



2022

# Sustainability report

Responsibility

towards the future

# 2022 Sustainability Report



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## Coordination

Human Resources and ESG Area  
Sustainability, Internal Marketing,  
and Marketing

## Content consultancy, translations and design

Ógui Sustentabilidade

## Acknowledgments

This report was produced  
thanks to the contribution of a  
multidisciplinary work team, to  
whom we would like to extend  
our gratitude and dedicate this  
publication.

If you are looking for additional  
information about our ESG journey,  
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# Message from the CEO

GRI 2-22

**In 2022, TANAC was a highlight of one of the COP 27 panels in the context of the low-carbon economy.**

Publishing the Sustainability Report is a great source of pride for all of us at TANAC and TANAGRO. It enshrines our purpose, which, since our foundation, has been to prioritize sustainable development, manufacture bioproducts, create a circular economy, become a reference in renewable resources, empower people, and provide a positive impact to the world.

Our business model is that of a forest-based industry, which highlights the importance of analyzing and making the best decisions throughout our cycle: from the formation of our Black Wattle seedlings in the nursery, through forestry and industrial operations, to the delivery of finished products to our customers. Throughout this production chain, we have always valued sustainable forest management, the practice of sequestering more carbon than we emit, being eco-efficient in industrial operations, and offering an effective contribution to reducing the impact of climate change on our society.

We have a very major role in terms of social responsibility in the state of Rio Grande do Sul. Over the years, we have established long-term

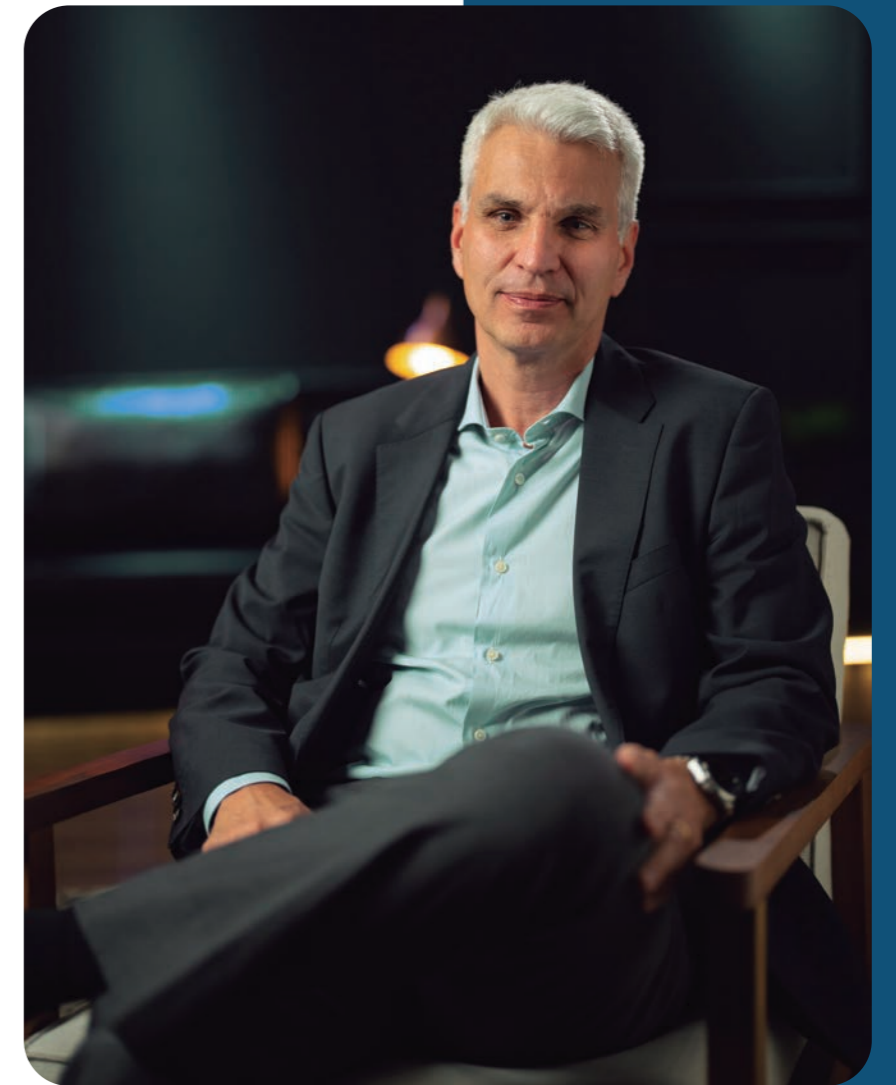
relationships with farmers; there are third-generation families that continue to work with us and that derive their main source of income from this relationship. It is also worth mentioning that we are one of the largest employers in the southern portion of Rio Grande do Sul, which is extremely agricultural and rural. Many places, such as Piratini, Cristal and Bagé, offer few employment alternatives and we insist on maintaining our operations there to help these cities develop by generating jobs.

Even though this is a family business, with a 50% shareholding division between two families – Weibull and Schiefferdecker –, constituting itself as a privately held corporation, TANAC has been professionally managed for over seventy years. We have long used the precepts of good governance with different entities between the Board of Directors and the Executive Board, led by market professionals with well-defined roles and responsibilities. According to our shareholders' agreement, no members of these families can work in the management of the company and we have increasingly evolved to improve governance by creating committees

to support the Board's analyses and resolutions.

In 2022, TANAC was featured in one of the panels at COP27 – the United Nations Conference in Egypt on climate change, with the subject “Green Business”, in the context of the low-carbon economy. In 2021, we obtained the “Green and Social Bond” from BVQI to issue one of the first “SUSTAINABLE” Agribusiness Receivable Credits (CRA, Créditos Recebíveis do Agronegócio) in Brazil. This means that our company is proving its socio-environmental character, through a verification by *Bureau Veritas Certification Brasil*, due to its commitment to sustainable forest management, negative carbon and community development.

We have many challenges ahead of us, including the fact that we want to develop increasingly more new green and natural tannin solutions for different markets; to have 100% of our forests FSC® (C012089) certified; to dominate the Black Wattle forest base in the State by planting over 7,000 hectares/year; and to become



a reference in *pellets* for the renewable energy industry. With an engaged and committed team like ours and the support of our customers, shareholders and suppliers, we have no doubt that we will achieve our goals.

Salutations,  
**João Carlos Ronchel Soares**

**The publication of TANAC Sustainability Report reflects our maturity and the consolidation of a production model.**

# 2022 Highlights



Largest producer worldwide of Black Wattle

**+29.2 thousand hectares**  
of productive area

**5**

**million**

Black Wattle seedlings planted in owned, leased and partner areas



Largest Brazilian exporter of wood pellets for renewable energy

**+193 thousand tonnes**  
of pellets sold:  
largest sale in history



World leader of Black Wattle tannins

**20.9 thousand tonnes**

of plant extracts

Repositioning as specialized chemical product supplier



Largest Brazilian exporter of woodchips for the pulp industry

**+500 thousand BDMT<sup>1</sup>**

of woodchips exported

In 2022, the production amounted to

**1.2 million**

m<sup>3</sup> of woodchips, approximately

# TANAC

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1. BDMT (Bone dry metric tons) is a unit of measurement used to determine the dry mass, in tonnes, of chips.

# History

TANAC is the largest producer of the Black Wattle tree (*Acacia mearnsii* De Wild) in the world and operates in the forestry and chemical industries, offering plant extracts, woodchips and *pellets* for multiple applications. **GRI 2-1** **GRI 2-6-a**



The company concentrates its planted areas, administrative headquarters and manufacturing units in over 20 cities in the state of Rio Grande do Sul. It is established as a privately held corporation, with the shareholding being divided into uniform parts of 50% for each of the controlling partners: Companhia Agrícola de São Bento de Esmeralda and Weibull Participação. TANAC controls 100% of TANAGRO, the company responsible for forest management, whose productive area amounts to over 29.2 thousand hectares. **GRI 2-1**

With a diversified portfolio, TANAC serves various industry segments. The main industries served are leather and footwear, animal nutrition, water supply and effluent treatment products, pulp and paper, oil and gas, fertilizers, and energy. Recognized around the world for offering high quality products and solutions, with certifications of excellence and continuous investment in research and innovation, the company exports to 49 countries in all continents. **GRI 2-6a**

## Purpose

To be the reference in the use of renewable resources, with innovative solutions that drive business forward, empower people, and positively impact the world.

## Global operations

An export company, providing products from renewable sources, on 5 continents, to over 49 countries.



## Origins of TANAC

**An entrepreneurial saga starting in the post-war period shows how the family business model can be managed in a 100% professional manner and with a constant process of innovation, even with the passing of generations.**

This is the background to the story of TANAC, an agroforestry company founded in Montenegro, Rio Grande do Sul, a global reference in the production of Black Wattle tannins – a raw material with high added value for several industries, such as hide processing.

It all started in 1948, when the Weibull family, which had been operating in the tanning industry in Sweden for over 100 years, with tannin operations in Germany and Poland as well, decided to emigrate to Brazil after losing everything they had to bombings in the Second World War. With its capital resources depleted, the family chased a dream: to explore the enormous potential of Black Wattle forests in the south of Brazil. The opportunity was associated with a peculiar fact known to the Weibulls: among the rare regions where the species can be planted, in addition to very narrow latitudes in Australia,

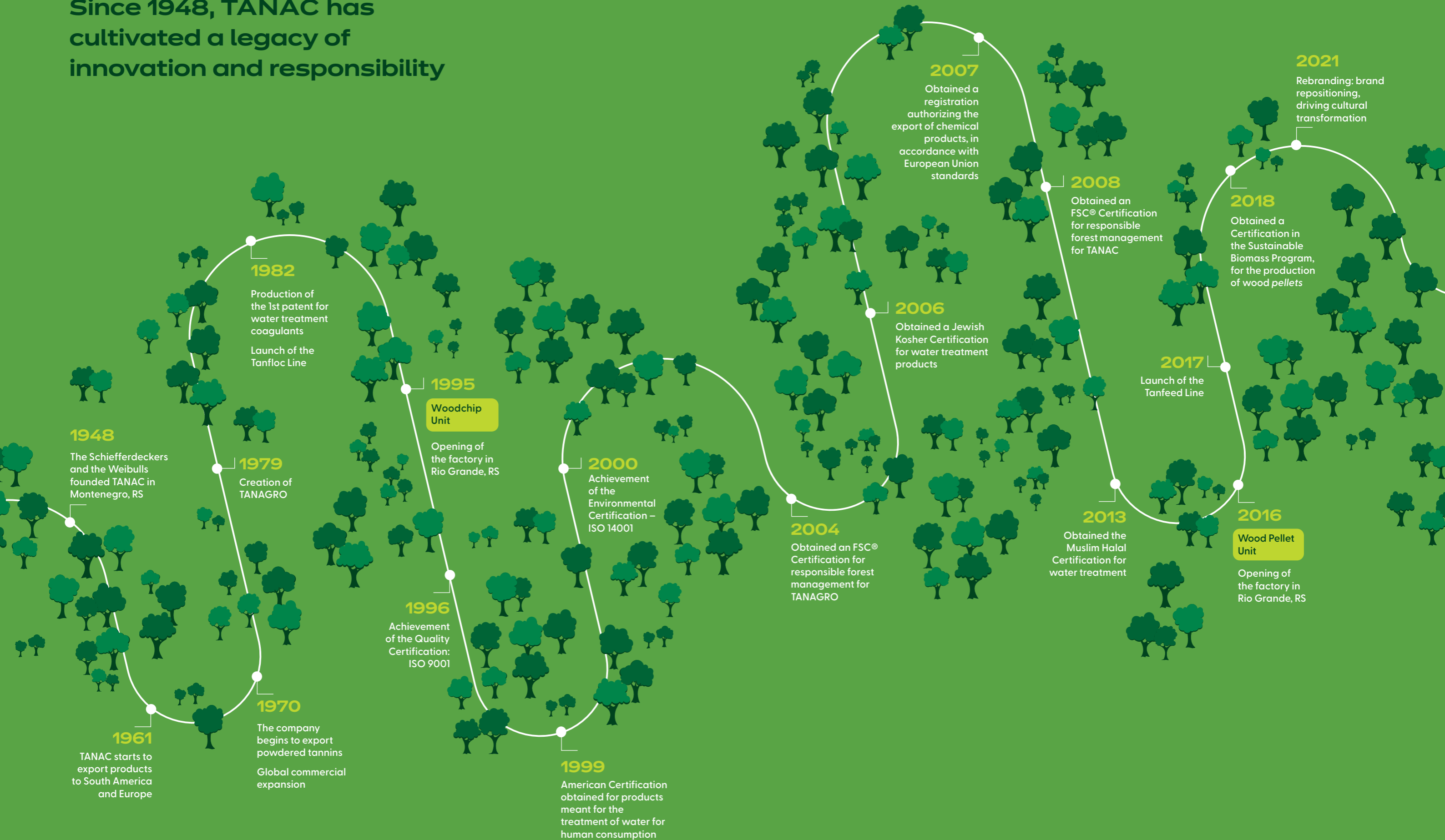
where it originates, and South Africa, included the state of Rio Grande do Sul.

Relying on his technical and commercial expertise to start the business, John Weibull made a stopover in São Paulo, where he met his investing partner in a Brazilian-based German family: the Schiefferdeckers. Their patriarch, Henrique Schiefferdecker, an entrepreneur with a vision, already owned several businesses in the country and soon fell in love with the project that integrated forestry and industrial practices.

After 75 years, the company continues to be controlled by the two families. According to the shareholders' agreement, members of these families cannot be in executive roles, which ensures that the business will be run in a professional, unbiased manner.



# Since 1948, TANAC has cultivated a legacy of innovation and responsibility



# Business model

GRI 2-6-b-i

TANAC is committed to the responsible management and use of natural resources, seeking the best use at all stages of the production cycle of its business.

At all stages of its cycle, TANAC prioritizes respect towards nature and people. This commitment is widely recognized by the market, by global certification agencies and by the communities involved.

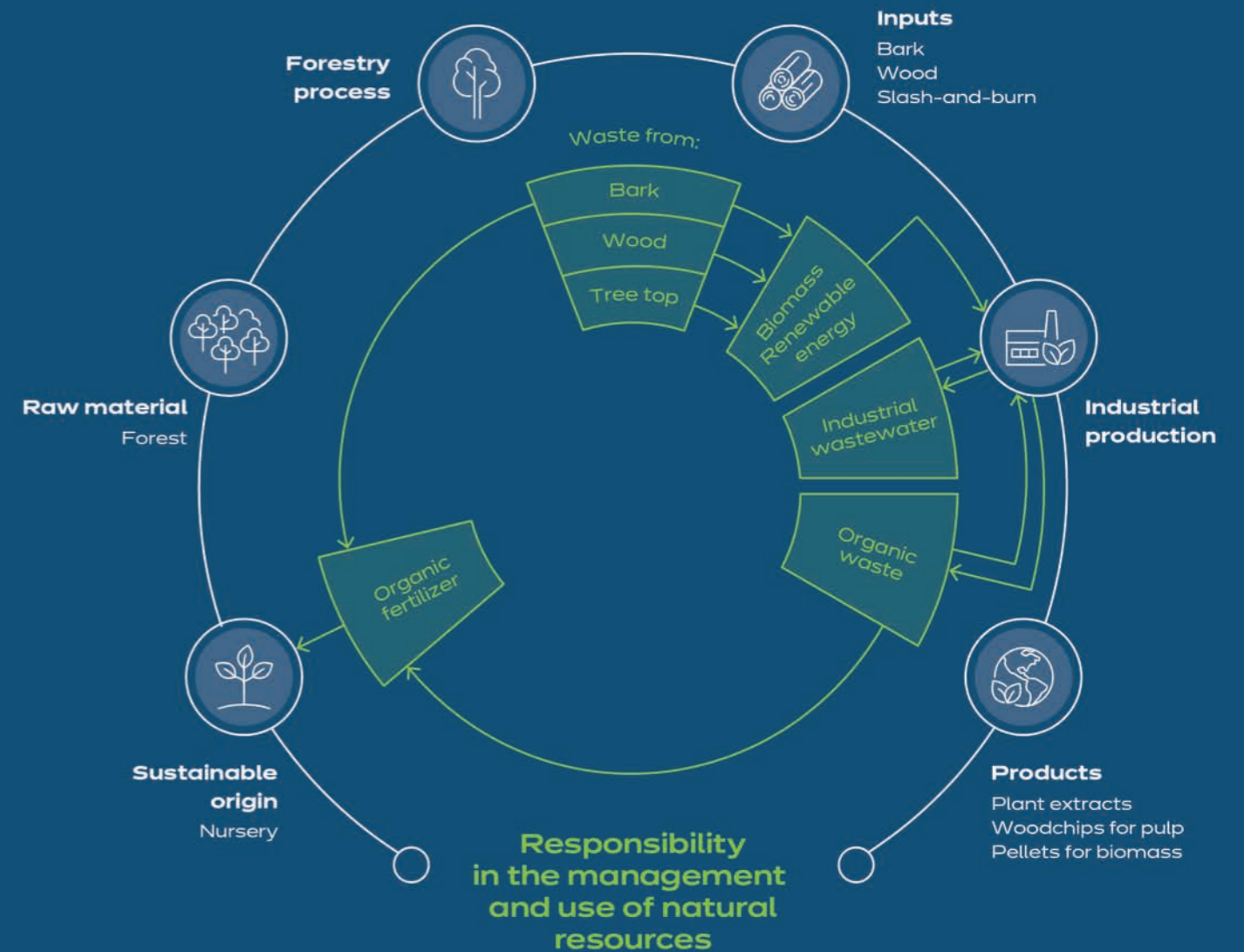
The company concentrates its activities and operations in Rio Grande Sul, with two industrial plants, one in the city of Montenegro and the other in Rio Grande.

TANAC exports to 49 countries on all continents, mainly to Asia and Europe. Around 90% of its production is meant for the foreign market, with greater

demand from its chemical unit for the leather industry.

With a differentiation strategy based on recognized certifications and the development of innovative products, the company has been consolidating itself in 2022 as a relevant player in the international market. As a result, it is able to secure its margins, sustain prices and conquer new markets such as the pellets market, with the highest sales rate found in Europe. **GRI 2-6**

In 2022, the company made two new business partnerships abroad in Mexico and Finland.



 <p><b>Sustainable origin</b> The foundation of every sustainable cycle starts with forest nurseries.</p>	 <p><b>Forestry process</b> Responsible forest management bringing balance between the use and preservation of natural resources.</p>	 <p><b>Industrial production</b> Quality and environmental management practices certified by ISO 9001 and ISO 14001 standards.</p>
 <p><b>Raw material</b> FSC® certified forests that fix nitrogen in the soil and preserve biodiversity.</p>	 <p><b>Inputs</b> Renewable source raw material used in the production of sustainable product lines.</p>	 <p><b>Products</b> Plant extracts for various applications in the leather industry, water treatment, and animal nutrition. Woodchips for the Pulp and Paper industry. Pellets for clean energy biomass generation.</p>



## TANAC Units

GRI 2-6-b-i

Amazon

### 1. Forestry operation TANAGRO

The supply of the tannin and wood units starts at the Forestry Unit. With responsible forest management, this section of the company has over 28,000 hectares of planted forests. The use of advanced technologies in the production of seedlings and genetic improvement research is aligned with evolutions in the sector, generating higher productivity and quality in the forests.

### 3. Industrial operation Rio Grande

With 260,000 m<sup>2</sup>, this is one of the most modern wood *pellet* production plants in the world, strategically located near the Port of Rio Grande, the largest in Rio Grande do Sul. In operation since 1995, this facility is also responsible for the production of woodchips.

### 2. Industrial operation Montenegro

Installed in an area of 8 hectares, alongside the Caí River, the unit is responsible for the production of plant extracts from the Black Wattle bark. In 2022, it received over BRL 1 million in investments meant for infrastructure refurbishment to ensure greater safety in the production of animal nutrition additives.

### 4. Administrative headquarters Porto Alegre

Scheduled to open in 2023, TANAC's new administrative headquarters – based in a building that boasts a Leed certification for sustainable construction – is a more modern and functional connection space, designed to enhance team interaction. **GRI 2-6-b-II**



# Forestry operations

## TANAGRO

**TANAC's forestry unit, TANAGRO, owns and manages over 36,000 hectares dedicated to the production of Black Wattle and Eucalyptus forests in the state of Rio Grande do Sul.**

As a company controlled by TANAC, TANAGRO supplies debarked wood to the Rio Grande unit, producing chips for the pulp industry (also known in the market as *woodchips*) and *pellets* for the energy industry. The bark itself is sent to the factory in Montenegro, which concentrates the production of plant extracts. TANAC's entire manufacturing process is aligned with the ISO 9001 (Quality Management) and ISO 14001 (Environmental Management) standards, as well as the company's Forestry and Health and Safety Policies. This way, TANAC and TANAGRO ensure a sustainable model by employing the best techniques from seedling handling to product delivery. **GRI 2-6**

Founded in 1978, TANAGRO operates in 21 municipalities in Rio Grande do Sul. The company plants and harvests Black Wattle and Eucalyptus forests. The entire cycle begins at the Forest Nursery, in Triunfo, where we sow seeds and monitor all stages from seedling growth to planting units.

Initially, TANAGRO's areas were concentrated around the TANAC factory, in Montenegro. From 1989 onwards, TANAGRO moved its forestry base to the southern region of the state, in an attempt to operate near the port of Rio Grande.

TANAGRO has its own areas, distributed across farms, in the regions and vicinities of Cristal, Encruzilhada do Sul and Piratini, the latter two having the largest planted area. **GRI 304-1 | GRI 304-2**

In 2022, TANAC began to restructure its operations in the forestry area. The company readjusted its operational staff in order to keep it aligned with TANAGRO's new policies and optimized transport services, reducing the number of trucks in operation. The replacement of manual equipment and processes with mechanized models is already a reality in its operations, increasing the level of safety for employees in the harvesting, cutting and debarking of raw materials.

# TANAGRO Forest Base

GRI 304-1 GRI 304-2

**+58,000\***

hectares of forests in total

**34.1 thousand** hectares within the scope of FSC®

\*Amount referring to purchased bush, lease, partner and company-owned areas.

**+30,000**

hectares of preserved forests

**+28,000**

hectares of planted forests

**15.6 thousand** within the FSC® scope

**+29.2 thousand**

hectares of productive area



- Manufacturing unit
- Nursery
- Administrative unit
- ~ 10 hectares of farmland
- > 10 hectares and < 1,000 hectares of farmland
- ~ 1,000 hectares of farmland

# Forest management

To carry out its forest management responsibly, TANAGRO follows all the guidelines contained in the document entitled "Forest Planting and Maintenance". The processes are planned and monitored by technicians and engineers who work in the areas of certification, forest inventory, genetic improvement, environmental monitoring, among others.

The 7,000 hectares planted each year must adhere to the regulations established by the State Environmental Protection Foundation (FEPAM, Fundação Estadual de Proteção Ambiental).

The TANAGRO Forest Management Unit has an area of 58,424.43 hectares, with 34,112.23

hectares certified under the code BV-FM/COC-013662. On February 24, 2004, TANAGRO's forestry management area obtained the FSC® certification, proving that forestry activities are economically viable, socially beneficial and environmentally appropriate<sup>2</sup>.

Of the total forest area, 28,365.96 hectares are effectively planted in the Central Depression, Coastal Plain, Southeast Mountain Range and Prairie Land regions of Rio Grande do Sul. The remaining 30,076.47 hectares are permanent preservation areas, natural vegetation, roads, buildings and other minor uses. The company has forests planted in company-owned, leased, partner or purchased areas<sup>3</sup>.

## FOREST MANAGEMENT SYSTEM (SGF, SISTEMA DE GESTÃO FLORESTAL)

GRI 2-16

Tool developed by Inflor to ensure agility in the management of production areas. SGF modules include:

- Forest registry
- Forest harvest
- Forest roads
- Waste management – Forest management
- Forest inventory
- Livestock
- Forest planting and maintenance
- Seedling production



TANAC has an area of High Conservation Value (AVC, Alto Valor de Conservação), located at Fazenda Ouro Verde, in the municipality of Cristal, RS. Animals and plants are monitored and species under threat of extinction are identified. From 2012 to date, 29 species of frogs, 15 species of reptiles, 206 species of birds and 30 species of mammals have been identified on the farm.



## Forest species

Since the beginning of its history, the species most often planted by TANAC is Black Wattle. However, since 2021, other forest species have become part of the company's forestry base, with the purpose of improving the utilization rates of planting areas.

In 2022, 95% of the planted forest area was occupied by Black Wattle cultivation. The remaining area was cultivated with species of the *Eucalyptus* genus, namely *E. benthamii*, *Eucalyptus dunnii* and *E. saligna*, *E. urograndis*. The choice and recommendation of species is carried out based on the analysis of the characteristics of each farm, such as relief, possibility of frost and/or deficit and production potential.

Based on these analyses, the areas are classified into four production units, also referred to as management units. The best planting techniques are indicated for each production unit, including an indication of the forest species to be grown. This is a way for us to ensure greater productivity and sustainability in our farms while diversifying our raw material supply base.

## Black Wattle

As a medium-sized species (measuring between 20 and 25 m in height when adult), the Black Wattle is a legume species native to Australia. The species plays an important role in the recovery of degraded areas, as it grows fast and is able to biologically fix nitrogen to the soil. The species was introduced to Rio Grande do Sul at the start of the last century. It was planted because of the quality and tannin content in the

bark (higher than 25%), serving the leather industries.

The tree has become more important over the years due to the quality of its wood, both for energy generation purposes, due to its high calorific value, and for the panel and pulp industries, because the quality of the fibers and high basic density.

Black Wattle stands maintain good light inside their canopy – a high

layer of overlapping foliage on the tree tops – and thus allow the development and maintenance of several species in the underbrush, allowing animals to graze while the forest develops.

In addition to acting significantly on soil coverage, the species also facilitates the process of ecological succession in multiple ecosystems, providing shelter and food for various species of fauna and flora.

## Eucalyptus

Originally from Oceania and Southeast Asia, Eucalyptus the most used genus for planted forests in Brazil. It arrived in Rio Grande do Sul, where its average annual increase (IMA, incremento médio anual) is higher than the average Brazilian productivity, varying between 38

and 45 m<sup>3</sup>/ha/year, with yields exceeding 50 m<sup>3</sup>/ha/year frequently observed (AGEFLOR, 2020).

Our Eucalyptus chipping operation for the pulp industry is based on the global demand for raw material needs. In accordance with market

signals, we structure the woodchip supply chain and production. We work in partnership with suppliers of planted forests measuring and recording all wood characteristics with the aim of providing the most suitable material for our client's type of product.

## Pine

Pine is a species originating from the southeast of the United States that was widely introduced in Brazil between the 60s and 70s and demonstrated excellent adaptability to the mild climate of the southern regions of Brazil. Due to the strong presence of the species in the

company's regions of operation, the company saw an opportunity to incorporate it into its production chain.

Our Pine purchase is carried out in four ways: standing forest, log wood, woodchips, and sawdust. From 2022 onwards, Pine has had

an extremely important role in the composition of the *pellet*. The purchase of material is based on *pellet* sales demand and supplied directly from third parties. In some cases, we buy the standing forest and carry out the cutting and transportation process.

## Research, development, and innovation

### TANAC - Innovation and technology

TANAC's Innovation and Technology area is responsible for developing new products and new processes, attempting to anticipate customer interests within the segments in which it operates. Through its technological monitoring, the area also seeks out new business opportunities in new markets by offering innovative solutions.

It has a multidisciplinary staff, including masters and PhDs with different backgrounds, who work with a mindset focused on sustainable, lower-impact solutions, whose processes are increasingly cleaner and compliant with environmental legislation. **GRI 2-6**

To ensure in-depth knowledge of the value chain and its demands, each business area has a researcher with specific technical training dedicated to serving it, seeking new solutions, whether in new applications, product analysis, or treatment products. of water, in products for tanning and retanning hides, in animal nutrition, in fertilizers and other solutions for the chemical industry.

The company, through the concept of *Open Innovation*, establishes research partnerships with educational institutions that are references in the technical area in which they operate. TANAC has established scientific research partnerships with 8 educational entities and is always up to date with the "state-of-the-art" in science and technology.

TANAGRO has a nursery located in the city of Triunfo, with a structure for the production of Black Wattle seedlings.

### TANAGRO - Genetic Improvement Program (PMG, Programa de Melhoramento Genético)

In 1983, TANAGRO, in a partnership with the Brazilian Agricultural Research Corporation (Embrapa), began the first studies on the selection of superior Black Wattle trees. Initially, an evaluation was made on the production potential of trees originating from seeds collected in Brazil and also from Australia and South Africa. This was the start of the Genetic Improvement Program (PMG), developed by TANAGRO's Research and Development (R&D) area.

After years of rigorous analysis and selection controls of its seed sources, in the 2000s the company began to develop a second line of work aimed at cloning superior trees via the

vegetative propagation technique. From the start of the development of this strategy until now, over 2 million clonal seedlings have been sent to the field, giving rise to around 900 hectares of Black Wattle clonal planting. Currently, TANAGRO still maintains its improved seed production strategy by having three established seed production areas.

In 2022, 100% of the plantings carried out by the company in its own areas came from improved seeds. Therefore, greater forest productivity is expected in the future. As for the cloning activity, in 2022, new materials have been developed and are being evaluated in the field.

#### Improved seeds

**3 established seed production areas**

**Possibility of increasing wood volume in up to 46% with the use of available improved seed sources**

#### Cloning

**In 2022, the company's experimental clonal testing network took shape and over 200 materials were taken to the field to evaluate their production potential. Furthermore, in the nursery, over 850 clonal materials underwent rooting competence assessments.**

### HISTORY OF THE PMG

- **1983**  
TANAC/EMBRAPA FLORESTAS Agreement  
First seed production area
- **1984**  
Selection of superior materials  
Introduction of seeds (Australia and South Africa)
- **2006**  
Start of cloning activities
- **2008**  
First clonal test
- **2014**  
First clonal plantation
- **2021**  
Development of new clonal materials
- **2022**  
Establishment of the experimental clonal testing network
- **2023**  
**Future Perspectives**  
Harvest of 1.5 tonnes of improved seeds  
100 new clones in clonal testing  
15 materials in expanded clonal testing

In 2022

**+1.5 tonnes**  
of improved seeds collected

**+850**  
clones under evaluation

## Forestry

TANAGRO carries out the planning of its forestry operations in the short, medium and long term according to the company's commercial strategy and its business sustainability.

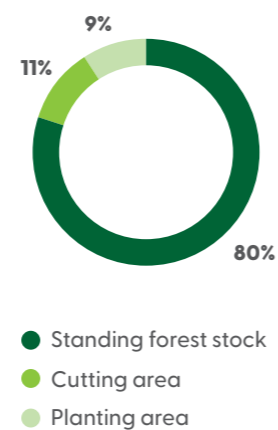
In the tactical development of the operation, the areas available for planting are analyzed and pre- and post-planting activities have already been assessed, such as the need for seedlings and management activities, in accordance with the technical list for Black Wattle development, which is provided by the research and development team.

As a way of ensuring the health and productivity of the forest, several types of performance assessment monitoring are carried out, such as survival and quality indexes and integrated pest and disease monitoring (MIPD, Monitoramento Integrado de Pragas e Doenças). From the

third year onwards, our forests begin to be monitored by the Annual Continuous Inventory Program, the purpose of which is to manage the production base in order to maximize the availability of raw materials based on sustainable forest management.

The planting and harvesting cycles of company-owned Black Wattle forests go hand in hand with the purchase of raw materials carried out on the market from independent farmers, guaranteeing a sustainable supply of the wood required for industrial production, in the long term, in the company's plant extract units in Montenegro and its woodchip and pellet units in Rio Grande.

Rotation of cutting and planting areas in 2022



In 2022

**5 million**

Black Wattle seedlings planted in owned, leased and partner areas

Target 2023

**8 million**

Black Wattle seedlings planted in owned, leased and partner areas



**1,900**  
planted trees per hectare



## Harvesting and debarking

Black Wattle is harvested predominantly between 6 and 10 years after planting, with the age of 7 years being considered the ideal age due to the concentrations and better quality of tannin content contained in the bark. The particularity recognized by the use of the bark as an important economic product, associated with the morphological characteristics of this species, mainly the tortuosity of the bole and the concentration of branches, means that special care measures must be implemented when harvesting; for this reason, this process has always been carried out manually.

The implementation of *Harvesters* to harvest the trees provided great gains in productivity and, with the introduction of mobile ring peelers, adapted with cranes to carry

out the peeling, it was possible to obtain greater production volumes. In this operation, the *Harvester* splits the wood with the bark being stored in rows, with the debarker carrying out the debarking procedure and packaging the bark in bags, facilitating subsequent transfer and maintaining similar characteristics to the manual method, avoiding quality losses in the bark product.

Recently, several improvements and adaptations to the process have also brought about significant gains in productivity and, mainly, in operational safety. Different tests of wood cutting lengths were carried out in the mechanized harvesting system, in addition to debarking methodologies and alternatives, always seeking

quality maintenance and gains in production scale. The adoption of the 6.60 m measurement for logs allowed all operations to be carried out mechanically and to keep people at a distance from the equipment during operations. In addition to that, productivity gains were recorded, with consequent reductions in production costs.

With advances in solutions for the energy market, also envisioning the harvesting process optimizations and operation sustainability, the use of Black Wattle waste (tree top) has been analyzed as an alternative source of biomass, with high calorific value. In this way, the integration of wood, bark and coivara products tends to provide a new advancement in Black Wattle harvests.



In 1948, TANAC began its activities with the manufacture of products intended for the tanning and retanning of hides for the national market.

# Industrial operations

GRI 2-6

## Montenegro

1961 brought about the first exports of tannin in solid form to South America and Europe. In 1970, through improvements in the drying process, the first production of tannin in powder form was carried out, leading to the expansion of exports in this format.

As a result of research to develop new products, the first patent for a modified tannin for water treatment was obtained in 1982.

In 1997, the drying process for the Vegetable Coagulant Line became feasible, enabling the sale of this product in powder form.

With the increase in demand for sustainable products for effluent and water supply treatment, a new area was built in 2001 dedicated exclusively to the production of Tanfloc Line products.

In 2006, the company's Forestry Research area started the Clones Project. In 2008, the Montenegro unit invested in increasing manufacturing capacity, taking advantage of market trends. In 2017, Research and Development at the Montenegro unit launched the animal nutrition additive product line (Tanfeed Line).



## Rio Grande

In 1995, a new business model was opened at the Woodchips Unit in Rio Grande, taking advantage of the availability of Black Wattle timber, carrying out the first export to the Japanese market later that year. In 2005, the factory expanded its production capacity, allowing it to expand the production of woodchips for the pulp industry.

The plant also has a modern wood pellet line, which was

opened in 2016 to manufacture renewable biofuel, and can now achieve the production mark of 200,000 tonnes/year.

Currently, a new chipping project has been completed, leveraging gains in terms of safety and productivity for the process. In June 2023, new equipment will become operational, bringing more technology for the generation of its own biomass and processing the inputs used.



# Forestry partnerships

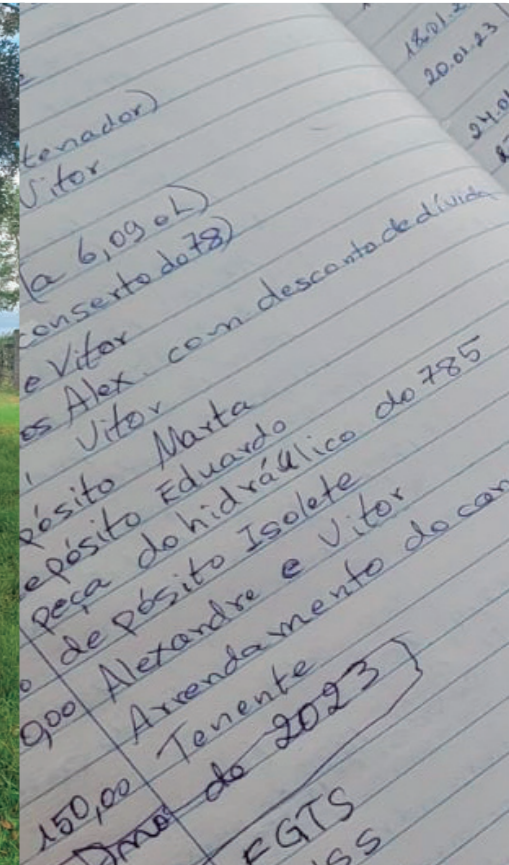
In order to reach the annual target of 7,000 hectares planted, TANAC establishes partnerships with local rural producers, offering its technical structure and expertise in forest management. Currently, the company has two business models. **GRI 2-29 | GRI 413 3-3**

## Forestry Promotion Program

This program offers the company's entire technological package, technical assistance including seedlings with improved genetic material and inputs for the implementation of Black Wattle forests, in addition to monitoring with the farmer throughout the cycle. TANAC also guarantees the purchase of wood and bark production. Currently, the program benefits families on 14,000 hectares in Rio Grande do Sul. In 2022, over BRL 5.5 million were invested in this segment. **GRI 413 3-3**

## Forest Lease Program

This program serves farmers through land leasing. In this segment, TANAC offers long-term contracts to land owners. The object of the lease can be either the total or partial area of their property. TANAC pays rent to the owner for the effectively planting the area as negotiated. The lease cycles last at least 7 years, with renewals being possible. The planting and management of the forest is under the responsibility of TANAC, and the amounts are readjusted on an annual basis. Farmers can use livestock when the forest is two years old (extra income) and the forest improves the soil due to biological nitrogen fixation. **GRI 413 3-3**



## The tree counter

One of the oldest active farmers in Montenegro is Maria Isolete Quitzrau. At the age of 75, her story is intertwined with that of the forest, where she has spent much of her life. Her life makes the most sense when dealing with the sheep, chickens and other animals that live among her 300 hectares of land. Much of her family's achievements refer to the return obtained from wattle plantations. This includes the construction of the family home, the acquisition of real estate, the children's tuition fees at college...

She controls all parts of the process, and her management style in relation to the areas is recorded in notebooks, which she has carefully monitored over the years. There are several notebooks, organized by subject, in which each negotiation is accounted for. As a retired

teacher, Isolete prefers to rely on letters and numbers written in her own handwriting to ensure that every detail regarding wood and bark production is monitored. In her ledgers, she writes down everything that enters and leaves her properties.

Since 2009, she has been carrying out an inventory of the seedlings planted, the amounts received, the number of bags of fertilizer, purchasing clients, and even the sheep born or slaughtered. Her notebooks are a symbol of the path she has followed and continues to update, year after year. The care for the land, people and animals is a characteristic of Isolete that is visible in her ledgers. To her, every life matters, and their stories are accounted for along with the trees she sells to TANAC.

# Certifications

The certifications comply with a series of protocols, with the purpose of establishing the quality and environmental management system, forest management, chain of custody and controlled wood. **GRI 304 3-3**

Target for 2023  
 **+6.3 thousand**  
 certified hectares

Target for 2025  
 **100%**  
 company-owned certified Black Wattle forests



## Forest Stewardship Council® (FSC®) and U.S. Department of Agriculture (USDA)

TANAGRO's forest base has FSC® Forest Management, Chain of Custody and Controlled Wood certifications. In addition to these certifications, there is a line of animal nutrition products that have an organic operation certificate granted by IBD / USDA. FSC® certifies over 15,600 hectares and guarantees a quality product to consumers with responsible forest management from the outset. The company's leased or partner areas also have reliability levels, maintaining the controlled wood seal. **GRI 304 3-3**



## Product certification

TANAC has certified products. TANFLOC SG, for instance, is NSF, Kosher and Halal certified to meet the demands of international markets. In 2022, TANFEED obtained the GMP+FSA certification, ensuring compliance with the best manufacturing practices for animal nutrition additives. **GRI 2-6 b ii**



# Strategic drivers

## 2025 Agenda





# Financial performance

Due to the forest's long seven-year maturation cycle, TANAC needs intensive capital to invest in reforestation. In the last 3 years, the company invested BRL 207.1 million, including biological and industrial assets, and maintained its Net Debt stable for *Covenant* purposes, with a variation of 4% in the period.

The company's performance is the result of the alignment of objectives and transparency between shareholders, the Board of Directors, the Executive Board and

other employees, culminating in the Variable Remuneration Program.

This program establishes corporate and individual goals and objectives, which guide the efforts of all parties around a common goal and lead to the distribution of profits.

In the Financial Statements, TANAC adopts Brazilian accounting standards, which in turn follow the *International Financial Reporting Standards* (IFRS). In 2020, 2021 and 2022, the company's figures were audited by Ernst & Young.

In 2022

**BRL 766**  
million in Net Revenue

**25%**  
growth compared to 2020

Description	2022	2021	2020
Net revenue	765,988	691,725	610,569
Net profit	35,412	41,759	(8,546)
Ebit	94,210	125,512	143,876
Capex	86,071	82,053	38,954
Cash generation	166,903	191,852	187,654



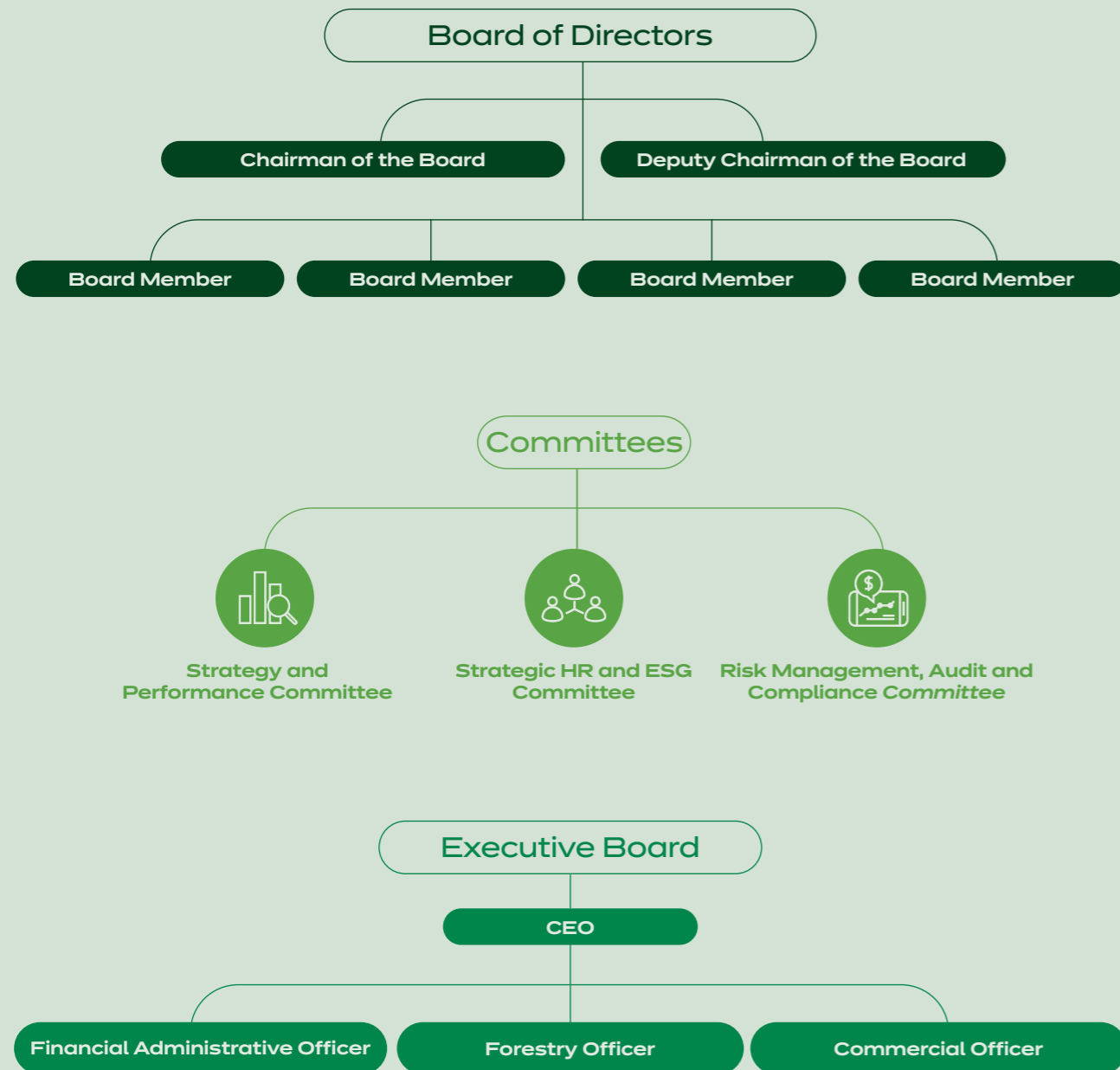
# GOVERNANCE, ETHICS AND INTEGRITY

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# Governance model

Part of TANAC's longevity is due to its mature governance model. Although it is a family company, the shareholders decided that there would be no family members in executive management positions. **GRI 2-9**



## Board of Directors

TANAC's highest governance body is the Board of Directors, responsible for the main resolutions and strategic decisions. It is formed by six members, with each family *holding* of the founding partners (Cia Agrícola São Bento da Esmeralda and Weibull Participações S.A.) being responsible for nominating three members. The Chairman and Deputy Chairman of the Board are chosen every 3 years and the families occupy the positions alternately. **GRI 2-9 | GRI 2-10**

No Board member holds positions on the Executive Board. The

position of CEO and other executive positions are occupied by market professionals, with recognized competence in their areas of activity. **GRI 2-11**

The Board of Directors is responsible for determining TANAC's business strategy, including budget approvals. The highest governance body is also responsible for approving and updating the company's statement of purpose, strategies and policies. It also has an advisory role, guiding and monitoring the management of the company's policies and guidelines. **GRI 2-12**

The Advisory Committee was created to support the Board of Directors in the analyses for deliberations on ESG issues. The ESG Agenda is one of the Board of Director's priorities, and material subjects, indicators, goals and action plans are systematically monitored. **GRI 2-13**

The Sustainability Report is submitted to the Board of Directors, which has an advisory and strategy guiding role. As such, the validation and management of information are the responsibility of the executive board and the Chief Executive Officer. **GRI 2-14**

## Executive Board

With a team that acts independently from the Board of Directors, TANAC's executive board comprises a Chief Executive Officer and three executives who are responsible for the Commercial, Administrative-Financial and Forestry areas.

The roles assigned to the executive board include: planning, defining and controlling the company's strategies, plans, programs and policies, and managing activities related to the organization's short and long-term targets and objectives.

The Chief Executive Officer is responsible for generating value for shareholders. He contributes to

the company's long-term strategy. He is responsible for establishing guidelines, objectives, goals and monitoring the execution of work plans in the areas and its departments.

The Commercial Officer takes care of sales strategies, market positioning, marketing, in addition to strategic planning regarding product marketing.

The Administrative-Financial area includes administrative processes, standardization and optimization of systems and procedures, in addition to planning and managing the investment of financial resources. This scope includes the monitoring of accounting,

financial, fiscal, budgetary and tax results, combining expertise in finance and accounting with skills in management and business strategy.

The Forestry board, in turn, is dedicated to supplying industrial plants with raw materials from company-owned forests, forest development partners and direct market acquisitions. Forestry operations range from seedling production, soil preparation and planting, to cultural care to enhance forest growth, culminating in harvesting and transportation. This area plays an important role in research, innovation, planning and forestry intelligence. **GRI 2-9 | GRI 2-10**

### Strategy and Performance Committee

Responsible for directing TANAC projects and investments. In 2022, it identified 19 topics with growth potential. Of the total, six were prioritized, including the increase in planted area and the transformation of tannins into specialty chemicals.

### Strategic HR and ESG Committee

This committee conducts strategic discussions on people management and sustainability, including the definition of guidelines and policies that ensure business continuity. **GRI 2-17**

### Risk Management, Audit and Compliance Committee

Responsible for analyzing market trends with a focus on monitoring corporate risks and mitigating business impacts.

### Support for the ESG Agenda

A commission was created in 2021 to monitor and stimulate progress on the 7 material themes defined by the ESG Agenda. Its work is aligned with the priority themes of the SDGs, in addition to being responsible for the Sustainability Report. **GRI 2-13**

## Consulting committees

The Board of Directors is advised by three committees. The groups work together with the Executive Board to discuss established policies and guidelines. In addition, it carries out analyses and implements actions on any critical subjects relating to employees, communities, suppliers and customers.

**GRI 2-9 | GRI 2-16**

## Remuneration

The Board of Directors is responsible for approving the company's remuneration policy, developed with the support of an external consultancy firm and aligned with market practices.

**GRI 2-19 | GRI 2-2**

The criteria for a fair and transparent policy include the analysis of the national market, the business, company size and revenue, in addition to individual performance assessments. **GRI 2-20**

# Ethics and integrity

**TANAC and TANAGRO do not tolerate any type of discrimination, moral and sexual harassment or the use of child, forced or slave-like labor.**

Acting with integrity and transparency is one of TANAC's assumptions in relations with employees, customers, suppliers and the entire surrounding community. For the company, the compatibility between individual and corporate values is a necessary condition for the environment and for business relationships. Ethical conduct is disseminated through a Code of Conduct and Ethics, with guidelines, in addition to internal policies and standards. The company monitors its commercial relations in order to remedy any non-compliance with the Brazilian Anti-Corruption

Act (Law no. 12,846/13) and with Federal Decree no. 11,129/2022 related to the administrative and civil liability of legal entities for the practice of acts against national or foreign public administration. **GRI 2-24**

The main policies approved by the company include the Code of Conduct and Ethics, the Quality and Environmental Policy, the Forestry Policy, the Safety Policy for Animal Nutrition Additives and the Occupational Health and Safety Policy.

### Quality and Environment Policy

TANAC is committed to the quality of products and services in relation to the environment, through continuous improvement, pollution prevention, as well as adherence to legislation, standards and environmental requirements. This policy is applicable to the production chain and presents environmental objectives and targets that ensure the effective management of significant environmental aspects and impacts. **GRI 2-23**

### Forestry Policy

It is committed to producing bark and debarked wood while maintaining the productivity of the

areas over successive cycles, using the best technique and considering environmental preservation and the social development of the people involved. **GRI 2-23**

### Occupational Health and Safety Policy

TANAC seeks to provide a healthy and safe work environment for its workers, contractors and visitors. To this end, it operates with a vision of continuous improvement in occupational health and safety management, ensuring compliance with legal and other applicable requirements. The actions prioritize the prevention of accidents, reducing employees' exposure to risks and the development of

technical and behavioral skills related to health and safety management. **GRI 403-5 | GRI 403-6 | GRI 403-7 | GRI 403-9**

### Safety Policy for Animal Nutrition Additives

In 2022, TANAC received the *Good Manufacturing Practices (GMP) Feed Safety Assurance (FSA)* certification, a document scheme of European origin developed to ensure the safety of animal feed. The GMP+ FSA integrates ISO quality management requirements with others related to feed safety, including Good Manufacturing Practices and Hazard Analysis and Critical Control Points (HACCP). **GRI 2-23**

## Compliance and risk management

The company is working on developing its corporate risk matrix. Currently, TANAC's Risk Management, Audit and Compliance Committee is responsible for managing sensitive topics for operations in all of its units. The topics covered support the organization in its decision-making process and allow business managers to increase visibility regarding potential impacts and opportunities.

At TANAC, the main risks mapped are compliance, strategic and financial. The actions analyzed in impact versus likelihood vectors are addressed by areas connected to each theme, the main areas being Operations, Forestry Business Development, Commercial, and Research & Development. For each mapped risk, a mitigation action is designed, which is subsequently monitored by the individual responsible.

### CODE OF CONDUCT AND ETHICS

This code provides conduct guidelines throughout the units regarding the culture of integrity and compliance with ethical principles. It applies to all employees, managers and other related professionals. It establishes guidelines on conflict of interests, directing attention to situations in which the company's interests may be affected by personal benefits. Business relationships are monitored through third-party audits and compliance with TANAC certification requirements. **GRI 2-15 | GRI 2-23 | GRI 2-24**

## Reporting channel

Commitments to promote or support the remedying of negative impacts that TANAC may have caused or contributed to causing to society are evaluated periodically, in accordance with the guidelines and procedures established by the company. Reporting mechanisms allow individuals to raise concerns about misconduct or legal violations in the organization's operations or business relationships. **GRI 2-25 | GRI 2-26**

Critical issues with social impact related to employees, communities and suppliers are analyzed and addressed by the HR and Legal areas and forwarded to the Executive Board and strategic committees according to the severity and nature of the problem. **GRI 2-16 | GRI 2-25**

TANAC receives suggestions and complaints through the Contato Seguro channel. Through it, it is possible to report complaints about misconduct and violations of the law in the

organization's operations and business relationships or any other topic that stakeholders wish to address. Reports are treated confidentially, preserving the identity of the reporting. Contato Seguro is managed by an independent company, which forwards issues to the Ethics Channel. Reports can be made by email or telephone. The presentation of the channel is carried out at the onboarding of employees or outsourced workers and is present in the company's Code of Conduct and Ethics. **GRI 2-25 | GRI 2-26**

### ETHICS CHANNEL

(+55) 0800 601 8698

**GRI 2-16 | GRI 2-25**

[www.contatoseguro.com.br/tanac](http://www.contatoseguro.com.br/tanac)



# ESG AGENDA

**38** Commitments

**43** Eco-efficiency in production

# Commitments

In its 75 years in the business, TANAC has proven that it is possible to establish a balance between exploitation and preservation.

Responsibility towards the environment is a principle experienced at TANAC and TANAGRO on a daily basis. All raw materials for the product line come from renewable sources, from our 55 million Black Wattle trees. **GRI 304 3-3 | GRI 304-3**

In 2022, with the launch of the ESG Agenda, we reinforced our commitment to a low-carbon economy and to constantly improve efficiency in the production chain. Our target-driven actions

will improve the management of environmental impacts in our activities. **GRI 305 3-3**

Regarding internal practices, we maintained our commitment to zero water disposal in the production of extracts and reducing energy consumption at the Montenegro and Rio Grande units in Rio Grande do Sul. The results reflect the commitment of our management to reducing costs and optimizing manufacturing operations. **GRI 304 3-3 | GRI 304-3**

## ESG Agenda

**GRI 3-1**

In 2021, TANAC defined its ESG Agenda, through which it established goals, action plans, as well as prioritizing alignment with the Sustainable Development Goals (SDGs) of the UN 2030 Agenda. To monitor and advance the goals, subcommittees were created to advise the ESG Committee, responsible for the evolution of action plans.

Both because it is a forest-based company with total Black Wattle optimization and because of its positioning based on alternative solutions, with inputs of natural

origin, TANAC's expansion is directed towards a business model integrated with sustainable development. Tannins can replace numerous products of synthetic origin, expanding the potential offers in the specialty segment.

Pellets are a source of clean energy generation, replacing fossil fuels and other polluting sources. Furthermore, the company invests in cutting-edge technology to offer innovative products and solutions to the market. The radar for 2023 includes the expansion of our core specialties, searching

for increasingly natural solutions, of which sourcing is based on responsible management.

Certifications are part of this context, attesting to the quality of products and providing access to developed markets with high standards. One of the goals by 2025 is to obtain 100% of the areas (owned and leased) within the scope of the *Forest Stewardship Council®* (FSC®). Both TANAC's nearly century-old history and its future have a close relationship with the environment, which led the company to outline an ESG Agenda.



In 2021, in all its operations, TANAC removed 7 times more CO<sub>2</sub> than it emitted. In 2022, this figure rose to 8.21. This index is the result of measures taken to manage concrete negative impacts, which involve audit processes (ISO 14.001, FSC® and SBP), atmospheric emission control and environmental monitoring related to stationary and mobile emission sources. **GRI 305 3-3**

In addition to the goal of planting 7,000 hectares of trees each year, TANAC seeks solutions to further reduce emissions through actions to reduce fossil fuels in the value chain and replace diesel equipment with electrical energy technology. **GRI 305 3-3**



Responsibility	Material Theme (GRI 3-2)	Objective	Target	SDG
	 CO <sub>2</sub> Negative Carbon Agenda	Contributing to build a low-carbon society	Increasing removal by <b>-50,000 tCO<sub>2</sub></b> of the atmosphere each year, in relation to the previous year	
	 Eco-efficiency in the production chain	Taking care of the water	Reducing the specific consumption of water abstraction by <b>5%</b>	
	 Eco-efficiency in the production chain	Reducing the generation of solid non-hazardous waste in industrial operations	Reducing waste generation in kg per tonne of product by <b>up to 5%</b> by 2030	
	 Sustainable Forest Management	Ensuring that the wood used is ecologically appropriate, socially fair and economically viable management	Framing <b>100%</b> of areas (company-owned and leased) within the FSC® scope by 2025	
	 Sustainable Forest Management	Improving the quality of preserved areas in forests	Meeting <b>100%</b> of the control of invasives in areas not permitted for forestry by 2025	
	 Community development	Promoting local development and ensuring good relationships with communities	Achieving <b>70%</b> of acceptance in the community	
	 Community development		Investing <b>9.5M</b> in the Forestry Development Program in 2022	
	 Community development		Investing up to <b>BRL 500,000</b> in social, environmental and other projects in 2022	
	 Community development		<b>90%</b> of the workforce belonging to headquarter municipalities, neighboring municipalities and areas of operation	
	 Diversity and inclusion	Promoting gender representation at management level	<b>30%</b> women at the management level by 2025	
	 Diversity and inclusion	Boosting diversity and inclusion in the workplace	Creation of a <b>Task Force</b> to address specific topics	
	 Safe and healthy practices	Zero higher-potential workplace accidents	<b>50%</b> reduction in the Frequency Rate by 2025	
	 Safe and healthy practices		<b>50%</b> reduction in Severity Rate by 2025	
	 Corporate risk management	Identifying and mitigating risks, ensuring responsible operations, with committed and proactive people in decision-making processes	Capturing <b>50%</b> of exchange rate variation results	
	 Corporate risk management		Training <b>100%</b> of employees in <i>Cyber Security</i> and the Code of Ethics and Conduct	

## Carbon-negative agenda

As set out in our ESG Strategy, we are committed to acting responsibly and aligned with the low-carbon economy. Therefore, one of the material themes of our ESG Agenda meets the precepts of SDG 13, which entails actions against global climate change.

For the 2022 cycle, the company concluded its GHG emission and removal inventory in scopes 1, 2 and 3. The analysis was carried out at the Montenegro and Rio Grande units, including the regional offices, forests and nursery, located in the city of Triunfo, all located in the state of Rio Grande do Sul. The methodologies used were the GHG Protocol and NBR ISO 14064-1, with third-party verification from Bureau Veritas Certification. **GRI 305-1 | GRI 305-2 | GRI 305-3**

At the Montenegro unit, part of the electrical energy comes from biomass generated from the exhausted Black Wattle bark. The boilers used to extract tannin provide energy through steam, and, only when the boilers are deactivated is the electrical energy consumption supplied by a local concessionaire, a situation analogous to that of the municipality of Rio Grande, where all consumption comes from this source.

### GRI 302 3-3

### GRI 302-1 / Energy consumption within the organization

	2022	2021
<b>Non-renewable fuels</b>		
Diesel and gasoline (l)	3,460,417.34	2,603,296.80
Acetylene (tonne)	0.57	–
LPG (tonne)	39.807	40.56
<b>Renewable fuels</b>		
Biomass – coivara and firewood (tonne)	117,486.68	160,089.41
Ethanol (l)	131.93	3,392.98
<b>Electricity</b>	35,151.95	34,727.17

### GRI 302-2 / Energy consumption outside the organization

	2022	2021
<b>Non-renewable fuels</b>		
Diesel and gasoline (l)	1,155,166.16	1,141,442.92
Aviation kerosene – business travel (GJ)	840.95	–
Lubricant (GJ)	0.85	–

Refers to the use of fuels for third party transportation.

**GRI 305-1 / Scope 1 – Total direct emissions by type of gas (tCO<sub>2</sub>e)**

Gas	GWP	2022	2021
CO <sub>2</sub>	1	8,236.16	6,012.19
CH <sub>4</sub>	28	6,590.07	6,116.29
N <sub>2</sub> O	265	2,809.74	3,97.66
HFC-32	677	7.60	–
HFC-125	3,170	35.57	–
PFCs	6,630	–	31.51
<b>Total</b>		<b>17,679.14</b>	<b>15,457.64</b>

The following gases were not considered in emissions: PFCs, SF<sub>6</sub> and NF<sub>3</sub> in 2022.

**GRI 305-1 / Scope 1 – CO<sub>2</sub> emissions from renewable sources (tCO<sub>2</sub>e)**

Gas	GWP	2022	2021
Renewable CO <sub>2</sub>	1	496,617.67	202,210.19

**GRI 305-2 / Scope 2 – Indirect GHG emissions from the acquisition of electrical energy (tCO<sub>2</sub>e)**

Gas	GWP	2022	2021
CO <sub>2</sub>	1	1,445.77	4,390.09
<b>Total</b>		<b>1,445.77</b>	<b>4,390.09</b>

The difference is due to the average emission factor used for the calculation in 2022, which was 0.042, while in 2021 it was 0.126. It is important to highlight that this major reduction in scope 2 can be explained by the fact that the average emission factor for 2022 was reduced by approximately 66.6% in Brazil, in relation to the average emission factor for 2021.

**GRI 305-3 / Scope 3 – Other indirect GHG emissions (tCO<sub>2</sub>e)**

Indirect gas emissions	GWP	2022	2021
CO <sub>2</sub>	1	31,706.75	29,937.06
CH <sub>4</sub>	28	1,384.72	1,459.92
N <sub>2</sub> O	265	1,054.33	1,701.04
<b>Total</b>		<b>34,145.80</b>	<b>33,098.02</b>

The following gases were not considered in emissions: HFCs, PFCs, SF<sub>6</sub> and NF<sub>3</sub> in 2022.

**GRI 305-3 / CO<sub>2</sub> emissions from renewable sources (tCO<sub>2</sub>e)**

Gas	GWP	2022	2021
Renewable CO <sub>2</sub>	1	139,686.143	73,311.68

Measures to reduce emissions are adopted together with the ESG Committee and multidisciplinary groups, which, in 18 months, implemented over 20 initiatives, including emissions control, in a process that optimizes decision-making. One of the control actions involves monitoring the company's own fleet. Another initiative is the monitoring of raw material and input transporters.

**GRI 305 3-3**

**Increasing removal by -50,000 tCO<sub>2</sub>e from the atmosphere each year compared to the previous year.**

**GRI 305 3-3**



**Eco-efficiency in production**

Increasing eco-efficiency at TANAC units has been a constant in the company. By optimizing manufacturing processes, we have reduced our consumption rates and, thus, achieved our goals forecast in the ESG Agenda.

TANAC's industrial processes were designed considering the closed water loop, meaning that all liquid effluents generated are treated and reused in its processes, ensuring water recycling. **GRI 303-1**

Energy efficiency improvement programs have already been implemented in all units with measures such as: use of capacitor banks, replacement of common lamps with LED lamps, better use of natural lighting in covered environments and replacement of old air conditioners with high energy efficiency equipment. Such measures help improve our consumption rates. **GRI 302 3-3**

**Waste management**

The waste generated by TANAC operations has five destinations – biomass production, recycling, composting, industrial landfills, and blending.

The largest generation of waste within the organization is concentrated in industrial transformation processes, where such waste is characterized as non-hazardous (Class II A Inert) and is mostly reused in internal processes, such as, for instance, the use of exhausted bark and fine wood particles as fuel for energy production. This practice allows the Montenegro unit to be self-sustainable in energy generation. **GRI 306-1**

TANAC is committed to reducing waste generation and, to this end, has programs throughout its operation, but also seeks to disseminate a culture of reducing waste generation among employees and surrounding communities. **GRI 306 3-3**

Another application of waste is the organic composting process, which, in 2022, generated 44 thousand tonnes of composted waste. The entire process adheres to operational standards defined in accordance with environmental legislation.

**GRI 306-2 | GRI 306-3 | GRI 306-4**

Waste management complies with the company's Quality and Environmental Policy regulations. In situations where there is a leak, spill, fire or any other incident that could have a negative impact on nature or people, the site's emergency plan is immediately activated. TANAC has a fire brigade that is engaged in cases of environmental contamination, including contamination by solid waste. **GRI 306 3-3**



### Ecological legacy

The founders of TANAC infused the company's DNA with an ecosystemic vision that is attentive to the requirements of the external market, many of them connected to the socio-environmental agenda. In order to advance this agenda, in the 1980s, agricultural engineer and environmentalist José Lutzenberger was hired to provide consulting services, marking a milestone in the company's history. On that occasion, he investigated the company's waste disposal and advised organic citrus

producers in the region on the use of an organic compound based on industrial raw materials that was used by citrus growers.

In addition to his relevant contributions to the company, the environmentalist formed a following. Accompanying Lutzenberger's journey to visit producers in the region, agronomist Fernando Bergamin and environmentalist Paulo Roberto Lenhardt, commercial representatives at the time, had their

### GRI 306-3 / GRI 306-4 / GRI 306-5 / Non-hazardous waste intended for final disposal (in tonnes)

Composition of non-hazardous waste <sup>1</sup>	Type of recovery	2022			2021		
		Inside the organization	Outside the organization	Total	Inside the organization	Outside the organization	Total
Bark residue	Biomass	63.02	0.00	63.02	67.98	0.00	67.98
Recyclables <sup>2</sup>	Recycling	0.00	74.75	74.75	0.00	147.49	147.49
Organic material <sup>3</sup>	Composting	0.00	10,420.62	10,420.62	0.00	10,316.06	10,316.06
<b>Total</b>		<b>63.02</b>	<b>10,495.37</b>	<b>10,558.39</b>	<b>67.98</b>	<b>10,463.55</b>	<b>10,531.53</b>

1. No hazardous waste not intended for final disposal was produced. / 2. Recyclables: plastics, ferrous and non-ferrous metals, cables, glass, paper and cardboard. / 3. Organic material: sweeping residues, vegetable oil and fat, sludge, boiler ash and vegetable tissue.

Composition of non-hazardous waste <sup>1</sup>	Type of recovery	2022			2021		
		Inside the organization	Outside the organization	Total	Inside the organization	Outside the organization	Total
Plastic waste	Landfill	0.00	26.12	26.12	0.00	27.42	27.42
	Subtotal	0.00	26.12	26.12	0.00	27.42	27.42

Composition of hazardous waste	Type of disposal	2022			2021		
		Inside the organization	Outside the organization	Total	Inside the organization	Outside the organization	Total
Waste contaminated with hazardous substances <sup>1</sup>	Landfill	0.00	9.17	9.17	0.00	29.87	29.87
Contaminated soil	Blending	0.00	0.00	0.00	0.00	1.52	1.52
Building materials containing asbestos	Blending	0.00	32.92	32.92	0.00	7.16	7.16
Waste contaminated with hazardous substances <sup>2</sup>	Blending	0.00	4.12	4.12	0.00	2.23	2.23
Subtotal	0.00	46.21	46.21	0.00	40.78	40.78	
<b>Total</b>	<b>0.00</b>	<b>72.33</b>	<b>72.33</b>	<b>0.00</b>	<b>68.20</b>	<b>68.20</b>	

1. Waste contaminated with hazardous substances. / 2. Waste that presents hazards or characteristics such as flammability, corrosiveness, reactivity, toxicity and pathogenicity.

career marked by their contact with Lutzenberger at TANAC. While Fernando helped in the development of the company Vida, which treats industrial waste, Paulo created BioC, which is currently responsible for receiving and transforming inert class II A waste into organic fertilizer. This story was recorded in the doctoral thesis "The ethics of eco-sustainable coexistence: A biography of José Lutzenberger" (2016, UFRGS). In it, researcher Elenita Malta Pereira reports on the agronomist's time at the Montenegro company.

**TANAC's strategy, aimed at actions linked to sustainability, have been present since its origins.**



## Water and effluent management

Water catchment is appropriate to the local conditions where the operation is located.

### GRI 303-3 / Water catchment

303-3 a / Total water catchment in all areas (in megaliters)

2022	2021	2020
194.54	196.01	188.87

1. There was no catchment in areas considered to be experiencing water stress, according to the WRI assessment tool. / 2. All water collected was fresh water.

In Montenegro, Tanac's water consumption comes from surface water from the Cai River, belonging to its hydrographic basin. In some emergency cases, such as maintenance stoppages and in other areas such as the cafeteria, this demand is supplied by the utilities company. **GRI 303-1 | GRI 3033-3**

TANAC follows all the guidelines contained in the Operating License, issued by Fundação Estadual de Proteção Ambiental Henrique Luis Roessler (FEPAM), regarding effluent disposal. **GRI 303-2**

The Montenegro unit has a closed-loop water use

system, which uses centrifuge treatment processes and static decanters to recondition the water, allowing it to be reused in the process. **GRI 303-1**

In Rio Grande, the unit recycles all of its effluent through three decanters. The raw effluent is captured in the wood chipping process, with part of this volume replenished with water from the well. **GRI 303-1**

Sanitary effluents are sent to septic tanks and treated by outsourced companies, using previously authorized biological processes. **GRI 303 3-3 | GRI 303-1**



# RELATIONSHIPS

- 48 Local employees
- 55 Relationship with suppliers
- 57 Relationship with the community

# Local employees

**100% of TANAC employees are under a Convention or Collective Agreement, signed between specific unions for each activity/branch in which they work within the companies. GRI 2-30**

TANAC's commitments and goals in the ESG Agenda include the generation of jobs in the headquarter municipalities, bordering the business units. The result of this vision and commitment is that, out of over 1,000 employees, the vast majority are residents of the company's regions. **GRI 2-29**

To activate recruitment campaigns, the HR area uses several channels to ensure the best communication of opportunities, especially social media outlets. However, due to the low urban concentration or the isolation of rural areas, in some regions, TANAC expands the dissemination of these opportunities

through radio advertisements, sound cars and with the support of the National Employment System (Sine, Sistema Nacional de Emprego). This capillarity in communication ensures the expected results in relation to the goal of hiring local labor.

For positions with a higher level of specialization, the company establishes partnerships with vocational education institutions. With this initiative, it solves the demand for qualified labor and, at the same time, as a regular employment source, it contributes to promoting the technical vocational education for people in these regions. **GRI 2-7**



**2022**  
hiring local employees

**90%**  
target

**94%**  
result

**GRI 2-7 / Total number of employees by gender**

	2022	2021	2020
Men	1,149	1,250	1,111
Women	138	121	83
<b>Total <sup>12</sup></b>	<b>1,287</b>	<b>1,371</b>	<b>1,194</b>

## BENEFITS AND WELL-BEING

**GRI 403-6**

Health care for all employees

Local cafeteria

Specific campaigns on topics related to disease prevention and awareness, reinforcing the importance of health care in the Daily Safety Dialogue (DDS, Diálogo Diário de Segurança)



### Unique experience

As a TANAC employee for over three decades, Edegar Eugenio Oliveira da Silva, from Encruzilhada do Sul, is an example of how professionals can improve their education within the company. He has been a scorer, cutting manager, team and harvest manager, forest processor operator 1 and 2. He recalls that he was 18 years old when he first joined the company, having just arrived from the countryside. When he found out about the job vacancy at TANAC, he jumped at the opportunity. "I just have to state my gratitude, this has been my only job in my life and everything I learned in professional terms came from within the company. Here, I have trained many colleagues and been instructed by many of them as well. I will always remember the experience I have in this company, which is so beloved by all."

# Professional development

The company is concerned with providing a positive experience for employees throughout their journey. The initiatives implemented are aligned with the business strategy and purpose. Therefore, after hiring, the company prioritizes its staff's professional development.

In 2022, over 35,000 hours of training were dedicated to developing skills and topics such as health, safety, environment and leadership, supporting the company's development. During this cycle, we retained our talents and brought in new professionals, specialized and aligned with the new market dynamics, who started to work in strategic and tactical areas of the company.

In 2022, TANAC restructured its organizational skills and included them in the Leadership Skills Development Program (PDCL). The target audience encompasses the company's leaders, from executives to coordinators/specialists. The company has a platform to support the individual development plan of its leadership.

The company designed a corporate education structure with programs that serve specific audiences, according to their needs, with a launch scheduled for 2023. The scope of this plan includes the creation of the Education Platform, a learning space without borders for all sectors of the company.



# Diversity and inclusion

TANAC is attentive to society's demands for a more plural environment, and has been focusing on becoming more representative in gender equity issues.

**17%**  
of women staff in leadership positions by 2022

**14%**  
increase compared to 2021

TANAC's goal is to reach 30% of female employees at the management level by 2025. Currently, the workforce has 17% of women in leadership positions; however, in 2022 alone, there was an increase of 14% compared to the previous year. **GRI 405 3-3**

In 2022, the creation of the Diversity Work Group was established to promote awareness campaigns, training and communication actions in partnership with the Internal Marketing, Marketing, Sustainability and Human Resources areas. **GRI 405-1**

GRI 405-1 / Percentage of employees by functional category and gender

	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives (including the Chief Executive Officer)	4	0	4	8	2	10	6	0	6
	100%	0%	100%	80%	20%	100%	100%	0%	100%
Managers	11	3	14	13	0	13	9	1	10
	79%	21%	100%	100%	0%	100%	90%	10%	100%
Coordinators	15	6	21	14	1	15	3	2	5
	71%	29%	100%	93%	7%	100%	60%	40%	100%
Representatives	30	1	31	31	7	38	37	0	37
	97%	3%	100%	82%	18%	100%	100%	0%	100%
Experts	8	7	15	7	0	7	1	0	1
	53%	47%	100%	100%	0%	100%	100%	0%	100%
Supervisors	27	4	31	25	0	25	27	2	29
	87%	13%	100%	100%	0%	100%	93%	7%	100%
Leaders	7	0	7	8	0	8	8	0	8
	100%	0%	100%	100%	0%	100%	100%	0%	100%
<b>Total</b>	<b>102</b>	<b>21</b>	<b>123</b>	<b>106</b>	<b>10</b>	<b>116</b>	<b>91</b>	<b>5</b>	<b>96</b>
	<b>83%</b>	<b>17%</b>	<b>100%</b>	<b>91%</b>	<b>9%</b>	<b>100%</b>	<b>95%</b>	<b>5%</b>	<b>100%</b>

GRI 405-1 / Percentage of employees by functional category and age group

	2022				2021				2020			
	Up to 30 years old	31 to 50 years old	51 years old and up	Total	Up to 30 years old	31 to 50 years old	51 years old and up	Total	Up to 30 years old	31 to 50 years old	51 years old and up	Total
Executives (including the Chief Executive Officer)	0	2	2	4	0	1	9	10	0	0	6	6
	0%	50%	50%	100%	0%	10%	90%	100%	0%	0%	100%	100%
Managers	0	11	3	14	0	9	4	13	0	8	2	10
	0%	79%	21%	100%	0%	69%	31%	100%	0%	80%	20%	100%
Coordinators	1	19	1	21	0	14	1	15	1	4	0	5
	5%	90%	5%	100%	0%	93%	7%	100%	20%	80%	0%	100%
Representatives	1	24	6	31	4	26	8	38	7	25	5	37
	3%	77%	19%	100%	11%	68%	21%	100%	19%	68%	14%	100%
Experts	3	12	0	15	0	7	0	7	0	1	0	1
	20%	80%	0%	100%	0%	100%	0%	100%	0%	100%	0%	100%
Supervisors	5	24	2	31	2	21	2	25	2	23	4	29
	16%	77%	6%	100%	8%	84%	8%	100%	7%	79%	14%	100%
Leaders	0	7	0	7	1	6	1	8	1	6	1	8
	0%	100%	0%	100%	13%	75%	13%	100%	13%	75%	13%	100%
<b>Total</b>	<b>10</b>	<b>99</b>	<b>14</b>	<b>123</b>	<b>7</b>	<b>84</b>	<b>25</b>	<b>116</b>	<b>11</b>	<b>67</b>	<b>18</b>	<b>96</b>
	<b>8%</b>	<b>80%</b>	<b>11%</b>	<b>100%</b>	<b>6%</b>	<b>72%</b>	<b>22%</b>	<b>100%</b>	<b>11%</b>	<b>70%</b>	<b>19%</b>	<b>100%</b>

## Safe and healthy environment

TANAC implemented its Occupational Health and Safety Management System (OHSMS). The system is based on the Occupational Health and Safety Policy, the principles of safety management and the 6 golden rules, which employees must observe to ensure a safe environment in their day-to-day activities.

All processes related to occupational safety are registered in the Operational Safety System (OSS). The tool is guided by four security pillars and was created based on the strategic guidelines of the Agenda 2025, focusing on safe and healthy practices. **GRI 403 3-3 | GRI 403-1 | GRI 403-8**

The performance of the health and safety system is monitored and evaluated in the context of the company's strategic objectives and also by the ESG committee with the Safe and Healthy Practices sub-committee.

## All TANAC employees undergo regulatory training to adapt to the rules relating to the company's Operational Health and Safety System.

Meetings of the local safety committee and the internal accident prevention committee (CIPA) are moments of engagement with the precepts of the OHSMS, as well as awareness of the hazards and risks inherent to each role performed. The company adopts the assumption that it is the worker's right to refuse if they do not feel safe carrying out a given task. In this case, to protect them from reprisals, we have "Canal Seguro", a means through which one can speak openly about denials and any other problems in the work environment. **GRI 403-2 | GRI 403-4**

In parallel, periodic medical examinations are carried out, according to the risks to which the employee is exposed. **GRI 403-3**

All employees are trained in regulatory and other OHS-related training. For workers who are not employees, regulatory training is requested from the contracted companies. Some training programs are provided by TANAC, such as those on risk perception and blocking hazardous energies. **GRI 403-5**

In 2022, there was a review of the TANAC Emergency Plan on procedures and duties in emergency situations in the business units. **GRI 2-13**

## SAFETY POLICY TANAC AND TANAGRO

**GRI 403-8**



Providing a healthy and safe work environment for employees, contractors and visitors.



Implementing and maintaining continuous improvement in occupational health and safety management, ensuring compliance with legal requirements.



Prioritizing accident prevention by reducing employees' exposure to risks and developing technical and behavioral skills related to health and safety management.

### THE FOUR PILLARS OF OSS MANAGEMENT

**GRI 403 3-3 | GRI 403-7**

Commitment to occupational safety

Risk management

Understanding hazards and risks

Learning from experiences





**TANAC'S SIX GOLDEN RULES**

GRI 403 3-3 | GRI 403-7

- 1 Think safe when working at heights
- 2 Think safe when operating equipment with hazardous energy
- 3 Think safe when working in confined spaces
- 4 Think safe in the protection of machines and control systems
- 5 Think safe and separate machines from pedestrians
- 6 Think safe when operating critical equipment

**Accidents**

The Frequency Rate underwent a reduction in 2022 compared to 2021. Reduction of 50% in Montenegro and 22% in Rio Grande. In turn, in Forestry Operations, the reduction reached 75%. This result is due to the mechanization of the debarking operation and the restructuring of the OHS area, with the implementation of the Health and Safety Management System. **GRI 403-9**

To envision a near future without accidents and with a focus on preventing occupational illnesses, TANAC is evaluating improvements in production systems with a focus on efficient technologies that increase employee safety, while making its activities more productive. These initiatives include: replacing chippers in pellet and woodchip production; and the use of drones in the application of agricultural pesticides. **GRI 403-9 | GRI 403-10**

**GRI 403-9 / Work accidents**

	2022		2021		2020	
	No.	Index	No.	Index	No.	Index
<b>For all employees</b>						
Deaths resulting from work accidents	0	0.0	0	0.0	0	0.0
Work accidents with serious consequences (except deaths)	0	0.0	3	1.0	0	0.0
Work accidents with leave <sup>1</sup>	30	10.3	70	22.4	65	20.8
Work accidents without leave <sup>2</sup>	51	17.5	28	8.9	23	7.3
<b>Number of hours worked</b>	<b>2,913,351.84</b>		<b>3,130,079.16</b>		<b>2,553,852.19</b>	

1. Cases where there was absence from work for 01 or more days. / 2. Cases where there was no absence from work. / 3. Work accidents included burns caused by contact with a heated substance and surface, falls due to differences in height, cutting of upper limbs (finger/hand), pressing and crushing of upper limbs.

# Relationship with suppliers

TANAC has three areas responsible for supplier management



**Supplies**

Responsible for managing suppliers and purchasing inputs and services for the corporate area and forestry operations.



**Logistics**

Transport of raw materials, employees, equipment, final product in addition to the management of light vehicles.



**Forestry partnerships**

Its function is the acquisition and management of suppliers of bark and wood raw material. **GRI 2-6-b-II**

When hiring suppliers, TANAC observes all the guidelines contained in its Code of Conduct and Ethics for Business Partners to ensure respect towards the integrity and safety of products and services. The company observes internationally recognized treaties on human rights and the conventions of the International Labor Organization (ILO), ratified by Brazil, including the Anti-Corruption Law (Law No. 12,846, of August 1, 2013), at all levels.

In 2022, there were 40 suppliers approved for the purchase of chemical products. These are products considered critical inputs and their suppliers must undergo periodic assessments. Since 2020, the company has been looking for possibilities to increase the import of these products, in an attempt to cut costs. **GRI 2-6-b-II | GRI 2-29**

## Wood and bark purchase

TANAC's raw material purchasing chain is made up of suppliers of Black Wattle bark and wood from eucalyptus, pine and their derivatives. **GRI 2-6-b-II**

The supply base ranges from small farmers with manual harvesting to large estates where the raw material is harvested mechanically. All planting areas undergo inspection by competent bodies in order to assess whether they meet the requirements of TANAC certifications. **GRI 2-6-b-II**





## Partners and third parties

Suppliers are concentrated in the South region. Service providers, a category that includes consulting firms, are concentrated in the South and Southeast. To boost the region's economy, TANAC prioritizes business relationships with local partnerships. **GRI 2-6-b-II**

The performance assessment of business partners is carried out periodically through internal and external audits, in order to monitor risks associated with human and labor rights. The Health, Safety, Environment guidelines for contracted companies seek to define the standard of compliance requirements in the supply chain, thus avoiding any irregularities in our operations **GRI 2-6-b-II**

In 2022, there were over 600 third-party workers working at TANAC facilities, in cleaning and gardening, security, equipment maintenance and catering activities. The activities that resulted in a greater number of hires focus on cargo transportation, machine operation and surveillance, catering and cleaning services. **GRI 2-8**

## Land loyalty

Before becoming part of the TANAC partner network, Romeu Aloysio Ost worked in the moving business until he decided to migrate into working with wood. His choice seems to have been the right one: he is one of the oldest suppliers of raw materials to the company. From his 74 years of life, 43 years have been dedicated to delivering bark for tannin extraction. For

a long time, he delivered wood and transported the wood in his truck fleet. Currently, in addition to the product he extracts from his properties, he collects the production from his neighborhood. He lives in Alto Feliz, a small town of 3,000 inhabitants located near São Vedelino. There, he sees the industrialization surrounding his home and pulling the young

workforce from the countryside to the big city, nonetheless persisting in his business. He says the tradeoff is worth it, as he doesn't see himself moving away. When he leaves the property, he does so to travel and spend quality time exploring other places and having fun with his family. But he always comes back – because his calling is to care for the land.

# Relationship with the community

To improve relations with the community, in 2022 TANAC carried out the first monitoring of the communities' level of satisfaction with the company's presence in the region. The result showed 97% acceptance. **GRI 413 3-3**

Though it is a company of international proportions, TANAC has a close relationship with the communities where its operations are located and where its forests are planted, which is the result of a relationship that has been consolidated over 75 years, since the company's creation. The company is aware of its responsibility as an employer, generating income and boosting the local economy. Therefore, it remains steadfast in its purpose of offering people new possibilities, which include personal and professional

development, but also extend to promoting prosperity and social stability.

The Forestry Development Program offers benefits, such as technical consultancy and seedling and input distribution. In some cases, the program has served the fourth generation of Black Wattle farmer families, helping to encourage entrepreneurship and the creation of new jobs.

**GRI 413 3-3 | GRI 2-29**

**Romeu Aloysio, working alongside TANAC for 43 years, is one of the company's oldest suppliers of raw materials.**



## Social projects

TANAC and TANAGRO sponsor around 10 programs and projects in the surrounding communities, working on the fronts of education, culture, health, inclusion and environment. Two of these initiatives are Eco Pila and Oficina Protegida (Protected Workshop). **GRI 413 3-3**

### Eco Pila Program

Contributes to reducing waste generation through recycling and reuse, using a social currency (Eco Pila) in economic waste transactions. We are partners with ACI and the project covers the municipalities of Montenegro and Pareci Novo, both in Rio Grande do Sul. In 2022, 1,500 tonnes of waste were collected, generating 40,000 eco-pila coins, which circulated through local businesses. **GRI 413 3-3**



**BRL**  
**500,000**

invested by TANAC, in 2022, in social initiatives, approximately

### Protected Production Workshop

Partnership between TANAC and TANAGRO and the Montenegro branch of the APAE (Association of Parents and Friends of Exceptional Children), promoting comprehensive care for people with physical and/or intellectual disabilities, offering paid activities and promoting their social integration to the community. In 2022, 17 employees participated in the initiative in Montenegro and Triunfo. **GRI 413 3-3**



**300**  
**hours**

of volunteer work of a group made up of 50 employees



## Cultivate quality and recycling

**GRI 2-29** **GRI 413 3-3**

### Embrace Nature

Ecological hike  
200 young people, including students from 7 schools and children of employees

### Qualificar Program

53 qualified nurseries  
12 environmental education campaigns  
338 participants  
74 trees planted

### Eco Pila

1,500 tonnes of waste collected  
40,000 social currency coins circulated in commerce  
700 books donated  
1,000 participating children

### Reciclar Project

33 residents trained in the Estação neighborhood, in Montenegro

### Envelhecimento Jovem Project

32 hours of medical and speech therapy services per month  
11 digital inclusion workshops  
4 monthly horticulture workshops





### Community life

With the arrival of TANAC in Montenegro, a series of improvements began to be carried out to accommodate professionals who came from other regions of the State and even the country. An example of this was the housing located near the factory.

Over the years, involvement with the community and its demands

led to the construction of important institutions for the city, such as a school, a supermarket, a restaurant, a church, a charity foundation, a Gaucho Tradition Center and a soccer field.

Suppliers and former employees also remember the gas station (which, in addition to trucks, supplied the company's fleet of Volkswagen vans and beetles),

the market, the snack shop, and the tire shop. Due to their welcoming, leisure, services and culture nature, these institutions established a link between the company and the community. As time progressed and sociocultural changes occurred, some of these activities were discontinued. But their impact left an emotional legacy for people, and with it, excellent memories.

## Participation in associations and voluntary commitments

GRI 2-28

TANAC considers its participation in associations and industry entities a part of its strategy of building solid relationships and partnerships that promote the development of the sector. Furthermore, the company develops voluntary initiatives, which strengthen ties and presence in the communities where it is located.

- Indústria Brasileira de Árvores (Ibá)
- Associação Gaúcha de Empresas Florestais (Ageflor)
- Câmara Americana de Comércio (Amcham)
- Assintecal
- Fundação Frederico Leuck
- Instituto de Pesquisas e Estudos Florestais (IPEF)
- Comitê de Bacia do Vale do Caí
- Associação Comercial, Industrial e de Serviços de Montenegro (ACI)
- Associação Comercial de Porto Alegre
- Centro das Indústrias do Estado do Rio Grande do Sul (CIERGS)
- Instituto Brasileiro de Tecnologia do Couro, Calçado e Artefatos (IBTEC)
- Leather Working Group
- Sindicato das Indústrias Químicas no Estado do Rio Grande do Sul (Sindiquim)
- Sesi / Federação das Indústrias do Estado do Rio Grande do Sul (Sesi/Fiergs)
- Sindicato Nacional da Indústria de Alimentação Animal (Sindirações)
- Associação Leather Naturally







In 2022, TANAC was awarded the “50th Rio Grande do Sul Export Award”, in the “Industry Highlight – Wood and Derivatives” category. The awards event is one of the most traditional of its kind in the state and acknowledges companies that stand out in the international market. The Council responsible for the awards is made up of renowned institutions, and in its 50 year history has recognized over 700 success cases from organizations operating in multiple segments in foreign markets.



# ABOUT THE REPORT

64 GRI content index

# GRI content index

TANAC's 2022 Annual Report was prepared based on the GRI Standards for the period from January 1st to December 31st, 2022.

GRI Standards	Content	Page	SDG		
<b>GRI 1   2021 FUNDAMENTALS – GENERAL CONTENTS</b>					
<b>GRI 2 General Disclosures 2021</b>	2-1	Organizational details	6		
	2-2	Entities included in the organization's sustainability reporting	The ESG report includes the activities of TANAC and TANAGRO, which are two different legal entities. The financial statements are prepared separately.		
	2-3	Reporting period, frequency and contact point	The ESG report and financial reports refer to the period from January 1st to December 31st of each year.		
	2-4	Restatements of information	This is the first report, so there is no reformulation of information.		
	2-5	External assurance	This report was not submitted to external verification.		
	2-6	Activities, value chain and other business relationships	6, 12, 14, 15, 20, 24, 28, 55, 56		
	2-7	Employees	48, 49	8, 10	
	2-8	Workers who are not employees	56	8	
	2-9	Governance structure and composition	32, 33, 34	5, 16	
	2-10	Nomination and selection for the highest governance body	33	5, 16	
	2-11	Chair of the highest governance body	33	16	
	2-12	Role of the highest governance body in overseeing the management of impacts	33	16	
	2-13	Delegation of responsibility for managing impacts	33, 34, 53		
	2-14	Role of the highest governance body in sustainability reporting	33		
	2-15	Conflicts of interest	36	16	
	2-16	Communication of critical concerns	17, 34, 36		
	2-17	Collective knowledge of the highest governance body	34		
	2-19	Remuneration policies	34		
	2-20	Process to determine remuneration	34		
	2-22	Statement on sustainable development strategy	2		
	2-23	Policy commitments	35, 36	16	
	2-24	Embedding policy commitments	35, 36		
	2-25	Processes to remediate negative impacts	36		
	2-26	Mechanisms for seeking advice and raising concerns	36	16	
	2-28	Membership associations	61		
	2-29	Approach to stakeholder engagement	26, 48, 55, 57, 58		
	2-30	Collective bargaining agreements	48	8	
	<b>GRI 3 Material Themes 2021</b>	3-1	Process to determine material topics	38	
		3-2	List of material topics	40	

GRI Standards	Content	Page	SDG	
<b>GRI 1   2021 FUNDAMENTALS – MATERIAL THEMES</b>				
<b>Eco-efficiency in the production chain</b>				
<b>GRI 3 Material Themes 2021</b>	3-3	Management of material topics	41, 43	
	302-1	Energy consumption within the organization	41	7, 8, 12 and 13
<b>GRI 302 Energy</b>	302-2	Energy consumption outside of the organization	41	7, 8, 12 and 13
	<b>Eco-efficiency in the production chain</b>			
<b>GRI 3 Material Themes 2021</b>	3-3	Management of material themes	46	
	303-1	Interactions with water as a shared resource	43, 46	6, 12
<b>GRI 303 Water and Effluents</b>	303-2	Management of water discharge-related impacts	46	6
	303-3	Water withdrawal	46	6
<b>Sustainable forest management</b>				
<b>GRI 3 Material Themes 2021</b>	3-3	Management of material topics	28, 38	
	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	15, 16	6, 14, 15
<b>GRI 304 Biodiversity</b>	304-2	Significant impacts of activities, products and services on biodiversity	15, 16	6, 14, 15
	304-3	Habitats protected or restored	38	6, 14, 15
<b>Carbon negative agenda</b>				
<b>GRI 3 Material Themes 2021</b>	3-3	Management of material topics	38, 39, 42	
	305-1	Direct (Scope 1) GHG emissions	41, 42	3, 12, 13, 14, 15
<b>GRI 305 Emissions</b>	305-2	Energy indirect (Scope 2) GHG emissions	41, 42	3, 12, 13, 14, 15
	305-3	Other indirect (Scope 3) GHG emissions	41, 42	3, 12, 13, 14, 15
<b>Eco-efficiency in the production chain</b>				
<b>GRI 3 Material Themes 2021</b>	3-3	Management of material topics	44	
	306-1	Waste generation and significant waste-related impacts	43	3, 6, 11, 12
<b>GRI 306 Waste</b>	306-2	Management of significant waste-related impacts	44	3, 6, 8, 11, 12
	306-3	Waste generated	44, 45	3, 11, 12
	306-4	Waste diverted from disposal	44, 45	3, 11, 12
	306-5	Waste directed to disposal	45	3, 11, 12
<b>Safe and healthy practices</b>				
<b>GRI 3 Material Themes 2021</b>	3-3	Management of material themes	52, 54	
	403-1	Occupational health and safety management system	52	8
<b>GRI 403 Health and safety</b>	403-2	Hazard identification, risk assessment and incident investigation	53	8
	403-3	Occupational health services	53	8
	403-4	Worker participation, consultation, and communication on occupational health and safety	53	8, 16

GRI Standards	Content	Page	SDG
<b>GRI 1   2021 FUNDAMENTALS – MATERIAL THEMES</b>			
<b>Safe and healthy practices</b>			
<b>GRI 403 Health and safety</b>	403-5 Worker training on occupational health and safety	35, 53	8
	403-6 Promotion of worker health	35, 49	8
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	35, 52, 54	8
	403-8 Workers covered by an occupational health and safety management system health and safety management system	52, 53	8
	403-9 Work-related injuries	35, 54	3, 8, 16
	403-10 Work-related ill health	54	3, 8, 16
<b>Diversity and inclusion</b>			
<b>GRI 3 Material Themes 2021</b>	3-3 Management of material topics	50	
<b>GRI 405 Diversity and Equal Opportunities</b>	405-1 Diversity of governance bodies and employees	50, 51	5, 8
<b>Community development</b>			
<b>GRI 3 Material Themes 2021</b>	3-3 Management of material topics	26, 57, 58	

The source "Linking the SDGs and the GRI Standards" was used to correlate with the SDGs.



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