



Bracell Releases 2021 Sustainability Report

- *Highlights include new Sustainability Strategy and the launch of the 'One to One' commitment*
- *New Lençóis Paulista mill ('Project Star') in São Paulo state also completed in 2021*

São Paulo, Brazil - September 20, 2022: Bracell, a global leader in the production of dissolving pulp, has released its 2021 Sustainability Report, which highlights the company's progress against its sustainability commitments last year and provides key updates on operations during the same period. Bracell is part of the RGE group of companies

A particular focus of the Sustainability Report is Project Star, the expansion of Bracell's operations centred on the new Lençóis Paulista mill in São Paulo, Brazil. The new mill, which is the largest and greenest of its kind in the world, does not use fossil fuels and has two production lines that can operate flexibly to produce either dissolving and kraft pulp.

Other highlights of the Report include the launch of Bracell's Sustainability Strategy, which was finalized following extensive collaboration between management, sustainability leaders and other stakeholders. The new Sustainability Strategy has six pillars to guide the company's sustainability commitments - Responsible Production, Climate, Biodiversity and Landscapes, Governance, People and Culture, and Social Inclusion - and highlights of each pillar are presented in the Report.

"Sustainability is a purpose for Bracell. It is part of our vision to build a socio-environmental legacy, which is why we continually invest in technology and research and development," said Marcio Nappo, Vice President of Sustainability and Corporate Communications, Bracell.

"The generation of renewable energy for the domestic market, carbon sequestration, investments in conservation and the recovery of native forests are strategic for the company. This is because we want to have a positive environmental impact in the regions where we operate and to contribute to the development of local communities," he said.

'One to One' Commitment

Another milestone in 2021 was the introduction of Bracell's 'One to One' commitment, which will see the company conserve and protect one hectare of native land for every hectare of plantation. Bracell has committed to achieving this target, which is a key element of its new Sustainability Strategy, by 2025.

In addition to conserving existing native areas in the company's production areas, the 'One to One' commitment will also support conservation in public areas and the recovery of degraded areas through partnerships with governments and other institutions. The areas to be conserved are in the Atlantic Forest, Cerrado and Caatinga regions, located in the three states where the company operates, São Paulo, Mato Grosso do Sul and Bahia.

Renewable Energy

The new Lençóis Paulista mill has a biomass boiler that uses waste from eucalyptus fibre and other substances generated through the pulp production process, such as black liquor, to generate renewable energy. The SE-440kV Power Substation has an installed transformation capacity of 409 MW, enough to supply the factory and provide the national grid with surplus energy of 150-180MW, capable of serving 750,000 households or about three million people.



The use of renewable energy in Bracell's energy mix contributes to the reduction of the company's greenhouse gas (GHG) emissions, which has a positive impact on climate and the environment. In 2021, Bracell's carbon balance was -5,334,303 tCO₂e. This means the company removed more carbon from the atmosphere than it emitted. Bracell's concession areas of eucalyptus forests and native forests play an essential role in the company's carbon sequestration capacity.

Preservation of biodiversity

Other milestones in 2021 included the signing of an agreement, to support biodiversity conservation in the Atlantic Forest region, with the Bahia Environment Secretariat (Sema), covering the areas of the Subaé Canyons and the Subaúma River basin.

In São Paulo, Bracell also signed an agreement to support the protection of over 64,000 hectares of Conservation Units - in the Atlantic Forest and Cerrado Paulista areas - in partnership with the Forest Foundation, an agency linked to the Department of Infrastructure and Environment. In addition, Bracell is associated with the Brazilian Business Council for Sustainable Development (CEBDS), through which it supports the goals of the Brazilian Business Commitment to Biodiversity.

In the last 15 years, Bracell has monitored more than 600 species of fauna and flora in São Paulo and 991 species of fauna and flora in Bahia, in the Cerrado, Atlantic Forest and Caatinga area. The most recent monitoring noted over 40 species threatened with extinction in forest areas.

Commitment to Communities

Through Bracell Social, its social investment program, projects and initiatives were carried out to contribute to the development of the communities where the company operates. In 2021, more than R\$ 4.1 million (almost US\$800,000) was invested in a total of 26 projects and more than 100,000 people in Bahia and São Paulo benefited.

The Bracell Volunteer Program - Mãos Dadas ('Helping Hands') - encourages workers to participate in activities and campaigns that benefit local communities. In-person volunteer activities were suspended in 2021 due to COVID-19 but basic grocery packages were donated to communities, and Founder's Day mobilized employees to sell food from the social projects supported by Bracell to collect funds for people severely impacted by the pandemic.

Employee Engagement

In 2021, Bracell had a total of 4,726 employees, up by 26% compared from 2020. The Report outlines the various initiatives to promote diversity and inclusion and the people management policies focused on women in leadership, which are in line with the company's commitment to empower and engage its employees.

The 2021 Sustainability Report can be found on the company's [website](#). The various sustainability indicators used in the Report can be viewed on Bracell's [Disclosures Hub](#).

About Bracell:

Bracell is a global leader in the production of dissolving pulp and specialty cellulose with two main operations in Brazil in Camaçari, Bahia and in Lençóis Paulista, São Paulo. In addition to its operations in Brazil, Bracell has a management office in Singapore and sales offices in Asia, Europe and the U.S.

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