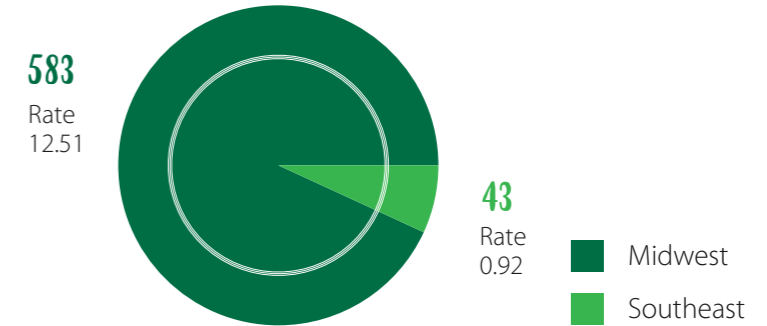
Turnover by region GRI 401-1



2018 Total: 832 | Rate: 0.23



2019 Total: 776 | Rate: 0.19



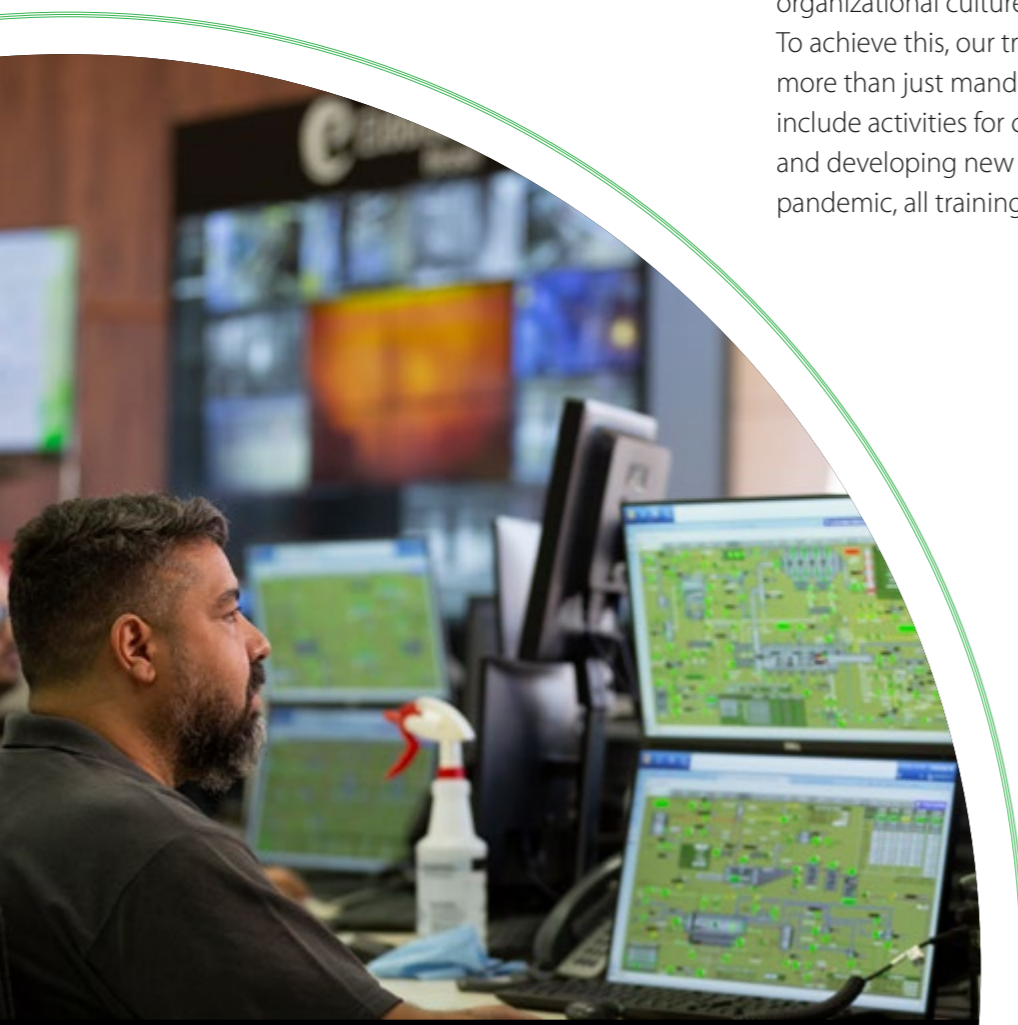
2020 Total: 626 | Rate: 13.43

Midwest
Southeast

Training and development

GRI 103-2, 103-3 | 404

At Eldorado Brasil we are faced with the challenge of developing our employees in line with our organizational culture, values and strategic levers. To achieve this, our training programs provide more than just mandatory and technical training to include activities for continuous education, reskilling and developing new mindsets. Due to the COVID-19 pandemic, all training was migrated online.



AVERAGE HOURS OF TRAINING PER EMPLOYEE BY GENDER GRI 404-1	2018	2019	2020
Men	28.83	45.10	42.81
Women	16.38	23.96	33.65
TOTAL	27.01	41.76	41.48

AVERAGE HOURS OF TRAINING PER EMPLOYEE BY EMPLOYEE CATEGORY GRI 404-1	2018	2019	2020
CEO	-	-	1.15
Executive Officers	6.40	4.93	1.17
Managers	24.17	28.77	9.56
Heads/coordinators	39.65	12.02	7.30
Technical/supervisor	82.23	71.38	33.15
Administrative	9.16	32.28	13.16
Operational	21.68	40.43	48.91

AVERAGE HOURS OF TRAINING PER EMPLOYEE BY EMPLOYEE CATEGORY GRI 404-1	2018	2019	2020
Trainees	62.93	41.45	25.48
TOTAL	25.54	41.79	41.48



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

GRI 404-3

	2018			2019			2020		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
CEO	100.00	-	100.00	100.00	-	100.00	100.00	-	100.00
Executive Officers	100.00	-	100.00	100.00	-	100.00	100.00	-	100.00
Managers	96.00	100.00	97.00	92.86	100.00	93.33	100.00	100.00	100.00
Heads/coordinators	98.00	80.00	96.00	92.96	100.00	93.98	100.00	100.00	100.00
Technical/supervisor	62.10	69.00	62.00	98.67	95.56	98.67	100.00	100.00	100.00
Administrative	10.50	8.00	9.00	61.36	83.33	69.12	100.00	100.00	100.00
Operational	7.60	3.60	7.00	100.00	100.00	100.00	100.00	100.00	100.00
TOTAL	16.30	10.50	15.00	94.69	93.02	94.48	100.00	100.00	100.00

¹Eldorado Brasil sets a cutoff date 3 months in advance of the 360° Assessment process to ensure that the primary goal of the assessment is met, which is employees being evaluated and evaluating others on alignment with our values. Only employees hired or promoted (where eligible to 360° Assessments) prior to the cutoff date participate in the 360° Assessment process.

Priority topic: Local community development

Managing positive and negative social, environmental and economic impacts on surrounding communities; environmental education activities and social initiatives in municipalities within our area of influence; company engagement in the social programs of partner organizations; and corporate volunteer work.

SDG: 11, 12 and 17

Targets: 11.3, 11.6 e 11.a; 12.8; 17.16

Boundary of impact: Communities, Suppliers, Employees, Environment

GRI, SASB and ETHOS disclosures: 102-9, 203-2, 413-1, 413-2, RR-FM-210a.2

Communities

by these stakeholders. We also contribute to local development by creating jobs and investing in the health and the economy of the areas where we do business. In the past ten years, these investments totaled R\$ 35 million. [GRI 103-1, RR-FM-210a.2](#)

Currently, Eldorado Brasil organizes independent FSC® and CERFLOR certification audits that check the compliance of our management practices in themes that impact local communities. This process investigates issues such as mapping and monitoring potential negative and positive impacts, measures adopted to mitigate or enhance those impacts, handling community complaints and concerns, social projects implemented and social monitoring performed in the areas where the Company is present. [GRI 103-2, 103-3 | 413](#)

A key focus for Eldorado Brasil in ESG is local development with social responsibility, investing in health, education and development of local communities. Our culture includes partnering and developing transparent and close relationships with the communities surrounding our operations.

Engagement initiatives are aligned with a strategic plan for stakeholder relations. These are aligned with an organizational culture that is concerned with people, our employees and family members, the surrounding communities and those living in the areas benefited by value creation from the projects and initiatives led by Eldorado Brasil. We constantly monitor the socioeconomic impact of our operations, and once a year conduct a relationship process with the local communities to address the priority issues and concerns raised



Photo taken prior to the COVID-19 pandemic.

SIGNIFICANT NEGATIVE IMPACT - REAL AND POTENTIAL - ON LOCAL COMMUNITIES GRI 413-2

Real impact:

- Particulate (dust) emissions;
- Noise emissions.

Potential impact:

- Momentary degradation of the road network;
- Risk of contamination with agrochemicals;
- Risk of accidents with pulpwood loads.



Integrated and Sustainable Agroecological Production (PAIS)

Eldorado Brasil worked with SEBRAE to develop social technology known as Integrated and Sustainable Agroecological Production (PAIS), introducing small farmers to organic agriculture.

The Company has distributed 45 PAIS kits (equipment and inputs for vegetable gardens) in smallholder settlements in Três Lagoas and Selvíria in Mato Grosso do Sul, and every year holds training workshops for farmers. We also provide lime and organic fertilizer.

To further support organic farming, we purchase the vegetables for our plant cafeterias in Três Lagoas (MS), providing healthy meals to our employees.

In 2020 Eldorado Brasil purchased some 20 metric tons of organic produce from small farmers, equivalent to R\$ 92,391.00.

We also support two restaurants located on our forestry properties that provide meals for Eldorado Brasil employees. In the year, 12,747 meals and 7,975 breakfasts were purchased, providing these establishments with R\$ 300,449.25 in gross revenue.

COMMUNICATION CHANNELS WITH THE COMMUNITY GRI 413-1 [ETHOS SECTOR DISCLOSURES (PULP & PAPER)]

To share information of interest regarding our business and operations with our stakeholders, the Sustainability Department, through its Social Engagement and Relationship team (SER), has an agenda of actions and processes to maintain close contact with Eldorado Brasil’s strategic stakeholders (see more on page 58).

With transparency, agile response and close listening, Eldorado Brasil has communication channels to serve its main stakeholders - sustentabilidade@eldoradobrasil.com.br and a local number that can be used for complaints, suggestions, praise and requests, and to keep track of these responses.

Eldorado interacts with the press and organizes communication campaigns on relevant ESG themes. We also participate in industry forums and committees, visit unions and provide and widely advertise our Ethics Hotline for reports and concerns.

Ethics Hotline

For community and stakeholder complaints and requests we provide an Ethics Hotline that forwards cases to the areas in charge for resolution.

Whistleblowing Channel
linhaetica@eldoradobrasil.com.br
0800 527 5280

Odor Perception Network

Stakeholders can report odor using the Odor Perception Network (OPN), available via a specific phone number available to all parties directly impacted. A response is given within an hour from the time the complaint was made.

An Ethics Hotline is available to report violations of laws and regulations or the Eldorado Brasil Code of Conduct & Ethics

GRIEVANCE MECHANISMS GRI 103-2

GRIEVANCES ¹	2018	2019	2020
Number of grievances filed	245	333	388
Number of grievances addressed	245	333	388
Number of grievances resolved	245	333	388

¹ The growing number of Ethics Hotline reports demonstrates that it is being actively used by employees, local communities and third parties to report potential misconduct. This shows that stakeholders trust the Hotline as an anonymous and confidential tool to report concerns. Eldorado Brasil’s management is committed to providing needed support to ensure that our reporting channels are used effectively to drive continual improvement.

The development of our operations generates local development

GRI 203-2

Eldorado Brasil's investments in infrastructure, forestry and mill operations, pulpwood haulage and pulp logistics, and new technologies, and our efforts to develop the value chain and increase its competitiveness in the market, all help to drive local development.

Our activities support and create jobs; improve employee income by providing variable compensation and benefits packages that also extend, in some cases, to their families; and support career development. [GRI 103-2, 103-3 | 203-2](#)

Other benefits include local development, creating demand for skilled workers, and training professionals who have strong ethical values and a sustainability mindset as part of our organizational culture at Eldorado Brasil.

Another significant economic impact in 2020 was the 500 jobs created during the construction of the Onça Pintada power plant. Hires for the project also generated indirect economic impacts by helping to drive the local economy in Três Lagoas (MS).

SUPPLIER MANAGEMENT [GRI 102-9](#)

In 2020 our supply chain comprised a total of 420 suppliers of services and materials.

Eldorado Brasil prioritizes local suppliers, particularly in Três Lagoas (MS), which accounts for 72% of our supplier base. The remaining suppliers are located in other municipalities where we operate.



NUMBER OF SUPPLIERS BY MUNICIPALITY [GRI 102-9](#)

TRÊS LAGOAS	304
ANDRADINA	34
ÁGUA CLARA	15
INOCÊNCIA	13
APARECIDA DO TABOADO	12
BATAGUASSU	11
RIBAS DO RIO PARDO	10
SELVIRIA	7
SELVÍRIA	4
BRASILÂNDIA	3
PARANAÍBA	2
SANTA RITA DO PARDO	2
ANASTÁCIO	2
DOIS IRMÃOS DO BURITI	1



GRI Content Index 102-55

GENERAL DISCLOSURES

GRI STANDARD	DISCLOSURE	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
GRI 101: FOUNDATION 2016				
	GRI 101 contains no disclosures			

ORGANIZATIONAL PROFILE

GRI 102: General disclosures 2016	102-1 Name of the organization	12		
	102-2 Activities, brands, products, and services	12		
	102-3 Location of headquarters	12		
	102-4 Location of operations	12 and 13		
	102-5 Ownership and legal form	12		
	102-6 Markets served	16		
	102-7 Scale of the organization	12, 15, 17, 18, 34, 40 and 53		
	102-8 Information on employees and other workers	13, 60, 64 and 65		8, 10
	102-9 Supply chain	27, 29, 71 and 74		
	102-10 Significant changes to the organization and its supply chain	17, 18, 40 and 53		
	102-11 Precautionary principle or approach	25		
	102-12 External initiatives	27, 28, 40, 57 and 58		
	102-13 Membership of associations	27, 28, 33, 40, 57 and 58		



GENERAL DISCLOSURES

GRI STANDARD	DISCLOSURE	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
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STRATEGY

GRI 102: General disclosures 2016	102-14 Statement from senior decision-maker	2		
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ETHICS AND INTEGRITY

GRI 102: General disclosures 2016	102-16 Values, principles, standards, and norms of behavior	12		16
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GOVERNANCE

GRI 102: General disclosures 2016	102-18 Governance structure	23		
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STAKEHOLDER ENGAGEMENT

GRI 102: General disclosures 2016	102-40 List of stakeholder groups	58 and 59		
	102-41 Collective bargaining agreements	All employees at Eldorado Brasil are covered by collective bargaining agreements.		8
	102-42 Identifying and selecting stakeholders	10		
	102-43 Approach to stakeholder engagement	40, 58 and 59		
	102-44 Key topics and concerns raised	40, 58 and 59		



GENERAL DISCLOSURES

GRI STANDARD	DISCLOSURE	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
REPORTING PRACTICES				
GRI 102: General disclosures 2016	102-45 Entities included in the consolidated financial statements	6		
	102-46 Defining report content and topic Boundaries	7 and 8		
	102-47 List of material topics	7 and 8		
	102-48 Restatements of information	17		
	102-49 Changes in reporting	10		
	102-50 Reporting period	6		
	102-51 Date of most recent report	6		
	102-52 Reporting cycle	6		
	102-53 Contact point for questions regarding the report	6		
	102-54 Claims of reporting in accordance with the GRI Standards		This report has been prepared in accordance with the GRI Standards—“Core” option.	
	102-55 GRI content index	75		
	102-56 External assurance	6		



MATERIAL TOPICS

GRI STANDARD	DISCLOSURE	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
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ECONOMIC PERFORMANCE

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	8		
	103-2 The management approach and its components	17		
	103-3 Evaluation of the management approach	17		
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	16 and 17		8, 9
	201-2 Financial implications and other risks and opportunities due to climate change	26		13

INDIRECT ECONOMIC IMPACTS

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	8		
	103-2 The management approach and its components	74		
	103-3 Evaluation of the management approach	74		
	203-2 Significant indirect economic impacts	71 and 74		1, 3, 8

ANTI-CORRUPTION

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	8		
	103-2 The management approach and its components	29		
	103-3 Evaluation of the management approach	29		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	27 and 29		16



MATERIAL TOPICS

GRI STANDARD	DISCLOSURE	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
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ENERGY

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	7		
	103-2 The management approach and its components	41		
	103-3 Evaluation of the management approach	41		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	40 and 42		7, 8, 12, 13
	302-3 Energy intensity	42		16

WATER AND EFFLUENTS

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	7		
	103-2 The management approach and its components	43		
	103-3 Evaluation of the management approach	43		
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	40 and 43		6, 12
	303-2 Management of water discharge related impacts	40 and 43		6
	303-3 Water withdrawal	40 and 43		6, 8, 12
	303-4 Water discharge	40 and 43		6
	303-5 Water consumption	40 and 43		6



MATERIAL TOPICS

GRI STANDARD	DISCLOSURE	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
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BIODIVERSITY

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	7		
	103-2 The management approach and its components	36		
	103-3 Evaluation of the management approach	36		
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	34		6, 14, 15
	304-2 Significant impacts of activities, products, and services on biodiversity	34, 36 and 37		6, 14, 15

EMISSIONS

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	7		
	103-2 The management approach and its components	45		
	103-3 Evaluation of the management approach	45		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	40, 45 and 46		3, 12, 13, 14, 15
	305-2 Energy indirect (Scope 2) GHG emissions	40 and 46		3, 12, 13, 14, 15
	305-3 Other indirect (Scope 3) GHG emissions	40 and 46		3, 12, 13, 14, 15
	305-4 GHG emissions intensity	40 and 45		13, 14, 15
	305-5 Reduction of GHG emissions	40 and 45		13, 14, 15



MATERIAL TOPICS

GRI STANDARD	DISCLOSURE	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
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EFFLUENTS AND WASTE

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	47		
	103-2 The management approach and its components	47		
	103-3 Evaluation of the management approach	47		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	40 and 47		3, 6, 11, 12
	306-2 Management of significant waste-related impacts	40 and 47		3, 6, 11, 12
	306-3 Waste generated	40, 48 and 49		3, 6, 12, 14, 15
	306-4 Waste diverted from disposal	40 and 50		3, 11, 12
	306-5 Waste directed to disposal	40, 50 and 51		3, 6, 11, 12, 14, 15

EMPLOYMENT

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	8		
	103-2 The management approach and its components	60		
	103-3 Evaluation of the management approach	60		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	66, 67 and 68		5, 8, 10
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	All employees receive the same benefits, regardless of their type of employment or contract, except that employees at the Rishis operation are not eligible to private pension plans.		3, 5, 8



MATERIAL TOPICS

GRI STANDARD	DISCLOSURE	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
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TRAINING AND EDUCATION

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	8		
	103-2 The management approach and its components	69		
	103-3 Evaluation of the management approach	69		
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	69		4, 5, 8, 10
	404-3 Percentage of employees receiving regular performance and career development reviews	70		5, 8, 10

LOCAL COMMUNITIES

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	8		
	103-2 The management approach and its components	71		
	103-3 Evaluation of the management approach	71		
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	71 and 73		
	413-2 Operations with significant actual or potential negative impacts on local communities	71 and 72		1, 2



MATERIAL TOPICS

GRI STANDARD

DISCLOSURE

PAGE/URL

OMISSION

**SUSTAINABLE
DEVELOPMENT GOALS**

SOCIOECONOMIC COMPLIANCE

GRI 103: Management approach 2016

103-1 Explanation of the material topic and its Boundary

8

103-2 The management approach and its components

Instances of socioeconomic noncompliance are addressed by our Litigation department in accordance with conflict resolution policy guidelines.

103-3 Evaluation of the management approach

GRI 419: Socioeconomic compliance 2016

419-1 Non-compliance with laws and regulations in the social and economic area

No significant irregularities were found to have been committed by Eldorado or Rishis in 2020.

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SUSTAINABLE DEVELOPMENT GOALS

- 1. No poverty
- 2. Zero hunger
- 3. Good health and well-being
- 4. Quality education
- 5. Gender equality
- 6. Clean water and sanitation
- 7. Affordable and clean energy
- 8. Decent work and economic growth
- 9. Industry, innovation and infrastructure
- 10. Reduced inequalities
- 11. Sustainable cities and communities
- 12. Responsible consumption and production
- 13. Climate action
- 14. Life below water
- 15. Life on land
- 16. Peace, justice and strong institutions
- 17. Partnerships for the goals

SUPPLEMENTAL DISCLOSURES

METRIC	DISCLOSURE	PAGE/URL
Ethos sector disclosures (pulp & paper)	Forest fire prevention campaigns involving local communities	37
	Channels available to receive complaints from external or neighboring communities regarding disturbances from the production process (odors, noise, light, dust, visual pollution, etc.)	73
	Programs and initiatives to support and create local income opportunities based on non-timber forest products	73
Eldorado Disclosures	Number of projects in the pipeline at the Eldorado Brasil Forestry Intelligence Center	19 and 21
	Innovation Program Awards	19 and 20
	Number of initiatives implemented within our <i>Inovar</i> program	19



SASB Content Index

FOREST MANAGEMENT

SASB TOPIC	SASB CODE	ACCOUNTING METRIC	CATEGORY	PAGE
Ecosystem Service & Impacts	RR-FM-160a.1	Area of forestland certified to a third-party forest management standard, percentage certified to each standard	Quantitative	32
	RR-FM-160a.2	Area of forestland with protected conservation status	Quantitative	34
	RR-FM-160a.3	Area of forestland in endangered species habitat	Quantitative	n/a
	RR-FM-160a.4	Description of approach to optimizing opportunities from ecosystem services provided by forestlands	Discussion and Analysis	34 and 36
Rights of Indigenous Peoples	RR-FM-210a.1	Area of forestland in indigenous land	Quantitative	n/a
	RR-FM-210a.2	Description of engagement processes and due diligence practices with respect to human rights, indigenous rights, and the local community	Discussion and Analysis	71
Climate Change Adaptation	RR-FM-450a.1	Description of strategy to manage opportunities for and risks to forest management and timber production presented by climate change	Discussion and Analysis	26

FOREST MANAGEMENT

ACTIVITY METRIC	SASB CODE	ACCOUNTING METRIC	CATEGORY	PAGE
	RR-FM-000.A	Area of forestland owned, leased, and/or managed by the entity	Quantitative	13
	RR-FM-000.B	Aggregate standing timber inventory	Quantitative	n/a
	RR-FM-000.C	Timber harvest volume	Quantitative	34



PULP & PAPER PRODUCTS

SASB TOPIC	SASB CODE	ACCOUNTING METRIC	CATEGORY	PAGE
Greenhouse Gas Emissions	RR-PP-110a.1	Gross global Scope 1 emissions	Quantitative	45
	RR-PP-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	40 and 45
Air quality	RR-PP-120a.1	Air emissions for the following pollutants: (1) NOx (excluding N2O), (2) SO2, (3) volatile organic compounds (VOCs), (4) particulate matter (PM), and (5) hazardous air pollutants (HAPs)	Quantitative	46
Energy Management	RR-PP-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage from biomass, (4) percentage from other renewables, (5) Total self-generated energy, (6) Risks and uncertainties associated with the use of biomass as an energy source	Quantitative	40 and 41
Water Management	RR-PP-140a.1	(1) Total water withdrawn and (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	43
	RR-PP-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	40 and 43
Supply Chain Management	RR-PP-430a.1	Percentage of wood fiber sourced (1) from third-party certified forestlands and percentage to each standard and (2) meeting other fiber sourcing standards and percentage to each standard	Quantitative	32
	RR-PP-430a.2	Amount of recycled and recovered fiber procured	Quantitative	n/a

PULP & PAPER PRODUCTS

ACTIVITY METRIC	SASB CODE	ACCOUNTING METRIC	CATEGORY	PAGE
	RR-PP-000.A	Pulp production	Quantitative	15
	RR-PP-000.B	Paper production	Quantitative	n/a
	RR-PPP-000.C	Total wood fiber sourced	Quantitative	n/a

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