

VERACEL

2020
SUSTAINABILITY
REPORT



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FROM OUR PRESIDENT'S DESK



• Caio Zanardo, CEO Veracel

OUR PURPOSE DEFINES US.

Being responsible, inspiring people and valuing life.

It's people who make the company, and this is the story we are going to tell in this year's so unique report. We have been firmly tested in our purpose of being responsible, inspiring people and valuing life. And this is what we did the most this year: we genuinely took care of life.

All along 2020 we kept our focus in our purpose of being present neighbors and a strong basis for the regional economy: only the industries' large equipment regular maintenance, alone, poured R\$44 million into the economy. Beyond this, our purpose mobilized an unprecedented sanitary safety system to add around 1,400 temporary workers – of which 30% were locally hired – for a period of 10 days with a zero-accident record and no aggravation of the region's coronavirus contamination.

We did it differently and it worked!

Challenges are learning opportunities and also teach us to value all that was not evident. Because of the urgent need for sanitary and hygiene items, society realized the importance of cellulose-based products and their sustainable origins. This, in turn, brought people who work in this business into the spotlight and this has made them very proud of their work. Likewise, Brazil may become aware of just how strong and organized this business is. Our good practices inspired other companies and nurtured new partnerships for solutions in collectives.

I took over as CEO of Veracel in February of 2021. Despite having joined so recently, I already feel part of this team and share this legacy built over 30 years since its foundation. We have great accomplishments ahead and a lot more to evolve. To achieve this, we will move the company's agenda ahead and for the region's development, securing focus and agility for all that's essential.

Together, we can combine our talents, intelligence, and experience at the community's service, looking for positive results in global and systemic perspectives. We are people with purpose, and purpose is what defines us best.



• Terminal Marítimo de Belmonte

11

municipalities
in Veracel's area
of direct influence

143

communities
in Veracel's area of direct
influence. Of these, **32** are
indigenous communities



BAHIA

COSTA DO
DESCOBRIMENTO

ABOUT US

Who are we – map and influence areas

- Communities: **143** communities, of which **45** are located within Veracel’s direct influence area.
- Native communities: **32**.

Production

- **1,089,614** tons of cellulose
- **920,258** MWh of energy

Total number of employees

- **813** company employees
- **2,328** employees from partner companies

Area presence

- **198,050,53** hectares of total Veracel area
- Planted area: **87,556,09** ha, in compliance with PEFC/CERFLOR (Forest Certification National System) and Forest Stewardship Council® - FSC® C017612 principles and criteria.
- Preservation area: **99,666,35** ha, in compliance with PEFC/CERFLOR (Forest Certification National System) and Forest Stewardship Council® - FSC® C017612 principles and criteria.
- Forest Producer Program planting: **22,584** ha, dividid in 3 certification groups: divididos em 3 grupos:

Group 1 ASPEX, in compliance with PEFC/CERFLOR (Forest Certification National

System) and Forest Stewardship Council® - FSC® C0107658 principles and criteria.

Group 2 ASPEX, in compliance with PEFC/CERFLOR (Forest Certification National System) and Forest Stewardship Council® - FSC® C111049 principles and criteria.

Group 3 ASPEX, in compliance with PEFC/CERFLOR (Forest Certification National System) and Forest Stewardship Council® - FSC® C111054 principles and criteria.

100% of the productive process used wood is certified or controlled in compliance with international normative standards` principles and criteria.

Forest Stewardship Council - FSC®

International Organization for Standardization – ISO 14001

Forest Certification by the Programme for the Endorsement of Forest Certification (Ceflor/PECF)



OPERATIONAL EXCELLENCE

- **99%** of waste recycling
- **92,2%** of operational efficiency
- **22,2** m³/tsa of water consumption per ton of cellulose

SHAREHOLDERS

- **50%** Suzano
- **50%** Stora Enso

ME,
TRANSFORMATION
AGENT!





People who know what they do and why they do it.

People who believe that their work contribute to make the world a better place and who also like their workplace. This is what we are pursuing at Veracel with the strengthening of the organizational culture. Since 2018 we have been implementing processes through training, research, active listening, leadership development and other management tools. These are investments put together in order to turn professionals into transformation agents.

The protagonism incentive, driven by the purpose of being responsible, inspiring people and valuing life has brought a human element to the company's decision-making core and has given us the appropriate sense of urgency, care and transparency to 2020 priorities. We have acquired agility to take action in these extraordinary moments that we have been through this year as well, as it has given us the opportunity to rethink our culture's deeper subjects, such as tolerance to mistakes, the promotion of inclusion and the diversity appreciation. We are heading towards this direction because we understand that this is a rich environment for innovation and sustainability.



Built within Veracel's Code of Conduct

and shared with its business partners is the positioning of not allowing discriminatory practices, such as those based on gender, race and ethnicity, physical deficiencies, generation, nationality, religion, sexual orientation, gender identity, culture, social economic status, marital status, political beliefs or any other personal characteristics. Right now we want to move forward towards a new chapter in which the established culture be one of respect to diversity and the valuing of all differences in our organization's management processes, relationships and spaces.



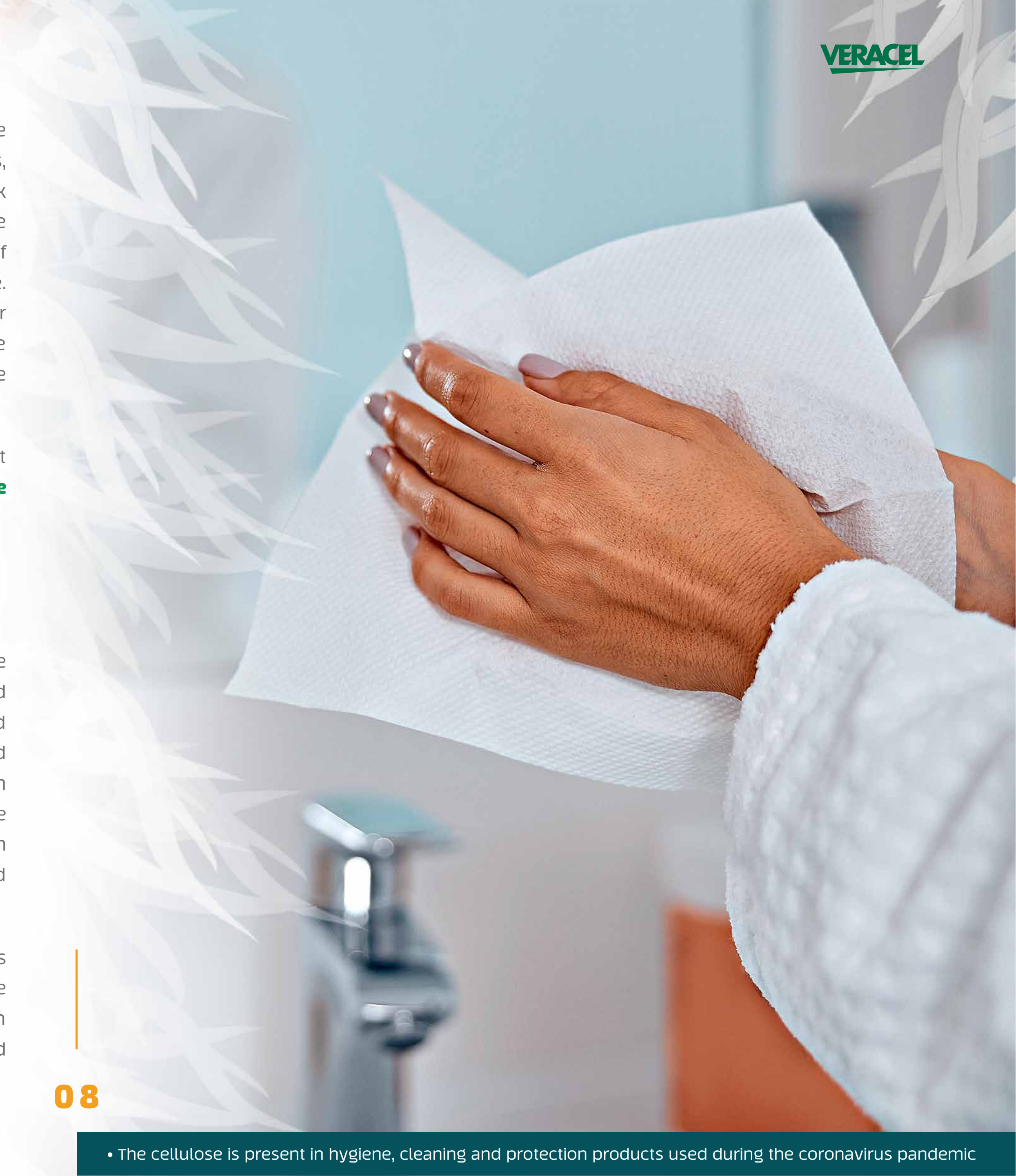
For the third consecutive time, Veracel was granted with the Great Place to Work Award (GPTW). Along with last year's results, we have joined the state of Bahia's best companies to work for and one of the **15 best in the Brazilian agribusiness**. The 2020 Organizational Climate Survey has shown that 88% of Veracel's employees believe that they work in a great place. 93% of all employees participated in this last survey. This regular assessment survey reveals areas in which we need to improve and shows us the things that makes us proud and which we want to make permanent within this organization.

In 2020, **we were able to achieve 99,85%** of all planned training activities, an investment of **R\$2,1 million**. We offered **18,5 thousand hours/class of which 11,4 thousand were remotely** given using different types of digital technology.

INFORMATION, ARTICULATION AND GENUINE CARE.

Frequent hands cleaning, people distancing and constant wearing of face masks. These have been covid-19 prevention protocol mantras. Beyond these, we have signaled collective work areas, company's transports seats and cafeterias. We have also intensified cleaning procedures in various areas. Body temperature measuring has been adopted as a standard gate procedure for entering the company Day-to-day routines have been implemented, such as notifications, isolation and testing recommendations for those in contact with infected people or travelling. Visits to the company have also been suspended. Ever since the first news about the pandemic, we have been improving and bringing the measures list against the disease up to date.

It was also necessary to take action outside the company, since our region presents social vulnerabilities which, with the advent of the pandemic, could become even more acute. As a result, we have organized collective emergency procedures initiatives in partnership with other companies, authorities, universities, popular movements and social organizations.





This joint activity has made possible the donation of more than **216 thousand health and hygiene items** for the health departments of the Porto Seguro and Eunápolis municipalities. Among other products, disposable face masks, caps, surgical gloves, protection goggles and aprons have been donated. This partnership has also made possible the delivery of **59 thousand liters of sodium hypochlorate** – a cleaning substance – to the municipal health departments of 11 towns in which the company has a presence.

Since Veracel and Suzano have business in the same region in the state of Bahia, both companies launched a series of initiatives which include the assembly of a campaign hospital in the town of Teixeira de Freitas, with **20 intensive care unit (UTI) beds, 20 fixed and mobile respirators** and all the physical infrastructure which was built next to Teixeira de Freitas Municipal Hospital. The state government still holds responsibility for the unit's maintenance.

216 thousand health and hygiene items

83 thousand liters of álcool

59 thousand liters of sodium hypochlorate

35 respirators fixed and mobile

20 intensive care unit (UTI) beds to Teixeira de Freitas

Both companies have jointly donated a total of 35 respirators to the Bahia region, 27 alone for the state government and 8 to Salvador's City Hall. 80 thousand hospital masks have been imported from China and 83 thousand liters of 70% glycerin alcohol were distributed to many state of Bahia municipalities. These items were sent to hospitals and institutions, among them the firemen and the military police.

We have been deprived from being able to visit the communities, set up events and organize visits to the company's units. In order to keep a footprint we have used the resources which technology has made available to us, creating video content, widening social network use and bringing back some communication alternatives, such as vehicles equipped with speakers in some cases.

The dialogue which precedes the forest operations is fundamental to clarify questions and to favor the mitigation of our operations impact on the communities.



matter of distance, we were able to fulfill this commitment and still carried out the assessment of 198 real estate located on the wood transport route from its harvesting grounds in the state of Minas Gerais.



An open communication channel along with good risk and impacts diagnosis in each neighbor community create a safety-favorable environment, minimize the uprising of conflicts, and still identify resource sharing opportunities, such as, for example, road access and improvement maintenance. In any case, we have disclosed and made the **Anonymous Communication Channel** available to deal with misalignments in relation to Veracel's and allowing people to collaborate in our improvement without the need to identify themselves.

Following the same procedures adopted with our employees, it was necessary to clarify and bring our neighbors up to date with routine questions, health and safety, environment education or to make our contacts details available. After all, the operations kept their pace.

Another example of keeping the operations under a new perspective was carrying out regular maintenance of the industry's large equipment, our "Parada Geral" (also known as its acronym "PG", Portuguese for "Full Stop"), scheduled to take place in May. This year, it was necessary to postpone and rethink the preparations from a sanitary perspective and also to maintain our planning on the continuous improvement of these usual processes. Also, due to the attention to details and advance preparations, from August 19th to 28th we will carry out the best "PG" in terms of results. With a scope focused on the mandatory and urgent, **100% of planning was fulfilled** following a rigorous prevention protocol. The efforts to avoid bringing people from outside the region resulted in local hiring of more than 30% of the mobilized professionals, providing a positive impact to the region's economy, especially to the food, housing and transport businesses.



WORKING REMOTELY

A positive and balanced work environment is a very valued aspect at Veracel, and the sudden change caused team-splitt, which were accustomed to coexistence.

As a result of this, it was expected that the isolation and other restrictions imposed by the pandemic could generate impact for people’s psychosocial well-being. The attention to mental health followed the same directive of the company’s safety policies, in which **“I take care of myself and we all take care of each other”**. And this happens via safety protocols compliance or even in simpler terms, like a call to a coworker just to learn how things are going and asking about health care.

In September 2019, Veracel had already included working remotely as an option for a few jobs within the company, one day per week. With the appropriate adjustments, in March 2020, **home office** has been implemented for administrative employees, interns and those belonging to groups at risk and pregnant women. More than a hundred people started to carry out their duties outside the company’s premises and Veracel was one of the pioneers in its business to adopt this practice. Food stamps, remote access, computers, furniture, applications and IT and infrastructure teams were mobilized to give the necessary support and to make this a feasible alternative.



Virtual meetings and online celebrations were some of the ways created to share the presence, also care and human warmth. And, for the most critical of moments, our Mental Health professional support service intensified its work, extending it to families, through the **“Programa Conte Comigo” (“Count on Me Program”)**.

A YEAR OF CONTINGENCIES AND OVERCOMING

The social investment carried out by Veracel in the year 2020 was **R\$15,6 million**, assisting more than 16 thousand people. These figures include family farming projects – among other income-generating initiatives, education and, especially in this year of contingencies, emergency support donations for food safety and health sector support.



FAMILY FARMING - THE POWER OF THE COLLECTIVE

We believe in family farming capable of moving a development virtuous cycle. For this purpose, Veracel and its partner communities, through its associations and education institutions, engage technology and management for the income generation and region development. In 2020, **R\$8,6 million were invested benefitting 1,817 people**. Among the contemplated we find countryside collectives, native and fishing communities, groups of women and communal associations. These resources created the conditions to identify vocations, qualify people and give them the necessary support until autonomy and full potential be reached.



In the beginning, the pandemic's restrictions impacted the field activities in the first semester of 2020. However, we improved distance communications, **turning the cell phone into an important working tool** and a great ally in the contact with the communities and small scale farmers. We conducted video conferences and distributed informative and audio visual contents to replace the traditional training sessions and to compensate for the lack of technical visits and collective activities originally scheduled.

As an emergency support with a focus in food safety, food and hygiene items donation was carried out to meet the basic demands of some communities. This initiative welcomed the participation of teams from the "Escola Superior de Agricultura Luiz de Queiroz" - ESALQ, "Universidade de São Paulo" - USP and "Universidade do Sul da Bahia" - UFSB, along with popular movements and social organizations, in addition to the region's fishing and native communities' representation.

1,817
families
benefited



FOOD SAFETY AND LAND FARMING

Access to the land, water supply, power lines set up, sanitary and environmental suitability of flour producer and cassava derivatives, training sessions, seeds distribution, farming diversification, construction of communal kitchen and remote technical assistance. These were some of the achievements in the 19 agro ecology collectives supported by Veracel.

With a focus on food safety, UFSP brought improvements to agro ecology projects. Following the necessary health protocols, there was an adaptation of the project through a collective experiments change for the implementation of initiatives which diminish people’s exposure. In that sense, families were given support to dedicate efforts to free-range and egg-laying chicken farming, or farming around the house, between neighbors, aiming direct consumption. Because of this, species such as ora-pro-nóbis, arrowroot and sweet-potato were selected for being rustic, of versatile culinary uses besides being very nutritious.

Six women, Miramar Association farmers, have shown determination in the face of restrictions and witnessed the first production sales experience within the UFSB and Veracel partnership. With supplies’ provision and technical support, they planted one hectare of watermelon and harvested **ten ton of this fruit, generating, thus, a morale boost to break into the year 2021 with renovated hope.**

In collectives which can rely of Esalq’s coordination, **68 hectares** of productive yards were implemented, benefitting **136 families**. After the division of the area in plots of land, the yards have the purpose of helping families establish themselves in the area where its more intense cultivation farming is possible which requires better care and larger investments. The introduction of varieties take into consideration these farmers’ reality and enables farming developments in other areas of the plot of land.





This process is decisive in the families produced products value increase, once that in camping conditions, seasonal plants – which bring a lesser economic payback – are prioritized over perennial plants.

For some groups, as in the case of the União Baiana (“União Baiana”) district farmers, Itagimirim, and Belmonte shell gatherers, the partnership with Veracel created the necessary conditions to elevate the collective to public political access to resources requirements to enable more training, equipment purchasing and new structures for social enterprises. This means more income generation and life quality for the community.

A RISING BUSINESS


The investments for improvements in the reproduction of queen bees, since 2018, has been contributing to generate important results in Brazilian Discovery Coast (located in the south of Bahia) beekeeping productivity. Technology transfer to partners’ association beekeepers boosts the technical capacity and countryside collective autonomy.

In 2020, **87 tons** of honey were produced. There are **158 families benefitted** by this project through producers’ association of Eunápolis, Guaratinga, Itabela and Porto Seguro, with the Meio da Mata Pataxó village native association.

The complementary income generation has gained business status. Since 2005, we have been investing in the capacitation with new technologies and equipment, supplies and appropriate clothing donation, besides encouraging partnering and professional management.

With Veracel’s partnership, beekeepers have conquered their honey warehouse in Eunápolis for 2021. This is an important step for the region’s activity consolidation. It means adequate facilities to process the product and reach better prices paid to the communal associations’ beekeepers.

87
tons
of honey
158
families
benefitted



INCOME, THE ENVIRONMENT AND SOCIAL INCLUSION

In 2020, the beekeeping success opened space to introduce the very Brazilian stingless bees' cultivation to producers. By means of an activity named meliponiculture, one yellow urucu beehive – the selected species for the project – produces around 5 liters of honey per year. Although producing less honey than the stinged-species, honey prices can reach 20 times higher in the market, which compensates for its choice.



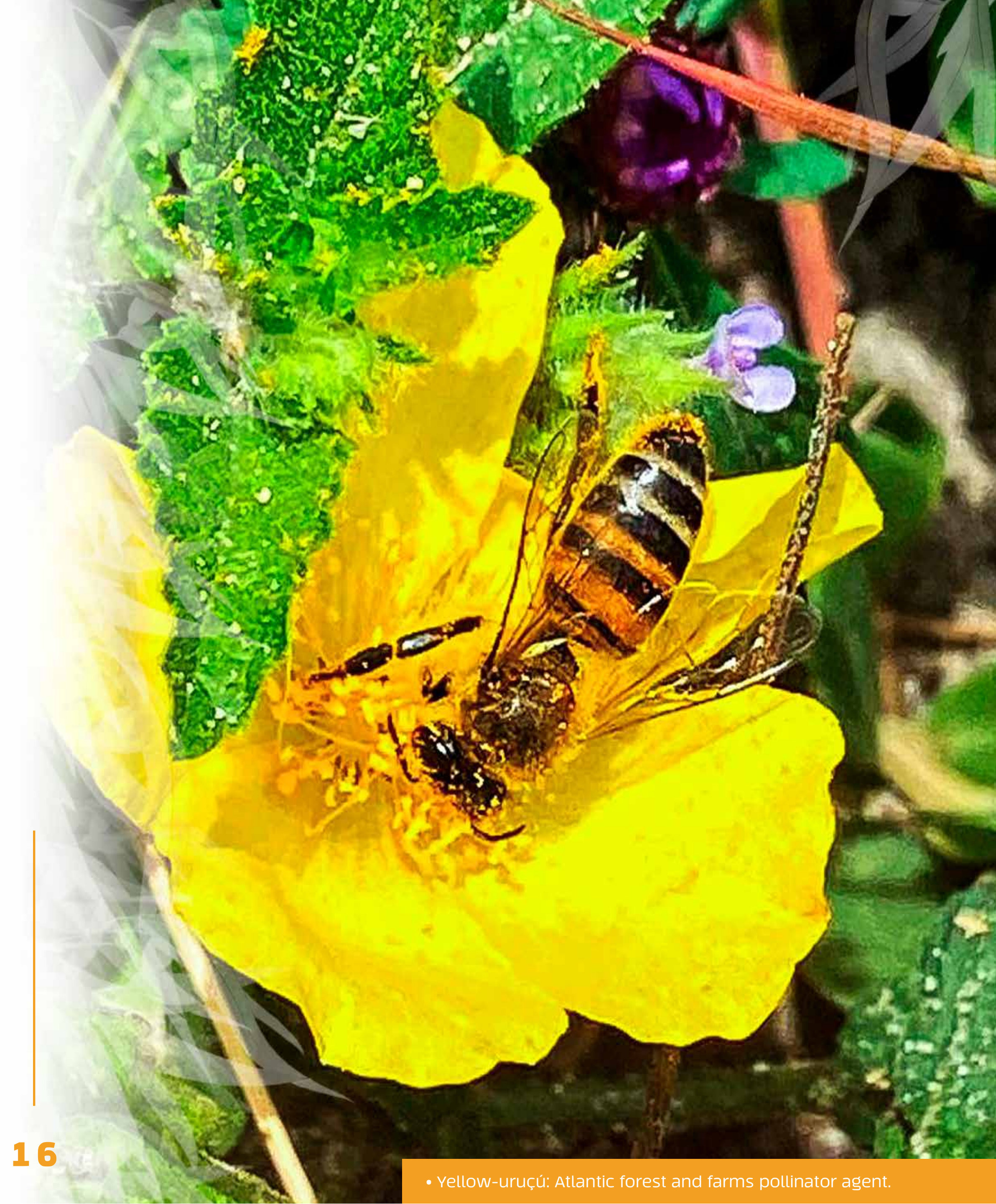
It's known that a lot of the indigenous bee species have been vanishing from nature and, with them, a variety of plants which depend on them to complete their reproductive cycle. **Beyond the income generation, reintroducing the yellow urucu bee means a great environment gain, since they are pollinator agents both for the indigenous forest and for farming.**

Different from beekeeping, and since they are not aggressive, melipone bees' handling does not require special protective clothing and may be carried out next to homes. The small beehives, used as a standard in the project, have gained color and customization in each home and thus, besides generating income and environment service, they also promote women and youngsters' inclusion and still decorate project participating yards.

FARMING IN THE MIDDLE OF THE FOREST!

The Meio da Mata village, in Porto Seguro, has adopted beekeeping and meliponiculture with an important women and youngsters participation in training, starting income generation initiatives with this traditional community.

During the project's articulation process with the village's leadership, another opportunity was identified in March, 2020: this Pataxó community pursued Veracel's partnership to start a subsistence farming. The collective farming was successful and more than **2,5 tons of food was farmed, complementing the food supplies of 59 families** and sharing extras with neighboring villages. In addition to the yearly food production, villagers have already set aside seeds for new harvests.



BEING PRESENT,
EVEN FROM
A DISTANCE

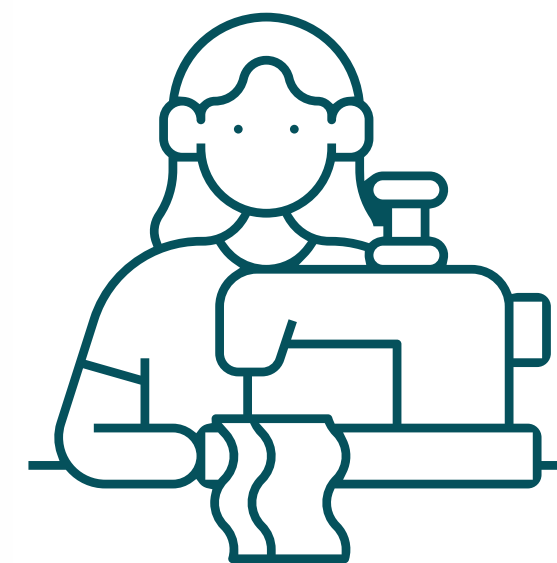




We have kept ourselves present in the neighboring communities' lives and, especially in 2020, it was fundamental to maintain our attention focused in income generation and proactively looking for opportunities with the local communities by means of dialogue and relationship. This is what provided the handmade co-creation of fabric masks. In Belmonte, this happened to the shell gatherers who engaged in sewing as a temporary activity since fishing was halted as their main source of income. These women, as professionals from other places, were able to put their skills in practice for complementary income generation.

Thanks to Veracel's mobilization, about 40 seamstresses, in their communal associations and in four region's municipalities small enterprises produced more than 35 thousand home-made face masks. All this material was purchased by Veracel and donated to our own employees and partner companies.

It was no different with native and artisanal fishing traditional communities. In all, there are **32 native villages from the Pataxó (29) and Tupinambá (3) ethnicities**, with approximately **22 thousand native villagers** where we have a presence. Alongside the barge route - which transports Veracel's cellulose - from the states of Bahia to Espírito Santo, we are **in touch with 800 families** through 20 associations and fishing colonies.



The relationship with these communities, in addition to being oriented by conditions in environment licensing operations, follow principles and international normative standards criteria adopted by the company, among which is Forest Stewardship Council® - FSC® C017612), and contribute to the corporate strategy of being closer and establishing a positive dialogue with the region's residents, thus creating an adequate environment for the eventual conflicts' solution and partnerships establishment.

ONLINE TRADITION

The Pataxó marriage ritual, called Aragwaksã, is rich in symbology and reveals a lot about this ethnicity. Annually, the Reserva do Jaqueira village opens its gates to relatives and non-natives to see this ritual and, consequently, as a means of throwback to its origins. In 2020, the 12th event took place, in a virtual format, which has been sponsored by Veracel since its first year.

The event, which took 2 days to complete, has gathered the couple's relatives and featured live transmissions to allow public participation which, instead of limiting, opened up a window to the world to see and to get to know more about local native culture.

The Aragwaksã and the native games (cancelled in 2020), are cornerstones in the Brazilian Discovery Coast event's calendar and are opportunities to gather communities for restoring traditional practices of culture promotion and regional native people identity. They also stimulate the ethnic tourism, generate income, and broaden the visibility of public politics related questions to these peoples.



• Incentive to native students' education.

Villages received **5 thousand school kits**



Even with difficult solutions for the school year, all elementary high school teachers, and students, including those admitted to the Educational Program for Youngsters and Adults, in the native villages identified within the company's indirect influence area, received school kits donated by Veracel in 2020. More than 5 thousand sets were offered, helping **29 schools, 4,852 students and 244 teachers.**

FISHERMAN, WE ARE LISTENING!

Artisanal fishermen deal with the sea courageously, based on passed on knowledge from parents to their children. With no contact with the land or other boats, in high seas, they had to rely on luck alone in case of accidents or bad weather.

The communication changes everything! A few years ago, through a dialogue process with these traditional fishing communities, safety at the sea has been the focus of these initiatives.

814 rádios to vessels

20 rádios to bases



In 2020, Veracel donated 814 VHF radios to vessels and 20 SSB and VHF radios to bases located at the colonies bases and associations, with adequate use training.

This structure, along with training sessions offered by the company in partnership with the Brazilian Navy, has elevated the professional and safety condition of all the areas coastline sea men.

THE ECONOMIC BASIS FOR THE REGIONAL DEVELOPMENT



3200
direct
jobs
12.800
residents



During last year's tourism and events slowdown in the Brazilian Discovery Coast region, the financial health of its residents was greatly affected. Therefore, Veracel's operation generates an important positive impact for the region. The company currently generates more than **3,200 direct jobs**. Bearing in mind a four person per family average, this translates to about **12,800 residents** in the region depending on Veracel for food, transport, education, entertainment and well-being.

In order to boost this development virtuous effect, we are investing in a healthy regional supply chain strengthening, inclusive and resilient, which provides improvements in our community's lives and a business competitiveness increase, following a sustainable supply vision.

The first development is within the company, with the realization that procedures and politics had to be changed to guarantee the incorporation of the best sustainability and supply chain management practices and concepts across all company's areas. Training sessions have already been carried out, strengthening processes and teams dedicated to promote such transformation. It's necessary to create real and long-lasting inclusion forms for our region's vulnerable groups in our supply chain, thus eliminating bureaucratic barriers to protect small-scale businesses.

The idea is to simplify the process, securing our code of conduct's compliance, adhering to current legislation and, on the other hand, avoiding a dependency relationship with Veracel. The expected result is audacious, but it's a simple and straightforward process to accomplish and, for that matter, we have created the necessary conditions to allow for a pilot program to be launched in 2021.

In 2020, merchandise and service purchases represented more than R\$740 million in the state of Bahia alone.



740
million
in local
purchases



As a result of a full operation during that year, **R\$121 million** have been collected in taxes, an amount considered even more precious in the face of the slump in different economy sectors. This is one of the positive impacts brought by the presence of a large-scale enterprise such as Veracel: the creation of opportunities, businesses, jobs, income and taxes.

Looking beyond the economic dimension, Veracel's articulation with its business partners already constitutes a positive composition in the region, and created the opportunity of food donations, health professionals' protection equipment, cleaning products for the 11 municipalities where the company has a presence - right at the beginning of the pandemic. More than numbers, we are people taking care of people.



MORE COMPETITIVE AND MORE SUSTAINABLE

Veracel strives every day to be a good investment option to its shareholders and this means looking for results through innovation, safety and a lot of creativity in order to maintain its sustainability, to offer a high-quality product and to strategically manage costs.





FOREST FARMING IS NECESSARY

Adopting the precision approach in forest handling is part of the strategic effort to ensure necessary basis to our full production capability. Using resources such as laser beams, drones, satellites and sensors, mathematic modelling, artificial intelligence and our team's innovative talent, we have accomplished supplies' rational use conditions and have reduced operations' time.



These results prove the team's effort represent for quality and productivity improvements, along with cost reduction for processes and operations which make up the annual portfolio. Currently, thanks to our technical improvements, it's already possible to program a forest equipment trajectory by satellite, establishing the precise location of every planting line and to define which sprouts will be produced in the nursery – already knowing that it is ideal for the next planting area according to the soil and the climate characteristics as well as the plant itself. Everything is done in the right timing, avoiding losses.

The innovations are just beginning. In real time, the field equipment collects information which increase the decision capacity in handling activities planning. To improve the company's planting areas production, we have implemented solutions to reduce the

soils' idle time, that is, the days between the harvest and a fresh planting. Using the available areas to its full potential with safety to people and environmental adaptation means producing more with the same resources. From a soil occupation and use point of view, this is all about being conscious. This is all about being sustainable.



We also try to understand in which activities, formerly outsourced, we could obtain results, better performances and lower costs. **Thus, in 2020, the first third-party area eucalyptus harvesting operation was implemented, in the state of Minas Gerais, with our own team.** Likewise, the tractor-driven plague control operation, which was formerly carried out by an outsourced forestry company, is now carried out by our own team.

The synergy with our shareholder Suzano in supplies purchasing is another highlight. This decision has allowed for good business opportunities and have resulted in more savings for both companies.



THE RESPONSIBLE USE OF NATURAL RESOURCES

We are committed to improve our environmental results. When we try to maintain a current operational condition, questions related to water, residues and carbon are demanding parameters. Since Veracel is a company created with environment technologies and cellulose production processes still considered modern nowadays, the effort to improve this standard is challenging, but nonetheless, it's dealt with as possible. This is the case with residues management. We wrapped up the year with a 99% residues recycling average, having achieved the 100% mark for three months.

Veracel's residues management was the theme for a technical paper presented on the Associação Brasileira Técnica de Celulose e Papel - ABTCP ("Brazilian Paper and Cellulose Technical Association") 53rd yearly congress, in 2020, and was awarded as one of the ten best cases presented. These are unprecedented solutions in this sector and sharing the knowledge may inspire successful initiatives in other companies.

99%
residues
recycling



The specific water consumption reduction projects started off as employees' ideas. Improvements in processes from the recovery and utilities and cellulose production areas seek to eliminate losses and increase the intern water recycling in the cellulose production. Some are unprecedented in Brazil. In 2020, our achieved water use historic record was kept to 22,3 m³ to produce one ton of cellulose, a number equal to the one in 2019. Thses initiatives already represent a success. We hope to stabilize the processes, work on new improvements and evolve in results.

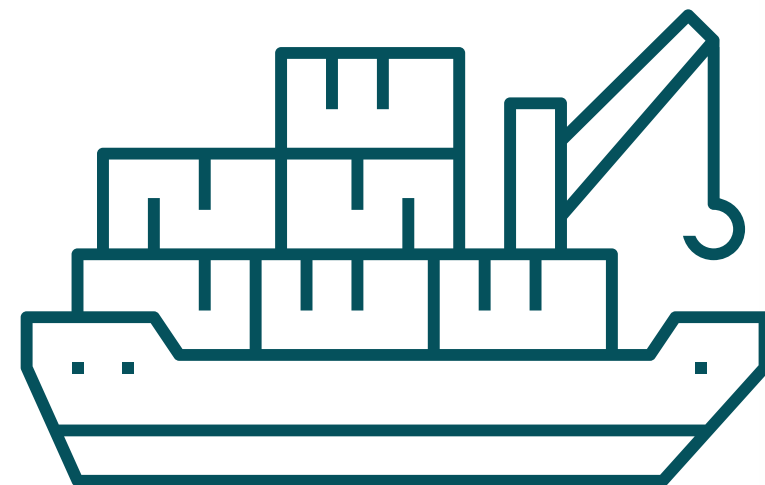
Since 2015 Veracel has been establishing goals regarding water, with a commitment to constant reduction every year. For 2021, the goal is to stay below 22 m³.

THE GOING IS BETTER BY THE SEA

In 2020, all of our cellulose was delivered to the stockholders by sea transport. This is a great feat, for the vessels were taken out of service for mandatory maintenance for around 35 days. With a reduced capacity of transport by sea, the alternatives consisted of shipping the cellulose by trucks or reducing the loading time in order to increase the number of travels with less equipment. Thanks to our engaged teams, the goal was met: 100% of the cellulose was transported by barges. This means the use of a transport with less carbon emissions without increasing cargo vehicles traffic on the BR101 expressway between the states of Bahia and Espírito Santo.

In order to decrease the barges loading time, new technologies and process changes were adopted. The same automation process that speeded up cellulose loading in the Terminal Marítimo de Belmonte - TMB (Belmonte Maritime Terminal) is already the subject of studies by other areas within the company. This was a project thought of by employees, using artificial intelligence resources and causing no job losses.

In a continuous mode, teams and crews rotate in shifts, operating 24 hours a day. While a barge is being loaded in Belmonte, another one is cabotage navigating alongside the region's coastline. At the same time, a third barge is being unloaded in Barra do Riacho, Espírito Santo and, as it arrives in the terminal, a tugboat is disengaged from a barge and engaged to another one, thus starting the return trip. In 2020, 152 trips were completed to this logistic use.



WE ARE ONLY
THE GUARDIANS



THIS PICTURE WAS TAKEN
BEFORE THE FACIAL MASK
CONTINUOUS USE PROTOCOL



In May 2020, the biodiversity preservation work carried out on the RPPN Veracel Station warranted the company the **“Procedimentos de Serviços Ecosistêmicos” (Ecosystems Service Procedures) from the Forest Stewardship Council® - FSC® C017612” stamp**, issued in Brazil by Imafloa certification company. The FSC® certification aims to recognize and value companies and organizations which use natural resources without depleting them. This is one of the sustainable development basis and it’s online with our purpose as a company.

This recognition is unprecedented in the planted forest sector and constitutes a break in the environmental preservation and eucalyptus planting conflict paradigm. The RPPN Veracel Station also acknowledged by **UNESCO** since 1999 as part of the Natural Worldwide Heritage Site and, for us, at Veracel, the Station is a special place to visit, admire and learn how much this heritage belongs to present and future generations, of which we are only guardians.





FOREST GROWERS

In 2020 we reached the mark of more than **5,5 million Atlantic Forest indigenous trees planted in an area equivalent to more than 7 thousand soccer fields.** In this restoration perspective, we met the yearly goals of initiatives which make the Atlantic Forest fragment connection national strategy and follow the municipal plans for every municipality preservation. Nowadays, we use a methodology inspired in a practice which was presented by a Serviço de Informação Florestal – SIF (Forest Information Service) forest restoration work group, from the Federal University of Viçosa.

The success of this new method in the field is exciting. There is good reason to celebrate it, because there are a lot of challenges to be won until a tree is able to cast a shadow, cattle trampling being the most common. Since the restoration is carried out in degraded areas, grass is very commonly found – itself an attractive vegetation for clandestine cattle farmers. With our initiatives, we contribute to the fight against these damages and support the authorities, since this practice is considered an environmental crime, besides offering serious sanitary risks.

And more forests are on the way!

In 2020 the restoration of the RPPN Estação Veracel / Pau Brasil National Park ecologic area was initiated through the Mata Atlântica da Agência Alemã de Cooperação Internacional GIZ* (Atlantic Forest of the GIZ* International Cooperation German Agency). This is a contribution to implement the Porto Seguro Atlantic Forest Municipal Plan and moves one step ahead towards this audacious connection dream. There is a lot to be done in order to make the corridor a reality, but every journey is made of steps. We are moving ahead and articulating more partners.

It is possible to check, since 1990, the vegetation cover evolution in Veracel’s area in southern Bahia vegetation cover monitoring maps. The images have been updated in 2020 <https://monitoramentobahia.dialogoflorestal.org.br/> and demonstrate that Veracel alone has already connected 65 thousand Atlantic Forest hectares with its landscaping management initiatives in this region.

**Deutsche Gesellschaft für Internationale Zusammenarbeit*

THE SCIENTIFIC NATURE

Until March 2020, among other environmental education **1,500 people** had already participated in bird watching at Veracel Station. From then on, dialogues migrated to social media and collaborative platforms. Online events presence and audiovisual contents production were all offered as a means of interacting with people, exchanging experiences and the spread of scientific knowledge in 2020.



And there is still a lot of knowledge to be produced.

Veracel has partnered with UFSB, Itabuna campus, granting master's degree (2) and doctorate (1) scholarships, with focus in environment preservation innovation. On top of these, there are 15 Sustainable Development and Biodiversity Preservation master's degree students carried out by the Veracel / Escola Superior de Conservação Ambiental e Sustentabilidade (Sustainability and Environment Preservation Superior School) partnership, linked to the Instituto de Pesquisas Ecológicas - IPÊ (Ecology Research Institute) from Nazaré Paulista, estate of São Paulo.

We need high level support for complex environmental questions, especially those involving social elements. For example, the increase in hunting occurrences during the pandemic. This severely threatens the fauna and, together with it, the seeds dispersion service and all the environment protection work undertaken in the area preservation units.

FURTHER READING

To get to know more about these and other Veracel initiatives, please visit the website www.veracel.com.br. In this virtual environment, you will be familiar with productive process details, the public summary of the forest management plan, monitoring results mentioned in this publication, indicator table inspired in the Global Reporting Initiative (GRI) protocol, among others.



(CREDITS)

- **Director of Sustainability and Corporate Relations:**

Renato Gomes Carneiro

- **Veracel Communication Team:**

Michele Araújo, Vanessa Pinto Freitas, Ana Carolina Alves, Érica Palhares and Antonio Sergio Barboza

- **2020 tally committee:**

Aline Vergani, Antonio Luiz Fragoso Costa, Bárbara Cristina Sales Oliveira, Daniel Mafra Braga, David Figueiredo Quinto Soares, Dieane da Silva Brandão, Izabel da penha dos Santos Bianchi, Marco Aurélio Silva, Maria Zélia Ferreira, Odair Jango, Priscilla Sales Gomes, Renan Silva Borges, Traciso Andrade Matos, Teobaldo Miranda Santos, Virgínia Londe de Camargos and Wilma Mendes de Sena

- **Partners:**

UFSB – Universidade do Sul da Bahia (Southern Bahia Federal University), UNEB – Universidade Estadual da Bahia (State University of Bahia), SENAI, SENAC, SEBRAE, IPÊ – Instituto de Pesquisas Ecológicas (Ecology Research Institute), ESALQ/USP – Escola Superior de Agricultura Luiz de Queiroz (Luiz de Queiroz Agriculture Superior School), Childhood, Parque Nacional do Pau Brasil (Pau Brasil National Park), Instituto Baleia Jubarte (Humpback whale Institute), ANAMMA – Associação Nacional de Órgãos Municipais do Meio Ambiente (Municipal Environmental Agencies National Association), Euroclima+, Suzano (BAMGES), MPBA – Ministério Público do Estado da Bahia (State of Bahia Public Prosecutor), CENAP – Centro Nacional de Pesquisa e Conservação de Mamíferos e Carnívoros (Mammals and Carnivores Conservation and Research National Center) and pro-carnivores, INPA – Instituto Nacional de Pesquisa da Amazônia (Amazon Research National Institute) and CEPLAC – Comissão Executiva do Plano da Lavoura Cacaueira (Executive Committee of the Cocoa Farming Plan)

- **Content:**

Débora Jorge Consultoria e Comunicação and Veracel Communication team

- **Layout:**

Agência Nova Café

- **Photography:**

Ricardo Teles, Débora Jorge and the Veracel collection

- **English version – translation:**

Jorge Darzé Filho



VERACEL



veracel.com.br
(Contact information)



Caixa Postal
CEP 45.820-970 - Eunápolis
BAHIA - BRAZIL