

Short version

**SUSTAINABILITY
REPORT
BO PAPER GROUP**

2021



BO PAPER

BO PAPER GROUP TIMELINE

1925

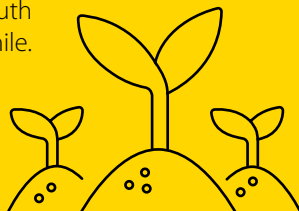
Arapoti

The Arapoti Main Factory, a pioneer in the paper manufacture in Brazil, starts operating.

1957

PBB (CMPC Group)

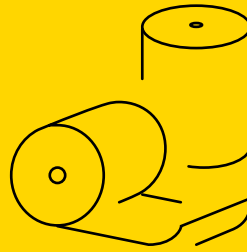
Papeles Bio Bio (PBB) is built by the Chilean Group CMPC, located in San Pedro de La Paz, about 500 kilometers south of Santiago, Chile.



1984

Pisa

After 23 months of construction, the Pisa Unit goes into operation, controlled by the newspaper O Estado de São Paulo.



1987

The New Zealand group Fletcher Challenge becomes a shareholder in Pisa and carries out a capital increase in forest assets.

1988

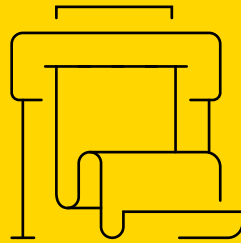
PBB is sold to the Fletcher Challenge group (New Zealand).

1992

Inpacel opens more modern facilities in Arapoti.

2013

PBB becomes a shareholder in Pisa (49%).



2012

PBB is acquired by the Inversiones BO S.A. consortium (Chile).



2001

PBB is acquired by Norske Skog (Norway).

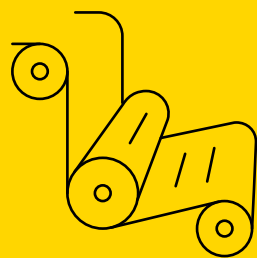


2000

Norske Skog Group acquires the paper operations of Fletcher Challenge and the shares of the newspaper O Estado de São Paulo and takes control of the Pisa operations.

2014

Pisa becomes a wholly owned subsidiary of the Chilean group PBB.



2021

First quarter: closure of the industrial plant of Papeles Bio Bio (PBB), in Chile.

Third quarter: modernization of the Pisa Unit for the packaging production; and Arapoti unit, with the Speed Sizer installation.



2016

Stora Enso's Arapoti plant (Swedish-Finnish group) is acquired by PBB.

The BO Paper Group is born, after the acquisition of the Arapoti plant and the Pisa unit (which had happened two years earlier).





ABOUT **BO PAPER**

Know about our two units!

So that you can learn more about the BO Paper Group, we now invite you to take a dip in each one.



Arapoti Unit

It has a factory with an installed capacity of 160,000 tonnes per year of paper and 60,000 tonnes per year of marketable thermomechanical pulp (TMP), which are produced in a 79,000 m² industrial park. The Arapoti Unit is a pioneer in the production of high-yield coated paper based on pulp, being committed to the Integrated Management System in its manufacturing and sales process, which is valid for both thermomechanical pulp and paper.

The products manufactured by the BO Paper Group units are as follows:

- Thermomechanical fibers (TMP);
- Newsprint;
- Off White Paper;
- Coated Papers;
- Special Papers;
- Packaging Papers.

Our technical specifications meet the needs of each of the segments to which we deliver our products, which are sold both for the domestic and foreign markets. We even export to more than 20 countries. Currently, the most relevant international markets are: Argentina, Chile, Bolivia, Paraguay, Uruguay, Costa Rica, Dominican Republic and Mexico.

In Brazil, we serve the market both directly, with the commercial team of BO Paper Group, and also indirectly, through partner distributors. Within the market segments in which we operate, we serve clients of different types.

In our line of Graphic Papers, we serve:

- Graphics;
- Newspaper companies;
- Paper dispensers;
- Books and magazines' publishers;
- Catalog producers;
- Gift paper producers.

For Special Papers, we serve:

- Label and sticker converters;
- Converters for decoration papers;
- Visual communication companies;
- Companies with sublimation process;
- Distributors.

In Packaging Papers, we serve producers of:

- Paper and cardboard sheets;
- Cardboard sheets and boxes;
- Micro wavies;
- Flexible packaging;
- In addition to distributors.

In Thermomechanical fibers, we serve producers of:

- Cardboard papers;
- Corrugated packaging papers;
- Printing and writing papers;
- Sanitary papers;
- Thermo-molded packaging.



Pisa Unit (Jaguariaíva)

This factory has an installed capacity of 170 thousand tons of paper per year. The Pisa Unit is a pioneer in the production of newsprint and currently also produces high-yield pulp-based packaging paper. The unit's manufacturing process is also committed to the Integrated Management System.

Programs developed and supported by BO Paper



Business Coalition to End Violence Against Women

Violence against women is a very common problem in Brazilian society. To help tackle this issue, the BO Paper Group is committed to giving voice to women victims of violence. Therefore, we carried out a campaign focused on this topic, and referred some cases of violence to be dealt with by specialists and competent authorities. Measures that are in line with our search for a just and dignified society for all. In partnership with Instituto Avon, BO Paper Group has been a signatory, since 2019, of the Business Coalition for the End of Violence Against Women.

'Pegaí' Free Reading

This is a non-profit, non-governmental initiative created in July 2013 in the city of Ponta Grossa, Paraná. The proposal encourages the habit of reading, making books available to readers in public places, with the motto "Bringing Books Without Readers Closer to Readers Without Books". Our company is one of the official supporters of Pegaí, with periodic donation of paper for printing books. We have the mark of 70 thousand books printed with paper from the BO Paper Group and the "Semeador de Livros" trophy.

Colmeias Campos Floridos

The BO Paper Group's partnership with AAPicaf (Associação de Apicultores Campos Floridos) from Arapoti aims to promote the development and sustainability of beekeeping in the region. Started in 2012, the action has a growing number of associates and honey production capacity.

Environmental awareness campaign

With the motto "Some papers we manufacture. Others we assume. Taking care of the environment is one of them", the company's environmental education campaign has a wide scope and seeks to raise awareness through education.

Raio de Luz

It is a project supported by the BO Paper Group that develops the socioeconomic potential of women through sewing workshops in Arapoti, where material is reused to generate financial income.

It is in this context that the BO Paper Group participates of the initiative. As our professionals wear uniforms provided by the company (knitted t-shirt and jeans) that are changed every six months, these clothes that would be discarded are destined for the Raio de Luz, which makes it possible to collect good quality material for the production of craft pieces.

BO Paper Group Wellness Program

The Wellness and Quality of Life Program is recognized not only by our professionals and families, but also at the state level, with recurring awards within the current UN guidelines for this purpose (SESI SDGs).

The general objective of this project is to enhance results that show the appreciation of people, both in health promotion and in recognition and engagement. It consists of 3 pillars: Health, Safety and Environment, including individual and team recognition programs. Through initiatives like this, the company aims to have healthy, happy, motivated professionals who are proud to belong to the BO Paper Group.



Projeto Transformando o Futuro

It is characterized by the partnership between the BO Paper Group and APAE (Associação de Pais e Amigos dos Excepcionais) of Jaguariaíva, in the promotion of workshops that produce wooden wedges used as support for the transport of paper reels.

This partnership contributes to the professional training of people with disabilities enrolled in the São Judas Tadeu Special Education School, affiliated with APAE.



Scholarships for Professionals and Dependents

We periodically grant scholarships to the professionals of the BO Paper Group, favoring the personal and professional development of those involved through an undergraduate course. These projects are carried out with the support of the Educational Fund, as the initiative meets the requirements for fostering education and human and family development.

Projeto Sacolona

Through a partnership with suppliers in the region, we direct the vinyl tarpaulins used as visual communication in internal and external campaigns for the manufacture of returnable bags. These items are delivered to communities and professionals as an incentive to reduce the use of plastic and non-returnable bags. Thus, we create opportunities for income generation, reduction of material sent for disposal and we develop environmentally correct awareness.

Diversity and Inclusion

We believe that, in order to inspire innovation in the workspace, it is essential to be aligned with diversity issues, providing a rich exchange of ideas and experiences. We understand that each person, through their ability and talent, can make a difference in building a better company and society!

Therefore, all our vacancies are open to anyone, regardless of nationality, race, sex, age, ethnic origin, religion, disability, sexual orientation, etc. We work together with leaders, seeking to ensure a healthy environment free from any discrimination.

Data from programs and projects involving local communities

Program / Project	Unit	2020	2021
Raio de Luz	qty of donated clothes	600	1,000
	qty of participating women	11	10
Colmeia Campos Floridos	Ton of honey produced by the cooperative	1,000	1,200
	kg of honey donated to professionals	75	150
Projeto Transformando o Futuro	qty of shims produced (parts)	6,000	10,200
	qty of people served	6	6
Projeto Sacolona	qty of bags produced	3,000	3,600
	qty of people served	10	10

ENVIRONMENTAL MANAGEMENT



Wood: Our main raw material

BO Paper Group has international certification from the Forest Stewardship Council® (FSC®) in its two units, which guarantees that the raw material used in its products comes from forests managed in an ecologically correct, socially fair and economically viable way. BO Paper uses only wood certified by FSC® principles, following sustainable management standards. At the Arapoti unit, in addition to FSC® certification, there is also the CERFLOR forest management certification.



Remembering that the BO Paper manufacturing process ensures that all wood used is FSC® and Cerflor certified, following sustainable management standards.



Energy

In both units, we use both non-renewable and renewable fuels in the movement of our operations and in the company's day-to-day activities. The use of biomass is the main one, being common to both factories. The electricity consumed comes from direct purchases in the national free system, where most of the matrix comes from hydroelectric plants.

Consumption of fuels from non-renewable sources (2020 and 2021)

Pisa Unit: does not use non-renewable fuels;

Arapoti Unit: BPF A1 Oil – used for burning in the boiler (quantity of 55 ton in 2021 and 40 ton in 2020).

Consumption of fuels from renewable sources (2020 and 2021)

Arapoti Unit: sludge from the Sewage Treatment Station – 6,500 ton. dry in 2021 and 5,100 ton in 2020). CNG - quantity of 4,198,729.768 m³ in 2020 and 6,617,834 m³ in 2021;

Pisa: Steam, being 302,770 tons in 2020 and 398,236 tons in 2021.

However, it is important to highlight that, of all fuel consumption, 99% of our sources come from renewable sources (by weight).



Water and effluents

In the process of industrializing our products, water is a very important input, which we have used with increasing efficiency in our units, in addition to adopting practices and technologies that allow the treatment of the effluents we generate.

Pisa Unit

The water used in the Pisa Unit comes from the Jaguaiaíva River, being captured at a point after the effluent emission, being pumped from the river to the Treatment. The greatest consumption of treated water occurs in the production areas (TMP and Paper Machine). In the production process, we adopt the recirculation of this input to the greatest reuse (examples: clear water and white water). After the industrial process, there is the generation of effluents that are sent to the Effluent Treatment Station, where they are treated. The water resulting from this treatment process is returned to the Jaguaiaíva River with high quality, in compliance with current legislation.

Arapoti Unit

The water used at the Arapoti Unit comes from the Barra Mansa River, in addition to abstraction from eight artesian wells. The capture takes place at a post effluent emission point. The input is pumped from Barra Mansa to the Treatment Station. As in the Pisa unit, the greatest consumption of treated water occurs in the productive areas (TMP and Paper Machine).

Also in the Arapoti production process we use recirculation aiming at greater reuse (examples: clear water and process water). The effluents resulting from the industrial process are sent to the Effluent Treatment Station. At the ETE, they are properly treated, and the water produced from this process is returned at the junction of the Barra Mansa and Chico Rivers.



Biodiversity

There are no permanent preservation areas or legal reserve areas on the property occupied by the two Units. Our raw material is of forest origin, coming from planted forests and certified by the FSC® (Forest Stewardship Council®) and CERFLOR, acquired from certified suppliers. These certifications, to be granted, have as one of the main criteria the respect and encouragement of local biodiversity. All forest management certification procedures include requirements that help to conserve biodiversity and minimize environmental impacts.



Arapoti Factory



Emissions

When we talk about the environment, we cannot leave aside one of the issues that have most concerned society today: climate change. We understand our commitment to work actively to reduce our level of emissions. We monitor information regarding our direct and indirect greenhouse gas (GHG) emissions, as we understand that having this data is essential for us to adopt mitigation measures.

There is a plan to start more detailed measurements and studies related to GHG emissions in the coming years, in preparation for the BO Paper Group Emissions Inventory. We perform the CO₂ measurement following the energy conversion calculations as suggested by the IPCC protocols.

BO Paper is committed to implementing a GHG emissions assessment mechanism, which is being evaluated internally together with the company's leadership.



Waste

The paper manufacturing process generates solid waste, either in human activities or in production processes. Therefore, we keep efforts to have the most efficient production possible, with the least amount of leftovers and focused on the reuse of the by-products of the process.

To ensure a good recycling rate, we have adopted procedures aimed at proper segregation of waste. Most of them are destined for recycling, external recovery and co-processing. We constantly seek to incorporate the best technologies and alternatives for the disposal of our waste.



Environmental Compliance

The Integrated Management System Policy that we have adopted at the BO Paper Group units includes protecting the environment and preventing environmental contamination in its processes, products and services. Environmental management is also guided by the guidelines established by ISO 14001, implemented in the company's units. In addition, our units pass by internal and external audits on a regular basis.

The BO Paper Group still has the goal of selecting suppliers by environmental criteria. We understand it to be a way of multiplying our good practices in the environmental area among our partners. Currently, we require legal documents such as operational license, rules for contracting services and evaluation of suppliers.

INVESTING IN **PEOPLE**

Occupational Health and Safety

One of the main values of our company is the health and safety at work of our professionals. For this reason, we have implemented an Integrated Management System (SGI), focused on the Environment, Labor Health and Safety and following the requirements of NBR ISO 14001 and ISO 45001. The this management system's scope, described below, meets the stakeholders and the demands of the business, always prioritizing that the expected results are achieved with sustainability.

Occupational health services

In our structure, we have Occupational Medicine, responsible for monitoring the health of professionals through the PCMSO (Medical Control and Occupational Health Program). PCMSO has different guidelines such as:

- Tracking and early detection of work-related health problems;
- Detect possible excessive exposures to occupational harmful agents;
- Define the aptitude of each professional to perform their specific functions or tasks;
- Subsidize the implementation and monitoring of the effectiveness of the prevention measures adopted in the organization;
- Subsidize epidemiological and statistical analyzes on health problems and their relationship with occupational risks, etc.

For internal care, we have an outpatient medical clinic on our premises. In addition, the professionals themselves have health insurance coverage. The organization also develops initiatives aimed at promoting health, such as the Quality of Life and Well-being Program and the Hearing Conservation Program.



Paper Machine
Team, Pisa Unit
(Jaguariaíva)

Programs for the improvement of skills

To achieve the future we want, we need properly trained professionals. Otherwise, the qualification of the workforce can become a bottleneck for the consolidation of the transformation process that we are currently undergoing.

But regardless of this transition phase that we are going through (and for which we need, more than ever, people able to face the new challenges of the company), the improvement of competencies has always been our priority. In line with our strategic pillars, we carry out the Human Development Project focused on our team of professionals. This initiative has some central focuses:

- Leadership training program,
- Performance Management,
- Career,
- Skills Development.

The Human Development Project, which outlines a learning path for each professional, has inaugurated in

the company a development model of competences. It is divided into three programs that are supported by the Educational Fund, which we present below.

Develop to Grow:

- Leadership support to develop skills in people management, which has been essential to carry out the transformations we seek;
- Our leadership plays a key role in extracting the best performance from teams.

Learn to Grow:

- It carries out actions based on our organizational skills, which are: Results Orientation, Customer Focus, Ownership, Organizational Agility, Adaptability and Innovation.

Share to Grow:

- It promotes internal knowledge-sharing workshops, given by volunteer professionals from the BO Paper Group itself, in activities that are prepared by the people management area.

Diversity and equal opportunities

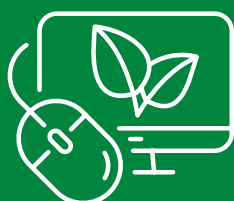
The BO Paper Group develops a policy aimed at diversity and promoting equal opportunities. Our look at this topic aims to value the specificities of men and women, without misogyny, without racism and without sexual, social, ethnic, ideological or age group discrimination, etc. We understand that our professionals will be even better able to contribute with the company and society if they are motivated and respected according to the differences of each one.

It is a fact that we still have challenges to overcome, such as increasing the number of women in the company's governance body, which today is 15%. But we believe that our work to promote equal opportunities, as well as diversity promotion has

borne fruit. The most important thing is to realize that this company value has been incorporated by professionals.

In 2020, we had a case of discrimination and some measures were taken. The case that occurred was of moral harassment and reached the company's Senior Management through a complaint and was also dealt with by our Ethics Committee. In 2021, we had no record of harassment cases.

After the case in question was analyzed by the committee, it was the subject of an investigation. From evidence and reports collected, a consensus deal was defined, as well as a remedial plan was drawn up.



For information, suggestions or comments

Get in touch through the Internet ombudsman channel:

www.bopaper.com.br/ouvidoria

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