



Sustainability
Report
2022



Eldorado
Brasil

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About This Report



Building on our commitment to transparency since our founding, we are pleased to present our ninth Sustainability Report, marking a decade of activities.

GRI 2-2, 2-4

This is one of several annual reports on our operations during the period January 1 to December 31, 2022. The contents of this report have been prepared in accordance with the 2021 Global Reporting Initiative (GRI) Standards, a globally recognized framework for reporting on economic, environmental and social impacts. The report also includes disclosures from the Sustainability Accounting Standards Board (SASB) standards. **GRI 2-3**

Eldorado Brasil is fully aligned with the Sustainable Development Goals (SDGs), and this led us to join

the United Nations Global Compact in 2020 and to reaffirm this commitment year after year. We are advancing initiatives in support of the Ten Principles of the Global Compact, enabling progress on the sustainability agenda, enhancing communication with stakeholders, and improving our management of economic, social, and environmental matters.

If you have any questions or feedback about the Report, please write to: sustentabilidade@eldoradobrasil.com.br **GRI 2-3**

We hope you find the report useful and informative.

Message from the CEO GRI 2-22

In 2022 we celebrated our 10th anniversary as a company, marking a decade of successive achievements in productivity, competitiveness, investment, and environmental stewardship. These accomplishments have been made possible by our dedicated and highly skilled team of 5,312 employees, who consistently innovate and harness cutting-edge technology to produce world-class products while upholding sustainable practices.

Looking back on a decade in which our production has surpassed expectations for an 11-year period, we are proud to have built an unrivaled reputation as one of the most efficient pulp producers in the global industry. We have accomplished this while remaining steadfast in our values and our commitment to upholding best ESG (Environmental, Social, and Governance) practices. The mark of a company that, while relatively young, is consistently delivering on its business plan, with a forward-looking vision.

In 2022, with the mill operating 20% above capacity, we produced 1.83 million metric tons of pulp, a 3.1% increase compared to the previous cycle. Net revenue was R\$ 7.5 billion and adjusted EBITDA was R\$ 4.6 billion in the year (up 24.5% and 30%, respectively, on 2021).

Our growth and prosperity cascades across the value chain. We positively impact thousands of families by providing employment and income and supporting the development of local communities and suppliers in the areas where we operate, while our exports have contributed to Brazil's growing trade balance. Speaking of trade, in 2023 we expect

to complete our new pulp export terminal at the Port of Santos (SP).

Looking back, we are thrilled to see how much we have accomplished in a short amount of time, even in the face of significant challenges. During the worst of the COVID-19 pandemic, we maintained our investments and not only retained our workforce but hired more people, while lending support to those in need.

In recent years, we have successfully achieved set goals, built crucial logistics capabilities to expand in the international market, and developed a world-class presence in the market. We have paid off debts, made acquisitions, and secured new concessions and permits to expand our operations in Brazil. Throughout this journey, we have consistently renewed certifications that position us at the top of our industry for quality.

The ethical principles and conduct that have brought us here will continue to guide our actions in the years to come. As a signatory of the United Nations Global Compact (UNGC) and in line with the Sustainable Development Goals (SDGs), the well-being of people and the environment will always be our priority. For Eldorado Brasil, business only makes sense if it brings benefits to our team, society, and our planet.

Carmine De Siervi Neto
CEO

Statement of Continued Support for the Global Compact

Eldorado Brasil reaffirms its commitment to the Ten Universal Principles established by the United Nations Global Compact (UNGC), of which it became a signatory in 2020.

Our practices are aligned with the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development and the United Nations Convention Against Corruption. These principles have been incorporated into our strategies, and have become integral to our culture.

To provide transparency around this commitment, our annual Communication on Progress reports on initiatives that have positively impacted employees, partners, suppliers, society, and the government, and on our commitment to corporate social responsibility.

Carmine De Siervi Neto
CEO



Being a part of the Global Compact enables us to advance our sustainability agenda, enhance communication with stakeholders, and strengthen our management of ESG topics



CFO Coalition for the SDGs

In 2022, Eldorado Brasil joined the CFO Coalition for the SDGs, an initiative within the Global Compact that aims to redefine the role of Chief Financial Officers (CFOs) in driving sustainable long-term corporate finance. The goal is to direct trillions of corporate investments towards the SDGs and create a \$ 10 trillion market for SDG-directed finance by 2030.

The initiative has established a CFO Leadership Group to foster collaboration across a global network of CFOs and strategic partners forming working groups to develop key performance

indicators (KPIs). The initiative is also an opportunity for CFOs to engage in high-level global and local events, investment forums, and quarterly meetings.

The Coalition aims to Expand the CFO Leadership Group from 72 participants to 100 and foster a community of 1,000 CFO signatories to the CFO Principles by 2030.

Eldorado Brasil Turns Ten

The company marks its first decade of operation (although the lead-up to its founding started two years earlier) boasting 11 years' worth of production in the space of 10, and a pioneering, successful and innovative track record.



Eldorado Brasil is awarded a permit from the Brazilian power sector regulator, ANEEL, to build the Onça Pintada power plant project. The plant generates green and renewable electricity from biomass consisting of previously discarded wood chips, roots, and stumps. The company is also recertified by the Forest Stewardship Council® (FSC®) for forestry management (FSC-C113536) and chain of custody (FSC-C113939).

Eldorado Brasil's eucalyptus operations are certified by CERFLOR for forestry management and by PEFC for chain of custody



Our permitted power exports to the national grid increase from 40 MWh to 50 MWh. The company secures the construction license for the Onça Pintada power station.

Construction begins on the Onça-Pintada power station, with an installed capacity of 50 MW/h. The permitted capacity under the Operation License for the Mill increases to 1,830,508 t/year

R\$ 13 million allocated to our Covid-19 response

Eldorado is successful in its bid for the STS14 area in the Port of Santos (SP), increasing our shipping capacity to 3 million metric tons per year. Eldorado Brasil becomes a signatory of the UN Global Compact, and pledges support for 17 Sustainable Development Goals (SDGs). The Onça Pintada power plant is completed.



The Onça Pintada power plant starts operation, producing clean and renewable energy. Construction begins on the new terminal at the Port of Santos (SP). Eldorado participates in the 26th Conference of the Parties (COP-26), actively contributing to discussions on the climate emergency and the role that industry can play in combating climate change.

50 MW/h in renewable installed capacity

Eldorado Brasil is founded on June 15th. After the groundbreaking ceremony, construction begins on the Três Lagoas (MS) mill

R\$ 6.2 billion invested in forests, logistics, and the mill

The company acquires Florestal Brasil S/A and expands its forestry estate.

The world's largest and most modern eucalyptus pulp mill, featuring a single-line layout, starts operation in the municipality of Três Lagoas. Eldorado is certified by the Forest Stewardship Council® (FSC®) for forestry management (FSC-C113536) and chain of custody (FSC-C113939)

Our dedicated terminal at the Port of Santos (SP) starts operation. Eucalyptus harvesting is discontinued in the state of São Paulo, with forestry operations now concentrated in Mato Grosso do Sul. The company reaches a 85% mechanization rate in forestry operations, one of the highest in the industry. Production exceeds 1.6 million tons of pulp.



The company sets its first operational performance record, producing 1.568 million metric tons of pulp. In the second year of operation, the mill exceeds its design production capacity. Eldorado becomes the first forestry company in Brazil to employ artificial intelligence in forest inventories. Eldorado achieves self-sufficiency for pulpwood, ensuring an adequate supply of raw material to the mill.

In its first year of operation, the mill reaches its design production capacity of 1.5 million metric tons per year.



The mill exceeds its design capacity **by 22%** with 95% operational efficiency and 98% availability—setting a benchmark in the industry.

11 years in 10
As we celebrate our 10th anniversary, Eldorado Brasil sets a new production record of 16.5 million metric tons, a year ahead of target and an industry first in the global pulp market.

Eldorado deploys artificial intelligence and autonomous equipment throughout its operations.

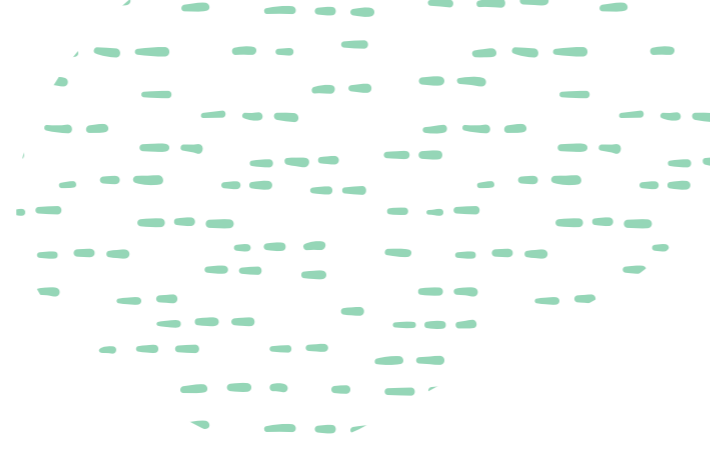
The company is recommended for an additional five years of certification by the Forest Stewardship Council® (FSC-C113536) and the Brazilian Forestry Certification Program (CERFLOR)

We are also recommended for recertification against the Forest Stewardship Council® (FSC®) Chain of Custody Standard (FSC-C113939) and by the Program for the Endorsement of Forest Certification (PEFC)

Our Onça Pintada plant ends its first year of operation with a total output of 127,000 megawatt-hours of clean electricity generated from eucalyptus waste.

Work progresses on the port terminal in Santos. At year-end 2022, the works are 98% complete.

ESG Strategy GRI 2-22



Eldorado Brasil is committed to conserving biodiversity, using natural resources responsibly, in developing our employees and the communities where we operate. Our sustainable practices are certified by environmental certifications to be aligned with industry-leading standards worldwide.

ESG (Environmental, Social, and Governance) criteria are integrated into our strategic plan and ingrained in our day-to-day operations. We have worked consistently to build a strong reporting framework using the GRI methodology, which guides us in identifying, prioritizing, assessing and validating the

material topics that inform all our processes and investments.

Our materiality assessment for this reporting period identified eight material topics, in a process that involved the active participation of internal and external stakeholders and leadership in topic identification, prioritization, assessment and validation. Targets were set for each material topic and mapped to the relevant SDGs, GRI and SASB disclosures, and the Ten Principles of the Global Compact.

GRI 3-1, 2-29



Material topic GRI 3-2, 3-3	Management scope	GRI/SASB disclosures	SDG	SDG Targets	Location of impact	
Environmental						
1. Forestry certifications and good practices	Voluntary forestry certifications; and incentives for sustainable land-use practices.	RR-FM-160 a.1		12 15	12.6, 12.7, 15.1, 15.2, 15.3	Forestry partners in Mato Grosso do Sul. Customers in Brazil and around the world.
	Material efficiency; water and energy management at our offices, mill, and forestry operations; effluent management; waste management, material reuse and recycling (including electronic waste).	201-2, 302-1, 302-3, 302-4, 303-1, 303-2, 303-3, 303-4, 303-5, 304-1, 305-1, 305-2, 305-3, 305-4, 305-5, 306-1, 306-2, 306-3, 306-4, 306-5, FM RR -000.A, RR-FM-000.B, RR-FM-000.C, RR-PP-110 a.1, RR-PP-110 a.2, RR-PP-120 a.1, RR-PP-130 a.1, RR-PP-140 a.1, RR-PP-140 a.2, RR-PP-430 a.1, RR-PP-430 a.2		2 9 11	2.4, 9.4, 11.6	Environment (forestry and mill operations in Três Lagoas, MS, seedling nursery in Andradina, SP, and Rishis in Santos, SP). Forestry partners in Mato Grosso do Sul. Customers in Brazil and around the world.
3. 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.	304-1, 304-2, 304-3, 304-4, RR-FM-160 a.2, RR-FM-160 a.3, RR-FM-160 a.4		2 15	2.4, 15.1, 15.2, 15.3, 15.5	Environment (forestry and mill operations in Três Lagoas, MS, seedling nursery in Andradina, SP, and Rishis in Santos, SP).
4. Innovation and technology	Investments in more efficient and sustainable production technology; innovation program awards; activities at 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 in Mato Grosso do Sul. Environment (forestry and mill operations in Três Lagoas, MS, seedling nursery in Andradina, SP, and Rishis in Santos, SP). Employees.

Material topic GRI 3-2, 3-3	Management scope	GRI/SASB disclosures	SDG	SDG Targets	Location of impact
Social					
5. Human and organizational development	Employee onboarding program; attracting and retaining talent; performance reviews; leadership development; average training hours per year.	203-1, 203-2, 401-1, 401-2, 401-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10, 404-1, 404-2, 404-3, RR-FM-210 a.2	5 8	5.1, 5.5, 8.5	Employees in Brazil and around the world.
6. Diversity and equal opportunity	Discrimination cases and corrective action taken; compensation differences between men and women; employee diversity at Eldorado Brasil.	202-1, 405-1, 405-2, 406-1	5 8	5.1, 5.5, 8.5	Employees
7. 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.	201-1, 203-2, 413-1, 413-2	11 12 17	11.3, 11.6, 11.a, 12.8, 17.16	Communities in Mato Grosso do Sul. Suppliers. Employees in Brazil. Environment (forestry and mill operations in Três Lagoas, MS, seedling nursery in Andradina, SP, and Rishis in Santos, SP).
Governance					
8. 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.	205-1, 205-2, 205-3	16	16.5, 16.6, 16.7	Employees in Brazil and around the world. Customers in Brazil and around the world. 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).

The Ten Principles of the Global Compact

Two years ago, Eldorado Brasil joined the Global Compact's Ten Principles, a United Nations initiative calling on companies to align their strategies and operations with ten universal principles related to human rights, labor, environment and anti-corruption, and take actions that advance societal goals.

This initiative represents the world's largest corporate sustainability initiative, with 16,000 corporate participants and other stakeholders, forming 70 local networks in over 160 countries. The 2030 Agenda, also launched by the UN in 2015, seeks

to foster initiatives for a better world in the next decade. The initiative currently has 193 member states working toward a set of 17 Sustainable Development Goals (SDGs).

Each year, we report to the Global Compact on our progress in implementing the Ten Principles in our operations, and set goals that are aligned with the SDGs.

Human Rights

- 1 **SUPPORT** and respect the protection of internationally proclaimed human rights in our area of influence.
- 2 **ENSURE** that we are not complicit in human rights abuses.

Employment

- 3 **UPHOLD** the freedom of association and the effective recognition of the right to collective bargaining.
- 4 **UPHOLD** the elimination of all forms of forced and compulsory labor.
- 5 **UPHOLD** the effective abolition of child labor.
- 6 **UPHOLD** the elimination of discrimination in respect of employment and occupation.

Environment

- 7 **SUPPORT** a precautionary approach to environmental challenges.
- 8 **UNDERTAKE** initiatives to promote greater environmental responsibility.
- 9 **ENCOURAGE** the development and diffusion of environmentally friendly technologies.

Anti-corruption

- 10 **WORK AGAINST** corruption in all its forms, including extortion and bribery.



The Eldorado Way

About Eldorado Brasil

GRI 2-1, 2-2, 2-6

Eldorado Brasil is a leading Brazilian producer of eucalyptus pulp and one of the most efficient players in the industry, consistently going from record to record in production and sales. In our first decade of operation, we achieved 11 years' worth of pulp production: 16.5 million metric tons. This led us to adopt the slogan "11 years in 10" to celebrate our journey in 2022.

Eldorado Brasil has a workforce of over 5,000 employees, both in Brazil and abroad, all working in alignment with our core values. Our headquarters are located in São Paulo (SP), and our forestry and mill operations in Três Lagoas (MS). Surrounding our mill are over 263,000 hectares (ha) of planted forests and a total of 412,000 hectares of forest land. Our mill has a production capacity of 1.8 million metric tons of pulp per year.

We also generate renewable energy from various forms of eucalyptus waste, employing a groundbreaking technology that is an industry first in Brazil.

In addition, we have commercial offices in Austria (serving the European, African, and Middle Eastern markets), China (Asia), the United States (North America), and São Paulo (Latin America). Our products are shipped overseas from six ports: Santos (SP), Paranaguá (PR), Itapoá, São Francisco do Sul, Navegantes, and Imbituba (SC). This extensive network allows us to efficiently cater to international markets, serving as the primary destinations for the high-quality pulp we produce, spanning over 45 countries.



Mission, Vision and Values



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

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

Stronger Together GRI 2-28

At Eldorado Brasil we believe that companies must engage in shaping the transformations they are seeking to promote. With this in mind, we are active members of partnerships and initiatives through which we seek to influence the broader industry:

- **Global Compact:** a UN initiative establishing a set of fundamental principles in the areas of human rights, labor law, the environment and fighting corruption. Eldorado Brasil supports the Global Compact's Anti-corruption Collective Action in Agribusiness initiative in preventing and combating corruption in all its forms in Brazilian agribusiness. In 2022 the initiative launched an Anti-Corruption Best Practice Guide for Agribusiness.
- **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.

- **AgroIntegro:** an initiative of the Brazilian Ministry of Agriculture for the agribusiness sector, and we support its related integrity programs.

- **Instituto Ethos de Empresas e Responsabilidade Social:** Business Initiative for Integrity and Transparency and the Business Pact for Integrity and Against Corruption.

In addition to these partnerships, Eldorado Brasil is a member of the WWF MS Forum, FSC® International, the Brazilian Forestry Association (IBÁ), the Brazilian Pulp and Paper Association (ABTCP), the Association of Planted Forest Producers and Consumers of Mato Grosso do Sul (REFLORE/MS); the Mato Grosso do Sul Pulp & Paper Employers' Union (SINPACEMS); the Forestry Research Institute (IPEF); and the Programme for the Endorsement of Forest Certification (PEFC).

2022 at a Glance



RECORD

10-year production of **16.5 million** metric tons, producing 11 years' worth of pulp a year in advance.



EFFICIENCY

Our mill operates 22% above its design capacity, within an operational efficiency of **95%**. We have continued to maintain **98%** availability levels, setting a benchmark in the industry.



FORESTRY 5.0

Launched Forest 5.0 project, a project to implement advanced analytics and sensor technology in our machinery and forestry operations to collect **real-time data** on tree growth.



MORE JOBS

We ended the year with a workforce of **5,312 employees.**



PRODUCTION

1.83 million metric tons of pulp



ECONOMIC PERFORMANCE

R\$ 7.5 billion in net revenue, R\$ 3.5 billion in net income and R\$ 4.6 billion in adjusted EBITDA.



AWARD

Presented with the 2022 Proteção Brasil Award by *Revista Proteção* in the "Occupational Health and Safety Training and Communication" category for the Midwest. This prestigious award recognizes outstanding practices in promoting force health and safety in the forestry sector.



RAILWAY

Awarded a permit by the National Land Transportation Agency (ANTT) to build an 88.9 kilometer railway line from our mill in Três Lagoas (MS) to Aparecida do Taboado (MS). In a projected investment of R\$ 890 million, the new railway line will transport an estimated 1.8 million metric tons of pulp per year.



ONÇA PINTADA POWER STATION

our thermal power station in Três Lagoas (MS) generated **127,162.87 MWh** of electricity from waste eucalyptus wood.



ENVIRONMENTAL PROTECTION

30% reduction in area affected by fires compared to 2021, through the use of preventive measures and technology.



NEW TERMINAL

Started construction of a new terminal at the Port of Santos (SP) that will triple our shipping capacity and reduce logistics costs.

Economic and Financial Performance GRI 201-1

The record production and delivery efficiency allowed Eldorado Brasil to achieve positive results amid rising international pulp prices (USD 803 per ton, 31% higher than in 2021), caused by logistical bottlenecks affecting the global circulation and supply of products between continents.

Net income was R\$ 3.5 billion in 2022, up 301.6% from 2021. Adjusted EBITDA (earnings before interest, tax, depreciation and amortization) was R\$ 4.6 billion, an increase of 30.4% over the same period, while our EBITDA margin was 60.5%. Financial leverage (measured as the ratio of net debt/Adjusted EBITDA) dropped to its lowest ever level of 0.65 times, compared to 1.48 times in the same period last year.

In 2022 the Company produced 1.83 million metric tons of pulp, 3.1% more than in 2021. Pulp sales stood at 1.76 million tons, a 0.2% increase compared to the previous cycle, serving the tissue (sanitary) and printing and stationery segments. Asia, Europe and North America continue to account for the bulk of our exports. Click [here](#) to see the Company's complete financial results.

Leverage, Net Debt and Cash Cost of Production

Cash cost of production remained competitive in 2022 at an average of 880 R\$/t (167 Us\$/t) at year-end, excluding the effect of the scheduled maintenance shutdown.

Net Debt to EBITDA Ratio in 2022

0.65 x in R\$ (ND 2,984/EBITDA 4,563 = -0.78 x) and 0.78 x in US\$.

Net debt in 2022

R\$ 2.984 million

42.6% less than in 2021.

Net debt in US\$ in 2022

US\$ 572 million

with a sustained reduction in dollar-denominated debt.

Direct economic value generated¹ (R\$) GRI 201-1

	2020	2021	2022
Revenue (R\$)	4,730,688.00	6,498,158.00	7,832,760.00
Sales of goods, products and services	4,561,764.00	6,279,845.00	7,781,448.00
Non-operating	168,924.00	218,313.00	51,312.00
Inputs purchased from third parties	-1,734,885.00	-2,057,721.00	-1,331,111.00
Cost of goods and services sold	-769,639.00	-871,319.00	-905,799.00
Gross value added	2,995,803.00	3,569,118.00	5,595,850.00
Withholdings	-532,806.00	-424,045.00	-571,683.00
Depreciation, amortization and depletion	-532,806.00	-424,045.00	-571,683.00
Net added value produced by the entity	2,462,997.00	3,145,073.00	5,024,167.00
Transferred added value	196,422.00	48,525.00	637,914.00
Added value to be distributed	2,659,419.00	3,193,598.00	5,662,081.00

Direct economic value distributed (R\$) GRI 201-1

Distributed	2020	2021	2022
Operating costs ¹	351,387	451,971	476,437
Payments to providers of capital	2,372,317	1,195,514	832,682
Payments to government	44,126	666,351	818,694
Interest on equity	108,411	879,762	3,534,268
Total	2,659,419	3,193,598	5,662,081

¹ Refers to salaries and benefits.

Economic value retained (R\$)

	2020	2021	2022
"Direct economic value generated" less "Economic value distributed" <small>GRI 201-1</small>	2,071,269	3,304,560	2,170,679

Economic value distributed GRI 201-1

	2020	2021	2022
Net revenue (R\$ million) ¹	4,730,688.00	6,498,158.00	7,832,760.00
EBITDA (R\$ million)	2,113	3,500.00	4,563
Design production capacity (million metric tons)	1.5	1.5	1.8
Actual production volume (million metric tons)	1,770	1,777	1,832
Sales volume (thousand metric tons)	1,799	1,755	1,759
Total added value to be distributed (R\$ million)	2,659.41	3,193,598	5,662,081.00

¹ The company ceased reporting gross revenue in 2022. Previous years' data has been updated for net revenue.

Governance Corporate



- ☰ Human Rights 1 2
- ✦ Anti-corruption 10

Material topics

- Transparency, ethics and anti-corruption



Sustainability Governance

GRI 2-9

Eldorado Brasil adopts the best practices and corporate governance standards, prioritizing transparency with stakeholders and the market. The company understands that businesses can only evolve if they respect laws, ethics and integrity in internal and external relationships.

With a forward-looking approach, the Company is integrating ESG into its business. Eldorado Brasil is therefore constantly developing good practices to prioritize investments in people, innovation, technology and sustainability to mature its governance. We also believe that creating a robust socio-environmental agenda is conducive with good corporate governance.

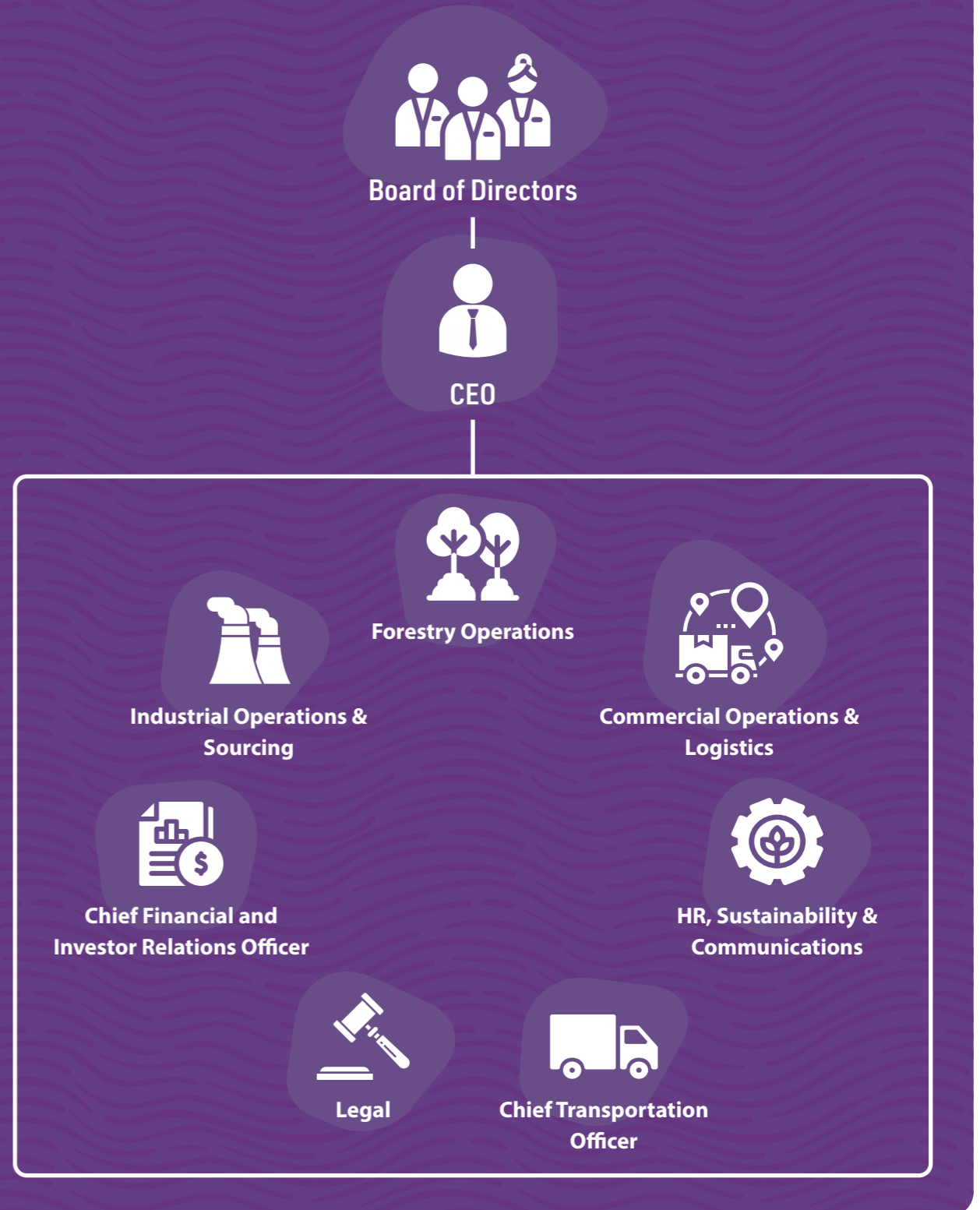
This is supported by a sound governance structure comprising a Board of Directors, an Executive Board, and five committees: Audit, Financial & Risk Management; Related Parties & Conflict of Interest; People & Development; and Sustainability & Social Responsibility.

The Company follows Novo Mercado (B3) governance practices even though it is not listed for trading. It is registered at the Brazilian Securities Commission (CVM) as a publicly traded company and regularly discloses its reports, financial statements, policies and IR documents. 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%.



We believe that creating a robust socio-environmental agenda is conducive with good corporate governance

Organizational Structure





Sound governance underpins our efforts to improve performance, mitigate risks and track progress against strategic goals

Board of Directors

GRI 2-10, 2-11, 2-12, 2-14, 2-16, 2-17

This body manages the Company, collectively setting general business guidelines and policies. It is also responsible for overseeing and monitoring officers' activities, choosing independent auditors and setting up committees and their respective rules and duties.

The Board of Directors' composition is determined by elections at General Shareholders' Meetings. There are seven members and an equal number of alternates who serve one-year terms, with re-election permitted. The CEO is not a senior company executive.

Eldorado Brasil's Board of Directors is not responsible for reviewing and approving the information in this report, as the topics are approved by the company's Sustainability department.

Oversight Board

Operates independently of management and audit. Members serve one-year terms and are mainly tasked with auditing management activities, reviewing financial statements and reporting the conclusions to shareholders.

Executive Board

This Board reports directly to the Board of Directors, and is tasked with implementing the strategic planning defined by the Board of Directors and efficiently allocating resources around the company. Eldorado's current executive board consists of seven executives.

Board Advisory Committees

GRI 2-16, 2-17

Specialized committees exist to assist the Board of Directors and governance bodies by providing strategic inputs for decision-making, which are subordinated to the Board of Directors and the Executive Board. Eldorado Brasil has four committees: Audit, Financial & Risk Management; Related Parties & Conflict of Interest; People & Development; and Sustainability & Social Responsibility committees.

GRI 2-14, 2-20

Transparency, Ethics and Anti-corruption

GRI 2-15, 2-23, 2-24, 2-25, 2-26 3-3: management of material topic

Eldorado Brasil adheres to the highest standards of integrity in compliance with laws and internal policies. The Compliance Program is our flagship initiative for disseminating our values and a culture of ethics, integrity, compliance and transparency in doing business, and for preventing, detecting and remediating any misconduct in business activities. For the past four years, an independent external audit has been assessing the compliance program's progress based on ISO compliance standards and best market practices.

The company has signed up to public initiatives approved by the presidency and executive board, such as the Collective Agribusiness Anti-corruption Action Group, the Business Pact for Integrity and Against Corruption and the Business Movement for Integrity and Transparency. These initiatives demonstrate the topic's importance to the company. Risks are periodically assessed, and the company seeks to keep abreast of impactful actions necessary to prevent potential route diversion and thereby reduce its exposure to unforeseen risks.

GRI 205-1

Compliance is responsible for leading the program and implementing a series of actions and policies aimed at nurturing trust and transparency among employees, shareholders, suppliers, service providers, partners, customers, governments and communities. Over the course of the year, we mapped out internal controls and conducted audits based on risk assessment and internal policies. The objective is to contribute to risk reduction, improve operational efficiency and reduce business costs, as well as creating a wholesome workplace.

All employees undergo training related to the Code of Conduct and Ethics as well as company policies

The Code of Conduct and Ethics establishes the main guidelines for employees and is essential in preventing and combating corruption and fraud in business. It includes specific clauses on the topic for suppliers. The document requires compliance with laws, prevention of money laundering, prevention and combatting of corruption and compliance with antitrust and competition rules, among others.

Human Rights play a prominent role in the Code, with a chapter detailing the prohibition of child or forced labor, zero tolerance for any form of abuse or slavery-like conditions, as well as any discrimination or incitement that violates the Universal Declaration of Human Rights. The company has internal policies promoting equal treatment among employees, regardless of race, color, ethnicity, nationality, age, gender, religion, disability, sexual orientation or other status protected by law.

Other related practices include training, communications plans, policy compliance monitoring, and processes to address employees' questions

about our Code of Ethics, internal standards and guidelines, and other matters. In 2022, training sessions were conducted on topics such as compliance leadership, supplier relations, conflicts of interest, corruption and psychological and sexual harassment. Specific training was also administered for Procurement through the e-learning platform Eldorado Educa, covering topics related to suppliers, conflicts of interest and corruption, with 98.4% of staff participating. Furthermore, over a thousand new employees were trained on anti-corruption policies and procedures as part of the employee onboarding process. **GRI 205-2**

In addition to training sessions, the Company conducts an annual Compliance and Ethics Culture Survey to gauge employees' understanding of its Compliance Program and ethics and integrity topics. Survey answers are used to create training programs focusing on areas that require attention and both print and online communication materials are regularly published.

The implemented initiatives aim to identify and mitigate integrity risks, and one of the tools used for this purpose is the Ethics Hotline, a whistleblowing channel for stakeholders. Eldorado has a Whistleblowing Channel through which stakeholders can submit reports on any violations of Company policies or applicable laws and regulations. The channel is independently operated and is available to all stakeholders, both internal and external.

Reports can be made anonymously (at the whistleblower's discretion) and are kept strictly confidential. Each report is analyzed by Compliance, which evaluates the facts, conducts internal investigations and, when applicable, prepares a report for appreciation by the Ethics Committee. Any recommended disciplinary measures or opportunities for process or control improvement are referred to each head of department.



The Ethics Hotline is available to both internal and external stakeholders



In 2022, a total of 370 reports were received through the Ethics Hotline, including complaints and whistleblowing. The investigations identified 17 opportunities for improvement in the channel. The conduct of three employees who were reported was also monitored to ensure behavioral change. A further 27 improvement recommendations to compliance procedures were also made, and 25 disciplinary measures were recommended to leadership, all of which were accepted and implemented by management.

J&F Group has also engaged an External Audit since 2019. This audit assesses approximately 200 elements of the Compliance Program based on the international standards ISO 37001 and 37301, and its findings are reported directly to the Public Prosecutions Department (MPF) as part of a plea bargain. In 2020, the audit confirmed that 91% of the assessed items were compliant with Eldorado Brasil's standards. In 2021, the internal audit found the company had implemented 98% of the recommendations. The latest external audit found that in 2022 all Compliance Program targets had been achieved, a significant milestone that will further enhance Eldorado Brasil's transparency in its dealings with employees and stakeholders. The 2022 external audit is ongoing and will be concluded in 2023. The Company's goal is to continue enhancing its Compliance Program.



Ethics Hotline GRI 2-26

www.linhaetica.eldoradobrasil.com.br
linhaetica@eldoradobrasil.com.br

0800.527,5280

How it works

- 1) Reports made through the channels (or directly to compliance staff) can be anonymous or by name, as the whistleblower prefers.
- 2) An independent specialized firm receives the report, conducts a preliminary analysis, and forwards it to Eldorado Brasil compliance for further processing.
- 3) After a thorough and impartial analysis of the facts with the Ethics Committee, the case is concluded the author of the complaint or report is informed of the position taken.

Leading compliance initiatives

- ✓ Conducting internal audits to identify integrity risks
- ✓ Managing reports received through the Ethics Hotline, Eldorado Brasil's integrity channel
- ✓ Analyzing the results of external audits to enhance the Compliance Program
- ✓ Managing suppliers, including evaluating the integrity of business partners
- ✓ Mapping and evaluating internal controls and creating or updating compliance policies
- ✓ Implementing the Ethics Ambassadors Program, where employees from various practices disseminate our Compliance Program
- ✓ Training employees and conducting compliance and ethics communication campaigns
- ✓ Conducting an annual internal employee survey on the company's ethics and compliance culture
- ✓ Constantly monitoring Compliance Program initiatives, collecting indicators and implementing any necessary remedial or corrective measures

Ethics ambassadors

Created a year ago and currently consisting of 54 employees selected from various sectors, the program is dedicated to disseminating the company's best practices and conduct through these ambassadors, who receive training in ethics. In 2022, we worked on fostering an ethical culture. The purpose is to strengthen the company's culture and integrity, supported by several compliance policies, such



as: Anti-Corruption; Gifts and Hospitality; Integrity Assessments for Business Partners; Conflicts of Interest; Donations and Sponsorship; Consequence Management; Non-Retaliation; Antitrust; Internal Controls; Internal Audit and Data Protection and Privacy.



Risk Management

GRI 2-16, 2-25, 2-27

Eldorado Brasil 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.

Risk management is a key tool in strengthening governance, enhancing transparency and

protecting our reputation and our business. Our risk management plan is frequently revised, shared across all levels of the organization, providing guidelines on monitoring, preventing and taking action to mitigate impacts within and outside the organization. No significant concerns were recorded in the year that could impact the Company's business, and there were no significant fines paid for non-compliance in 2022.

Key Business and Operational Risks



ENVIRONMENTAL

The risk of climate change and its financial implications.



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



REGULATORY

Risks related to impacts on our business and operations from new laws, regulations and standards



OPERATIONAL

Forestry, mill, haulage, commercial and pulp logistics risks



REPUTATIONAL

Risks related to Eldorado's credibility and public trust



SOCIAL

The risk of impacts on local communities that could affect our operations



INFORMATION TECHNOLOGY

Risks to information security and customer and employee data privacy



COMPLIANCE

Employee and business partner misconduct and integrity risks; compliance with anti-corruption, conflicts of interest, anti-trust and internal audit policies, as well as privacy and data protection.

Financial implications and other risks and opportunities due to climate change GRI 201-2, SASB 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 and <i>Pantanal</i> regions.</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 and <i>Pantanal</i> regions 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>

Data privacy and security

To comply with the General Data Protection Law (LGPD - Law 13.709/2018), Eldorado Brasil has established guidelines and standardized processes for handling personal data that circulates in any company environment, which continued to be mapped in 2022. These are consolidated in our Privacy and Data Protection Policy. Our Privacy and Data Protection Program also maps and monitors all activities involving personal information, implementing controls and improvements, raising employee awareness about the importance of keeping this

information confidential, and responding to any security incidents.

Throughout the year, training and awareness campaigns were structured for employees to deepen their understanding of the subject. To clarify queries or address the topic in general, the Company provides the Privacy Website and the email: privacidade@eldoradobrasil.com.br.

Suppliers

In 2022 we built on the Business Partner Assessment and Integrity Policy implemented in the previous cycle, in order to improve internal compliance controls. This policy includes the requirement for partners to sign three types of statements: anti-corruption, politically exposed person, and working conditions (prevention and combatting child or forced labor), and accepting the terms and commitments of the Code of Conduct and Ethics and contractual anti-corruption clauses.

For certain contracts (based on value), an integrity due diligence process is implemented to assess the risks involved in relationships with suppliers.

In this business partner relationship, Eldorado Brasil believes that it can generate employment and income by contracting service providers and general products in the vicinity of its operations.



Number of suppliers by municipality

Municipality	Number of suppliers
Água Clara	15
Anastácio	1
Aparecida do Taboado	8
Bataguassu	8
Brasilândia	4
Caarapó	2
Campo Grande	96
Cassilândia	2
Chapadão do Sul	4
Dois Irmãos do Buriti	1
Dourados	8
Eldorado	2
Inocência	12
Itaporã	1
Ivinhema	2
Jaraguari	1
Nova Andradina	10
Paraíso das Águas	1
Paranaíba	3
Ribas do Rio Pardo	10
Rio Brillhante	1
Santa Rita do Pardo	3
Selvíria	13
Sidrolândia	1
Terenos	1
Três Lagoas	370
Andradina ¹	31

¹ Except Andradina (SP), all other municipalities are located in Mato Grosso do Sul State.



Caring for our planet

 Environment **7 8 9**

Material topics

- Certifications and good practices
- Managing environmental efficiency
- Biodiversity
- Innovation and technology



Sustainable operations

Eldorado is committed to balancing environmental protection with sustainable business growth through environmental stewardship

Forestry

We have more than 393,000 hectares of FSC (FSC C113536) and CERFLOR-certified forests, with 80% of forest stands connected to protected areas and legal reserves

117,000
of protected areas

865
wildlife and plant species identified in our forest areas, including 37 endemic species and 26 threatened species

30% reduction in area affected by fires compared to 2021 through the use of preventive measures and technology

14,812 people reached by the Eldorado Environmental Education Program (PES)

Gold reporting status in the Brazilian GHG Protocol Program

38 million metric tons of CO₂ sequestered

12 times

more than our emissions in the period

Pulpwood haulage

Our truck fleet, with an average age of one and a half years, significantly contributes to lower CO₂ emissions

We have been a signatory of the UN Global Compact since 2020

61%

company-own trucks in our fleet

Our trucks have state-of-the-art on board driver fatigue and distraction control systems, and 100% of the fleet has telematics systems that help to reduce CO₂ emissions

Mill

As we set new production records, our environmental indicators have improved in tandem, supporting operational excellence and FSC (FSC-C113939) and PEFC certification. Our production processes require minimal water and chemical consumption, resulting in reduced effluent and greenhouse gas emissions

Energy self-sufficiency with 96% of our energy coming from renewable sources

1.8 million

metric tons of bleached eucalyptus pulp, setting a new production record

86% of the water we use is returned to the river in environmentally suitable conditions. The remaining 14% is either incorporated into our products or returned to the environment through evaporation

267 MWh of renewable electricity

0.15 tCO₂e of greenhouse gas emissions per metric ton of pulp, one of the lowest in our industry

24% reduction in water consumption for pulp production over the last 10 years

Onça Pintada Power Plant (UTOP) Renewable electricity generated from pulpwood waste is supplied to the National Grid

127,000 MWh of renewable electricity output

Pulp logistics

Our new terminal being constructed at the Port of Santos (SP) has direct access to berths and railway lines. This will enhance efficiency and reduce emissions from pulp shipping operations

The new pulp terminal in Santos (SP) will have a capacity to ship **3 million** metric tons per year, triple the current capacity.

Eldorado sells pulp directly to 45 countries across all continents.

Managing Environmental Efficiency



GRI 3-3: Management of material topics

Eldorado Brasil has never stopped conducting studies, monitoring natural resources and continuously improving the environmental quality of its processes, products and services. To achieve this, it constantly invests in innovations and management and control tools. This has led to the maturity of environmental indicators and successive records in pulp production in recent years, aligned with sustainable development and ensuring the sustainability of natural resources for current and future generations.

Against this backdrop, the importance of biodiversity for the planet and for business means protecting our geographies is the rule not the exception. The company therefore invests in technology and good management practices in the planting of eucalyptus forests and throughout the process of transforming wood into pulp. The focus on

environmentally sustainable actions underpins the practices of all company sectors.

Eldorado Brasil complies with all current laws and goes above and beyond requirements in many sectors. We pay special attention to agricultural defense legislation, with practices that protect the health of plants, the identity, quality and hygienic-sanitary safety of areas, as well as the integrity of inputs and services used in forests.

The company's forestry operations take extreme care of nature as proven by forest certifications that attest to good management practices, compliance with national and international standards and legislation, and respect for human rights.



Sustainability Policy

Consisting of nine commitments, the policy is one of Eldorado Brasil's strategic guidelines for conducting business and using natural resources.

- 

1 Ensure the business remains competitive and operates in a socially and environmentally responsible manner;
- 

2 Comply with applicable laws and regulations in accordance with the requirements laid down by the Forest Management Council;
- 

3 Innovate and develop technologies that boost competitiveness while preventing pollution;
- 

4 Use natural resources sustainably and protect local biodiversity;
- 

5 Contribute to attaining Brazil's INDC targets through forestry and by producing energy from renewable sources;
- 

6 Foster ethical relations and transparent communication with stakeholders;
- 

7 Provide working conditions that offer equal rights without discrimination based on gender, race or color;
- 

8 Provide a motivating, safe and healthy work environment;
- 

9 Invest in training and develop a culture of continual improvement in our operations.

Forestry certifications and good practices

GRI 3-3: management of material topic

Certification is renewed **annually, attesting** to the Company's good practices, with the goal of certifying 100% of the planted forest areas. The main seals in the company's portfolio are:

- **Forest Stewardship Council®:** granted to enterprises or producers whose forests are responsibly managed according to the FSC Principles and Criteria, Eldorado Brasil holds certification for Forest Management (FSC-C113536) and Chain of Custody (FSC-C113939), ensuring pulp can be traced down to the end customer.



- **Brazilian Forestry Certification Program (CERFLOR):** a voluntary certification program confirming that the enterprise conducts forest management in compliance with the program's environmental, social and economic requirements.
- **Program for the Endorsement of Forest Certification (PEFC):** the largest forest certification system in the world, the process occurs through independent third-party certification that identifies sustainable forest management practices.



- **Halal Certification:** certifies the practice of procedures for producing, storing and marketing items intended for Muslim consumers.



- **Kosher Certification:** ensures that the company follows specific standards aimed at Jewish consumers.



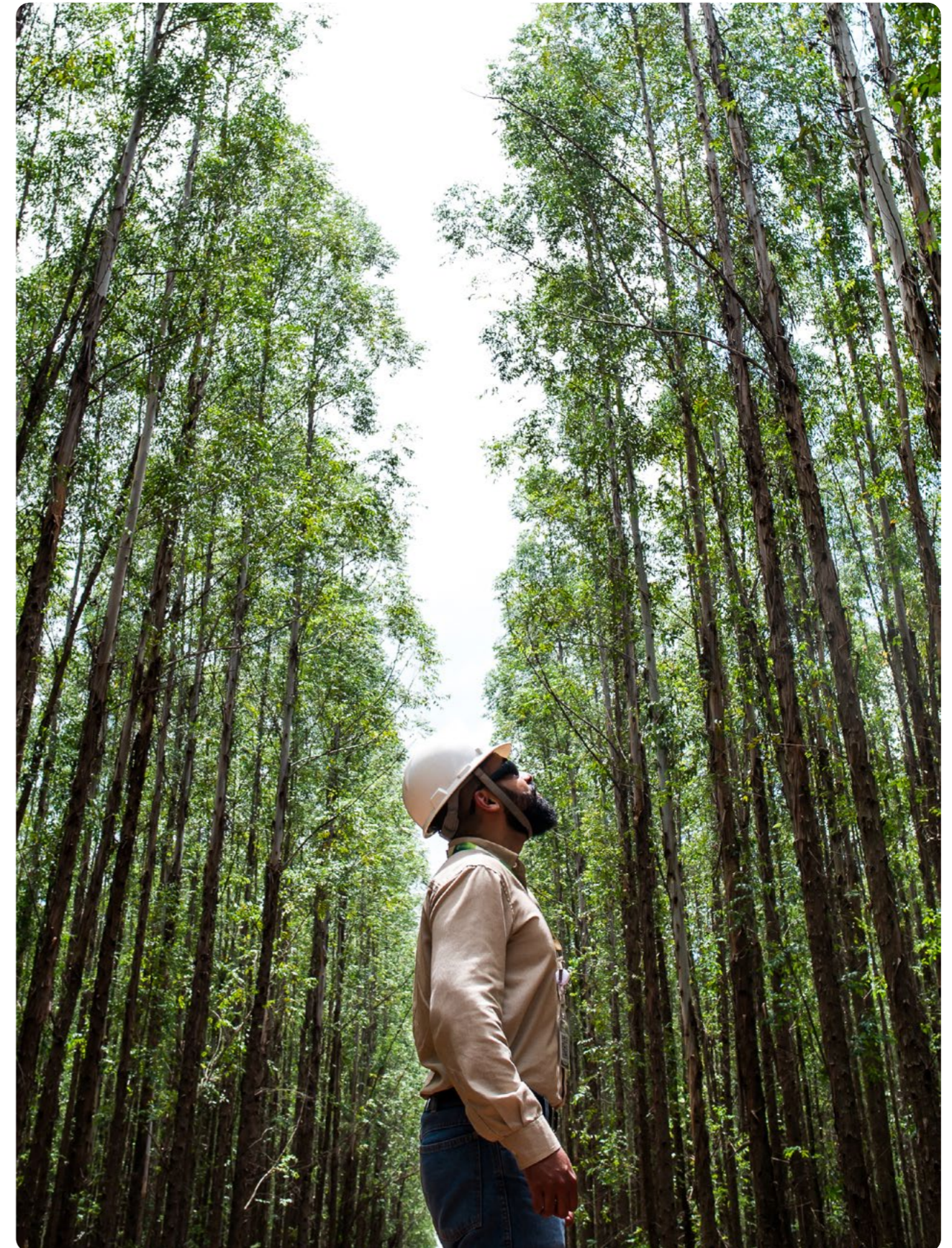
- **Ecolabel:** the European seal attests that Eldorado Brasil follows environmental standards of excellence throughout its production cycle. The certification promotes circular economy, advocates for production processes with less waste and lower CO₂ emissions.



- **Brazilian Climate Coalition:** Eldorado Brasil is a signatory of the Brazilian Coalition on Climate, Forests and Agriculture. This multi-stakeholder initiative brings together some of the leading agribusiness players in Brazil to address issues stemming from climate change.

Eldorado currently has 393,857.57 hectares of certified forest area, representing 95% of the certified area in 2022. This data is from the latest audit report issued by the certification body SYSFLOR, which embraces the FSC and CERFLOR certifications. In 2022, 25% of the total wood consumed in the factory was sourced from FSC-certified suppliers, and 30% from controlled pulpwood.

SASB RR-FM-160a.1, RR-PP-430a.1



Forestry Operations

In 2022, as Eldorado Brasil celebrated its 10-year anniversary, our forestry operations achieved remarkable milestones. Our pulpwood eucalyptus forests grew to a total of 267,300, and we sourced an additional 60 million cubic meters (m³) of pulpwood from the market. During the year, we planted more than 300 million eucalyptus trees on owned and leased land, and maintained 117,000 hectares of protected areas.

Alongside this expansion, we invested in technology to streamline our operations and decision-making. Out of the 2,500 clones we tested in the year, 157 were selected as genetic material for annual planting across our more than 300 farms throughout the state of Mato Grosso do Sul. As part of our genetic improvement efforts, we successfully registered five elite cultivars with the Ministry of Agriculture and Livestock (MAPA). These cultivars were selected from progenies imported from Australia and other parts of the world. Known as local varieties, these cultivars exhibit well-adapted characteristics to our sites, demonstrating enhanced growth and resilience to water deficit, common pests, and eucalyptus diseases. Our research in genetic improvement and biotechnology continues to advance. During the year, we established an experimental network within our Genetic Improvement Program (PMGF). We implemented 48 new trials, covering a total of 133 hectares, and introduced 755 new progenies and 534 new clones. The goal in these trials is to develop high-yield genetic material adapted to our plantation sites, with optimal pulpwood properties and high tolerance to biotic and abiotic stressors.

Eldorado is currently developing several biotechnology projects, particularly in metagenomics. We have made significant progress in characterizing microorganisms associated with eucalyptus and

exploring the production of novel inoculants. Also as part of our forestry improvement efforts, we are currently developing a project, called "Pizarro," in collaboration with SENAI and EMBRAPA. This partnership aims to develop tools to reduce the time taken to evaluate and select genetic materials within the Eldorado Genetic Improvement Program. Phase one of the project involved the development of NIR (Near Infrared Spectroscopy) models for pulpwood quality characterization, and *in vitro* multiplication of 1,000 progenies from a hybridization field.

Our bio-inputs factory has supported our efforts to protect approximately 150,000 ha of forests through the release of laboratory-bred natural predators to control opportunistic pests and reduce the use of chemical products. We also implemented a large-scale experimental forest management project (*Floresta de Máxima Produtividade*) in the year, with around 500 hectares of trial fields using different eucalyptus cultivation methods, including different row spacing, genetic materials, fertilization, lighting levels, and forest irrigation. This is supported by a sophisticated plant sensor system, allowing us to evaluate the trees' response to tested alternatives in controlled environments, monitored by weather stations and biological flow analysis. Led by five of Brazil's leading crop science and forestry professors, this project will substantially enhance our understanding of planted forest management in the state of Mato Grosso do Sul, enabling us to fine-tune our forestry practices.

In 2022 we continued our strategy of mechanizing our forestry operations, achieving a mechanization rate of 71.35%. We also continued to expand our communication tower network, amplifying the forest fire protection envelope. In addition we completed the installation of 30 weather stations,



covering 98% of our total eucalyptus area. An ambitious telemetry and machine sensor project, combined with artificial intelligence and satellite imagery programs, has improved our ability to remotely manage pulpwood operations from our Forestry Intelligence Center (IRIS). Using 150 nano-satellites, multi-temporal mapping and analysis, and RGB and NDVI monitoring technologies, we closely monitor daily planting and harvesting operations, as well as the levels of weed competition. Eldorado has created an integrated mapping portal covering our entire forest estate, which automatically generates custom maps for each manager. Team leads and technicians use a tablet-based software system, called Gisagre, to navigate our pulpwood operations and collect comprehensive information about eucalyptus stands, including area, year planted, genetic material, fertilization methods used, and the latest growth and volume measurements in the observed area.

In 2022 we harvested and hauled approximately 6 million cubic meters of pulpwood to our mill. We also invested in infrastructure on company-operated farms, including 1,461 kilometers of new roads and 14,000 kilometers of road repairs.

Eldorado provided extensive training to develop 3,000 employees, including 1,000 forest fire responders as well as machinery operators, drivers, and leaders at different levels. In collaboration with Empresa Conexão-FGV, we developed a course, called "Germinar," to equip future leaders with high-level managerial and technical skills, preparing them for managerial roles within the company.

Occupational safety has always been a priority at Eldorado. Through programs such as *Safety Blitzes*, *Inova+*, *VISTA* and *Lidere a Vida*, we have successfully reduced our injury frequency rate by 91.24% (from 2.97 to 0.26) and our injury severity rate by 90.38% (from 52 to 5) since our company was founded in 2012.

Haulage

In 2022 our Transportation division used 60% company-owned trucks to hold pulpwood to the middle, and 100% company-own trucks to transport biomass chips to the power plant. The vehicles in our fleet have an average age of one and a half years. This helps to reduce greenhouse gas emissions due to lower fuel consumption.

Our truck fleets serving the mill and power plant traveled more than 39 million kilometers, with an average haul distance of 182 kilometers. Pulpwood delivery exceeded expectations by 5% (approximately 282,000 cubic meters), contributing to Eldorado's record-breaking pulp production of 1.83 million tons. In the year we also set a new record for pulpwood haulage in a single day, on December 30, 2022, at 26,369 cubic meters.

In addition, we launched an important behavioral and technical training program in the Transportation division, called the Eldorado Transportation Improvement Program (PATE). And we resumed our "Breakfast with Management" program after the pandemic, in which employees interact with Transportation division management on a monthly basis and receive updates on our business strategy.

We remain focused on our goal of growing our operations and pursuing continuous improvement in our operational, health, safety, and environmental processes. As part of these efforts, we have reinforced and enhanced our efforts, which we describe below.

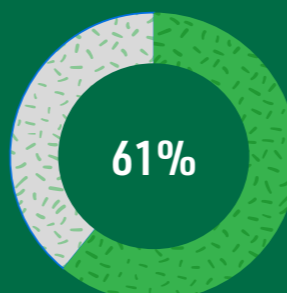


100%
of our company
fleet
has on-board
cameras with artificial
intelligence systems

- **Driver fatigue and distraction control system:** an artificial intelligence-driven camera system installed in all trucks in our company-owned fleet. A virtual assistant, called Íris, automatically alerts drivers if they show signs of fatigue or distraction, and reminds them about not using mobile devices (even when the truck is stationary) and in about stopping to rest if fatigued. Incidents are reported to a management system and monitored real time, 24/7. The Control Tower has the authority to interrupt a driver's journey if necessary.
- **Telemetry:** a system for real-time monitoring of driver and truck behavior from the control tower, used on all company-owns trucks. The maintenance team also receives sensor information such as overheating, gearbox, oil, engine and other data.
- **Total productive maintenance (TPM):** an app-based checklist in which drivers can report any anomalies or potential issues with the vehicle. This supports preventive maintenance, such as replacing defective suspension components. The checklist is forwarded to the maintenance team and acted upon.

- **Fleet renewal:** another 20 trucks were added to our fleet in the year. Next year we plan to immediately replace a significant portion of the fleet for compliance with new emission standards, migrating from Euro 5 technology to Euro 6. The new-generation trucks have engines that provide further reductions in pollutant emissions, including: 80% less NOX emissions and 50% less particulate matter.
- **Vehicle inspections:** we inspect our contract truck fleet against the stringent safety requirements stipulated in NBR 14040; this includes performing brake and acceleration tests, mechanical inspections, and simulating abrupt maneuvers.
- **Selective Catalytic Reduction (SCR) systems:** fitted on all trucks to minimize pollutants.

Pulpwood haulage



Biomass haulage



■ Company fleet

Pulp mill

Our pulp mill in Três Lagoas (MS) is one of the most modern, safe, and competitive in the world. Its unrivaled levels of operational efficiency are the result of investments in innovation, deployment of cutting-edge automation technology, state-of-the-art equipment and machinery, and an Industrial Management System (IMS) focused on continuous improvement.

Operational excellence, supported by a highly skilled and innovative team, has allowed the mill to exceed its design capacity by 22%, or 1.5 million metric tons of pulp. A more efficient plant is also more sustainable—the mill produces more pulp while consuming less water, fewer chemicals, and generating fewer effluents and greenhouse gases.

In 2022 we set a new record for production output at 1.8 million metric tons of bleached eucalyptus pulp, a 3.1% increase compared to 2021. Operating efficiency is measured as the average maximum sustainable rate (MSR), which stood at 95% in the year. The improvement can be attributed not

only to superior operational efficiency and asset management but also to the use of state-of-the-art process automation technology, including Industry 4.0 and Artificial Intelligence (AI), which supported a 98% availability rate—setting a benchmark for the industry. Another strong-performing operational indicator in 2022 was cash cost of production, which stood at R\$/t 873 (Us\$/t 169) in the year, excluding the effect of scheduled maintenance shutdowns.

Throughout the year, the construction works for the new pulp terminal completed 44,550 m² out of a total of 53,460 m² of leased area and 50,160 m² of built-up area at the Port of Santos (SP), with operations expected to commence in 2023. Shipping capacity will reach approximately 3 million metric tons per year, nearly double the current capacity. The STS 14 area has been leased under a 25-year contract and 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.



Our pulp mill boasted a **98%** availability rate in 2022, setting a benchmark for the industry

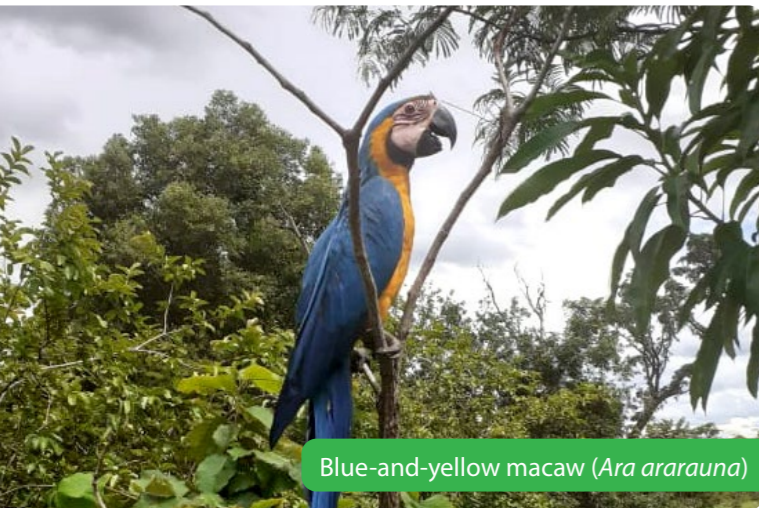


Biodiversity

GRI 3-3: Management of material topic



Maned wolf (*Chrysocyon brachyurus*)



Blue-and-yellow macaw (*Ara ararauna*)



Tamandua-mirim (*Tamandua tetradactyla*)

Eldorado Brasil's forestry practices integrate eucalyptus stands with the surrounding ecosystems. Fazenda Santa Marina, a protected area in Três Lagoas (MS), serves as a buffer zone that mitigates potential negative impacts from external activities. A diversity of wildlife thrives in the protected area's 116,000 hectares, which represent 28% of our total forest estate. **GRI 304-1, RR-FM-160 a.2**

Our approach to biodiversity management involves identifying, monitoring and managing the most important ecosystems in our locations of operation. We also identify process impacts in order to mitigate negative aspects and enhance positive ones, while protecting ecologically sensitive areas.

We have established a number of indicators to track the restoration of previously disturbed land (prior to our ownership or possession of the land) in protected areas and legal reserves. Among these indicators is Species diversity and number of individuals, which we track on a sampling basis across the 116,000 hectares of the protected area. There are no critically endangered species within our operational sites; 826 species of least concern have been identified. Among them, 13 are classified as endangered, 10 as vulnerable, and 12 as near threatened. A 1,341-hectare area within the Pântano Farm is designated as a High Conservation Value Area (AAVC), playing a crucial role in biodiversity conservation and providing environmental services such as flood control, regulation of streamflow, and maintenance of water quality. **GRI 304-3, 304-4, RR-FM-160 a.3, RR-FM-160 a.4**

Eldorado Brasil also has programs to enhance the benefits generated by our eucalyptus plantations. We have a framework by which we identify potential environmental impacts from our forestry-related products, activities, and services. Water resources, flora, fauna, and assets are regularly assessed.

Protected areas are monitored via plot sampling and satellite imagery. Eldorado is committed to combating the conversion of native forests. **GRI 304-2**

We also have forest fire prevention programs aimed at reducing fire damage in our own areas as well as neighboring areas. In 2022, there was a 30% reduction in area affected by wildfires compared to the previous year. As part of our prevention efforts, we organized forest fire training programs for the general public as part of a comprehensive campaign across rural areas.

Robust systems and advanced technologies enable us to monitor our entire force portfolio 24/7. All personnel involved receive regular training in fire prevention practices, fire monitoring, protective infrastructure, and communication. In 2022 we trained over 745 fire responders.

24 hours
monitoring
across our
entire forest
estate spanning
412,000 hectares



Forest Fire Prevention

(Ethos Sector Disclosures)



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

The following were some of our forest fire prevention initiatives in the year:

In the second half of 2022, Eldorado organized an interactive educational initiative in 18 schools in Mato Grosso do Sul to enhance engagement around fire prevention, particularly during the dry season, when strong winds can cause wildfires to spread rapidly. The project, called "Eldorado Brasil – Together against wildfires," used interactive role-play to raise awareness about wildfires among more than 10,000 students aged 5 to 15, with over 30 presentations delivered.

The participating schools are located in the cities of Inocência, Selvíria, Água Clara, Santa Rita do Pardo, Ribas do Rio Pardo, and Três Lagoas. The goal was to

alert students to Actions that are harmful to the environment, and teach them to teach others about fire safety.

In collaboration with REFLORE, we ran a prevention campaign under the theme "Zero Wildfires: Consistent Prevention. Swift Reaction," using outdoor advertising, radio spots, and awareness videos disseminated to the general public.

The communities surrounding our farms were also engaged through the distribution of leaflets and promotional items. The distributed materials contained information about prevention and contact numbers for emergency situations.

We also established a partnership with the Rural Union to provide firefighting equipment to train communities neighboring our farms in responding to forest fires.

Aspect GRI 304-2	Description of impacts		
	2020	2021	2022
Species affected	Fauna	Fauna	Wildlife (connecting forest patches and using forest areas responsibly)
Extent of areas impacted	Protected areas	Protected areas	Protected areas
Duration of impacts	Short term	Long term	Long term
Reversibility or irreversibility of impacts	Reversible	Irreversible, with improvements in protected areas	Irreversible, with improvements in protected areas

Innovation and Technology



GRI 3-3: Management of material topic

Innovation is a key enabler of business growth, and is embedded in our organizational culture at Eldorado Brasil. In the workplace, we encourage employees to pitch ideas and suggestions for improvement. This has helped to consistently position Eldorado at the forefront of technological advancements in the pulp sector, and as an industry leader.

We take a decentralized approach to innovation, ensuring greater agility in implementing new ideas across three main fronts: Forestry Operations, Mill Operations, and Logistics. Our innovation efforts aim to reduce environmental impacts, optimize the use of natural resources, increase productivity, lower operational costs, improve health and safety for employees and communities, and develop new products. These efforts ensure the long-term sustainability and growth of the business through continuous improvement of our field, mill and logistics operations.

Innovative thinking is highly valued within the company. Programs such as *Inovar* and *Inova+* gather ideas from employees in our mill and forestry operations, focusing on process and procedures improvements to enhance operational efficiency and create safer and more productive workplace environments. The top ideas are approved, and implemented at the mill and in our forestry assets.

In 2022 the *Inovar* program received more than 293 ideas, of which 97 were successfully implemented at the mill. The *Inova+* program implemented 195 employee ideas in forestry operations. The innovations aim to improve process efficiency and environmental safety.



Projects in the pipeline at the Eldorado Brasil Forestry Intelligence Center

- **Local Part Sourcing Program:** a program to develop local suppliers of machinery and equipment components, generating cost savings of R\$ 8.8 million.
- **On-site Fuel Depot:** a new fuel depot at our Três Lagoas site has generated cost savings of 22% per liter compared to average service station prices.
- **Germinar Program:** 15 new leaders received more than 128 hours of training to equip them for management positions within the company.
- **Sapling Sunscreen:** this new technology has reduced the requirement for irrigation by 18% for newly planted saplings (from 2.8 to 2.3 times), optimizing water consumption in our forestry operations in 2022.
- **Genotyping:** deploying and developing new technology for identifying genetic material. Our state-of-the-art genotyping laboratory allows us to confirm the clonal identity of 100% of saplings from third-party suppliers, ensuring they conform to specifications and are properly documented in Eldorado's forest database. In 2022 a total of 8,050 genotyping tests were performed.
- **Metagenomics:** assessing fungal diversity in different areas with the potential to impact forest growth. We have continued to make progress in characterizing microorganisms associated with eucalyptus and in the production of potential inoculants. In 2022 we carried out nursery and field trials with six inoculants on three clones.
- **Pizarro Program:** development of protocols for micropropagation and near-infrared (NIR) phenotyping (*E.urophylla* and *E. grandis*), in partnership with Senai and Embrapa. The program aims to develop tools to reduce the time taken to evaluate and select genetic materials within the Eldorado Genetic Improvement Program. Phase one of the project involved the development of NIR models for pulpwood quality characterization, and *in vitro* multiplication of 1,000 progenies from a hybridization field.
- **Expansion of experimental network within the Genetic Improvement Program:** Eldorado implemented 48 new trials, covering a total of 133 hectares. We introduced 755 new progenies and 534 new clones. The goal in these trials is to develop high-yield genetic material adapted to our plantation sites, with optimal pulpwood properties and high tolerance to biotic (living organisms that inhabit a particular location) and abiotic (chemical and geological stressors, such as water, light, soil, moisture, temperature, nutrients, etc.) stressors.
- **Expanding fire monitoring:** We installed 25 towers equipped with state-of-the-art technology for weather and fire monitoring, operational radio communications, and field connectivity. This has expanded the surveillance coverage area to 68%.
- **Floresta 4.0 (Forestry Connectivity):** this program is reformulating our communication strategy to implement the technology and data connectivity services required for forestry and other remote operations, enabling emergency

and logistical support. In 2022, several Proof of Concepts (POCs) and tests were carried out in operational environments to identify the most suitable solutions for operations and forestry requirements.

- **Telemetry and remote-sensing:** identifying, testing, and implementing telemetry and remote sensing solutions for forestry machinery and equipment. In 2022 we made further progress in procuring onboard data collection and automation solutions for 116 pulpwood loading and haulage machines and vehicles.
- **Operational efficiency study - forestry, haulage and loading:** artificial intelligence-based assessments of operational efficiency in forestry, loading and haulage operations to map out key opportunities for process improvements, enhance productivity and reduce operating costs.
- **Fuel and parts logistics assessment:** As a result of this assessment, we insourced fuel distribution logistics, implemented mobile storerooms in our forestry operations, and introduced app-based digital fueling solutions.
- **Maintenance quality assessments:** we performed maintenance quality assessments on 52 mechanical maintenance items, resulting in process improvements, better servicing of machinery and equipment, and improved housekeeping, with assessed items receiving a conformity score of 9.5.
- **ELDSERVIÇOS APP:** a new app to digitize meal and accommodation requests, improving accessibility, controls and compliance and operational support services.
- **CARSHARING APP:** in 2022 we initiated development of a car sharing app for light vehicles, designed to maximize usage and reduce operational costs. As a result, 15 vehicles were taken out of service and returned to the rental companies, generating cost savings.

Innovation is among the pillars in our organizational culture



Environmental Disclosures

With a focus on building a better tomorrow, and recognizing the major challenges posed by climate change, Eldorado Brasil has implemented initiatives to manage and reduce the environmental impacts from our activities. Learn about these initiatives below.

Energy GRI 3-3: management of material topic

Our pulp mill is energy self-sufficient with biomass generation capabilities using waste materials from the production process—such as lignin and wood waste—as fuel. The electricity produced on-site is enough for both the mill and adjacent partner facilities, and the surplus is supplied to the National Grid.

Our Onça Pintada power station produces renewable electricity from waste eucalyptus biomass. With an installed capacity of 50 MW, the power station also supplies electricity to the National Grid, contributing to a greener energy mix.

Due to reduced demand from the National Grid and scheduled maintenance shutdowns at the mill, there was a decrease of approximately 50% in biomass consumption for the powerstation and 16% in the boiler. As a result, biomass-fired generation output was reduced to 2,300,181.09 GJ. **GRI 302-4**



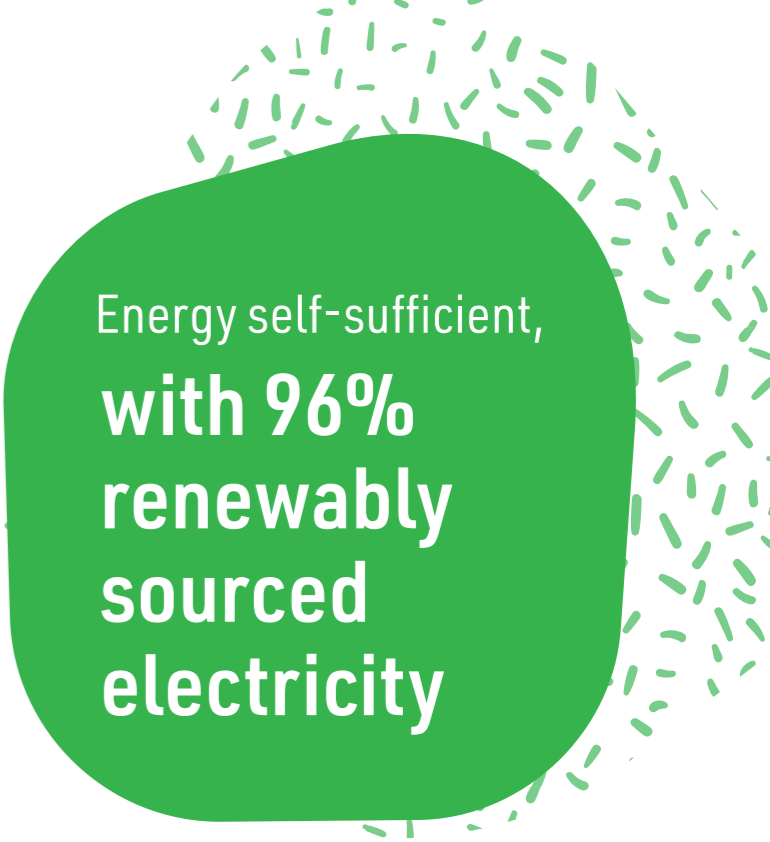
Onça Pintada Power Station

The Onça Pintada power station, built in 2021 adjacent to our pulp mill, completed its first full year of operation in 2022, generating 127,000 MWh and revenue of R\$ 86 million. The power station produces enough electricity for a city with a population of 700,000 people, and is authorized to supply electricity to the National Grid.

The facility was the first in Brazil to implement a breakthrough technology to produce electricity from waste pulpwood, making our mill process more efficient and sustainable.

In 2022 our operations generated a total of 1,581,000 MWh (including the Onça Pintada power station), of which 447,000 MWh were sold to partner chemicals producers (co-located adjacent to the mill) and 391,000 MWh (including from the Onça Pintada power station) were sold to the National Grid, generating R\$ 133 million in revenue. Our energy consumption was 45,123,906.47 GJ in the year, with 13% source from the grid, 7% from biomass and 80% from other renewable sources. Energy consumption from non-renewable sources increased by 18.17% as a result of the expansion of our forestry operations and the resulting increase in diesel in natural gas consumption as fuel.

GRI 302-1, SASB RR-PP-130 a.1



Fuel consumption – nonrenewable (GJ) GRI 302-1

	2020	2021	2022
Fuel oil	166,607.52	257,657.63	123,733.85
LPG	10,740.01	10,954.07	17,852.22
Diesel	1,051,674.37	1,157,301.83	1,590,154.59
Gasoline - fleet	26,370.24	20,112.24	23,006.32
Natural gas	1,503,270.64	1,372,982.50	1,576,649.92
Total	2,758,662.78	2,819,008.28	3,331,396.9

Fuel consumption – renewable (GJ) GRI 302-1

	2020	2021	2022
Liquor	32,954,396.57	33,003,854.03	33,994,282.06
Biomass	2,694,018.34	6,602,462.58	4,302,281.49
Biodiesel - diesel content	94,865.32	115,323.02	140,625.92
Ethanol - gasoline content	4,996.78	5,293.77	5,275.30
Total	35,748,277.01	39,726,933.41	38,442,464.77

Energy consumed (GJ) GRI 302-1

	2020	2021	2022
Electricity	4,306,333.54	4,220,526.63	4,762,427.72

Energy sold (GJ) GRI 302-1

	2020	2021	2022
Electricity	1,012,651.42	2,022,261.66	1,412,382.92

Total energy consumption within the organization¹ (GJ/t) GRI 302-1, RR-PP-130A.1

	2020	2021	2022
Nonrenewable fuels	2,758,662.78	2,819,008.28	3,331,396.90
Renewable fuels	35,748,277.01	39,726,933.41	38,442,464.77
Energy consumed	4,306,333.54	4,420,526.63	4,762,427.72
Electricity sold ²	1,012,651.42	2,022,261.66	1,412,382.92
Total	41,800,621.91	44,944,206.65	45,123,906.47

¹The calculations are based on the Brazilian GHG Protocol Program and IPCC methodologies.

²Energy sold is subtracted from total energy consumed by the organization.

Energy intensity¹ (GJ/t) GRI 302-3

	2020	2021	2022
Within the organization	23.60	25.30	24.44

¹The energy consumption figures refer to our pulp production operations. In 2021, the construction of our thermal power plant increased our energy intensity. Data on energy intensity outside the organization is not available.

Non-renewable fuel consumption intensity (MJ) GRI 302-3

	2020	2021	2022
Fuel oil (boilers)	94.08	145.02	67.52
LPG (forklifts)	6.06	6.17	9.74
Diesel	593.86	651.36	867.8
Gasoline	14.89	11.32	12.55
GNS	848.87	772.75	860.4
CNG	0	0.08	0

Water and Effluents

GRI 3-3: management of material topic

Eldorado Brasil has processes and practices in place to ensure the responsible use of the water resources needed in our forestry and mill operations. Over the course of 11 years, there has been a 24% reduction in water consumption for pulp production, and over 1,664,980 m³ of water from boilers has been reused for pulplog washing. Eldorado Brasil conducts internal and external audits and site visits to assess water resources. All operations are monitored on indicators such as m³/metric ton of pulp, per hectare, and per seedling produced. **GRI 303-1**

We also monitor watersheds and environmental indicators to ensure water resources are used responsibly in our operations. Our more than 30,000 hectares of protected areas help to preserve water resources in the areas where we operate. In order to better manage these resources, we regularly conduct internal and external audits and site visits to assess performance against established indicators.

Our matrix of environmental aspects and impacts is constantly updated, and corrective and



mitigating measures are implemented to ensure water resources are used responsibly at all times, particularly in three areas: seedling nurseries (using groundwater from licensed wells); mill (utilizing surface water from the Paraná River (Federal), under a permit from the Brazilian water agency, ANA); forestry (surface water withdrawal at locations approved by the local environmental agency, IMASUL). 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-140 a.2**

The effluents discharged from our mill are required to comply with CONAMA Resolution 430/2011 and CECA Resolution 36/2012. 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**

In 2022 our water intensity in pulp production was 24.7 m³/TSA, and wastewater discharge intensity was 21.3 m³/TSA. This means that over 86% of the water used was returned to the river under appropriate environmental conditions. The remainder is either incorporated into the product or returned to the environment through evaporation. **GRI 303-5**

24%
reduction
and water
consumption for pulp
production since 2013



Total volume of water withdrawal across all areas and in areas with water stress, by source¹ (ML) GRI 303-3, RR-PP-140A.1

	2020	2021	2022 ²
Surface water (Total)	43,759.23	45,407.32	418,417.02
Groundwater (Total)	360.00	423.50	455.15
Total	44,119.23	45,830.82	418,872.17

¹We have no operations in areas with water stress. All water withdrawal figures refer to freshwater sources ($\leq 1,000$ mg/L of Total Dissolved Solids). Surface water figures include withdrawals for both mill and forestry operations. Groundwater figures refer to withdrawals for seedlings nurseries.

²Water consumption in forestry operations was included in the calculation in 2022.

Total volume of water discharge across all areas and in areas with water stress, by source¹ (ML) GRI 303-4

	2020	2021	2022
Surface water	37,738	38,805	39,769
Total water discharge (ML)	37,738	38,805	39,769

¹All water discharge figures refer to freshwater sources ($\leq 1,000$ mg/L of Total Dissolved Solids). We have no operations in areas with water stress. Data for 2020 and 2021 has been restated.

Emissions

GRI 3-3: management of material topic

To improve our environmental performance, Eldorado Brasil seeks to remain within operational limits that are more restrictive than those required by Brazilian legislation. Since our founding, we have used biomass to fuel the boiler at the power plant. With the recent completion of our Onça Pintada power plant, our generation capacity and the consumption of biomass have increased. Eldorado Brasil is currently conducting assessments on the use of renewable, less polluting fuels, including haulage vehicle retrofits from diesel to natural gas, and purchasing gas-fueled and hybrid vehicles. SASB RR-PP-110a.2

Our greenhouse gas emissions inventory, a one-point source of information about our emissions performance, is internally audited and in 2022 was subject to an external audit in accordance with the GHG Protocol. Our inventory was awarded Gold reporting status, the highest reporting status under the within the Brazilian GHG Protocol Program. The inventory was assured by a firm certified to ISO 1406 by Inmetro, confirming that the inventory data was collected and compiled in accordance with good practices and data monitoring and reporting. We are also preparing to implement an

Our greenhouse gas inventories have been independently audited based on the GHG Protocol since 2022.



environmental disclosures system as a requirement for GHG inventories.

In 2022, there was an increase in emissions Primarily as a result of a change in the methane correction factor (MCF)— from 0.5 to 0.7—in the GHG Protocol tool for waste disclosures. Consumption of nitrogenous fertilizers, soil amendments and fuels also increased. GRI 305-5

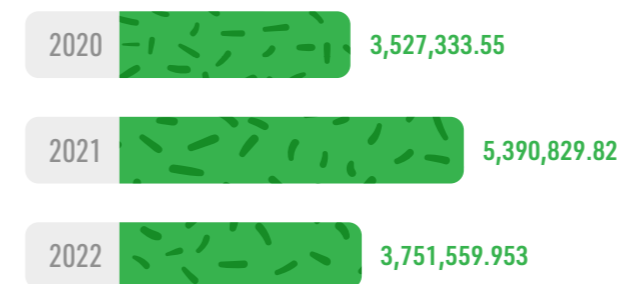
Our forestry operations have sequestered more than 38 million metric tons of CO₂e in the last 10 years, 12 times more than our emissions in that period

Direct greenhouse gas emissions¹ (t CO₂ equivalent) GRI 305-1, SASB RR-PP-110A.1

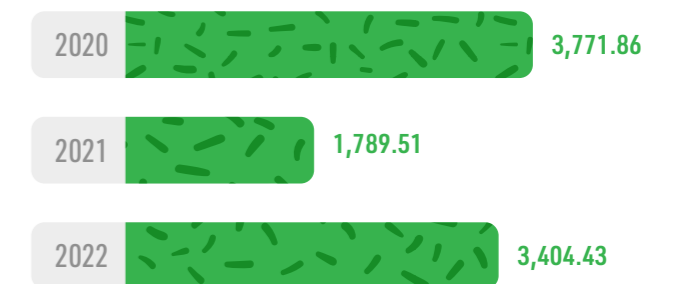
	2020	2021	2022
Agricultural (use of fertilizers)	3,795.69	11,490.60	15,191.8
Production of electricity, heat or steam	126,420.46	134,744.22	117,561.057
Transportation of materials, products, waste, employees and passengers	62,418.37	76,774.63	79,162.325
Solid waste and wastewater ¹	11,954.13	13,660.89	48,119.82
Fugitive emissions	1,705.40	4,121.12	8,082.97
Land-use changes resulting from CO ₂ emissions caused by forest fires ²	-	7,264.56	2,38.0
Total gross CO₂ emissions	206,294.12	248,056.00	270,256.772

¹Gases included in the calculation CO₂, CH₄, N₂O, HFCs, SF₆, NF₃, PFCs.

Biogenic CO₂ emissions (t CO₂ equivalent) GRI 305-1



Energy indirect GHG emissions (t CO₂ equivalent)¹ GRI 305-2



¹Scope 2 emissions refer to energy consumption in Brazil and other countries based on data compiled using the GHG Protocol tool and the factors published in the report Carbon Footprint – Country Specific Electricity Grid Greenhouse Gas Emission Factors, February 2023.

Other indirect GHG emissions (t CO₂ equivalent)¹ GRI 305-3

	2020	2021	2022
Upstream			
Transportation and distribution (third-party fleet—upstream) ²	313,764.82	343,624.47	420,037.88
Business travel	65.18	38.10	244.50
Commuting	5,005.72	7,200.742	6,153.95
Waste generated in operations	-	-	1,041.71
Fuel- and energy-related activities (Category 3) ³	-	-	648.95
Total	318,835.72	350,863.30	428,127.00

¹ Gases included in disclosures: CO₂, CH₄, N₂O, HFCs, PFCs.

² Freight is reported as FOB, i.e. entirely upstream.

³ Figures for Fuel- and energy-related activities (Category 3) not reported in 2020 and 2021.

Biogenic CO₂ emissions (t CO₂ equivalent)¹ - Scope 3 GRI 305-3

	2020	2021	2022
	4,009.20	3,107.11	7,117.28

¹ Calculated based on the GHG Protocol method.

Greenhouse gas emissions intensity¹ GRI 305-4

	2020	2021	2022
Metric tons of pulp produced (ADT)	1,770,910.00	1,776,740.00	1,832,398.00
Total GHG emissions (tCO ₂ equivalent)	528,901.70	600,708.81	273,661.204
Greenhouse gas emissions intensity	0.12	0.14	0.15
Indirect emissions intensity (Scope 3)	0.18	0.20	0.23

¹ The higher emissions intensity in 2022 reflects changes in the emission factors stipulated by the GHG Protocol.

Air emissions (t/year)¹ SASB RR-PP-120a.1

	2020	2021	2022
NO _x (excluding N ₂ O)	2,695.36	2,840.33	3,183.91
SO ₂	111.35	87.72	481.18

¹ The figures include emissions from the following sources: power generation boiler, chemical recovery boiler, lime kiln and Onça Pintada power plant.

Waste GRI 3-3: management of material topic, 306-1, 306-2

Our operations are compliant with the Brazilian National Waste Policy. We have a Waste Management Program in place that is designed to reduce waste generation and ensure all waste is safely and traceably disposed of in order to prevent environmental impacts such as pollution and biome contamination, and safeguard the health of employees.

A significant portion of the waste we produce is generated by our operations, including forestry and mill operations, nurseries, and procurement. The

weight of waste volumes is measured on a monthly basis, and the information is reported to relevant municipal, state, and federal government authorities in compliance with applicable regulations.

Eldorado implements environmental education programs, provides training for leaders and employees on the importance of waste reduction, conducts routine inspections and monitoring, and carries out internal and external audits to ensure our waste management practices are consistent with best practice.



Total waste generated by composition¹ (t) GRI 306-3

Category	2020	2021	2022
Mill – Non-hazardous			
Sand	16,857.89	22,819.45	22,928.42
Bark	6,736.87	4,651.63	2,777.27
Boiler ash	3,742.51	14,125.08	13,818.82
Dregs	21,857.32	20,733.37	17,139.18
Grits	3,259.24	3,370.13	2,775.95
Lime mud	17,290.26	39,228.55	1,576.16
Biological sludge	59,365.69	57,585.64	67,035.62
Water treatment sludge	202.31	132.29	137.25
Primary sludge	702.51	1,663.40	189.41
Knots	3,314.99	1,980.95	1,544.51
Organic	563.02	706.40	291.31
Shives	3,109.10	8,593.76	11,126.21
Digester dust	14.29	11.10	6.11
Pulping waste	2.80	-	-
Chemical plant filter cake	223.18	278.45	319.72
Non-contaminated waste - Cleaning	1,916.85	6,744.54	5,774.28
Precipitator dust	1,831.01	5,126.70	6,438.54
Construction waste	20.52	380.02	976.81
Wastewater treatment plant grill waste	2.30	-	8.45
Rubber	-	-	21.38
Mill – Hazardous			
Healthcare waste	0.09	0.10	0.19
Both operations¹ – Non-hazardous			
Bags	20.71	23.90	66.45
Paper/cardboard	35.45	39.00	25.03
Plastic	18.61	11.73	16.13
IT waste	-	0.70	0.11
Scrap metal	266.95	488.30	1,082.13
Nonhazardous waste in general	1,231.29	1,454.91	1,005.22
Both operations – Hazardous			
Oil	74.00	64.00	77.65
Chemical packaging	60.00	110.90	80.63
General contaminated waste	940.00	945.40	509.65
Total	143,659.76	191,270.40	157,748.59

¹ Both operations: Mill and Forestry.

Total waste diverted from disposal, by composition, in metric tons (t) GRI 306-4

Category	2020	2021	2022
Processing			
Lime mud	-	12,754.49	1,576.16
Shives	186.93	838.00	26.90
Biological sludge	85.29	12,739.90	-
Both operations¹			
Bags	20.71	23.90	66.45
Paper and cardboard	35.45	39.06	25.03
Plastic	18.61	11.73	16.13
Scrap metal	266.95	488.30	1,082.13
Used lubricants	74.00	64.00	77.65
Rubber	-	-	21.38
IT waste	-	0.70	0.11
Total	687.94	26,960.08	2,891.94

¹ Both operations: Mill and Forestry.

Total waste diverted from disposal, by recovery operation, in metric tons (t)

Type of disposal	2020		2021		2022	
	Onsite	Offsite	Onsite	Offsite	Onsite	Offsite
Nonhazardous waste						
Incineration without energy recovery	85.29	-	12,739.90	-	-	-
Preparation for use	-	186.93	5,314.33	8,278.16	1,576.16	26.90
Recycling	-	341.72	-	563.69	-	1,211.23
Hazardous waste						
Re-refining	-	74.00	-	64.00	-	77.65
Total waste diverted from disposal	85.29	602.65	18,054.23	8,905.85	1,576.16	1,315.78

Total waste directed to disposal, by operation, in metric tons (t) GRI 306-5

Composition Destination	2020		2021		2022	
	Onsite	Offsite	Onsite	Offsite	Onsite	Offsite
Nonhazardous waste						
Landfill	140,740.44	1,231.29	161,799.07	1,454.91	153,260.96	1,005.22
Autoclave and landfill	-	0.09	-	0.10	-	0.19
Hazardous waste						
Landfill	-	940.00	-	945.40	-	509.65
Other disposal operations	-	60.00	-	110.90	-	80.63
Total	140,740.44	2,231.38	161,799.07	2,511.31	153,260.96	1,595.69



Total waste generated by composition¹ (t) GRI 306-3

Category	2020	2021	2022
Mill – Non-hazardous			
Sand	16,857.89	22,819.45	22,928.42
Bark	6,736.87	4,651.63	2,777.27
Boiler ash	3,742.51	14,125.08	13,818.82
Dregs	21,857.32	20,733.37	17,139.18
Grits	3,259.24	3,370.13	2,775.95
Lime mud	17,290.26	26,474.06	-
Biological sludge	59,280.40	44,845.74	67,035.62
Water treatment sludge	202.31	132.29	137.25
Primary sludge	702.51	1,663.40	189.41
Knots	3,314.99	1,980.95	1,544.51
Organic	563.02	706.40	291.31
Shives	2,922.17	7,755.76	11,099.31
Digester dust	14.29	11.10	6.11
Pulping waste	2.80	-	-
Chemical plant filter cake	223.18	278.45	319.72
Non-contaminated waste - Cleaning	1,916.85	6,744.54	5,774.28
Precipitator dust	1,831.01	5,126.70	6,438.54
Construction waste	20.52	380.02	976.81
Wastewater treatment plant grill waste	2.30	-	8.45
Mill – Non-hazardous			
Healthcare waste	0.09	0.10	0.19
Both operations¹ – Hazardous			
Chemical packaging	60.00	110.90	80.63
General contaminated waste	940.00	945.40	509.65
Both operations – Non-hazardous			
Nonhazardous waste in general	1,231.29	1,454.91	1,005.22
Total	142,971.82	164,310.38	154,856.65

¹Both operations: Mill and Forestry.



People

✦ Employment 3 4 5 6

Material topics

- Human and organizational development
- Diversity and equal opportunity
- Local community development



The Eldorado Brasil Team

GRI 3-3: Material topic (Human and organizational development)

To ensure our continued growth in both the domestic and international markets, we believe it is crucial that we constantly invest in our people. We seek to build relationships of trust with our 5,312, fostering a workplace environment that is welcoming, respects diversity and values talent. The outstanding results we have delivered in recent years have been made possible by workplace culture that is focused on efficiency, respect, innovation, and environmental responsibility. [GRI 2-7](#)

Eldorado's Compliance Program fosters a culture of ethics, integrity, compliance and transparency among our employees, who are expected to demonstrate ethical and responsible conduct in performing their roles and business activities. This is supported by continuous behavioral training, including training on human rights.

Eldorado Brasil is proud to be one of the largest employers in Brazil's Midwestern state of Mato Grosso do Sul. Our mill in Três Lagoas supports 23% of jobs in the city, according to data from the Ministry of Labor and Employment's General Registry of Employment and Unemployment (CAGED). All employees are covered by collective bargaining agreements that are negotiated with the relevant unions and approved in general meetings. [GRI 2-30](#)

One of our goals is to attract people who are top talents and, above all, who share our values will stop. This is what makes our "Referring People Like Us" program so important. Candidates to job vacancies are screened and selected using a transparent



recruiting process that does not discriminate on the basis of race, color, gender or disability. We constantly invest in technology to provide the best possible workplace conditions where employees are optimally productive and freed up from unnecessary manual tasks.

Employees are entitled to benefits such as: health and dental insurance, meal vouchers, discounts at local pharmacies, private pensions, disability and invalidity allowance, parental leave, life insurance, and fitness centers (Gympass). In 2022 we created a Pregnancy Program for employees and dependents, with 60 women participating in the year. [GRI 401-2](#)

We have a dedicated remuneration function that submits payroll reports to the Executive Board on an annual basis. As part of our strategy to attract and retain talent, we offer both fixed and variable compensation—with variable compensation contingent on individual performance against a range of business targets. We also regularly engage specialized consultants to benchmark the remuneration earned by our senior executives (46% fixed and 54% variable). [GRI 2-19, 2-20](#)

Employees by employment contract and gender [GRI 2-7](#)

Contract type	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Permanent	3,896	765	4,661	4,495	871	5,366	4,326	858	5,184
Temporary	-	-	0	-	-	0	76	52	128
Total	3,896	765	4,661	4,495	871	5,366	4,402	910	5,312

Total workforce by employment contract and region [GRI 2-7](#)

Region	2020		2021		Temporary	2022	
	Permanent	Total	Permanent	Total		Permanent	Total
Midwest	4,307	4,307	4,993	4,993	119	4,896	5,015
Southeast	354	354	373	373	9	288	297
Total	4,661	4,661	5,366	5,366	128	5,184	5,312

Workforce by employment type [GRI 2-7](#)

Employment type	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full time	3,896	765	4,661	4,495	871	5,366	4,326	858	5,184
Part time	-	-	-	-	-	-	76	52	128
Total	3,896	765	4,661	4,495	871	5,366	4,402	910	5,312

Workers by category and gender [GRI 2-8](#)

	2022		
	Men	Women	Total
Apprentices	63	43	106
Interns	13	9	22
Total	76	52	128

New hires by age group [GRI 401-1](#)

	2020		2021		2022	
	No.	Rate (%)	No.	Rate (%)	No.	Rate (%)
Under 30	402	35	713	45	550	37
30 to 50	680	23	852	27	499	16
Over 50	82	13	80	14	61	10
Total	1,164	25	1,645	31	1,110	21

New hires by gender GRI 401-1

	2020		2021		2022	
	No.	Rate (%)	No.	Rate (%)	No.	Rate (%)
Men	942	24	1,369	30	846	20
Women	222	29	276	32	264	31
Total	1,164	25	1,645	31	1,110	21

New hires by region GRI 401-1

	2020		2021		2022	
	No.	Rate (%)	No.	Rate (%)	No.	Rate (%)
Midwest	833	19	1,550	31	1,043	21
Southeast	331	95	95	25	67	25
Total	1,164	25	1,645	31	1,110	21

Turnover by age group GRI 401-1

	2020		2021		2022	
	No.	Rate (%)	No.	Rate (%)	No.	Rate (%)
Under 30	131	12	349	22	421	29
30 - 50	419	14	543	17	642	21
Over 50	76	12	66	11	91	15
Total	626	13	958	18	1,154	22

Turnover by gender GRI 401-1

	2020		2021		2022	
	No.	Rate (%)	No.	Rate (%)	No.	Rate (%)
Men	522	13	789	18	916	21
Women	104	14	169	19	238	28
Total	626	13	958	18	1,154	22

Turnover by region GRI 401-1

	2020		2021		2022	
	No.	Rate (%)	No.	Rate (%)	No.	Rate (%)
Midwest	583	14	877	18	1101	22
Southeast	43	12	81	22	53	19
Total	626	13	958	18	1,154	22

Parental leave GRI 401-3

	2022	
	Men	Women
Employees entitled to parental leave	4,402	910
Employees who took parental leave	135	52
Employees who returned to work during the reporting period after parental leave ended	134	44
Employees that returned to work after parental leave ended that were still employed 12 months after their return to work	2	14
Return rate	0.99	0.80
Retention rate	1	1



Better Performance

Eldorado Brasil as an online training hub, called EDUCA, that is available to all employees. In 2022 we invest more than R\$ 4 million in training and development, with each employee attending an average of 44.8 hours of training during the year—primarily compliance training for both forestry and mill employees. Employees also receive training to support career advancement.

GRI 404-1, 404-2

Some of the key initiatives implemented by our Human Resources department include:

- **Onboarding for New Hires:** modular onboarding training that provides an overview of the company's business and operations to new employees. This training also addresses working hours, vacations, absences, health and

safety. In 2022, 833 people attended onboarding training.

- **First-time Managers:** this training is designed for employees who have been newly assigned to managerial roles, covering positive communication, feedback processes, and decision-making. Using a modular distance-learning approach, a total of 166 received training in 2022, including 71 new hires (onboarding) and 95 participants in the Leadership Journey program, which consists of three pillars: Experience, Feel, Learn. The program aims to develop individuals for future growth opportunities.
- **“More Knowledge”:** “this program aims to disseminate Eldorado Brasil's values and culture among employees, reaching 704 individuals during the reporting period.
- **Legally Required Training (Safety Regulations):** each employee attends appropriate training based on the position held, with a qualification matrix showing the required training and how often it must be completed. This training was provided to 4,713 employees during the reporting period.
- **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. A total of 4,268 people participated in the program in 2022.
- **English Language Training:** offered to employees who must use English in their job. In 2022, 35 people attended English classes.



Average hours of training per employee by gender GRI 404-1

	2020	2021	2022
Men	42.81	47.04	47.09
Women	33.65	55.50	30.71
Total	41.48	48.42	44.18

Average hours of training per employee by employee category GRI 404-1

	2020	2021	2022
Executive Board	1.17	4.00	12.71
Management	9.56	57.54	23.88
Leaders/coordinators	7.30	57.79	55.52
Technical/supervisor	33.15	52.08	45.50
Administrative	13.16	71.15	31.07
Operational	48.91	43.31	44.47
Total	41.48	48.42	44.18

Average hours of training per employee by employee category¹ GRI 404-1

	2022
Apprentices	23.00
Interns	23.05
Trainees	19.17
Total	23.00

¹ This disclosure is being reported for these categories for the first time.

Percentage of employees receiving regular performance and career development reviews¹ (%) GRI 404-3

	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executive Board	100.00	-	100.00	100.00	-	100.00	100.00	-	100.00
Management	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Leaders/coordinators	93.30	100.00	91.75	93.33	90.00	92.73	97.56	73.33	93.81
Technical/supervisor	84.71	100.00	55.10	31.26	16.45	29.38	42.19	22.48	39.44
Administrative	2.57	5.49	15.7	94.92	36.60	65.98	100.00	44.21	73.16
Operational	2.30	0.71	1.3	2.97	0.98	2.69	2.98	0.77	2.67
Total	11.12	7.47	10.47	16.13	13.43	15.69	17.62	15.50	17.30

¹ Interns and apprentices are not required to undergo performance reviews.

Diversity and Equal Opportunity

GRI 3-3: management of material topic

Putting people at the center of everything we do is integral to Eldorado Brasil's strategy. We believe that diversity and inclusion enriches the workplace and drives better business performance, as diverse individuals are more likely to come up with unique solutions.

Our approach to diversity goes beyond simply hiring individuals from diverse backgrounds, genders, races, sexual orientations, age groups, and disabilities. For Eldorado Brasil, it's about making the workplace environment a diverse melting pot of personal traits.

In 2022 we launched the inaugural edition of our new Almanac, a compendium of topics related to equity, diversity, and inclusion. We also marked two significant dates—LGBTQIA+ Pride Month (June) and Black Awareness Day (November)—to raise awareness about the prejudice experienced by individuals belonging to these groups. We created

a special video to mark LGBTQIA+ Pride Month, and for Black Awareness Day we lost a campaign under the theme, "Respect is for Everyone," addressing the imperative of combating racism and inequality in Brazil. We also organized a series of training sessions, with 190 employees attending a total of 15.5 hours of training on aspects such as racial diversity and inclusion in contemporary society and within the company.



Percentage of individuals within the organization's governance bodies

GRI 405-1

By gender	2021	2022
Men	100	100
Women	0	0
Total	100	100
By age group		
Under 30	0	6.67
30 to 50	8.33	1.33
Over 50	91.67	80
Total	100	100

Workforce by employee category and gender GRI 405-1

Employees	2021		2022	
	Men	Women	Men	Women
Executive Board	100.00	0	100.00	0
Management	90.79	9.21	88.64	11.36
Leaders/coordinators	81.82	18.18	84.69	15.31
Technical/supervisor	87.31	12.69	86.02	13.98
Administrative	50.38	49.62	50.78	49.22
Operational	86.04	13.96	86.01	13.99
Total	83.77	16.23	86.40	16.60
Workers				
Apprentices	51.89	48.11	59.43	40.57
Interns	40.00	60.00	59.09	40.91
Total	51.35	48.65	59.37	40.62

Workforce by employee category and gender GRI 405-1

Employees	2021			2022		
	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50
Executive Board	0	42.86	57.14	0	14.29	85.71
Management	0	60.53	39.47	0	59.09	40.91
Leaders/coordinators	3.64	78.18	18.18	1.02	73.47	25.51
Technical/supervisor	26.38	64.69	8.93	24.92	65.55	9.53
Administrative	42.97	55.24	1.79	43.01	55.18	1.81
Operational	30.17	58.01	11.82	29.05	58.10	12.85
Total	29.52	59.52	10.96	28.54	59.45	12.01
Workers		Under 30		Under 30	30 to 50	Over 50
Apprentices		100.00		100.00	0	0
Interns		100.00		90.91	9.09	0
Total		100.00		98.44	1.56	0

Percentage of employees from underrepresented groups, by employee category¹ GRI 405-1

Categories	2021			2022		
	Indigenous	Black and Brown	PwDs	Indigenous	Black	PwDs
Executive Board	0	57.00	0	0	0	0
Management	0	41.00	0	0	4.55	0
Leaders/coordinators	0	40.00	0	0	1.02	0
Technical/supervisor	0	69.00	0.40	0	4.12	0.33
Administrative	0	70.00	0.30	0	4.92	0.26
Operational	0.10	87.00	0.30	0	4.37	0.24
Total	0.10	80.00	0.30	0	4.29	0.25

¹The figures have been restated due to a database update between 2021 and 2022.

Workers in minority groups, by employee category (%) GRI 405-1

	2020		2021		2022	
	Black and Brown	PwDs	Black and Brown	PwDs	Black and Brown	PwDs
Apprentices	0	0	0	0	10.38	0
Interns	0	0	0	0	13.64	0
Total	0	0	0	0	10.94	0

Ratio of standard entry-level wage compared to local minimum wage¹ GRI 202-1

Operating unit	2022	
	Men	Women
Entry-level wage paid by the organization	1,351.62	1,351.62
Minimum salary as established by legislation or the relevant union	1,212.00	1,212.00
Percent ratio	111.52	111.52

¹Eldorado does not go by the local minimum wage, but by the salary brackets established in collective bargaining agreements, with no distinction made by gender. Data is not available for prior years as this disclosure is being reported for the first time.



Occupational Health and Safety

GRI 3-3: material topic (Human and organizational development)

We recognize that occupational health and safety is crucial for our operations, and accordingly invest in accident prevention and mandatory training for employees, all of whom are covered by our health and safety management system. We are also constantly implementing technologies to reduce risks and provide a safe workplace environment for our employees and contractors, and regularly organize campaigns on improving workplace conditions.

GRI 403-8

Eldorado Brasi lhas an Occupational Health & Safety Management System (OHSMS) covering Brazilian Regulatory Standards (NRs), our Risk Management Program (PGR) and our Occupational Health Surveillance Program (PCMSO). We have a team of doctors, nurses, nursing technicians, and physiotherapists, supported by specialized clinics. Other health and safety-related programs include allowances for children with special needs (ABA Program) and support for pregnant women (*Gerar* Program). All employee health-related data is protected under the Brazilian General Data Protection Regulation (BR GDPR) and other relevant legislation. GRI 403-5, GRI 403-7

To further improve our employee safety practices, and 2022 we implemented a software-based OHSMS for managing chemical documentation. All employees can now review Material Safety Data Sheets (MSDS), Emergency Data Sheets, Safety Labels, and Hazard Communication Sheets online, using a computer or mobile device. GRI 403-1

Each of our facilities has a team of safety engineers responsible for performing workstation measurements and assessments. All employees are issued

personal protective equipment (PPE) and are trained to detect workplace risks. They are encouraged to report any safety concerns to their supervisors or refuse to perform tasks in unsafe conditions. All injuries are reported to and reviewed by our Internal Accident Prevention Committee (CIPA). GRI 403-2, 403-4

Our Health and wellness team works with the occupational safety team to identify and mitigate hazards and risks in our operations, and to develop programs for preventing commonly occurring illnesses in our workforce. While worker health information is treated as confidential, we can report that we operate a 24-hour medical clinic to provide emergency care and that, throughout 2022, no serious occupational illnesses were identified.

GRI 403-3, 403-6, 403-10



Safety is an uncompromising commitment at Eldorado. In compliance with legislation, our operations have Internal Accident Prevention Committees (CIPAs) work together in implementing integrated safety initiatives



Occupational injuries GRI 403-9

	2021		2022	
	Employees	Workers ¹	Employees	Workers ¹
Number of hours worked	12,818,026	1,602,622	13,173,425	146,676
Number of fatalities as a result of work-related injury	0	0	0	0
Rate of fatalities as a result of work-related injury	0	0	0	0
Number of high consequence work-related injuries (excluding fatalities)	14	1	0	0
Rate of high consequence work-related injuries (excluding fatalities)	1,092	0.62	0	0
Number of recorded work-related injuries (including deaths)	43	20	44	0
Rate of recorded work-related injuries (including deaths)	3.35	12.48	3.34	0

¹ Workers who are not employees, but whose work and/or workplace is controlled by the organization. There were no high consequence work-related injuries during the period.

Relationship with Local Communities

GRI 3-3: management of material topic, 413-1, 413-2

Engaging closely with our communities is a cornerstone of Eldorado Brasil's operations. We seek to contribute to local social development, a top priority within our ESG strategy that underpins our environmental, social and governance commitments.

Our sustainability function holds regular meetings with 15 surrounding communities, actively and transparently engaging with the local residents. These meetings aim to address priority issues and establish a positive agenda for our social investment initiatives. Over the past decade, we have organized approximately 1,500 meetings with stakeholders from area where he operate.

Our programs and initiatives are focused on education, job creation, and boosting the local economy. In the last ten years, we have invested R\$ 35 million

in social actions and initiatives. We have also prioritized local suppliers to support the regional economy. Currently, 60% of our suppliers and contractors are located in Três Lagoas (MS), while the remaining suppliers are based in other municipalities where we operate. As part of our commitment to continuous improvement, we actively engage in industry and government forums where we support the development of policies and practices that benefit both people and the environment. **GRI 203-2**

Any impacts on communities are identified through external audits as part of FSC® and CER-FLOR certification. The certification attests that we are compliant in our approach to identifying and monitoring potential negative and positive impacts, in the measures we adopt to mitigate or enhance those impacts, in handling community complaints



Pomar Program

and concerns, in the social projects we implement and in social monitoring in the areas where we are present.

We monitor our social context and actively identify potential social initiatives using a participatory approach to ensure we create positive impact. We currently have two ongoing social programs: one is a long-standing road maintenance program that directly benefits the local community. The second program, called *Pomar*, was launched in 2022 to expand the assortment of produce grown by smallholders in the area where we operate.

This program began as a pilot initiative in two smallholder settlements, providing irrigation kits, 700 certified Persian lime saplings, and technical assistance in partnership with the National Rural Learning Service (SENAR). SENAR will provide comprehensive technical support to smallholders, including advice on fruit cultivation techniques, sales, and marketing to capture the high demand for Persian lime in the local market. The first harvest is expected to start in two years, and we plan to expand the program to include other fruit trees in the near future. **GRI 203-1**



In 2022 we launched another program for smallholders, called *Café do Campo* ("Country Buffet"). Participating smallholders supply a buffet consisting of produce grown on their own properties for events organized at Eldorado, including an assortment of fruits, juices, jams, breads, cakes, cheeses, yogurts, etc. We plan to extend this program to additional events throughout the year.

Communication Channel

Recognizing our role as an agent of regional development, and the need to address concerns from the communities where we operate, Eldorado provides communication channels where stakeholders can address a wide range of matters, including business matters, community issues and complaints regarding impacts on community life.

We actively engage with key stakeholders in the Três Lagoas area and act as facilitators on different matters. Messages are received via the email address: sustentabilidade@eldoradobrasil.com.br. The Ethics Hotline receives complaints and requests from the community and other stakeholders and provides responses and referrals. Eldorado also has a Socio-Environmental Relationship and Engagement Program (RES) through which actively communicate with residents, neighbors, and communities directly affected by our operations. This program is focused on the following potential impacts from our farms: dust emissions, pesticide contamination, accidents involving pulpwood haulage vehicles, and noise emissions. In our mill operation, the program is focused on odors, noise, and effluents. **GRI 2-29**

Stakeholders can report odors using the Odor Perception Network (OPN), available via a specific phone number available to all parties directly impacted. A response is given within 4 hours from the time the complaint was made.

Eldorado Brasil places great importance on relationship building with stakeholders, communities, government agencies, institutions, forestry partners, customers, and society at large. Our approach to relationship building includes meetings, email communications, letters, a help desk, and a monthly program of community visits. In 2022 we organized a total of 140 meetings, all of which were documented in minutes, and the sustainability department received 90 reports (including complaints, compliments, and requests) through direct engagement with these stakeholders. We responded to 100% of these reports.

Eldorado is currently conducting assessments to identify traditional and local communities in the area where we operate. In 2022, no indigenous, *quilombola* or other similar communities were identified. **SASB RR-FM-210a.2**

We aim to contribute to local development and positively impact the lives of the communities we engage with



Entrepreneurship and Education Support

PAIS Program - Eldorado's Integrated & Sustainable Permaculture (PAIS) program provides smallholders with support in organic farming. In partnership with the Brazilian Small Business Support Service (SEBRAE), Eldorado Brasil

implemented permaculture on 45 smallholder properties in Três Lagoas (MS) and Selvíria (MS) in 2022. Subsequently, we purchased approximately 18 metric tons of produce from these farmers, for use in our cafeterias.



Procurement of organic produce - This initiative is a partnership with restaurants in smallholder settlements that supply meals for company employees. In 2022, 25,000 meals were procured (resulting in a 32% increase in income for the smallholders), along with 9,400 breakfast kits and 22,800 kg of ice.

Eldorado Sustainability Program(PES) - Eldorado provides environmental education to students in local schools, communities, and to employees. In 2022, an estimated 14,812 people were reached by environmental education activities related to global issues such as climate change, responsible use of natural resources, and biodiversity conservation. This involved various communication methods including school lectures, social media campaigns, and events. During the year, we sponsored the first horticulture technology showcase at the Três Lagoas Convention Center. The event brought together smallholders from the region to showcase innovative horticulture technology.



Projeto AME - This is a volunteer initiative developed by our Sustainability department, bringing together employees who dedicate their time, work, and skills to social and community causes, with support from Eldorado. One of the standout volunteer initiatives in the year was a Christmas campaign under the theme "Doing good is good for you, too," which was a tremendous success. Organized by the Sustainability department in partnership with AME volunteers, the campaign encouraged employees to "adopt" 500 socially vulnerable children supported by 10 charities in São Paulo, Santos, Selvíria, and Três Lagoas.



Partnership with Instituto Germinare - Eldorado has a partnership with Instituto Germinare to offer high-quality academic education at no cost to promising young individuals from the 6th grade of elementary school to the 12th grade of high school. The program aims to train future managers and business leaders. The pedagogical approach is unique, with 10 hours of daily classes that combine curriculum content with

hands-on practice in business administration, with an emphasis in project management, finance, human resources, marketing, operations, corporate governance, strategy, and logistics. The curriculum also includes business management projects, visits to the B3 stock exchange, factories and companies, as well as lectures delivered by guest experts, all designed to prepare students for their future careers.

Social Highlights



Donation of 26,000 toys to 170 charities in collaboration with the state government's Christmas campaign;

The Eldorado Run race and walk event collected 10 metric tons of food and 1,000 toys, which were donated to charities;



Construction of a new Family Health Clinic in partnership with the municipal government of Santos;



The theater play *A casa é nossa* toured six cities in the state of Mato Grosso do Sul, delivering messages on nature preservation to 1,000 students in 18 public schools;



Donation of 4,000 blankets as a partner in the 7th edition of the *Aqueça uma vida* ("Warm a Life") Winter Campaign organized by the State Government of Mato Grosso do Sul. In 2022, the campaign collected over 84,000 items that were distributed to underprivileged families in the state, setting a record compared to previous years;

Partnership with the Recanto do Galo Football School in Três Lagoas. Eldorado provided a fresh coat of paint to the entire facility;



Provision of physiotherapy equipment to the Selvíria Elderly Home;

Provision of digital X-ray equipment to the Municipal Hospital of Inocência;



Donation of surplus H1N1 vaccines to the health departments of Três Lagoas, Inocência, and Selvíria, originating from Eldorado's in-house vaccination campaign;



Donation of eight bicycles for the Christmas campaigns of the Army and the Environmental Military Police of Três Lagoas.

Stakeholder Engagement GRI 2-29

Eldorado Brasil involves its main stakeholders in a materiality assessment to understand who these stakeholders are, their visions and their environmental, social and governance priorities, all of which must be addressed as part of our ESG strategy. We have a database covering all stakeholders involved

in the process, and engage directly with them via our Sustainability department. We organize monthly relationship building meetings, and all of our communication channels are open to stakeholders.



Stakeholders	Engagement and relationship initiatives	Main concerns raised
	Calendar of periodic meetings with neighbors and the community.	
Communities and civil society	Social programs, including vegetable gardens and orchards, 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.

Stakeholders	Engagement and relationship initiatives	Main concerns raised
Customers	Hold meetings, forums and commercial events with customers during the course of the year.	This information is confidential.
	Provide a channel for customer complaints on the Eldorado Brasil website.	
Government and industry associations	Monitor and manage concerns raised by business partners.	Ensure a regular agenda with government and institutions to maintain transparent and ethical relationships.
	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.	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 strive to maintain close dialog with NGOs, sharing information about our processes and their potential positive or negative impact, keeping an open communication channel.
	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).	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 Brazilian and international legislation.	Maintain an active supply chain for services, products and materials for production.
Shareholders and investors	Maintain close and frequent relationships with our stakeholders, primarily via phone or video-calls (Microsoft Teams).	Maintain transparency around and provide disclosures about our results and performance across the economic, environmental, social and governance dimensions.
	We manage concerns reported by stakeholders and share information on our business results and operating performance.	

Stakeholders	Engagement and relationship initiatives	Main concerns raised
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.	Continuously engaging with employees, supporting their growth and development, providing regular employee training, improving quality of life and safety. Creating employment and income.
	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.	
Forestry Partners	Monitoring 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.	Maintaining active communications channels with forestry partners, maximizing the yields of planted forests on our properties, and maintaining long-term contracts as a consistent source of revenue for partners.
	An annual meeting and telephone contact with our forestry partners.	



GRI Content Index

Statement of use

Eldorado Brasil has developed its report in accordance with the GRI Standards for the period from January 1 to December 31, 2022.

GRI 1: Foundation 2021

GRI 2: General Disclosures 2021

Disclosure	Location	Requirement(s) omitted	Reason	Explanation	SDG
2-1 Organizational details	16				
2-2 Entities included in the organization's sustainability reporting	4, 16				
2-3 Reporting period, frequency and contact point	4				
2-4 Restatements of information	There were no significant restatements in the year.				
2-5 External assurance	This report has not been independently assured.				
2-6 Activities, value chain and other business relationships	16				
2-7 Employees	70, 71				8, 10
2-8 Workers who are not employees	71				8, 10
2-9 Governance structure and composition	24				
2-10 Nomination and selection of the highest governance body	27				
2-11 Chair of the highest governance body	27				
2-12 Role of the highest governance body in overseeing the management of impacts		Confidentiality Restrictions.		Because this information involves senior management, we consider it to be sensitive and confidential;	

Disclosure	Location	Requirement(s) omitted	Reason	Explanation	SDG
2-13 Delegation of responsibility for managing impacts		Not applicable.	Confidentiality Restrictions.	Because this information involves senior management, we consider it to be sensitive and confidential;	
2-14 Highest governance body's role in sustainability reporting	27				
2-15 Conflicts of interest	28				
2-16 Communication of critical concerns	27, 32				
2-17 Collective knowledge of the highest governance body	27				
2-18 Evaluation of the performance of the highest governance body			Confidentiality Restrictions.	Because this information involves senior management, we consider it to be sensitive and confidential;	
2-19 Remuneration policies	70				
2-20 Process for determining remuneration	27, 70				
2-21 Annual total compensation ratio			Confidentiality Restrictions.	Because this information involves senior management, we consider it to be sensitive and confidential;	
2-22 Statement on sustainable development strategy	5, 10				11
2-23 Policy commitments	28				16
2-24 Embedding policy commitments	28				
2-25 Processes to remediate negative impacts	28, 32				
2-26 Mechanisms for seeking advice and raising concerns	28, 30				
2-27 Compliance with laws and regulations	32				
2-28 Membership associations	17				
2-29 Approach to stakeholder engagement	10, 83, 87				
2-30 Collective bargaining agreements	70				8

Material topics

GRI Standard / other source	Disclosure	Location	Requirement(s) omitted	Reason	Explanation	SDG
GRI 3: Material Topics 2021	3-1 Process to determine material topics	10				
	3-2 List of material topics	11, 12				
Managing environmental efficiency						
GRI 3: Material Topics 2021	3-3 Management of material topics	40				
GRI 201: Economic performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	20, 21				13
GRI 302: Energy 2016	302-1 Energy consumption within the organization	57, 58				
GRI 302: Energy 2016	302-3 Energy intensity	58				7, 8, 12, 13
GRI 302: Energy 2016	302-4 Reduction of energy consumption	56				7, 8, 12, 13
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	58, 59				6, 12
GRI 303: Water and effluents 2018	303-2 Management of water discharge related impacts	59				6
GRI 303: Water and effluents 2018	303-3 Water withdrawal	60				6, 8, 12
GRI 303: Water and effluents 2018	303-4 Water discharge	60				6
GRI 303: Water and effluents 2018	303-5 Water consumption	59				6
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	61				3, 12, 13, 14, 15
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	61				3, 12, 13, 14, 15
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	62				3, 12, 13, 14, 15

GRI Standard / other source	Disclosure	Location	Requirement(s) omitted	Reason	Explanation	SDG
GRI 305: Emissions 2016	305-4 GHG emissions intensity	62				13, 14, 15
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	61				13, 14, 15
GRI 306: Effluents and Waste 2020	306-1 Waste generation and significant waste-related impacts	63				3, 6, 11, 12
GRI 306: Effluents and Waste 2020	306-2 Management of significant waste-related impacts	63				3, 6, 11, 12
GRI 306: Effluents and Waste 2022	306-3 Waste generated	64, 67				3, 6, 12, 14, 15
GRI 306: Effluents and Waste 2022	306-4 Waste diverted from disposal	65				3, 11, 12
GRI 306: Effluents and Waste 2022	306-5 Waste directed to disposal	66				3, 6, 11, 12, 14, 15
Biodiversity						
GRI 3: Material Topics 2021	3-3 Management of material topics	50				
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	50				6, 14, 15
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products, and services on biodiversity	51, 52				6, 14, 15
GRI 304: Biodiversity 2016	304-3 Habitats protected or restored	50				
GRI 304: Biodiversity 2016	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by the organization's operations	50				
Innovation and technology						
GRI 3: Material Topics 2021	3-3 Management of material topics	53				
Human and organizational development						

GRI Standard / other source	Disclosure	Location	Requirement(s) omitted	Reason	Explanation	SDG
GRI 3: Material Topics 2021	3-3 Management of material topics	70				
Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	82				1, 3, 8
Indirect economic impacts 2016	203-2 Significant indirect economic impacts	81				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	71, 72				5, 8, 10
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	70				3, 5, 8
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	74, 75				4, 5, 8, 10
GRI 404: Training and education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	74				4, 5, 8, 10
GRI 404: Training and education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	75				5, 8, 10
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	76				
GRI 202: Market presence 2016	202-1 Ratio of standard entry level wage by gender compared to local minimum wage	78				
GRI 401: Employment 2018	401-3 Parental leave	73				
GRI 405: Diversity and inclusion	405-1 Diversity of governance bodies and employees	76, 77, 78				

GRI Standard / other source	Disclosure	Location	Requirement(s) omitted	Reason	Explanation	SDG
GRI 405: Diversity and equal opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men			Confidentiality restrictions	Because this information involves senior management, we consider it to be sensitive and confidential;	
GRI 406: Diversity and inclusion	406-1 Incidents of discrimination and corrective actions taken				We identified seven incidents, one of which is under investigation. Of the six cases that have been closed, four were determined to be substantiated by the Compliance function, and addressed with corrective action.	
Local community development						
GRI 3: Material Topics 2021	3-3 Management of material topics	81				
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	20, 21				8, 9
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	81				
GRI 413: Local communities 2016	413-2 Operations with significant actual or potential negative impacts on local communities	81				
Transparency, ethics and anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	28				
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	28				16

GRI Standard / other source	Disclosure	Location	Requirement(s) omitted	Reason	Explanation	SDG
GRI 205: Anti-corruption 2017	205-2 Communication and training on anti-corruption policies and procedures	29				16
GRI 205: Anti-corruption 2018	205-3 Confirmed incidents of corruption and actions taken	We had no confirmed instances of corruption in the year.				
Other non-material disclosures						
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	79				8
GRI 403: Occupational health and safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	79				3,8
GRI 403: Occupational health and safety 2018	403-3 Occupational health services	79				3,8
GRI 403: Occupational health and safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	79				8, 16
GRI 403: Occupational health and safety 2018	403-5 Worker training on occupational health and safety	79				8
GRI 403: Occupational health and safety 2018	403-6 Promotion of worker health	79				3
GRI 403: Occupational health and safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	79				8
GRI 403: Occupational health and safety 2018	403-8 Workers covered by an occupational health and safety management system	79				8

GRI Standard / other source	Disclosure	Location	Requirement(s) omitted	Reason	Explanation	SDG
GRI 403: Occupational health and safety 2018	403-9 Work-related injuries	80				3, 8, 16
GRI 403: Occupational health and safety 2018	403-10 Work-related ill health	79				3, 8, 16
SASB Materiality						
Ecosystem Service & Impacts	RR-FM-160a.1 Area of forestland certified to a third-party forest management standard, percentage certified to each standard	43				
Ecosystem Service & Impacts	RR-FM-160a.2 Area of forestland with protected conservation status	50				
Ecosystem Service & Impacts	RR-FM-160a.3 Area of forestland in endangered species habitat	50				
Ecosystem Service & Impacts	RR-FM-160a.4 Description of approach to optimizing opportunities from ecosystem services provided by forestlands	50				
Rights of Indigenous Peoples	RR-FM-210a.2 Description of engagement processes and due diligence practices with respect to human rights, indigenous rights, and the local community	83				
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	34				
Activity Metric	RR-FM-000.A Area of forestland owned, leased, and/or managed by the entity	45				

GRI Standard / other source	Disclosure	Location	Requirement(s) omitted	Reason	Explanation	SDG
Activity Metric	RR-FM-000.B Aggregate standing timber inventory	45				
Activity Metric	RR-FM-000.C Timber harvest volume	Timber harvest volume was 6,378,317.56m ³ sc in 2022. Timber harvest volume refers to FSC® and CESFLOR certified pulpwood from our own forestry operations, the portion of third-party pulpwood that is FSC-certified, and other FSC-controlled pulpwood from third parties.				
Greenhouse gas emissions	RR-PP-110a.1 Gross global Scope 1 emissions	61				
Greenhouse gas emissions	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	60				
Air quality	RR-PP-120a.1 Air emissions for the following pollutants: (1) NOx (excluding N ₂ O), (2) SO ₂ , (3) volatile organic compounds (VOCs), (4) particulate matter (PM), and (5) hazardous air pollutants (HAPs)	62				
Energy & Fleet Fuel 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	57, 58				

GRI Standard / other source	Disclosure	Location	Requirement(s) omitted	Reason	Explanation	SDG
Water Management	RR-PP-140a.1 (1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	60				
Water Management	RR-PP-140a.2 Description of water management risks and discussion of strategies and practices to mitigate those risks	59				
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	42				
Supply Chain Management	RR-PP-430a.2 Amount of recycled and recovered fiber procured		Not applicable.		Our mill uses pulpwood harvested from eucalyptus forests planted by the company.	



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