



PUBLIC SUMMARY OF THE SUSTAINABLE FOREST MANAGEMENT PLAN

Seringal Novo Macapá Farm

2025



About the Public Summary

This document presents the Public Summary of the **Sustainable Forest Management Plan (PMFS)** implemented at Seringal Novo Macapá Farm on a corporate scale; its primary objective is to provide employees and stakeholders with a summary of the operational activities carried out by the Company during the years 2022 to 2025.

Through this document, Agrocortex makes its main guidelines and strategies available, in addition to maintaining an effective communication channel with traditional communities, civil society, teaching and research institutions, control and inspection bodies as well as governmental and non-governmental institutions and our collaborators.



The Company

Agrocortex Madeiras do Acre is a company in the Brazilian forestry sector focused on sustainability, combining environmental conservation, through forest management in the Amazon Forest, and social responsibility, through improving the quality of life of people in the region in which the project is located.

The inception of the AGROCORTEx group took place from the union of knowledge from different areas that come together with experts in financial management and structuring agroforestry businesses. The group has the concept of Integration of Know-How and Technology at its genesis. As a Company, it has developed and implemented in recent years several projects thanks to the technical and technological knowledge of more than 10 years of experience of its partners and collaborators, focusing on forest management, including all stages of forest management up to the processing of the forestry raw material.

Created in 2014, Agrocortex Madeiras do Acre is committed to managing all operational activities related to forest management and industrialization at the sawmill. The activities are divided between the **Seringal Novo Macapá Farm**, located on the border between the states of **Acre** and **Amazonas**, and its industry in **Manoel Urbano/AC**, the city closest to the farm.

The Company operates one of the largest sustainable forest exploration projects in Brazil aimed at long-term timber production, based on practices that respect the environment in order to never exhaust natural resources and also contribute to the regeneration of the forest, always maintaining its vitality. Furthermore, it is the only PMFS (Sustainable Forest Management Plan) in Brazil that is currently authorized to explore the species *Swietenia macrophylla* King (Mahogany) subject to compliance with specific legislation and monitoring by the CITES Scientific Technical Committee.



Our Mission



Manage tropical forests in a sustainable way with a universal perspective, using Reduced Impact Exploration (RIE) techniques, protecting forests and environmental resources, generating income and positively impacting communities under the influence of the project and creating value for our employees, shareholders, stakeholders and society in general.

Our Vision



To be a global reference in the sustainable management of tropical forests from a multiple forest-use perspective, through the implementation of the “360 Sustainability” concept to the forests under our management.

Our Values



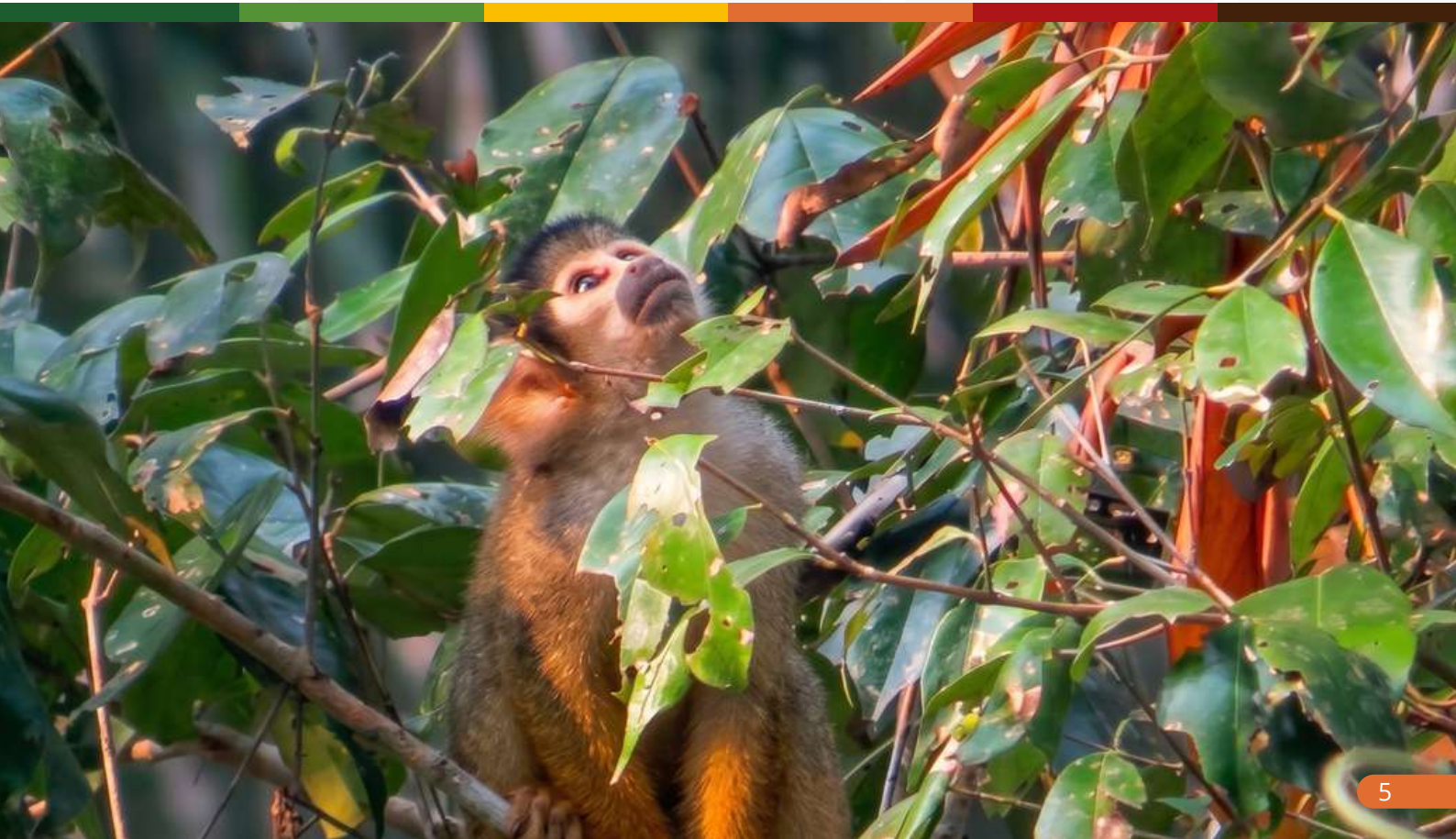
Honesty

Commitment

Ethics and Morality

Continuous improvement

Innovation





Our Commitments

The project is based on the operationalization of the Sustainable Forest Management Plan with the sustained exploitation of forest species pursuant to the criteria established in current legislation and reduced impact exploration techniques, in an area of 186,219 hectares that will be explored in 30 years.

In addition to sustainable timber production, PMFS also aims to:

- Generate, in partnership with teaching and research institutions, practical and theoretical references for forest management, in order to contribute to the conservation of forest cover and ecosystem biodiversity;
- Employ Reduced Impact Exploration (RIE) techniques, aiming to mitigate damage to residual forest;
- Employ a combination of careful forestry planning and silvicultural treatments to regulate productivity during the cutting cycle;
- Preserve trees of non-marketable species and those of significant value, such as: matrices, rare, future harvest, prohibited from cutting and with nests;
- Ensure the traceability of forest products and by-products;

Maintain forest certification of the forest management area, through compliance with the Principles and Criteria established by the *Forest Stewardship Council*®, as well as the Chain Custody of the entire production process.

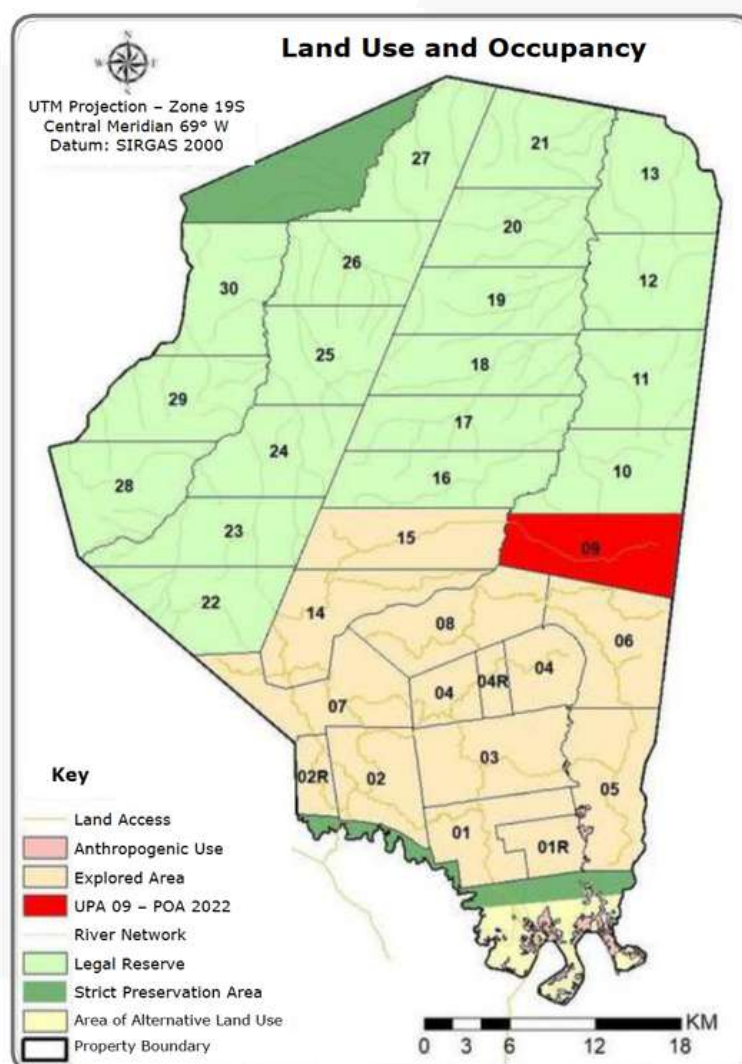
Current Use and Land Occupation

The Seringal Novo Macapá Farm is located in three municipalities: Manoel Urbano/AC, Boca do Acre/AM and Pauini/AM. The municipal division in the Seringal Novo Macapá Farm area is represented as follows:

MUNICIPALITY/STATE	ÁREA (ha)	%
MANOEL URBANO/AC	4.005,49	2,1
BOCA DO ACRE/AM	48.945,73	25,7
PAUINI/AM	137.258,78	72,2
TOTALS	190.210,00	100

Source: Registros imobiliário do imóvel, ano 2016.

The property has a total area equal to 190,210.0003 hectares, with 186,000 hectares registered on the margins of the registrations as a Forest Management Area (AMF), which corresponds to 97.8% of the total, with no other type of economic exploitation in the rural property area other than the production of forest products and by-products on a sustainable basis.



Brief Environmental Diagnosis

CLIMATE

The region's predominant climate is **hot humid**, with an average annual temperature of around 24.5°C. The hot months occur from August to October, and the temperature tends to drop from April to July. The rainy season occurs from October to April and the average annual rainfall in the region is approximately 2,100 millimeters.

FAUNA

In 2016, Agrocortex began a partnership with **Casa da Floresta** to monitor birdlife and large and medium-sized mammals at the Seringal Novo Macapá Farm. These groups were chosen because they are considered good bioindicators, being scientifically well studied, making it possible to direct conservation actions.

In the two monitoring campaigns that took place this year, **345 bird species and 34 mammal species** were recorded out of the 573 species of birds and 60 species of mammals likely to occur in the region, according to the secondary data collected. Of the recorded species, three birds and eight mammals are considered threatened with extinction nationally and/or worldwide, such as the Pacarana (*Dinomys branickii*), the Jaguar (*Panthera onca*), the Goeldi's Marmoset (*Callimico goeldii*), the Channel-billed Toucan (*Ramphastos vitellinus culminatus*) and the Blue-headed Macaw (*Primolius couloni*).



Faced with the scenario of deforestation and land use conversions, forest management with Reduced Impact Exploration presents itself as a place of great importance for the conservation of biodiversity, since the good management practices applied on the Farm allow the maintenance of the forest standing, conserving the habitat of several fauna species.

FLORA

The region is located under **three types of vegetation**, the Submontane Open Rainforest with Dominant Bamboo (tabocal), the Submontane Open Rainforest with Dominated Bamboo (restinga) and the Alluvial Dense Rainforest with Emergent Canopy. Due to the marked presence of bamboos of the *Guadua* genus, most of the vegetation is classified as Open Bamboo Forest, which is regionally referred to as Tabocal. The Restinga has a dense canopy cover and the bamboo disperses and integrates into the understory, present only as a dominated element.

The genus *Guadua* is widely distributed in the Americas and is characterized by flowering and fruiting, followed by mortality of the entire population. The longevity of these populations in this Amazon region is estimated between 27 and 28 years and in 2016 it was possible to observe the beginning of this flowering phenomenon.

To monitor the development of the managed forest, Permanent Inventory Plots are installed annually, which are remeasured at five-year intervals. In the process of selecting and retaining trees for cutting, tree individuals of all species are preserved, ensuring that the perpetuity and diversification of the forest continues.





Sustainable Forest Management Plan

LEGAL ASPECT

The project is based on the implementation of PMFS on a Business Scale, aiming to obtain socioeconomic benefits, resulting in the conservation of biodiversity and improvement of the quality of life in the region in which the project is located.

The AMF corresponds to 186,219 hectares and must be managed on a 30-year cycle. Annual production is estimated at approximately 110,000 m³/logs of various forest species, including mahogany in the list of manageable species, considering current legislation. The aforementioned PMFS falls into the following categories:

- Regarding forest dominance: **PMFS IN PRIVATE FOREST**;
- Regarding the holder: **CORPORATE PMFS**;
- Regarding the products resulting from management: **PMFS FOR MULTIPLE PRODUCTS** (timber, bamboo, oils, forest by-products, etc.);
- Regarding the intensity of exploitation: **FULL PMFS**;
- Regarding the predominant environment: **UPLAND**;
- Regarding the natural state of the managed forest: **PRIMARY FOREST**.

TECHNICAL ASPECTS

Silvicultural System

According to Silva (2004), a silvicultural system is a set of human interventions in the forest in order to increase or maintain forest productivity (timber and non-timber products) between two cutting cycles. The silvicultural system adopted is polycyclic, widely recommended for the Upland conditions in the Brazilian Amazon.

The silvicultural system is based on three fundamental stages to ensure sustainability, namely:

1. Careful exploration planning, with a view to reducing damage to residual forest;
2. Application of post-harvest silvicultural treatments to the residual forest, favoring regeneration and growth for the next cycle;
3. Monitoring growth, mortality and recruitment with the aim of assisting in technical operational and administrative decisions.



The AMF is made up of 30 annual compartments, called Annual Production Units (UPAs), which have areas of approximately 5,860 hectares.

Cutting Intensity

The maximum cutting intensity is 25.8 m³/ha of standing volume, of species of commercial interest selected according to the tree selection and retention criteria, as determined by legislation.

Cutting Cycle

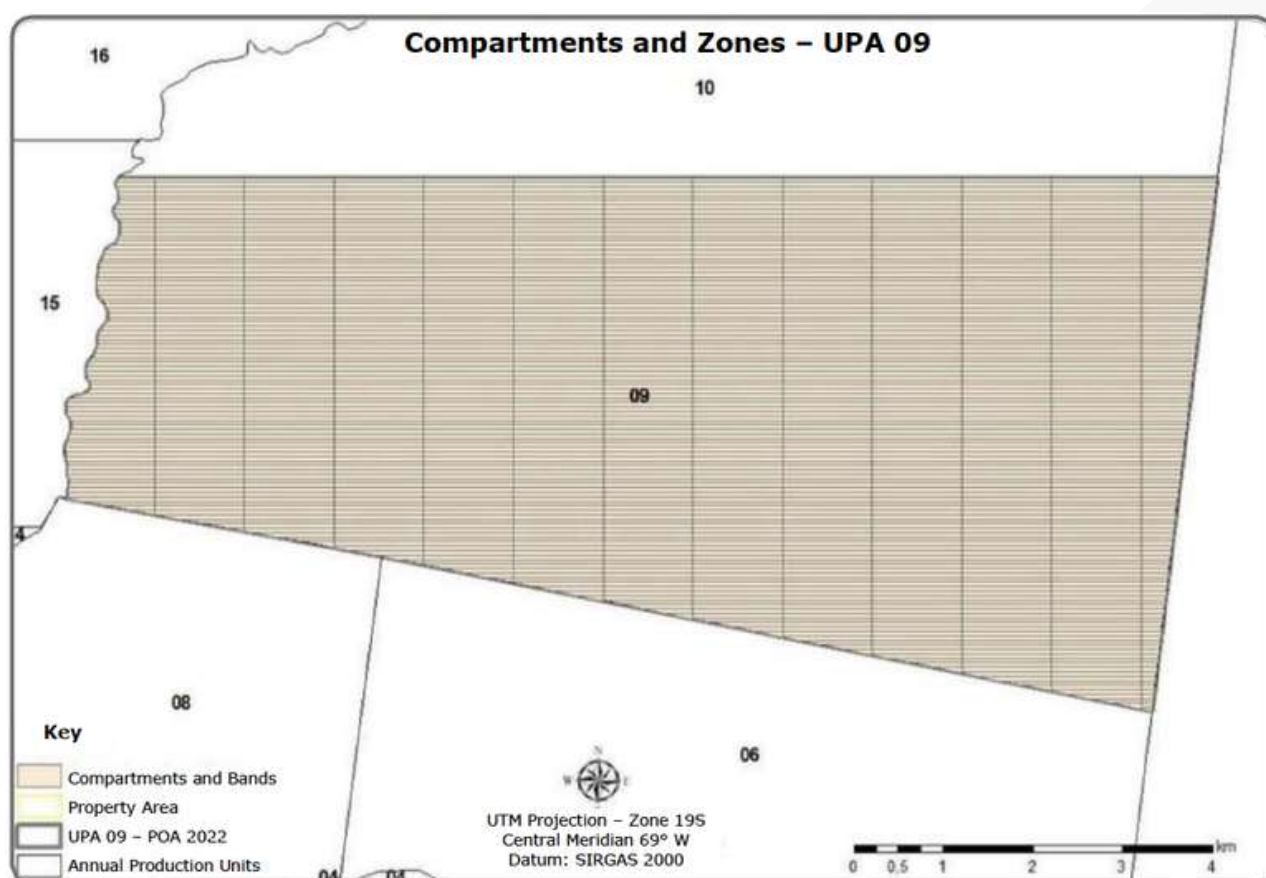
The projected cutting cycle is 30 years, considering an average productivity of 0.86 m³/ha/year (IN 05 of December 11, 2006 and CONAMA Resolution 406 of February 02, 2009).

Pre-Exploratory Activities

DETERMINATION AND ALLOCATION OF UPAS

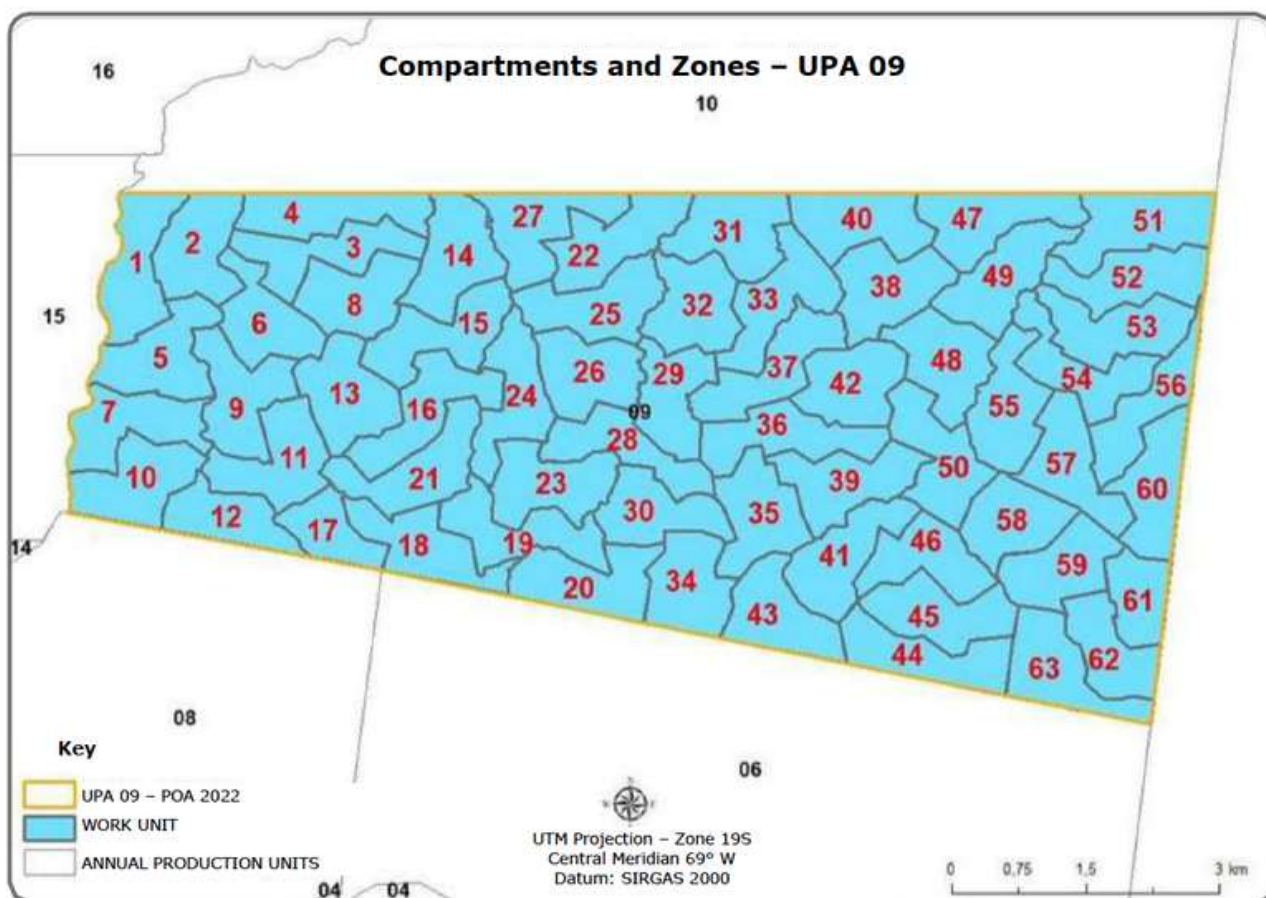
The UPAs are determined in the field by a topography team that opens the boundary trails, following pre-established directions. In addition to the boundaries, the topography team establishes trails spaced 1,000 meters apart, which serve as baselines for the 100% census inventory trails.

CUTTING AND HAULING UNITS AND WORK UNITS



In order to better organize exploratory activities, i.e., aiming to control production, monitoring, safety in operations carried out by workers and chain of custody, the UPA areas are subdivided into Cutting and Dragging Units (UCAs). The UCAs are defined based on the area covered by the storage yards and these are planned taking into account several aspects.

Subsequently, the limits of each Work Unit (UT) are determined based on the grouping of some UCAs, with an effective area of approximately 100 hectares, as per the recommendation contained in current legislation, from which the tree selection and retention criteria are subsequently applied.



100% FOREST INVENTORY

In each UPA, a forest inventory is carried out on 100% of the species of commercial interest in the year prior to their exploitation. The objective of this inventory is to determine the qualitative (shape, quality and health of the stem) and quantitative (circumference at breast height - CAP and height) characteristics of the species. All individuals with a CAP of 100 centimeters and above are inventoried, except for mahogany, whose individuals are measured from 60 centimeters.

The geographic coordinates of all trees are collected with GNSS receivers, which allow an accuracy of around 1.5 meters even under the tree canopy. These coordinates and other data are digitized and organized in a database so that the company has total control and security of information for planning subsequent operations



TREE SELECTION AND RETENTION CRITERIA

The selection and retention criteria for trees are based on what is concomitantly determined by Normative Instructions 07/2003 (Mahogany), 05/2006, 01/2015 (Official National List of Flora Species Threatened with Extinction) – List of classified species in the “Vulnerable – VU” category, in the Amazon biome and CONAMA Resolution N. 406/2009, as well as the understanding maintained with the Board of Sustainable Use of Biodiversity and Forests – DBFLO and Technical Division – DITEC/SUPES of Rio Branco, State from Acre.

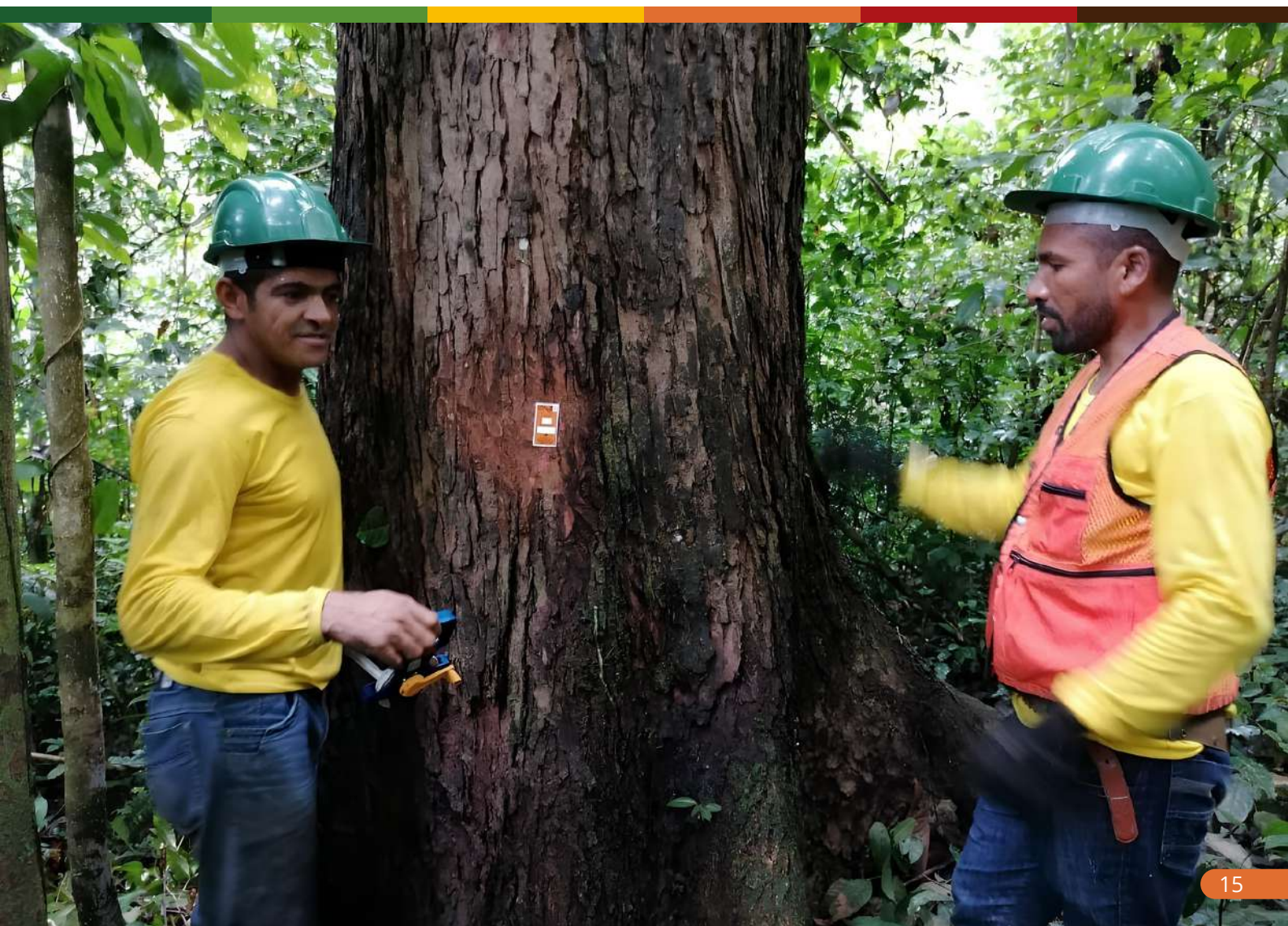
Although IN/MMA N. 01/2015 refers to the species, we chose to consider as retention criteria for trees in the Vulnerable category (4/100 hectares) all botanical genera listed in the aforementioned normative instruction (Ex. *Pouteria* sp, *Apuleia* sp, *Mezilaurus* sp, etc.), until botanical material is collected for proper identification at species level.



Planning is done for each of the UTs, considering remaining trees:

- **Future Cutting:** characterized by not having a Minimum Cutting Diameter (MCD). For mahogany, trees with DBH < 60cm and for other species, trees with DBH < 50cm;
- **Rare species:** species with a density < 0.03 ind.ha⁻¹ of commercial trees in each UT were considered rare. For species listed in IN/MMA 01/2015, density < 0.04 ind.ha⁻¹ of commercial trees, in each UT. For mahogany, density < 0.05 ind.ha⁻¹ of commercial trees in each UT.
- **Mother trees or seed carriers:** 20% of the number of commercial trees was allocated to mahogany. Species listed in IN/MMA 01/2015 retain at least 15% and 10% for other species;
- **Species that are prohibited by law:** Brazil Nut Tree (*Bertholletia excelsa*), Rubber tree (*Hevea brasiliensis*), Andiroba (*Carapa guianensis* Aubl.) and Copaíba (*Copaifera* sp);

- **Trees located in Permanent Preservation Areas (APP):** the positioning of watercourses was collected in the field with a Trimble Juno 5S GNSS receiver, which guarantees satisfactory accuracy, in addition to the DDM that was extracted from the LIDAR survey, with a spatial resolution of 1 meter. Thus, the APP ranges were determined in the office based on micro zoning and the trees existing in this range were excluded from processing, therefore, there is no felling under any circumstances;
- **Tree located close to APP:** During forest exploration planning, a 20-meter “buffer” is created from the limits of the APPs, which are called Buffer Zones. In this location, the destination/allocation of parent trees is prioritized, aiming to reduce possible impacts on APPs due to falling trees. Trees that are close to the APPs are cut by using special cutting techniques aimed at directing the fall (through wedges), preventing it from damaging these locations; however, if the chainsaw operator detects that such an operation will excessively damage this location, he or she must discard its felling;
- **Trees with nests:** Trees identified with the presence of nests will be preserved during exploration.

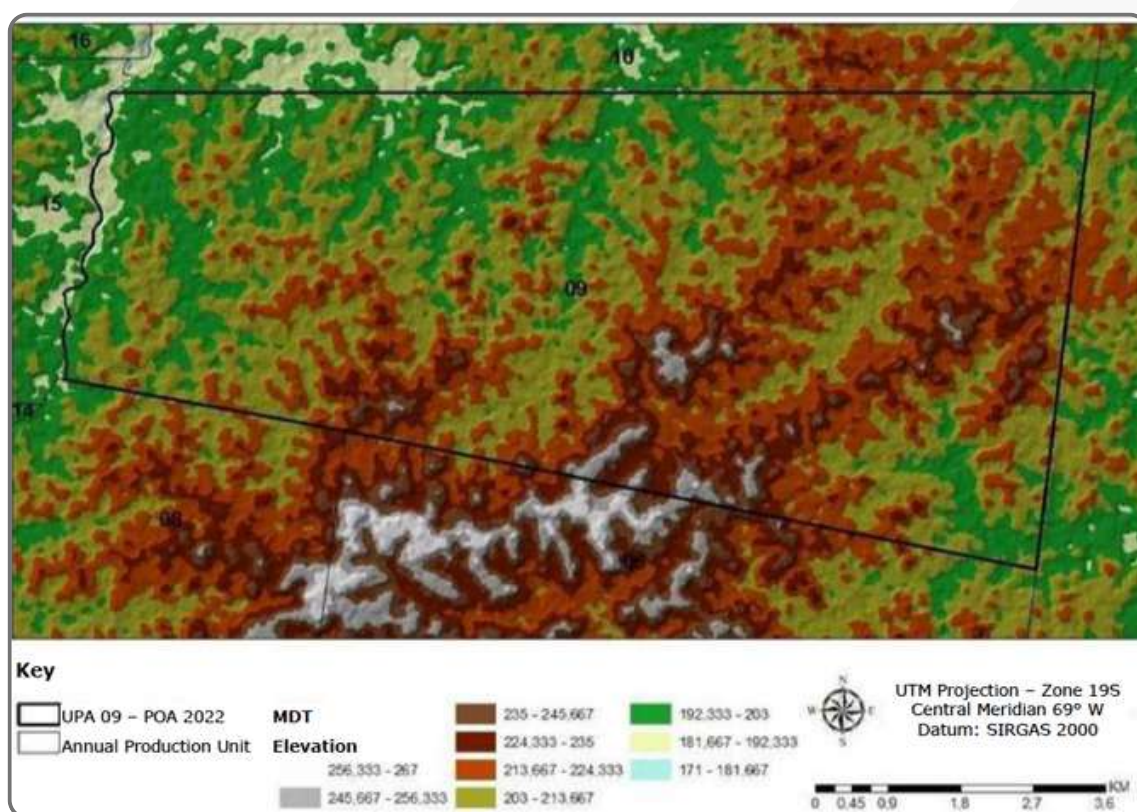


DIGITAL TERRAIN MODELING

The planning of areas to be protected and the allocation of permanent and temporary infrastructure, to be installed in the UPAs, was based on an aerial survey carried out with satellite images and field surveys.

The data allows the generation of the Digital Terrain Model (DTM). From these models, the Contour Curves were extracted, with an equidistance of 1 meter and the Digital Drainage Model (DDM) was generated, using an area of 100m² as the base unit for drainage channels.

Thus, it was possible to identify areas with slopes exceeding 45°, classified by legislation as Permanent Preservation Areas (APPs), and, based on the Digital Terrain Model (DTM), to determine zones that are critical or restricted regarding the construction of permanent infrastructure, such as roads and storage yards.

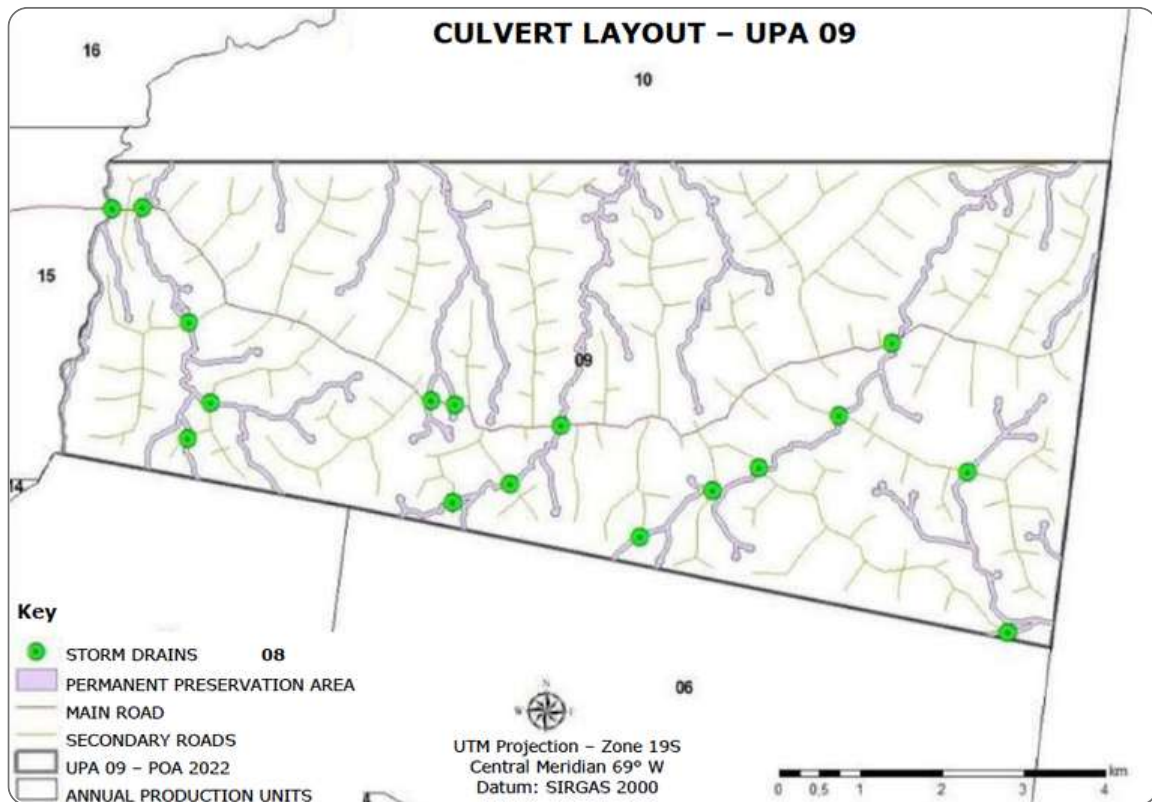


INFRASTRUCTURE PLANNING

Infrastructure planning is carried out based on DDM, DTM, micro zoning information and the spatial distribution of trees.

In a first stage, the roads were planned, taking into account the watersheds, the drainage network, micro zoning and areas with slope restrictions (>15%). Road planning prioritizes their layout in the highest parts, observing the terrain's level curves, avoiding areas with slope restrictions and the crossing of watercourses.

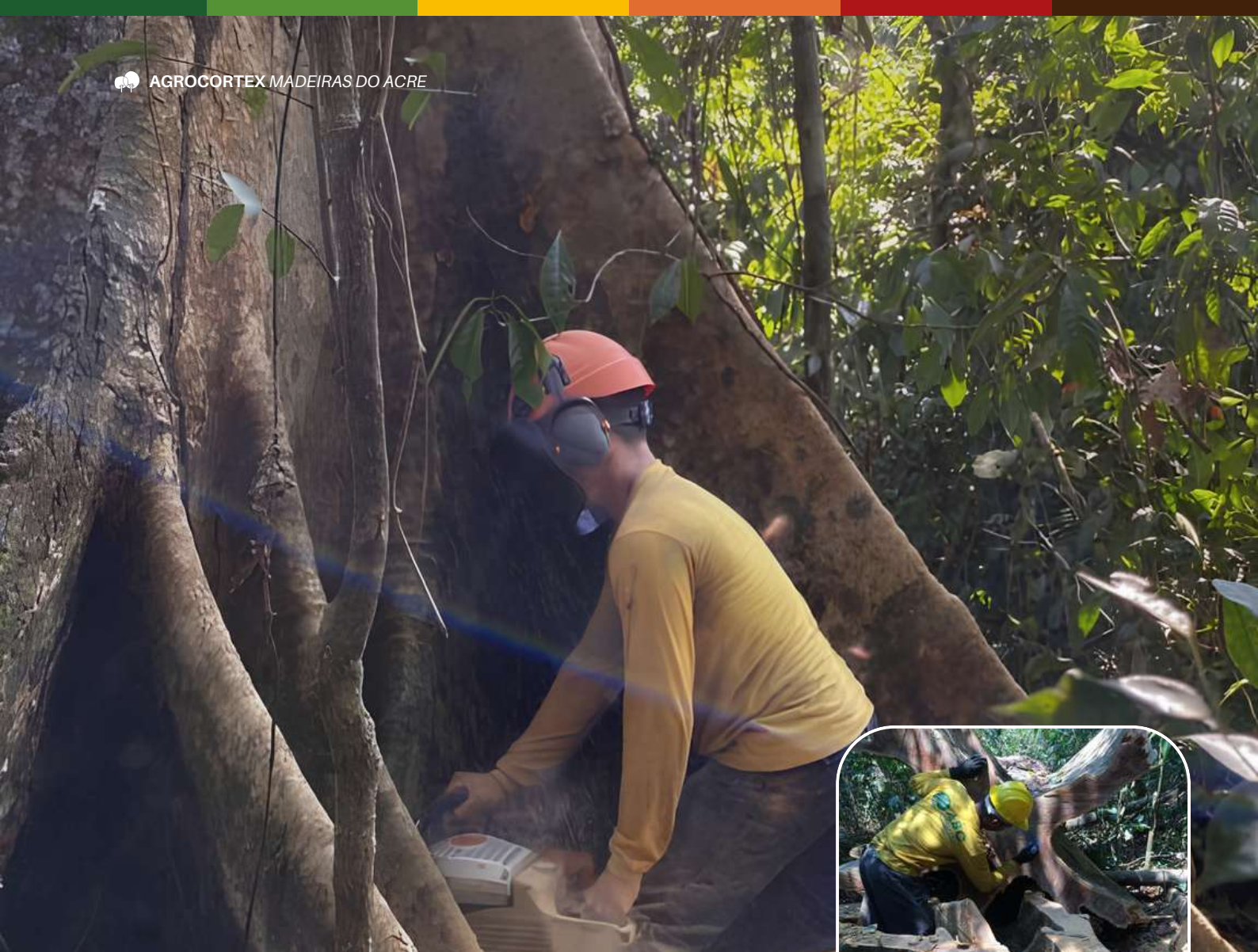
Subsequently, the location of the storage yards was planned, where aspects such as: the existence of trees selected for cutting, a Skidder drag radius of 200 meters (656,2 feet), a flat location and outside of restrictive zones (>15%) were considered.



INFRASTRUCTURE CONSTRUCTION

The construction of infrastructure (roads, storage yards, bridges and culverts) is carried out according to the techniques provided for by the IFT, and preferably one year before exploration.





Exploratory Activities

TREE FELLING

The harvesting operation is the phase in which interventions in the forest are necessary. For the changes in relation to the natural state of the environment to be minimal, the company adopts a different management system, known as Reduced Impact Exploration. At this stage, only the trees selected for cutting are explored.

One of the techniques adopted is directional cutting, where the cutter directs the falling tree to the most appropriate location, avoiding damaging other trees around it, as well as preventing the tree from falling on any preserved or sensitive area. When analyzing that the tree will fall on a protected tree (Brazil Nut Tree, Rubber tree, Copaíba and Andiroba), in a preserved area or in a High Conservation Value, the cutter does not carry out the cut, leaving it standing.

LOG SKIDDING

After felling, the logs are dragged by specialized forestry machines called Skidders to the extraction yards, which are distributed throughout the forest to maximize operational efficiency. This dragging is done in a planned manner, ending with the best access points in the field to carry out the dragging of trees, in order to minimize the damage caused by machines to the vegetation of the remaining forest.



To try to further reduce the damage caused by this operation, Agrocortex has invested in more robust machines, which can drag the entire tree or sectioned into logs, thus reducing the impact on the forest and soil compaction.

LOG SCALING AND TRANSPORTATION

In the skidding yards, the trees are sectioned into pre-determined lengths that facilitate their transport and subsequent processing at the sawmill. In the internal yard, all logs have their custody marked with an industrial marker and receive numbered and bar-coded plastic tags, in redundancy to guarantee their traceability, in addition to being measured (diameters and lengths) and duly registered. With this data it is possible to compare the real volume of the tree with that estimated during the inventory and improve the equations that allow this estimate.



Internal transport is carried out from the skidding yards to the Lung Courtyard, a larger storage yard, where the logs are organized, ready for transport to the Agrocortex Industrial Complex according to industry demand. External transport, from forest management to the industry yard, is carried out by trucks equipped with B-train trucks, which have the capacity to transport up to 45 m³. It should be noted that all loads are transported under the proper coverage of the Forest Origin Document (DOF) and identified as FSC® 100% certified timber under certification code IMA-FM/COC-007255.

Harvest

In 2022, exploration took place at UPA 09. This unit has a total area of 5,842.2387 hectares and an effective exploration area of 5,342.8831 hectares. The areas where there was no exploration correspond to APPs and unproductive areas excluded from the operation planning. These areas remained preserved and unexploited, guaranteeing the preservation of watercourses and the forest.

UPA 09 presented 63 UTs with an average size of 84.81 hectares, all of which were explored (cutting, dragging, packing and transport) and as previously mentioned, with a maximum radius of 350 m from the trees to the storage yard, it is practical made it possible to optimize considering that exploration as the number of yards, opening of secondary roads and consequently operational costs and environmental impacts were reduced.

According to POA-2022, 110.44 ha of roads and 13.8500 hectares of yard area were planned. After the conclusion of the 2022 harvest, an area corresponding to 107.06 hectares of road and 13.8000 ha of yard was planned, built and reopened, a reduction in the opening of the planned infrastructure by 4.22 ha, made possible thanks to the adoption of the practice of opening of the yards after cutting down the trees in the UCAs, this made it possible to optimize the operation as a whole, considering that the opening of infrastructure for the extraction of a few individuals would no longer occur.

277 yards were planned on the yards, size (20X25) meters, and following this planning, 276 patios with an average size (20X25) meters or 12.45 ha were built and used, due to the radius of 350 m giving greater use to everyone storage yards and the practice of opening the yards only after trees have been felled at the UCA.





With respect to the construction of infrastructure, 124.29 hectares of roads and yards were planned, representing 2.32% of the effective exploration area of UPA 09. However, after the 2022 harvest, only 120.7 hectares or 2.25% of the UPAs effective exploration area were opened, meaning a reduction of 3.59 hectares in relation to that projected for UPA 09. Planning maximizing the log extraction radius, with an ideal number of storage yards and road mapping were determining factors for reducing the area of open forest in order to implement infrastructure for the exploration of UPA 09, and consequently the effectiveness of the entire operation.

With respect to productivity, in 2022, cutting activity at UPA 09 took place from June to October 2022, which resulted in the cutting of 2,617 trees (27,527.13 m³ inventoried volume) of the 10,643 trees authorized for exploitation, which equivalent to 24.59% of trees, the remaining 8,026 (75.41%) trees were not felled. In other words, 5.15 m³/ha in relation to the effective exploration area of UPA 09. As previously mentioned, the volume permitted by legislation is 25.8m³/ha, ensuring that the reduced impact exploration practiced was more conservative than that permitted by legislation.

It is important to be reminded that all management operations are closely monitored by the IBAMA/AC team, which in 2022 carried out a field inspection verifying compliance with all standards to continue the forest management activity.



2025 Operations

No forest harvesting operation was carried out in the area in 2025, with the last operation having taken place in 2022. During the period from 2022 to 2025, the company continuously maintained its industrial activities, as well as its biodiversity monitoring and environmental preservation initiatives.

Over the years, monitoring routines for fauna and flora have been carried out, alongside the implementation of protection and conservation measures for the area, ensuring the responsible use of natural resources and adherence to best practices for sustainable forest management.

Post-Exploratory Activities and Forest Monitoring

- **Monitoring by Permanent Inventory Plots:** continuous process of installing and measuring permanent plots to monitor forest growth, guarantees understanding and inventorying the minimum damage caused by logging in order to take mitigating measures.
- **Monitoring of remaining mahogany individuals:** aiming to meet the prescription set out in IN 07/2003, mahogany individuals are being reinvented and to date 780 trees have been visited and remeasured.

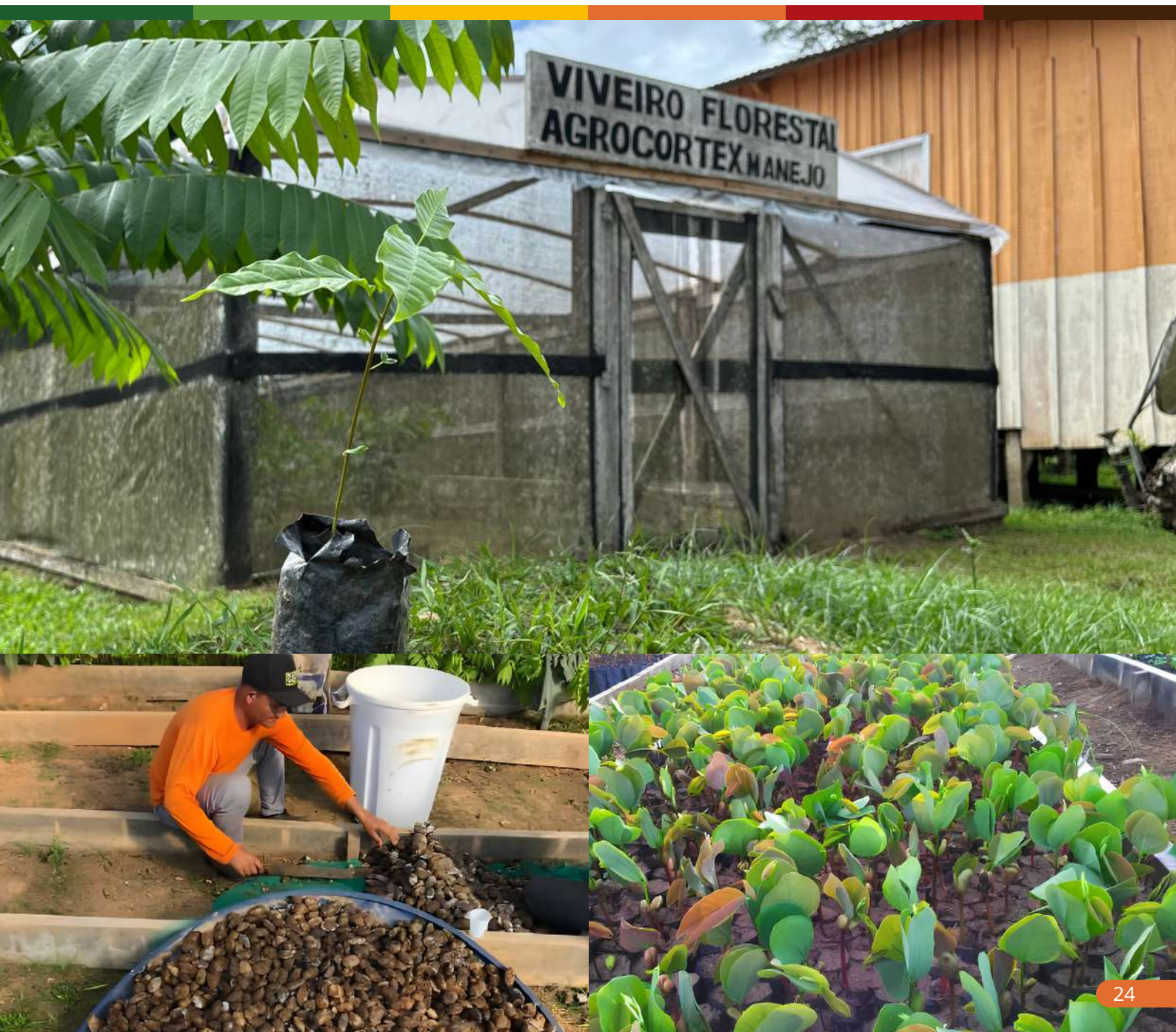
- **Fauna monitoring:** in 2024, fauna monitoring was carried out at the Seringal Novo Macapá Farm, to assess the impact of Reduced Impact Forestry Exploration on local fauna, in addition to propose mitigation and support measures in identifying Areas of High Conservation Value.
- **Internal audits:** Internal audits are conducted annually, covering operational processes and quality, workplace safety, employee facilities, and chain-of-custody control. Given the reports generated by the audits, corrective actions were proposed for non-conformities and monitoring of corrections
- **Fire protection:** Agrocortex had a partnership with the Fire Department to train the Forest Fire Brigade, in addition to promoting lectures on preventing and fighting fires for local communities and collaborators and distributing educational signs at access points to the property.
- **Operational monitoring:** the company constantly monitors its management activities, in order to prevent and mitigate impacts and act in a timely manner on problems found, promoting corrective actions. The results of these monitoring serve as a basis for continuous improvements in forest management.



Nursery and Enriching Planting

With the aim of always promoting sustainability, a local enrichment project was created, which seeks to use genetic material from the management area itself.

Over these years, seedlings of the main species of commercial interest to the company Agrocortex Madeiras do Acre were produced. The seed collection process began at the beginning of 2021 (February to April) and intensified during the exploration operations of the 2022 Harvest, given the facilitation in the collection and phenology of seed dispersal of the species.



Regarding the seedling planting process, in 2022 and 2023 the Agrocortex team planted **5575 seedlings of 5 forest species**, namely: cedar, Cumaru, guariúba, Jatobá and mahogany. These plantings were carried out at strategic points, storage yards, lung yard and along the main road that gives access to the exploration of the other UPAs, in the latter, the teams opened “pikes” to plant the seedlings inside the forest, in order to avoid the mortality of individuals as a result of the traffic of heavy trucks and of road maintenance.

It is also worth highlighting that, in all cases, the seedlings were crowned in order to reduce competition for nutrients with nearby individuals, increasing success rates in the recovery of degraded areas and forest enrichment.

It is important to highlight that the actions to recover degraded areas and enrichment planting will continue until 2024, given the beginning of the rainy season while obtaining seedlings suitable for planting.



All actions are carried out by the Agrocortex team, from collecting seeds, producing seedlings and planting, seeking to comply with legislation and sustainability while preserving the local genetic material. The planting of forestry enrichment in exploration areas, through the planting of native seedlings, has been carried out in clearings originating from forestry exploration during the execution of HARVESTS, along access roads and storage yards.

Market and Commercialization

The annual production for the upcoming forestry harvest is estimated at approximately 20,000 m³ of logs from various tree species, including mahogany. Agrocortex integrates its operations vertically and processes both sawn and value-added timber, thereby increasing the value of forest products and, consequently, generating more jobs and income for the local community.

Today, the main forest species marketed by the company, considered woods with good market acceptance are: Ironwood (*Dipteryx odorata* (Aubl) Wil Id), Mahogany (*Swietenia macrophylla* King.), Pink Cedar (*Cedrela odorata* L.), Cherry (*Amburana acreana* Ducke A.C. Sm), among others.

The industrial complex is located near the city of Manoel Urbano/AC, on the left bank of the Purus River and consists of 4 sets of band saws, 20 drying greenhouses and warehouses for storage and baling.



The company uses the waste generated in its operations to fuel the boiler used for drying sawn timber, promoting the efficient use of materials and the reduction of waste. Furthermore, a portion of this waste is donated to local communities, where it is used for various purposes, such as household needs, handicraft production, and support for micro-enterprises (including charcoal production), thereby contributing to the local economy and the sustainable use of resources.

Chain of Custody Control

The main objective of the Chain of Custody is to guarantee the origin of each tree and its respective logs, i.e., it certifies that a given tree was harvested exactly from a known area, also facilitating the return to the origin (stump) if applicable.

Before packing, the trees are sectioned into logs, each of which receives an identification similar to the original, plus a numbered plastic tag with a bar code, which is attached to one of its ends. The logs are measured in length and diameter, information added to the cell phone application for the logbook linked to the company's database and forestry management, which guarantees control of this stage. In addition to all these operations, point-to-point monitoring is carried out using mobile apps specific to each stage, collecting data that is subsequently transferred to the company's electronic forest management system.

And, after leaving the property, all movements were also controlled by the Forest Origin Document (DOF), through IBAMA's online system.



Socio-Environmental Impacts

There is no doubt that Reduced Impact Exploration generates a set of environmental and social impacts in the location and surroundings where the activities are carried out. The proposal of mitigating and/or compensatory measures for these impacts aims to minimize the negative effects and enhance the positive ones, resulting from the impacts caused to the environment.

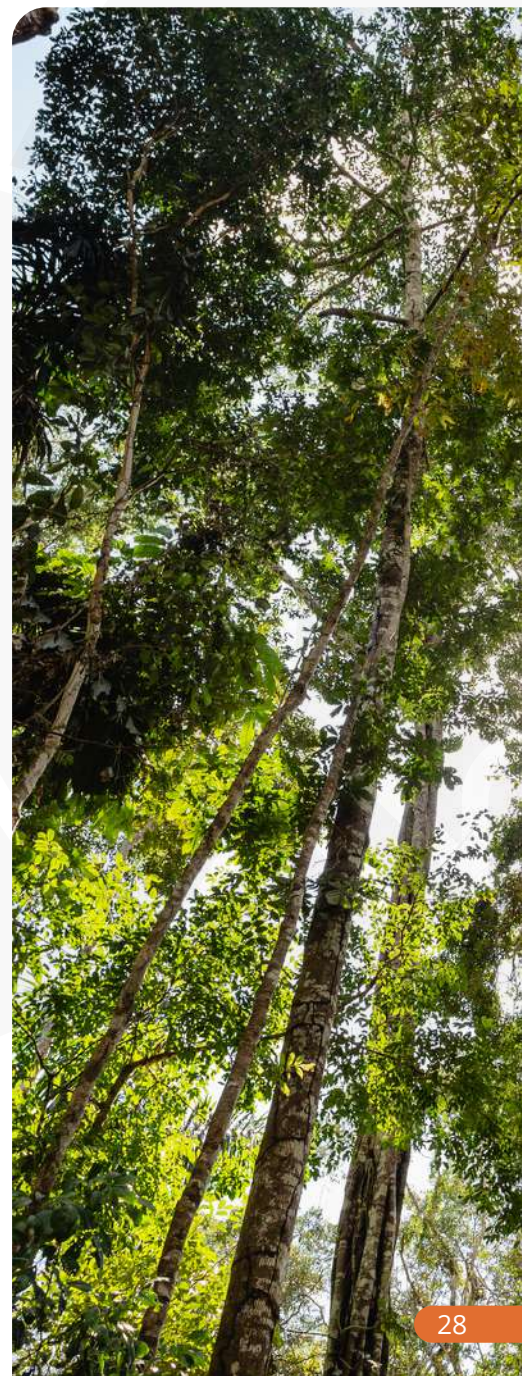
Considering its complexity, the environment is didactically divided into three environments: physical (soil, water resources, air), biological (fauna and flora) and socioeconomic (employees and communities).

PHYSICAL ENVIRONMENT

To protect the soil, logging operations are carefully planned; appropriate machinery is used to reduce soil compaction; vines are removed from potential harvest trees at least one year in advance in order to avoid the opening of large clearings; cutting, skidding, and log transportation operations are not carried out during the rainy season in order to prevent erosion and soil compaction; trees are not harvested on steep slopes or within Permanent Preservation Areas (APPs); and road planning takes into account geoprocessing techniques that consider the drainage network and terrain topography, in addition to the continuous maintenance of the road network.

To protect water resources, infrastructure is implemented according to the micro zoning made in the 100% inventory; watercourses, rivers and slopes are permanently preserved; care for the environment, prohibiting contamination of water courses; and drainage devices, culverts and bridges are built on the main and access roads, facilitating surface runoff and preventing erosion.

To protect the air, periodic inspections are carried out on equipment and vehicles, with the aim of preventing atmospheric pollution; the practice of burning in the Forest Management Area is prohibited and enrichment plantings are carried out, contributing to the fixation of carbon in the forest.



BIOLOGICAL ENVIRONMENT

With respect to flora, Reduced Impact Exploration techniques are adopted, reducing damage to residual forest when compared to conventional exploration; careful planning of infrastructure avoids unnecessary opening of vegetation; enrichment planting will be carried out along roads and on the edges of storage yards; areas will be maintained without exploitation to preserve biodiversity and maintain environmental processes; rare, endemic, threatened or endangered species are not exploited; hollow trees are kept for seed production and animal shelter; strict control of the chain of custody will guarantee the origin of forestry production and the use of waste will optimize the use of the forest.

Fauna will be treated with planning criteria similar to those used for flora, mainly due to the interrelationship that exists within ecological processes. The partnership with Casa da Floresta in 2017 sought to study the impact of forest management on the region's fauna; exploration is carried out in annual compartments to reduce the impact on the landscape; predatory hunting and fishing practices are prohibited by employees in the AMF; fauna corridors are maintained, connecting APPs and intact areas; Environmental educational signs are placed throughout the farm areas and through the environmental education program through lectures and meetings it is possible to clarify important issues regarding fauna management for the population.



SOCIOECONOMIC ENVIRONMENT

The Company seeks to maintain local cultural traditions and include communities in its production chain, generating jobs and local development; promotes training and qualification of workers in reduced impact exploration, workplace safety, first aid and firefighting; complies with current occupational health and safety standards and legislation; reduced impact exploration conserves the forest structure, not interfering with hunting and fishing and the collection of subsistence forest products.

Social Relationships

TRADITIONAL COMMUNITIES

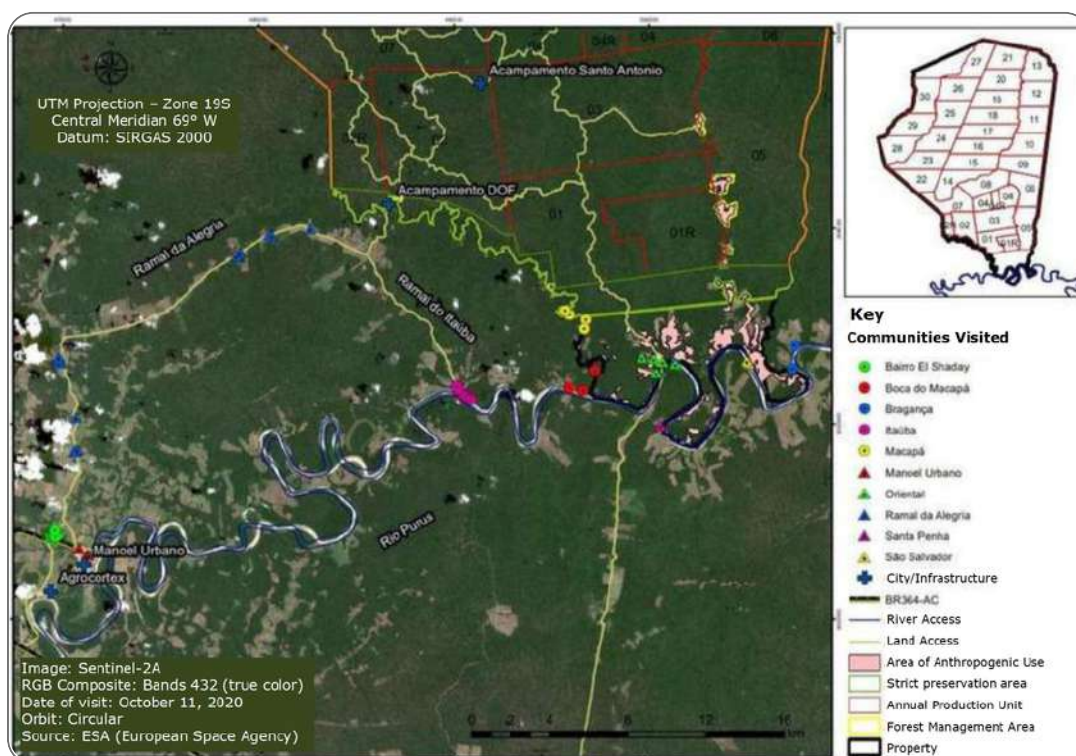
The area of influence of the PMFS encompasses the residents of nine localities situated along the banks of the Purus River and its tributaries: Itaúba, Extrema, Boca do Macapá, Macapá, Oriental, São Salvador, Santa Penha, Bragança, São Paulo, among which 95 families were found to be present.

Communities engage in activities such as hunting, fishing and subsistence agriculture. Agricultural activity is often the family's only source of income and is based on the farming of beans, watermelon, bananas and cassava to produce flour, which is sold on a small scale in the headquarters of the municipalities of Manuel Urbano and Sena Madureira. Raising cattle and other animals is part of family subsistence, serving as a source of food and supplementing the income of local families.

Chestnut collection is also an activity of cultural and economic importance for some families, providing extra income for some families.



In view of what was observed during the field survey, it was found that there is a significant contingent of young people and adults who yearn for an opportunity to earn income to support themselves, seeing the Company as a great opportunity to prosper.



In this sense, Agrocortex's Forest Management activity appears as an alternative that will have positive effects on the social and economic order, among others, through the emergence of direct employment offers in the various phases that make up forest management. The salary compensation for the employed workforce offers improvements to the family environment and contributes to the generation of employment in the region.

In addition to creating jobs, Agrocortex stimulates local commerce through the purchase of products, whenever possible and available, from local sources, generating income and development for residents.

The communication channel between the company and traditional populations helps in analyzing the impacts caused by forestry activities. The ombudsman program takes into account the agendas discussed in meetings with residents and the critical points raised, forwarding them to those responsible, responding to questions and executing whatever is possible and pertinent.

Meetings are held with the São Salvador, Oriental and Itaúba communities and one in the city of Manoel Urbano, in which important issues were addressed: social and HCV impacts, dissemination of training, communication channels, dissemination of the PMFS Public Summary and the result monitoring with Brazil Nut Trees, one of the Company's social HCVs.



The communication box was also used, 11 messages were collected and the requests were fulfilled: opening of the access branch to the Itaúba community and the arrival of the Luz para Todos power line for this community.

Agrocortex, aiming to recognize the rights of squatters located within the Seringal Novo Macapá Farm, followed in 2022 the process of identifying and mapping the areas of ownership, for subsequent dismemberment and donation of these areas to families. The process is being conducted by a specialized law firm in partnership with residents, allowing transparent and fair work to be carried out with all parties involved.



CUSTOMER USE AND AREAS OF SPECIAL VALUE

The mapping of areas of customary use identified the places within the Seringal Novo Macapá Farm where families carry out traditional use of natural resources and the forest. The work was carried out through consultations with local communities and geographic surveys. The following resources were identified:

- **Soil:** cultivation of traditional gardens, located in areas of shrubland vegetation and primary forest, close to houses;
- **Forest:** collection of nuts, fruits, vines, oils and medicinal plants, in addition to wood. They are collected in primary forests located inside and outside the community or family area;
- **Fish and turtles:** captured in the Purus River and Macapá, Oriental, São Paulo and Bragança streams;
- **Wild animals:** consumption of deer meat, tapir, capybara, agouti, nambu, piglet, peccary, among others. They are hunted in primary forests, located inside and outside the community or family area. Chestnut collection areas are preferred for hunting as there is no human disturbance. The collection period is also a time of intense slaughter of wild animals;
- **Watercourses:** streams, slopes, small watercourses, and the Purus River, the main source of water supply for human consumption and domestic tasks.

According to the inquiry made with IPHAN, there are no archaeological or historical sites within the FMU. The social survey carried out also did not reveal any areas of historical and cultural importance for the communities consulted. The consultation with FUNAI confirms that there are no indigenous communities in the AMF and surrounding areas.

COMMITMENT TO EMPLOYEES

Agrocortex offers opportunities for professional development, invests in employees to take on new challenges and evolve in their careers. Our work environment is dynamic, with great growth and transformation, offering an exchange of experiences with qualified professionals from various areas of activity.

The company seeks the best practices for efficient management of the safety and health of its employees, investing in specific training for certain functions such as cutting, dragging, and forestry machinery techniques, firefighting and prevention, first aid, lectures on specific topics, among others.

In 2022, operational training was carried out by the company's technical team and with experts in safety and health in rural and forestry work, in addition, several Safety Dialogues (DS) were held with employees throughout the harvest period, addressing topics environment, monthly health and safety campaigns, work organization, importance of using PPE, among others.

Always focused on expanding its dialogue with employees and the community, the Company has communication channels to facilitate employee access to the company's management, which is a tool that complements strategic planning for continuous improvements in labor procedures. With the execution of forestry management and the industrialization of raw materials, the enterprise generates around 120 direct jobs and 130 to be generated by the multiplier effect, totaling 250 direct and indirect jobs, causing a very positive impact on the local economy of the municipality of Manoel Urban/AC and surrounding areas.





All workers, including outsourced workers, are hired pursuant to labor and social security legislation. They receive training and qualifications to perform their duties effectively and safely. The hiring of local labor is being favored and training tends to reduce turnover, bringing greater stability to workers' families.

Currently, of all the employees that Agrocortex employs in management and industrial activities, 60% come from the communities surrounding the management—Boca do Acre and the municipality of Manuel Urbano.

The company is committed to the health and well-being of its employees, by developing initiatives in partnership with municipal bodies to offer essential activities that improve quality of life. In 2024, this commitment translated into two high-impact actions: medical and dental care, in addition to a vaccination campaign, ensuring greater care and prevention for everyone.

AGROCORTEx SOCIAL INITIATIVES

Throughout the year, the company develops and supports various social initiatives aimed at strengthening the surrounding communities where it operates. These initiatives span various sectors, such as health, sports, education, support for culture, rural associations, and animal protection, reflecting the company's commitment to the region's social and human development.

Through these actions, the company seeks to promote concrete improvements in each of these areas, contributing to the local population's quality of life and fostering the community's sustainable growth. The results achieved have been positive, with impacts translating into greater access to services, the strengthening of community projects, the encouragement of social participation, and the promotion of culture and sports.

To ensure transparency and continuous monitoring, the company maintains a detailed summary of the actions carried out each year, allowing for the evaluation of results and guiding the constant improvement of social initiatives, always with a focus on collective development and strengthening the local community.



Agreements and Partnerships

The company believes that solid partnerships are fundamental to transforming knowledge into concrete results. Therefore, it maintains agreements with public institutions, national and international universities, and civil society organizations, promoting initiatives that generate real benefits for society, strengthen the company, and contribute to environmental conservation.

EDUCATION, RESEARCH, AND HUMAN RESOURCE DEVELOPMENT

- **Acre Federal University (UFAC)**

Partnership aimed at the practical training of university students, fostering the integration of theoretical knowledge and field application.

Impact: training of qualified professionals, strengthening of regional education, and exchange of technical knowledge.

- **Young Apprentice Project – Developing Generations (since 2018)**

In partnership with the Manoel Urbano Public Prosecutor's Office, the program promotes professional training and social inclusion for young people in the region.

Impact: creation of opportunities, development of local talent, and hiring of participants as permanent company staff.



SCIENTIFIC RESEARCH AND SUSTAINABLE FOREST MANAGEMENT

- **Bangu Project – UFAC (2022)**

Research on the growth of Cedar, Cherry, and Mahogany, focusing on defining minimum cutting diameters and sustainable harvesting cycles.

Impact: scientific basis for management decisions, species conservation, and responsible use of forest resources.

- **Growth Rings Project – UNICAMP and UFLA**

Analysis of mahogany, cedar, and jatobá growth rings for climate, ecological, and forest management studies.

Impact: generation of robust historical data, support for management sustainability, and national and international scientific recognition.

- **Project – Effects of Droughts on Tropical Tree Growth**

How do droughts affect the growth of tropical trees? An assessment of source-sink limitations, focusing on species of the genera *Aspidosperma* and *Handroanthus*. The project investigates how drought events influence tropical tree growth across different time scales and climatic gradients, contributing to the development of forest models based on ecological processes.

Impact: improved understanding of tropical forest resilience to future droughts, support for adaptive management, and strengthening of climate change strategies.

CLIMATE, CARBON, AND CLIMATE CHANGE

- **University of California and UFPA**

International project to quantify carbon-14 patterns across the Amazon Basin.

Impact: advancement of knowledge regarding climate change, global scientific contribution, and greater institutional visibility.

- **Amburana spp. Project – Wageningen University and UNICAMP**

Assessment of *Amburana* spp. growth responses to climate variability, identifying resilient and vulnerable areas.

Impact: inputs for conservation, improvement of forest management, and strategies to address climate change.



BIODIVERSITY CONSERVATION

- **Partnership with IBAMA – Wildlife Release Area (ASAS)**

Registration of the forest management area as an ASAS, contributing to the reintroduction of wild animals into the natural environment.

Impact: protection of wildlife, ecological balance, and strengthening of environmental responsibility.

- **Partnership with SOS Amazônia (2023)**

Authorization for the collection of forest seeds within the management area, intended for the production of seedlings for the reforestation of degraded areas in the State of Acre.

Impact: recovery of degraded areas, strengthening of forest restoration, and direct contribution to regional environmental conservation.

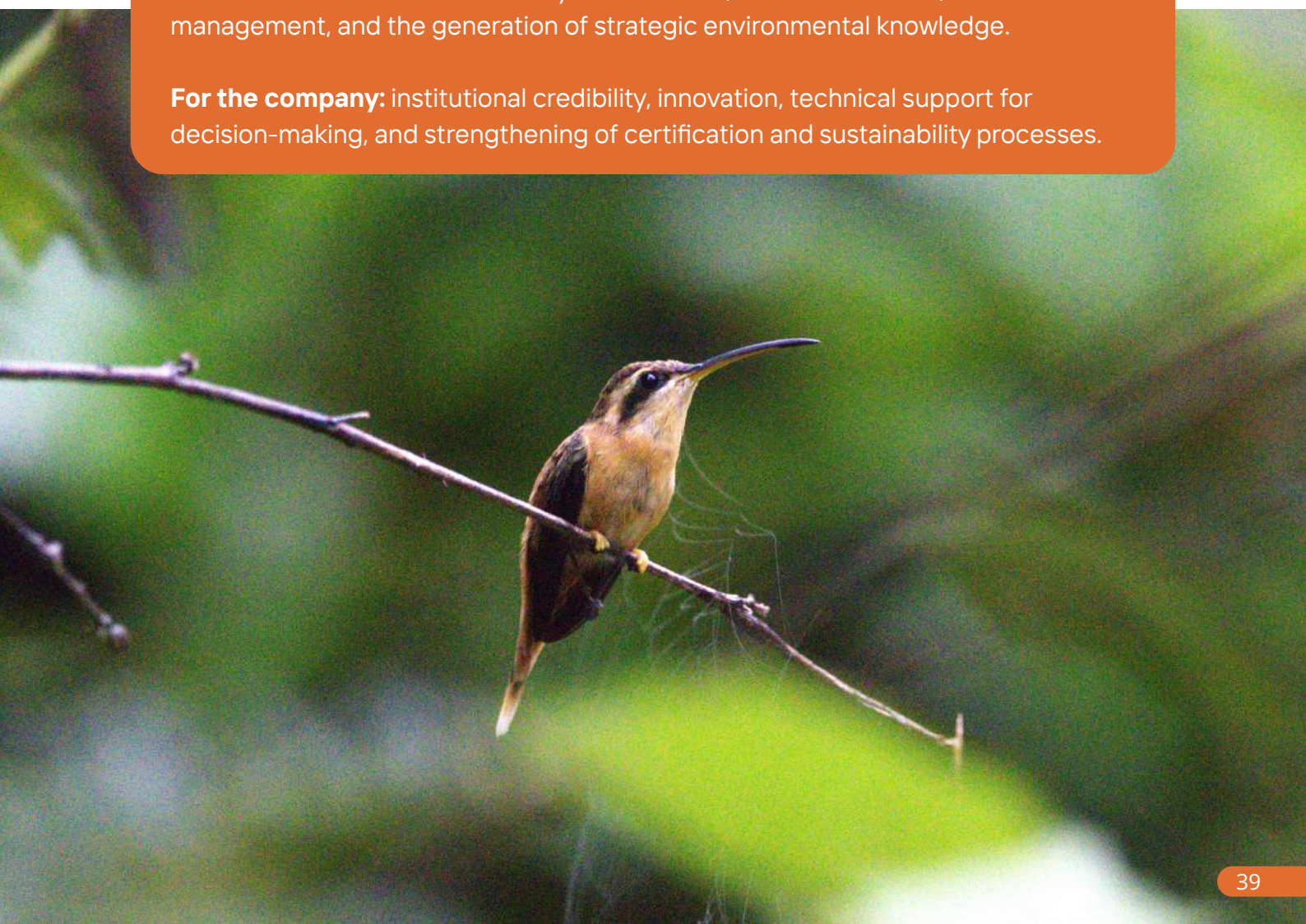
INTEGRATED RESULTS

These partnerships generate positive and lasting impacts:

For society: education, social inclusion, creation of opportunities, and strengthening of local communities.

For the environment: biodiversity conservation, forest restoration, sustainable management, and the generation of strategic environmental knowledge.

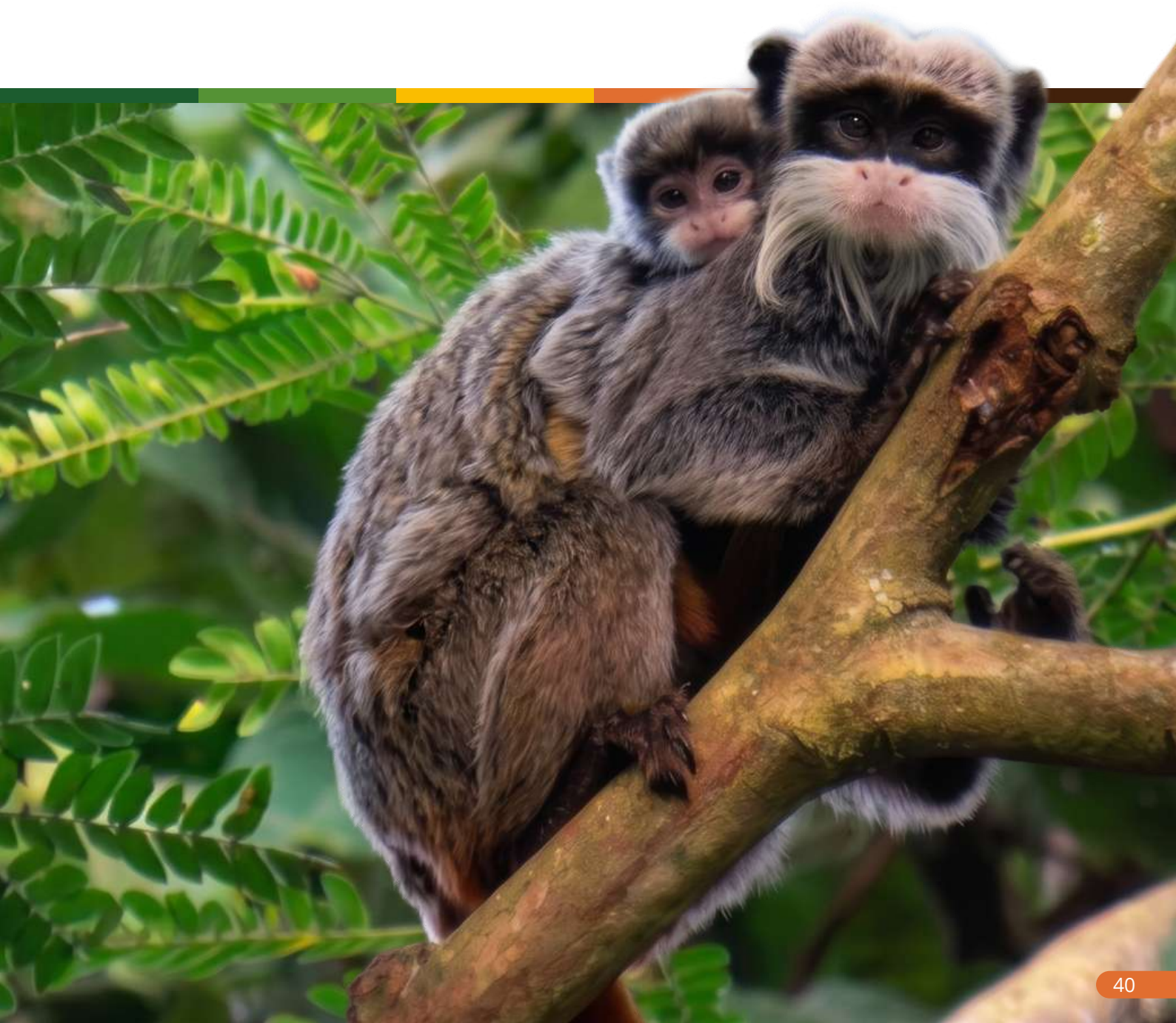
For the company: institutional credibility, innovation, technical support for decision-making, and strengthening of certification and sustainability processes.



Environmental Conservation

Seringal Novo Macapá Farm is located in the Amazon rainforest biome, one of the most important areas for global biodiversity conservation. Permanent Preservation Areas guarantee that the vegetation present there will remain intact, in addition to bringing many other benefits to fauna and water resources.

In 2021, of the 5897.35 ha explored in UPA 15, 286.46 ha, which corresponds to 4.85% of the UPA, was kept preserved in the form of APP. Agrocortex also maintains the Absolute Preservation Area, where there is no exploitation and corresponds to 10,292 hectares of its forest (5.4% of the total area of the FMU).



High Conservation Values

High Conservation Values (HCV) are values considered to be of great cultural, ecological, landscape significance, for threatened ecosystems, for production areas, basic services and subsistence for local populations.

Agrocortex has criteria for choosing High Conservation Values, and through them, the corresponding Areas of significant value or extreme importance at a regional or global level. It is these values that must be protected and maintained.

Recently, the update of the FSC® Standards in 2012 and the HCV Resource Network changed the focus from areas to values, being classified as:

HCV 1. Concentrations of biological diversity including endemic, rare, threatened or endangered species that are significant at global, regional and national levels.

HCV 2. Large ecosystems and landscape-level mosaics of ecosystems that are significant at the global, regional, or national level, and that contain viable populations of the vast majority of species that occur naturally in natural patterns of distribution and abundance.

HCV 3. Rare, threatened or endangered ecosystems, habitats or refuges.

HCV 4. Basic ecosystem services in critical situations, including the protection of water sources and erosion control of vulnerable soils and slopes.

HCV 5. Key locations and resources to meet the basic needs of local communities or indigenous peoples (for livelihoods, health, nutrition, water, etc.), identified through dialogue with these communities or indigenous peoples.

HCV 6. Areas, resources, habitats and landscapes of special cultural, archaeological or historical significance at a global or national level, and/or of critical cultural, ecological, economic or religious/sacred importance to the traditional culture of local communities, indigenous populations or traditional populations, identified in cooperation with these communities and populations.

IDENTIFICATION AND DEFINITION OF HIGH CONSERVATION VALUES OF AGROCORTEx

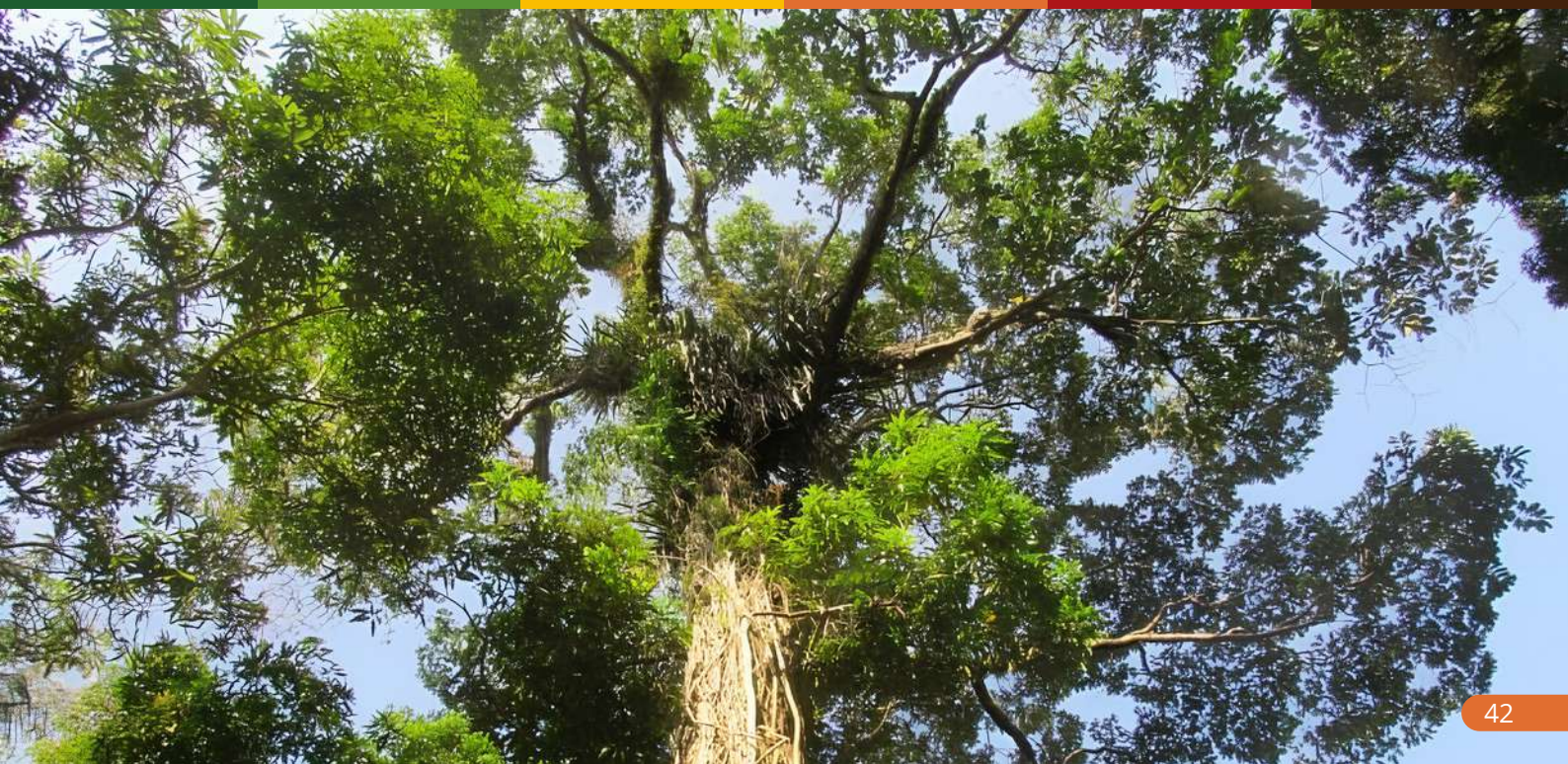
Agrocortex used as a reference Proforest documents and studies carried out by other institutions, in addition to the Company's internal database and consultations with interested and affected parties.

The stages of the work to consolidate Agrocortex's **Areas of High Conservation Value (HCVA)** consist of the interpretation and identification of High Conservation Values based on Guides, studies and consultations with interested parties; definition of areas based on stipulated attributes and parameters; structuring documentation and consulting experts and/or technicians; review of parameters and attributes based on queries carried out; development of actions to ensure the maintenance, monitoring and protection of these areas; and making the public summary of the HCVA available.

Thus, Agrocortex identified some Attributes and Areas of High Conservation Value, namely:

Clay Pit/Salt Cellar: Clay Pit/Salt Cellars were considered HCVA, as the locations contain large numbers of animals that use them for food. The locations are mapped annually by the forest inventory team, allowing conservation measures in these areas to be carried out before UPA exploration.

Chestnut trees, chestnut trails and chestnut grove areas: after a survey of riverside communities, it was found that many of them use chestnut collection to supplement their family income. The chestnut trails and chestnut areas were mapped together with the chestnut collectors. The trails are also important places for hunting and collecting forest products.



Macapá, Oriental, São Paulo and Bragança streams: narrow waterways are important for the flow of nut collection, in addition to being sources of food for families, as many depend on fish for their livelihood. These streams, therefore, were considered to be of High Conservation Value.

Cemeteries and Churches: these are places considered sacred by communities, therefore, an HCV.

MAINTENANCE AND MONITORING MEASURES

The proposed maintenance and monitoring measures consist of:

- Mapping of social HCV together with the communities that use the resource and during the forest inventory (chestnut trees, chestnut trails, cemeteries and churches and mudflats);
- Use of data collected together with communities and during the inventory in the planning of roads and infrastructures, as well as during operational activities to collaborate in field decisions by employees;
- Definition of environmental care in each operational activity that may cause some impact on these HCVA, such as directional cutting to prevent the tree from falling on chestnut trees or mudflats and construction methodology for bridges and culverts in order to minimally interfere with the courses water and APPs;
- Educational lectures on the importance of HCV;
- Visits, conversations and feedback from communities regarding the conditions of the HCVA used by them.

During the harvest period, proposed maintenance measures are monitored through field inspections, internal audits and interviews with employees. If necessary, adjustments to maintenance measures are promptly made, aiming to ensure that Agrocortex's HCVA remains or is improved. The monitoring results will support a periodic review and update of the HCVA.

MONITORING OF INTACT FOREST LANDSCAPES – IFL

The Forest Stewardship Council (FSC®) defines Intact Forest Landscapes (IFLs) as continuous areas of natural forest that remain free from significant human impacts and retain their original ecological characteristics. These areas are identified based on satellite imagery and spatial analysis, requiring a minimum continuous extension of 50,000 hectares, without fragmentation caused by human infrastructure such as roadways, settlements, or other forms of anthropogenic degradation.

Within the FSC® framework, IFLs are classified as High Conservation Value Areas (HCVAs), specifically HCVA Type 2. This classification means that these forests hold high ecological, social, and cultural value, playing essential roles in biodiversity conservation and ecosystem services.

The key criteria that qualify IFLs as HCVA 2 include:

- **Scale and connectivity:** these are intact forest ecosystems, crucial for large-scale biodiversity conservation.
- **Essential ecological function:** they provide habitat for disturbance-sensitive species and help maintain natural processes such as the water cycle and carbon storage.
- **Low human impact:** these are areas that have not been significantly modified by recent human activity, maintaining natural forest dynamics.

Agrocortex Madeiras do Acre, responsible for implementing the Sustainable Forest Management Plan (PMFS) of Seringal Novo Macapá Farm, has consistently reinforced its commitment to economic sustainability, social responsibility, and forest conservation.

Thus, the company carries out sustainable forest harvesting at Seringal Novo Macapá Farm through its Sustainable Forest Management Plan (PMFS), complying with current environmental requirements, including FSC® (Forest Stewardship Council) standards. Its aim is to protect IFL areas, which are primary forests of significant ecological importance that require monitoring to ensure their integrity and protection against external threats such as illegal deforestation and environmental degradation.

Seringal Novo Macapá Farm is located within a 36,020,746.88-hectare Intact Forest Landscape polygon, established in 2016, covering the states of Amazonas and Acre in Brazil, as well as the Pando Department in Peru.

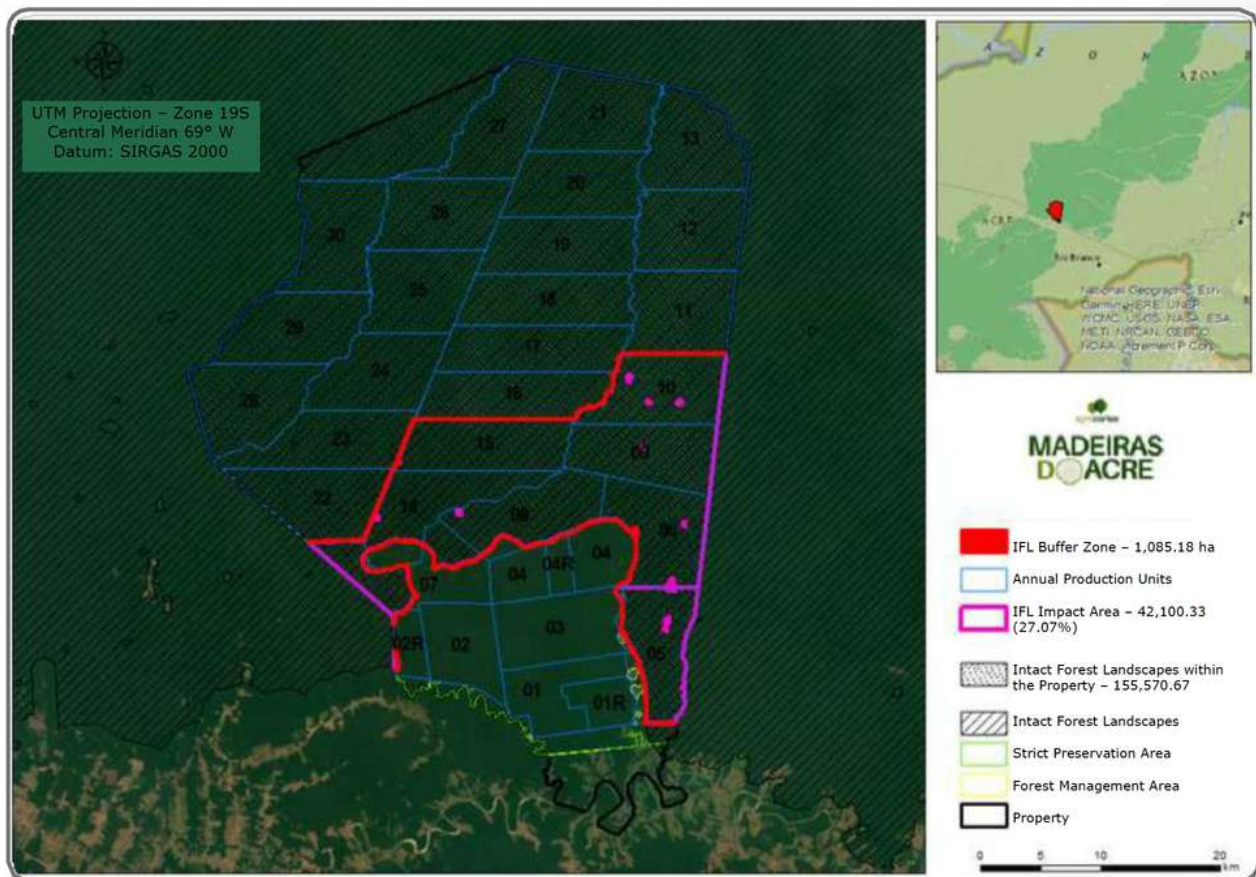
The total IFL area within the company's property is 155,570.67 hectares, representing 0.43% of the entire polygon.

The total area of the Seringal Novo Macapá Farm is 190,208.66 ha, and its forest management area is 186,217.00 ha (97.78% of the total area).

Thus, the total IFL area within the property accounts for 81.78% of the total area and 83.64% of the forest management area (AMF). Of this total area, reduced-impact timber forest management activities have already affected 42,100.33 hectares (27.07%) of the Intact Forest Landscape (IFL) in which the property is located, through the logging of Annual Production Units (UPAs) 05, 06, 07, 08, 09, 10, 14, and 15, all of which were duly licensed by the competent environmental agency.

To conduct monitoring, the company used imagery from the Sentinel-2 satellite, operated by the European Space Agency (ESA), which features a Multispectral Instrument (MSI) sensor with 13 spectral bands and a resolution ranging from 10 to 60 meters. To detect deforested areas, the Linear Spectral Mixture Model (LSMM) technique was applied, analyzing each pixel's composition in terms of exposed soil, vegetation, and shadow. Additionally, supervised classification was performed in Google Earth Engine (GEE) using machine learning algorithms for precise mapping.

In accordance with operating procedure PR.MAN.025, field inspections in IFL areas are conducted only if changes in forest cover are identified through remote monitoring. Since the latest analysis did not identify deforested areas or heat sources, no on-site inspections were necessary.



Forest Certification



The certification seal guarantees transparency and responsibility throughout the production chain, so buying and selling certified wood is a guarantee that natural resources are being well used, generating economic benefits through respect and care for social and environmental aspects.

In 2014, Agroforestal began the process of certification of its Forest Management and the Chain of Custody of the Seringal Novo Macapá Farm Forest Management Unit, and in 2015, the certification process of the Chain of Custody of the Agroforestal industrial complex, located in the city of Manoel Urbano.

In 2022, the company underwent a monitoring audit by the independent certification body Imflora, based on the Certification Standard for Forest Management in Terra Firme (Upland) Forests in the Brazilian Amazon and the Chain of Custody Certification Standard (FSC®-STD-40-004 v2-1 POR); this ensures that the timber sold is produced in an environmentally sound manner, making it a responsible choice for consumers.

Certification guarantees compliance with the 10 FSC® Principles and Criteria, promoting responsible forest management based on the three pillars of sustainability, making the company environmentally appropriate, socially beneficial, and economically viable. Thus, Agroforestal ensures that its management protects and maintains natural populations and High Conservation Value Forests, respects the rights of workers, communities and traditional peoples, in addition to building new markets and adding greater value to forest products.



The mark of
responsible forestry



The mark of
responsible forestry

All Agroforestal products embody this socio-environmental concern, guaranteed through the FSC® Forest Certification seal (Forest Management Certification). FSC®-C121950 and Chain of Custody certification: IMA-COC-007343, both achieved in 2015.

Legislation Applicable to the Agrocortex Sustainable Forest Management Plan

Agrocortex Madeiras do Acre operates its Sustainable Forest Management Plan (PMFS) in compliance with the environmental, forestry, and labor legislation in force in Brazil. Among the key applicable regulations, the following stand out:

Forestry and Environmental Legislation:

- **Brazilian Forest Code (Law No. 12.651/2012):** Regulates the sustainable use of forest resources and the conservation of Permanent Preservation Areas (APPs) and Legal Reserves (RLs).
- **Environmental Crimes Law (Law No. 9.605/1998):** Establishes sanctions for environmental offenses.
- **Decrees and regulations of the National Environment Council (CONAMA):** Regulate sustainable exploitation and environmental monitoring.
- **IBAMA Regulations:** Agencies responsible for the licensing and oversight of forest management.
- **Normative Instruction No. 07, dated August 22, 2003 – Mahogany (*Swietenia macrophylla*) Exploitation:** Mahogany extraction follows CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) guidelines and IBAMA regulations to ensure the traceability and sustainable management of the species.

Labor and Workplace Safety Legislation:

- **Consolidation of Labor Laws (CLT)** – Guarantees the rights of workers in the forestry sector.
- **Regulatory Standards (NRs)** – Include safety measures for forestry operations, such as NR-31 (Safety in Rural Work) and NR-12 (Machinery and Equipment).

In addition to these, Agrocortex adheres to specific FSC® (Forest Stewardship Council) requirements, ensuring its operations align with best practices in sustainability and socio-environmental responsibility.

Open Dialogue

Agrocortex recognizes the importance of maintaining a communication channel with all interested parties affected by operations in the Forest Management Unit. Therefore, to clarify questions, comments, suggestions and complaints, the Company has some relationship channels:

Acre

ROD BR 364, S/N,
Complemento LOTE 50,
Zona Rural, CEP 69.950-000
Manoel Urbano, Acre, Brazil

São Paulo

Rua Vergueiro, 2253,
7º andar, sala 714
Vila Mariana, CEP 04.101-100
São Paulo, São Paulo, Brazil

General Management and relations with interested parties:

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General E-mail

comunidades@agrocortex.com

Website:

www.agrocortex.com

