



BIODIVERSITY:
MANAGEMENT AND
INDICATORS
DEXCO | 2026



INTRODUCTION

At Dexco, we believe environments are meant to be experienced. That is why we recognize the importance of forests and other natural ecosystems. As the source of the primary raw material for our wood flooring and wood panel manufacturing operations, biodiversity is a material topic for our Wood Division. Therefore, we are committed to ensuring responsible forest management across our areas.

GOAL

This document compiles the company's main actions and achievements related to biodiversity conservation and aims to provide a clear overview of our indicators, as well as present the results of our impact on biodiversity.

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1 Biodiversity Impact Index

The wood used as raw material in our forest-based products is a renewable natural resource sourced from forest plantations. The process of producing this resource, from seedling cultivation to timber transportation, may have potential impacts on natural ecosystems and, consequently, on biodiversity.

In order to balance the environmental, social, and economic aspects of our business, we are committed to identifying ways to prevent, minimize, or offset negative impacts while enhancing positive ones. To this end, we manage our forest areas with a zero-deforestation and zero-conversion approach to natural ecosystems and do not use wood from unacceptable sources¹ in the manufacture of our products. We also do not manage forests or conduct industrial activities on peatlands of any depth, in areas inhabited by traditional communities or Indigenous Peoples, or in areas that would require the relocation of people.

We strive to conserve biodiversity, environmental and social values, and ecosystem services. To achieve this, we assess the potential environmental and social impacts of our operations, apply the most appropriate techniques in our forest management activities, maintain strong relationships with neighboring communities, and continuously monitor our forest management units to prevent and deter illegal activities.

Consequently, we strive to operate in a manner that results in no net loss of biodiversity across our areas. In 2025, we completed the fourth biodiversity impact monitoring cycle, measured through the Biodiversity Impact Index (BII), an indicator that consolidates the results of our actions related to biodiversity and supports the management of our impacts.

This document presents the set of indicators that comprise the Biodiversity Impact Index (BII) and their respective results for 2025 (**Table 1**). For comparison purposes, the 2024 BII results are also provided.

¹ Wood from unacceptable sources: wood that has been illegally harvested, harvested in violation of traditional and/or civil rights, sourced from High Conservation Value areas threatened by management activities, or obtained from areas where natural forests have been deforested.

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Table 1. 2025 Biodiversity Impact Index (BII) results

Indicators ¹	Metrics	2024 Result	2025 Result	2025 Target	Target met in 2025	Weight	Weighted Result
Conversion of Natural Ecosystems to Other Land Uses	%	0.0%	0.0%	0.0%	100.0%	30.0%	30.0%
Assessment of Areas for Significant Biodiversity Impact Risks	%	99.5%	97.5%	100.0%	97.5%	20.0%	19.5%
Areas Exposed to Significant Biodiversity Impact Risks and Management and Monitoring Plans	%	100.0%	100.0%	100.0%	100.0%	10.0%	10.0%
Certified Forest Management Areas	%	99.5%	97.5%	100.0%	97.5%	8.0%	7.8%
Areas Under Certified Forest Management Through the Forest Outgrower Program	%	58.2%	54.2%	80.0%	67.8%	8.0%	5.4%
Conservation Areas Affected by Fire	%	1.1%	0.3%	< 2%	100.0%	8.0%	8.0%
Conservation Areas in Intermediate and Advanced Stages of Regeneration	%	92.5%	89.0%	93.0%	95.7%	8.0%	7.7%
Impact of Forest Management Operations on Water Quality (WQI)	WQI Variation	12.0%	6.7%	<20%	100.0%	8.0%	8.0%
Biodiversity Impact Index							96.38%

¹ Indicators related to areas managed by Dexco (owned and leased), excluding data from forest outgrower areas.

2 2025 Result

In 2025, three indicators that make up the Biodiversity Impact Index (BII) consistently achieved their targets at the highest level, reflecting maximum performance and securing the highest possible score in the impact assessment. This is particularly relevant because these indicators are based on the area, in hectares, managed by the company and therefore have a significant influence on our operations. These indicators are: *“Conversion of Natural Ecosystems to Other Land Uses,” “Areas Exposed to Significant Biodiversity Impact Risks and Management and Monitoring Plans,”* and *“Conservation Areas Affected by Fire.”*

The BII result did not meet the target set for 2025 (99.80%), with a score of 96.57%. The main factor affecting the BII result was the negative variation in the indicators *“Areas Under Certified Forest Management Through the Forest Outgrower Program”* and *“Areas Under Certified Management”*, resulting from internal strategies adopted by the company.

2.1 Areas Under Certified Forest Management Through the Forest Outgrower Program

The company's Sustainability Strategy set a target of achieving 80% certification under responsible forest management for areas managed through the Forest Outgrower Program by 2025. Through two groups supported by Dexco, 54.2% of these areas had been certified by December 2025. Nevertheless, considering market conditions and the certification's economic viability, the company decided to discontinue the certification process while maintaining its commitment to responsible management practices, traceability, and legal compliance across outgrower areas.

The approach shifted to prioritize training and technical support for landowners, the continuous monitoring of environmental and social criteria, and the periodic assessment of future certification opportunities. This approach ensures the continuation of the partnership

and support provided to these producers and small landowners, contributing to the creation of shared value for communities and the environment.

Dexco remains committed to maintaining strict control over 100% of the origin of wood supplied by third parties through the continuous application of a due diligence process that ensures the wood is not sourced from unacceptable sources. This process ensures that wood purchased from third parties complies with requirements set by internationally recognized standards, reinforcing the company's commitment to legality and sustainability throughout its supply chain. The 2025 targets for this indicator, as well as for all other indicators, are presented in **Table 2**.

2.2 Areas Under Certified Management

For Areas Under Certified Forest Management, the Biodiversity Impact Index result was calculated using a different baseline from the one set in the company's Sustainability Strategy. Although the target set in the Sustainability Strategy was achieved, considering January 2025 as the baseline, with 100% of production sites certified, the result calculated under the index methodology does not yet reach 100% certified area, as it uses December 2025 as the reference period, by which time new farms had already been added to the company's management portfolio.

It should be noted, however, that the newly incorporated areas not yet included within the certification scope follow the same environmental and biodiversity management procedures, guidelines, and controls adopted in certified areas, even though they are not considered certified for the purposes of calculating the index.

2.3 Considerations

Although the 2025 BII target was not fully met, the indicators analyzed show consistency and reinforce the effectiveness of our biodiversity management practices. The results indicate that our operations do not generate significant adverse impacts, evidencing responsible environmental and social performance aligned with the principles of biodiversity conservation.

Table 2. Summary of Target Met (%). Green shades represent targets met, while orange shades represent targets not met.

Indicators ¹	2022		2023		2024		2025	
	Target	Target met ²	Target	Target met ²	Target	Target met ²	Target	Target met ²
Conversion of Natural Ecosystems to Other Land Uses	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%
Assessment of Areas for Significant Biodiversity Impact Risks	97.0%	97.6%	98.0%	99.0%	99.0%	100.0%	100.0%	97.5%
Areas Exposed to Significant Biodiversity Impact Risks and Management and Monitoring Plans	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Certified Forest Management Areas	97.0%	97.6%	98.0%	99.0%	99.0%	100.0%	100.0%	97.5%
Areas Under Certified Forest Management Through the Forest Outgrower Program	50.0%	100.0%	60.0%	98.7%	70.0%	67.8%	80.0%	67.8%
Conservation Areas Affected by Fire	< 2%	100.0%	< 2%	100.0%	< 2%	100.0%	< 2%	100.0%
Conservation Areas in Intermediate and Advanced Stages of Regeneration	90.0%	98.9%	91.0%	100.0%	92.0%	100.0%	93.0%	95.7%
Impact of Forest Management Operations on Water Quality (WQI)	var. < 20%	100.0%	var. < 20%	100.0%	var. < 20%	100.0%	var. < 20%	100.0%
Biodiversity Impact Index	-	-	99.40%	100.00%	99.60%	99.05%	99.80%	96.57%

¹ Indicators related to areas managed by Dexco (owned and leased), excluding data from forest outgrower areas.

² When the result is equal to or greater than the target set for the year, a Target Met score of 100% is assigned.

2.4 Conversion of Natural Ecosystems to Other Land Uses

Through our [corporate forest management standard](#), we have committed to managing forest plantations without deforestation or the conversion of natural ecosystems in forest management units and wood supply areas, and we continue to uphold this commitment.

To monitor the implementation of this commitment, annual assessments were conducted to identify any conversion of natural ecosystems occurring between 2020 and 2025 within areas managed by the company. The results showed that no conversion of natural ecosystems was identified within the forest management units during this period. The target was to maintain zero conversion after 2020 in areas owned by Dexco, as well as in any new areas acquired or leased by the company.

To verify the occurrence of ecosystem conversion, photointerpretation and digital satellite image processing techniques were employed. The images were obtained through orbital remote sensing and processed using Geographic Information System software. Comparisons were conducted annually, starting in 2020, across all forest management units, assessing evidence of land-use changes between the periods analyzed that could indicate ecosystem conversion.

Table 3. Analyzed areas and conversion rate (%) by year of assessment.

Year of assessment	2022	2023	2024	2025
Total area analyzed (hectares)	134,919	141,739	143,324	146,088
conversion rate %	0.0%	0.0%	0.0%	0.0%

2.5 Assessment of Areas for Significant Biodiversity Impact Risks

We have made a [public commitment](#) to conserving biodiversity and understand that its conservation is essential to ensuring our sustainable growth and continuing to offer solutions for better living.

The assessment of biodiversity impact risks was conducted across all areas within the scope of forest management certification. Accordingly, the assessment followed the requirements of these standards using the High Conservation Value Areas approach. Our target was to assess the risk of significant biodiversity impacts in 100% of the areas managed by Dexco (owned and leased), and we achieved 97.5% coverage, corresponding to 216 farms and 141,862.14 hectares (**Table 4**, following the table below).

The criteria used in the assessment were defined by Dexco based on the following references:

- Guia Proforest, part 1 and 2 (JENNINGS et al., 2003²);
- Guia de Boas Práticas para Avaliações de Altos Valores de Conservação (STERWART et al., 2008³);
- Guia Geral para Identificação de Altos Valores de Conservação (BROWN, 2013⁴);
- Public conservation strategies from national and state government agencies.

The definitions of each category are presented in the table below.

CATEGORIES OF HIGH CONSERVATION VALUE AREAS	SOURCE
HCV 1 – Species Diversity. Concentrations of biological diversity, including endemic, rare, threatened, or endangered species that are significant at the global, regional, or national level.	Analysis of fauna and flora studies conducted in the areas (where available); consultation of fauna and flora data from scientific studies carried out in the region; interviews with local communities; and government publications on biodiversity conservation in Brazil.
HCV 2 – Large landscape-level ecosystems and ecosystem mosaics that are significant at the global, regional, or national level and contain viable populations of the vast majority of naturally occurring species in natural patterns of distribution and abundance.	Assessment based on cadastral maps of the farms, field observations conducted during site inspections, and official state-level biome and protected area maps.
HCV 3 – Ecosystems and Habitats. Rare, threatened, or endangered ecosystems, habitats, or biodiversity refuges.	Cadastral maps of the farms and the map of priority areas for conservation published by the Ministry of the Environment.
HCV 4 – Critical Ecosystem Services. Basic ecosystem services in critical situations, including the protection of water resources and erosion control in vulnerable soils and slopes.	Public water intake data obtained from official government sources, as well as farm mapping related to slope and land cover.

2 JENNINGS, S.; NUSSBAUM, R.; JUDD, N.; EVANS, T. Guia para Florestas de Alto Valor de Conservação – parts 1 and 2. Oxford: ProForest, 2003. 104p.

3 STEWART, C.; GEORGE, P.; RAYDEN, T.; NUSSBAUM, R. Guia de Boas Práticas para Avaliações de Altos Valores para Conservação. Oxford: ProForest, 2008. 71p.

4 BROWN, E.; DUDLEY, E.; LINDHE, A.; MUHTAMAN, D. R.; STEWART, C.; SYNNOTT, T. 2013. Guia geral para identificação de Atos Valores de Conservação. HCV Resource network.

CATEGORIES OF HIGH CONSERVATION VALUE AREAS	SOURCE
HCV 5 – Community Needs. Areas and resources fundamental to meeting the basic needs of local communities, Indigenous Peoples, or traditional communities and populations (subsistence, food, water, healthcare, etc.), identified in cooperation with these communities or populations.	Consultation with members of local communities and a review of the history of requests received.
HCV 6 – Cultural values. Areas, resources, habitats, and landscapes of global, national, or regional cultural, archaeological, or historical significance, and/or of critical cultural, ecological, economic, or religious importance to the traditional cultures of local communities, Indigenous Peoples, or traditional communities, identified in cooperation with these communities or populations	Consultation with members of local communities, a review of the history of requests received, and consultation of IPHAN's database.

To determine whether a given farm contained areas at risk of significant biodiversity impacts, the criteria for the six High Conservation Value (HCV) categories were assessed. The assessment was based on primary and secondary data collection, consultations of official databases and websites, and interviews. Supporting evidence was maintained for each category.

Remote and in-person public consultations were used as part of the assessment process to validate the assessment criteria and the resulting findings. In-person consultations were conducted with communities located in the vicinity of the forest management units.

After the comments received had been analyzed and consolidated, stakeholders who participated in the consultation process could be contacted again to show how their input had been considered in the assessment results. At this stage, the final report could also be shared with the stakeholders.

Table 4. List of farms

State	Farm
São Paulo	Alvorada
São Paulo	América
São Paulo	Baronesa
São Paulo	Barro Preto
São Paulo	Bela Vista 2
São Paulo	Bela Vista 3
São Paulo	Boa Esperança 2
São Paulo	Boa Vista
São Paulo	Cabreúva
São Paulo	Carolina
São Paulo	Cristina
São Paulo	Dinamérica
São Paulo	Lar dos Desamparados
São Paulo	Laranja Azeda
São Paulo	Linda China

State	Farm
São Paulo	Mamedina
São Paulo	Manoelita
São Paulo	Miracema
São Paulo	Monte Alegre
São Paulo	Nossa Senhora Aparecida 2
São Paulo	Nossa Senhora Aparecida 4
São Paulo	Nossa Senhora Aparecida 5
São Paulo	Nova Conquista
São Paulo	Nova Esperança 2
São Paulo	Nova Esperança 3
São Paulo	Novo Paraíso
São Paulo	Palmas Novas
São Paulo	Palmeiras
São Paulo	Palmital
São Paulo	Palmital 2
São Paulo	Pentágono

State	Farm
São Paulo	Primavera 2
São Paulo	Rancho Nova Esperança
São Paulo	Rio Claro
São Paulo	Saltinho 2
São Paulo	Santa Bárbara
São Paulo	Santa Cândida
São Paulo	Santa Helena
São Paulo	Santa Helena 2
São Paulo	Santa Izabel
São Paulo	Santa Luiza
São Paulo	Santa Maria 3
São Paulo	Santa Maria do Araquá
São Paulo	Santa Terezinha 2
São Paulo	Santo Antônio 2
São Paulo	Santo Antonio da Nova Floresta
São Paulo	São Francisco
São Paulo	São João

State	Farm
São Paulo	São João 2
São Paulo	São João 3
São Paulo	São João da Vitoca
São Paulo	São José 3
São Paulo	São José 4
São Paulo	São Pedro
São Paulo	São Pedro 2
São Paulo	Segredo
São Paulo	Segredo 2
São Paulo	Sizetel
São Paulo	Três Irmãos
São Paulo	Triângulo
São Paulo	Tribo de Judá
São Paulo	Ventania
São Paulo	Bonanza
São Paulo	Cruzeiro do Sul
São Paulo	Liliane Rachel
São Paulo	Nossa Senhora Aparecida 7
São Paulo	Paço das Águas
São Paulo	Paraíso
São Paulo	Saltinho e Batalha
São Paulo	Santa Fé 3
São Paulo	Santa Terezinha 4
São Paulo	Santo Antônio da Água Parada
São Paulo	Santo Antônio G1 e G2
São Paulo	Sobradinho
São Paulo	Três Capões
São Paulo	Acapulco
São Paulo	Angatuba 1
São Paulo	Angatuba 2
São Paulo	Angatuba 4 A/F
São Paulo	Araçagi
São Paulo	Árvore Grande
São Paulo	Árvore Grande 2
São Paulo	Bela Vista
São Paulo	Bofete
São Paulo	Capão Rico
São Paulo	Cascata
São Paulo	Coqueiral
São Paulo	Córrego Fundo
São Paulo	Estância Carolina
São Paulo	Estância Harmonia
São Paulo	Estância Livia
São Paulo	Estância Livia 2
São Paulo	Estância Três Irmãos

State	Farm
São Paulo	Estância Velha Mãezinha
São Paulo	Estrelas
São Paulo	Guarei 1
São Paulo	Horizonte
São Paulo	João XXIII
São Paulo	Juvu
São Paulo	Missioneira
São Paulo	Moquem
São Paulo	Moquem 2
São Paulo	Nascentes
São Paulo	Nossa Senhora de Lourdes
São Paulo	Paniguel
São Paulo	Pilar
São Paulo	Quatro Meninas
São Paulo	Regina
São Paulo	Rezende
São Paulo	Rio das Pedras
São Paulo	Santa Albertina
São Paulo	Santa Luzia
São Paulo	Santa Luzia 2
São Paulo	Santa Luzia do Campo Largo
São Paulo	Santa Maria
São Paulo	Santa Maria 2
São Paulo	Santa Rita 2
São Paulo	Santo Antonio
São Paulo	Santo Antonio da Água Santa
São Paulo	Santo Inácio
São Paulo	São Bento
São Paulo	São Geraldo
São Paulo	São Judas
São Paulo	São Sebastião 2
São Paulo	Três Corações
São Paulo	Vitória
São Paulo	Estância Retiro
São Paulo	Mirante da Boa Vista
São Paulo	Rancho Maria Luiza
São Paulo	Santa Terezinha 5
Rio Grande do Sul	Bela Vista da Porterinha 1
Rio Grande do Sul	Bela Vista da Porterinha 2
Rio Grande do Sul	Borba
Rio Grande do Sul	Borba 2
Rio Grande do Sul	Campo do State 1
Rio Grande do Sul	Campo do State 2
Rio Grande do Sul	Campo do State 3
Rio Grande do Sul	Campo do State 4

State	Farm
Rio Grande do Sul	Campo do State 5
Rio Grande do Sul	Campo do Meio
Rio Grande do Sul	Campo do Meio 2
Rio Grande do Sul	Campo dos Maiores
Rio Grande do Sul	Capororoca
Rio Grande do Sul	Carapuça
Rio Grande do Sul	Costa do Santa Cruz
Rio Grande do Sul	Cottage
Rio Grande do Sul	Eloy
Rio Grande do Sul	Jung
Rio Grande do Sul	Locatelli
Rio Grande do Sul	Menezes
Rio Grande do Sul	Monjolo Velho
Rio Grande do Sul	Monte Alegre 2
Rio Grande do Sul	Morro do Leão
Rio Grande do Sul	Mundo Novo 1
Rio Grande do Sul	Mundo Novo 2
Rio Grande do Sul	Nossa Senhora Aparecida 3
Rio Grande do Sul	Nova Era
Rio Grande do Sul	Ramos
Rio Grande do Sul	Rio Pardo 3
Rio Grande do Sul	Santa Olívia
Rio Grande do Sul	Santa Rita
Rio Grande do Sul	São Miguel
Rio Grande do Sul	Sede
Rio Grande do Sul	Castro
Minas Gerais	Água Emendada
Minas Gerais	Aliança
Minas Gerais	B & Danklin
Minas Gerais	Barra
Minas Gerais	Buqueirão
Minas Gerais	Buraco
Minas Gerais	Canhambola
Minas Gerais	Caraça
Minas Gerais	Caxuana
Minas Gerais	Cerradão Carolina
Minas Gerais	Chapadão da Babilônia 1
Minas Gerais	Chapadão da Babilônia 2
Minas Gerais	Chapadão da Babilônia 3
Minas Gerais	Córrego do Ouro
Minas Gerais	Duas Pontes
Minas Gerais	Estância Mariana
Minas Gerais	Estrela do Sul
Minas Gerais	Forquilha
Minas Gerais	Furna Rica

State	Farm
Minas Gerais	Humaitá
Minas Gerais	Lagoa e Boqueirão 1
Minas Gerais	Lagoa e Boqueirão 2
Minas Gerais	Maria Preta
Minas Gerais	Mata Fresca
Minas Gerais	Matinha
Minas Gerais	Matinha 2
Minas Gerais	Morro Bonito
Minas Gerais	Nova Ponte
Minas Gerais	Paraíso do Rio do Peixe
Minas Gerais	Piracanjuba
Minas Gerais	Posses

State	Farm
Minas Gerais	Primas
Minas Gerais	Rafabella
Minas Gerais	Rio Borá
Minas Gerais	Sacramento
Minas Gerais	Salitre
Minas Gerais	Santa Cândida 2
Minas Gerais	Santa Iza
Minas Gerais	Santa Tereza das Palhas
Minas Gerais	Santana
Minas Gerais	Santo Antônio 3
Minas Gerais	Santo Antônio do Rio do Peixe
Minas Gerais	São Miguel 2

State	Farm
Minas Gerais	São Sebastião
Minas Gerais	São Vicente de Paula
Minas Gerais	Tabocas
Minas Gerais	Talhados
Minas Gerais	Texana
Minas Gerais	Texana 2
Minas Gerais	Estância Paraíso
Minas Gerais	Santa Luzia 3
Minas Gerais	São Domingos

2.6 Areas at Risk of Significant Biodiversity Impacts with Management and Monitoring Plans

Due to their outstanding importance for biodiversity, areas identified as High Conservation Value Areas are considered to be at risk of significant biodiversity impacts. All areas meeting these criteria have plans in place for the identification, management, and monitoring of potential impacts.

According to the methodology described in the previous section, the company assessed 100% of the Areas Under Certified Forest Management for biodiversity risks (216 farms; **Table 4**). Protective measures were implemented in these areas to safeguard the identified values, including forest patrols, conservation initiatives, forest fire prevention and suppression measures, driver guidance and signage to reduce speeds, telemetry-based access control on surrounding roads, and invasive plant species management. In addition, monitoring programs related to the specific attributes identified at each site were implemented.

The main measures implemented to protect these areas focused on forest fire prevention and suppression, compliance with operational procedures, and the activities of the security teams. Monitoring related to the maintenance and enhancement of High Conservation Value attributes was carried out through studies and analyses, including fire reports, inspections of area protection measures, water quality assessments, and population monitoring survey reports.

2.6.1 Risk Area 01

In 2019, the presence of an endemic amphibian species (*Bokermannohyla szizimai*) was identified at Fazenda Nova Ponte, in the state of Minas Gerais. As a result, the area where the species occurs was classified as HCV 1, covering 32.50 hectares. According to our criteria, this area is considered to be at risk of significant biodiversity impacts due to the

presence of a population of a species with a restricted distribution. Our management plan for this area is based on two pillars: monitoring and protection.

Management Plan for Risk Area 1.

MONITORING: HIGH CONSERVATION VALUE AREA 1, 32.50 HECTARES			
ATTRIBUTE	THREAT	PROTECTION	MONITORING
Presence of an Endemic Herpetofauna Species: <i>Bokermannohyla sazimai</i> .	Fires in conservation areas that directly or indirectly influence the attribute.	Fire Prevention and Suppression Plan.	Fire incidents and the effectiveness of protection measures for the attribute.
	Water contamination in areas where the attribute occurs.	Operational procedures containing guidelines for the protection of the attribute.	Semiannual Water Quality Index (WQI) assessments within the High Conservation Value Area.
	Loss of habitat for the attribute.	Security activities to monitor potential disturbances within and around the attribute's area.	Population monitoring of the attribute.

For population monitoring of the endemic species, surveys were conducted using breeding-site searches, auditory transects, and photographic records during two field campaigns carried out throughout the species' reproductive period (November to May). Population monitoring, consisting of two survey campaigns, is conducted every three years. However, depending on the findings of previous campaigns, this frequency may be adjusted.

To monitor water quality, periodic sampling is conducted at a monitoring spot located near the species occurrence sites and within the boundaries of the HCV Area to assess water quality according to the Water Quality Index (WQI).

2.6.2 Risk Area 02

In 2023, an HCV Area was identified at Fazenda Vitória, in the state of São Paulo, under HCV Category 2, due to the presence of a large native vegetation fragment located within the buffer zone of a legally protected area (according to the IUCN classification), covering a total area of 704 hectares.

According to our criteria, this area is considered to be at risk of significant biodiversity impacts because it contains large fragments of natural vegetation in an advanced successional stage, exceeding the established threshold (15 fiscal modules), and it is located within the buffer zone of a strictly protected conservation unit (Carlos Botelho State Park).

Management Plan for Risk Area 2

MONITORING: HIGH CONSERVATION VALUE AREA 2, 704.00 HECTARES			
ATTRIBUTE	THREAT	PROTECTION	MONITORING
Presence of a native vegetation fragment exceeding 15 fiscal modules within the buffer zone of Carlos Botelho State Park.	Fires occurring within areas where the attribute is present.	Fire Prevention and Suppression Plan.	Fire occurrences and the effectiveness of the protection measures implemented for the attribute.
	Deforestation affecting the attribute.	Operational procedures aimed at protecting the attribute. Security activities to monitor potential disturbances within and around the attribute area.	Annual monitoring of the attribute area (in hectares) and assessment of

	Illegal hunting and fishing within areas where the attribute is present.		its connectivity with other native vegetation fragments. Verification of the effectiveness of area protection measures. Fauna and flora monitoring to establish bioindicators for the maintenance and enhancement of the attribute.
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The attribute is already protected and subject to ongoing monitoring. In 2024, new fauna and flora studies were initiated, with surveys being conducted every three years for fauna and every five years for flora. These studies cover the conservation areas of Fazenda Vitória and employ sampling methodologies defined by specialists according to the local characteristics of the study area.

2.6.3 Final Considerations

Based on the assessments conducted, the company concluded that the areas identified as being at risk of significant biodiversity impacts had management, protection, and monitoring measures in place that were compatible with the conservation attributes identified and the potential threats associated with each area.

The measures implemented consistently sought to prevent, minimize, and control identified risks, including forest fire prevention and suppression measures, security and surveillance activities, operational procedures, access control, and specific monitoring of High Conservation Value attributes.

Monitoring results were used to assess the effectiveness of the measures implemented and, whenever necessary, to guide adjustments to management strategies. In this way, the company maintained a preventive and adaptive approach to biodiversity conservation, ensuring the continuous monitoring of the identified attributes and the maintenance or enhancement of their condition over time. No deviations were identified, and the intended conservation objectives were achieved.

2.7 Areas Under Certified Forest Management and Certified Forest Outgrower Areas

As part of our commitment to certified forest management, and in recognition of the robustness and comprehensiveness of its principles and criteria, we monitor the implementation of these practices and commitments across our operations through the percentage of areas under certification.

2.7.1 Areas managed by Dexco

In 2025, 97.5% of the more than 146,000 hectares of areas managed by Dexco in Brazil were under certified forest management. We have maintained forest management certification since 1995, becoming the first company in the Southern Hemisphere and the fifth in the world to achieve this recognition. Maintaining this certification requires the application of best forest management practices aimed at preventing, minimizing, and mitigating the adverse impacts of operations.

Certified operations are required to identify impacts on environmental and social values and define measures to prevent, mitigate, and monitor them. An internal procedure establishes the criteria for this assessment, taking into account risk (severity × likelihood) and the scale of the impact. All of our forest operations are covered by this assessment.

Areas subject to the social impacts of forest management undergo a thorough assessment based on engagement with potentially affected stakeholders. To avoid adverse impacts, we do not conduct forest management activities in areas recognized as World Heritage Sites or in protected areas classified by the International Union for Conservation of Nature (IUCN) as Categories I-IV. We also respect the legal rights, customs, and land-use rights of local and traditional communities.

To this end, we continuously monitor the managed areas and conduct field visits, maintaining direct contact with local communities. We have programs dedicated to the mapping, characterization, and engagement of local, traditional, and Indigenous communities.

Information related to this assessment is included in our Forest Management Plan. Consistent with our long-standing commitment to respecting and maintaining positive relationships with communities located near our operations, no violations of Indigenous Peoples' rights were identified in Dexco's operations in 2025. Our guidelines for the management of forests and forest outgrower areas are set out in the [Environmental Policy](#), [Corporate Standard for Responsible Forest Management](#), [Commitment to Biodiversity](#), and [Forest Management Plan](#).

Our forests also contribute to the maintenance of ecosystem services, that is, the benefits that forests provide to human well-being, such as water provision, natural pest control, recreational opportunities, climate regulation, and soil conservation. In this context, since 2022, our forests in Brazil have been recognized under international standards for their positive contribution to the maintenance of ecosystem services related to:

- **Biodiversity conservation**, Contributing to the conservation of species diversity through the maintenance of focal species and the conservation of their habitats (2022);
- **Carbon sequestration and storage**, Contributing to the maintenance of forest carbon stocks through forest plantations and the conservation of native vegetation areas (2022)
- **Recreational services**, Contributing to the maintenance of recreational and tourism activities through the conservation and enhancement of local conditions (Espaço Arvorar, 2022)
- **Watershed services**, contributing to the maintenance of water quality (2023).
- **Soil conservation**, contributing to the maintenance and conservation of soil productivity (2024).

2.7.2 Forest Outgrower Areas

To supply our Taquari facility in Rio Grande do Sul, we use wood sourced from our forest plantations and maintain a Forest Outgrower Program, through which local landowners receive support for establishing forest plantations. Through this program, we provide our partners with seedlings and technical assistance for the proper establishment of forests and, at the end of the cycle, we have the right of first refusal to purchase the timber.

Driven by Dexco's Sustainability Strategy, which established a target of achieving 80% certification under responsible forest management across Forest Outgrower Program areas by 2025, we encouraged and supported our outgrower partners in pursuing responsible forest management certification between 2019 and 2025. Throughout this period, we provided technical assistance to help them comply with certification requirements and standards, as well as financial incentives for certified timber. In this context, the first group obtained certification recommendation status in 2020 and, by the end of 2025, 54.20% of these outgrower areas were certified.

Nevertheless, considering market conditions and the certification's economic viability, the company decided to discontinue the certification process while maintaining its commitment to responsible management practices, traceability, and legal compliance across outgrower areas. The approach shifted to prioritize training and technical support for landowners, the continuous monitoring of environmental and social criteria, and the implementation of control mechanisms to ensure the traceability and origin of timber, including the assessment of future certification opportunities.

This way, the company maintains its commitment to outgrower partners and small landowners, fostering local development and generating shared value, while reducing the risks of deforestation and adverse impacts on people and biodiversity throughout its value chain.

2.8 Conservation Areas Affected by Fire

At Dexco, we maintain forest fire prevention and control procedures, as forest fires are emergencies with the potential to cause significant environmental, social, and economic impacts.

Information identifying Dexco, the farm name, and contact information of the forest operations unit is displayed at the entrances to the forest farms. The Forest Fire Prevention and Suppression Plan is regularly reviewed and made available to internal stakeholders (employees, contractors, and customers) and external stakeholders (environmental agencies, environmental police, fire departments, partner companies, local communities, among others) upon request.

The plan defines the responsibilities and structure in place for forest fire prevention and suppression. The Uberaba, Agudos, and Itapetininga forest operations maintain 24-hour automatic fire detection systems consisting of towers equipped with high-definition digital cameras with 360° coverage and high detection accuracy within a 15-kilometer radius. The cameras transmit information to monitoring centers, where the system distinguishes between fire, smoke, and sunlight glare before triggering an alarm.

This technology has enabled the quick and accurate detection of fires in our forest plantations and conservation areas, allowing for a swift response by our trained teams and ground resources, such as rapid-response pickup trucks and water tankers.

Additionally, during the months leading up to the peak forest fire season, communication campaigns are carried out with neighboring communities at each unit. The primary goal is to raise awareness of the available communication channels through the distribution of leaflets and promotional materials, enabling community members to contact the company as soon as they identify a fire outbreak near Dexco's forest areas.

Whenever a fire breaks out, our technical team prepares reports and action plans aimed at identifying root causes, proposing corrective measures, and minimizing recurrence. At the same time, biodiversity impacts are assessed through the quantification of the affected conservation area. The company's target was to keep fire-affected conservation areas below 2% of the total conservation area. In 2025, approximately 400 hectares of conservation areas were affected by fires, representing 0.3% of the total. Therefore, the target set for the year, as well as for all assessment periods, was met.



Figure 1. Forest operations monitoring center.

2.9 Conservation Areas in Intermediate and Advanced Stages of Regeneration

To identify the regeneration stage of native vegetation areas within our managed lands, we conduct analyses using photointerpretation and digital processing of satellite imagery. Characteristics such as image texture, vegetation density, color tones, and other attributes are evaluated, taking into account the typical features of the biomes in which the areas are located (Cerrado, Atlantic Forest, and Pampa).

The process classifies areas into three categories: early, intermediate, and advanced stages of regeneration. We achieved 89% of areas in intermediate and advanced stages of regeneration, compared to the company's target of 93% by 2025.

Although the percentage of areas classified as being in intermediate and advanced stages of regeneration reached 89%, below the 93% target established for 2025, the areas that have not yet reached these stages remain protected and under the company's management and monitoring. These areas are monitored to assess regeneration progress and, whenever necessary, are evaluated to define specific management and restoration measures, including the development and implementation of restoration plans, with the aim of promoting vegetation recovery and the continuous improvement of environmental conditions.

2.10 Impact of Forest Management Operations on Water Quality (WQI)

The watershed or micro-watershed serves as an integrating element, reflecting changes occurring within the ecosystem, whether resulting from forest management practices or from the region's broader environmental context. Based on this approach, farms were selected where the contributing micro-watershed is entirely contained within the property, allowing the establishment of a fixed sampling point. This ensures that environmental indicators are representative of forest management activities, with minimal influence from adjacent areas.

Measurements are based on environmental indicators, defined by Prabhu (1998)⁵ as variables or components of a forest ecosystem that can be used to assess the quality and sustainability of a resource. For this assessment, the Water Quality Index (WQI), developed in 1970 in the United States by the National Sanitation Foundation (NSF), is used. The index evaluates nine parameters: dissolved oxygen, thermotolerant coliforms, pH (potential of hydrogen), biochemical oxygen demand (BOD_{5,20}), water temperature, total nitrogen, total phosphorus, turbidity, and total solids.

Our target was to keep the annual WQI variation below 20% for negative changes through 2025.

3 Biodiversity Impact Mitigation Measures

Biodiversity risks associated with our operations are primarily driven by three key factors that guide our Biodiversity Impact Mitigation Measures: deforestation, water pollution, and greenhouse gas emissions.

Deforestation is a key driver of biodiversity loss, as it can significantly affect natural habitats and may lead to the extinction of plant and animal species. In addition, it impacts critical ecosystem services provided by forests, such as climate regulation through biogenic cycles, carbon sequestration, biodiversity conservation, water quality maintenance, and soil protection and conservation.

Water resource pollution compromises water quality, a vital resource that provides habitat for biodiversity and is essential for meeting the needs of people, as well as supporting fauna and flora. Water quality is fundamental not only to human health and well-being, but also to environmental sustainability.

Greenhouse gas emissions contribute to global warming and, consequently, to climate change, which has widespread and complex effects on biodiversity and natural resources.

⁵ PRABHU, R. et. al. Between science and adaptive management: the role and research needs for indicators of sustainable forest management. In: International Conference on Indicators for Sustainable Forest Management. IUFRO. Melbourne. Australia, 1998 p.1 - 15.

Reducing these emissions helps mitigate environmental impacts and supports the health of ecosystems and the communities that depend on them. Although biodiversity impacts resulting from climate change and rising greenhouse gas concentrations in the atmosphere are indirect consequences of our operations, we recognize the need to continuously reduce our emissions.

Based on the principles of the mitigation hierarchy and the key impact drivers associated with our forest management activities, we seek to define strategies aimed at avoiding, reducing, regenerating, and restoring adverse impacts, while achieving no net loss of biodiversity. Examples of actions implemented in our operations for each of these objectives are presented below.

3.1 Avoid

To avoid adverse impacts on biodiversity, we manage our forests in areas that have already been altered by human activities, without engaging in deforestation or the conversion of natural ecosystems to other land uses. In addition, to maximize the efficiency of land already under management and minimize the need for expansion into new areas, we have maintained a robust tree breeding program for decades. This program helps reduce pressure on natural resources by improving the productivity of our forest plantations.

Impact drivers	Actions to avoid
Deforestation	Annual monitoring of 100% of managed areas to assess the occurrence of deforestation, ensuring that forest management activities and the establishment of new forest plantations do not result in the conversion of natural ecosystems to other land uses (BII target achieved: "Conversion of Natural Ecosystems to Other Land Uses"). Forest plantations established exclusively on areas already altered by human activities. No operational activities in conservation areas or native vegetation areas. 100% of employees involved in activities with potential impacts are trained to operate in a manner that prevents damage to soil, fauna, flora, native vegetation, and water resources. 100% of our operations are subject to detailed pre-operational planning aimed at identifying sensitive areas and establishing specific measures to prevent impacts on soil, fauna, flora, native vegetation, and water resources.
Greenhouse gas emissions	Development and use of technologies and equipment aimed at improving the efficiency of fossil fuel consumption and reducing the use of nitrogen fertilizers. No use of fire in forest management operations. No deforestation and maintenance of native vegetation areas.
Water pollution	Operational procedures restricting forest management activities from being carried out near water resources and conservation areas.

Impact drivers	Actions to avoid
	Operations conducted exclusively within productive areas, minimizing impacts on conservation areas and water resources. Strict protection of Permanent Preservation Areas that safeguard riverbanks and springs, ensuring the integrity of water resources. Protection of approximately 45,000 hectares of conservation areas, which in turn safeguard riverbanks and springs and help ensure the integrity of water resources.

3.2 Reduce

To reduce the impacts of forest management, we assess the environmental and social conditions of the areas in which we operate. The relationship between local factors (such as soil, climate, and topography) and our activities is taken into account when defining operational strategies and procedures aimed at reducing impacts on biodiversity.

Our employees receive continuous training to ensure that operations do not cause damage to native vegetation conservation areas, springs, and watercourses. Speed limits are enforced on roads within our forest areas to reduce the risk of wildlife roadkill. We also maintain a surveillance structure to prevent unauthorized activities.

For environmental emergencies, such as forest fires or chemical spills, we have procedures in place to prevent and reduce their impacts.

Impact drivers	Reduce
Deforestation	100% of employees involved in activities with potential impacts are trained to operate in a manner that prevents damage to soil, fauna, flora, native vegetation, and water resources. 100% of our operations are subject to detailed pre-operational planning aimed at identifying sensitive areas and establishing specific measures to prevent impacts on soil, fauna, flora, native vegetation, and water resources. 100% of operational activities are covered by operational procedures and technical work instructions that establish measures to mitigate impacts on soil, fauna, flora, native vegetation, and water resources. These procedures are designed first to prevent impacts and, where prevention is not possible, to minimize their impacts.
Greenhouse gas emissions	Use of precision agriculture technologies to enhance operational performance and optimize input consumption. Forest fire response resources. Reduction of the average timber transport distance from forests to manufacturing facilities.
Water pollution	Soil conservation management practices (minimum tillage and road maintenance). Operational procedures and training programs designed to prevent impacts on water resources and, where not possible, reduce them.

3.3 Regenerate

Dexco assesses the best way to operate and produce according to the landscape dynamics of the regions where it operates and, when necessary, takes actions to facilitate the regeneration of conservation areas, as well as indirectly contribute to adjacent areas. To evaluate the connectivity of natural areas, two main factors are considered: the size of natural fragments and the distance between them.

Forest plantations themselves contribute to improving connectivity, as their longer cycles and forest structure provide greater permeability than annual crops. As a result, there is a greater flow of organisms, seeds, and pollen between fragments, particularly among species typically associated with more conserved environments, which are more sensitive to the fragmentation of natural forests. In addition to providing shelter for wildlife, the longer cycles of forest plantations also favor the establishment of herbaceous and shrub vegetation in the understory, which serves as an important food source for a wide range of animal species.

Permanent Preservation Areas are maintained, conserving sensitive environments and forming extensive ecological corridors distributed throughout the forest plantations. The plantations are arranged in a mosaic pattern, consisting of stands of different ages and harvest schedules. This structure allows biological flows to continue even during periods of more intensive forest management.

In addition to permeability, the biodiversity corridors established at Fazenda Monte Alegre more than 20 years ago are particularly noteworthy. Located in one of the Group's largest forest management areas, these corridors connect fragments of native vegetation and are now well established and monitored through studies that assess their regeneration status. They contribute to maintaining species movement and dispersal processes, helping to protect conservation areas and prevent local extinctions.

Impact drivers	Regenerate
Deforestation	Forest plantations contribute to improving habitat connectivity at the landscape level, helping to mitigate the effects of historical land-use changes in the region
Greenhouse gas emissions	Removal and storage of CO ₂ from the atmosphere through forest plantations and native vegetation within conservation areas.
Water pollution	Forest management practices designed to maintain water quality and contribute to improving the condition of watercourses within forest management areas.

3.4 Restore

At Dexco, restoration aims to recover biodiversity and the natural processes that sustain environmental balance. Areas subject to restoration are typically located on more fragile soil or nearby watercourses and springs.

We monitor the natural regeneration processes of our conservation areas through satellite imagery, which enables us to assess their effectiveness. Where more detailed information is required, we conduct field assessments to evaluate parameters such as the presence of wildlife or signs of its occurrence, as well as the level of soil conservation and native vegetation cover.

Based on the results of these assessments, we may continue monitoring the area or implement measures to accelerate the restoration process, depending on the factors limiting natural regeneration at the site. In 2024, approximately 3,500 hectares were monitored and remained under restoration.

We are currently evaluating direct seeding using a diverse mix of native seeds as an alternative for the restoration of degraded areas, in partnership with a network of community-based seed collector groups. In partnership with an environmental conservation organization, we are also identifying seed trees and propagating plant materials from native species to be used in future restoration projects. In addition, Dexco participates in multi-stakeholder groups that bring together companies and local institutions to define joint actions for ecological restoration and biodiversity conservation at the landscape level.

Impact drivers	Restore
Deforestation	Maintenance of more than 45,000 hectares of areas designated for native vegetation conservation, where no forest production activities are carried out, allowing these areas to undergo natural regeneration.
Greenhouse gas emissions	Given the global scale and dynamics of greenhouse gas emissions generated by society, Dexco's actions focus on environmental regeneration through the removal of CO ₂ from the atmosphere by means of forest management.
Water pollution	Restoration projects for degraded areas through the planting of native species in environmentally sensitive areas, particularly around springs and watercourses.

4 Final Considerations

Dexco reaffirms its commitment to responsible forest management through its [Environmental Policy](#), [Corporate Standard for Responsible Forest Management](#), [Forest Management Plan](#), and [Commitment to Biodiversity](#).

Throughout the 2020-2025 cycle, the company consolidated a structured approach to biodiversity management based on impact prevention, conservation, monitoring, and continuous improvement. During this period, no conversions of natural ecosystems were

identified within the forest management areas, and controls were maintained to assess biodiversity risks and manage areas identified as having high conservation value.

The results show consistent progress in the main environmental indicators throughout the period, highlighted by the maintenance of zero conversion of natural ecosystems and the full achievement of targets related to the protection of conservation areas affected by fire, water quality, and the existence of management and monitoring plans for areas exposed to significant biodiversity risks.

Although some indicators did not fully achieve the targets set for 2025, the results should be considered in light of changes in the area covered by the indicator and the strategies adopted by the company throughout the cycle. In the case of Areas Under Certified Management, the Sustainability Strategy target was achieved based on its original reference baseline, while the indicator subsequently incorporated additional areas. For Forest Outgrower Areas, the strategy was revised, maintaining a focus on responsible forest management, traceability, legal compliance, training, and social and environmental monitoring.

Likewise, areas that have not yet reached the intermediate and advanced stages of regeneration remain protected and under monitoring, with ongoing assessments to determine the need for specific management and restoration measures. The conclusion of the 2020-2025 cycle therefore shows the progress achieved in biodiversity management and establishes a solid foundation for the continuity of protection, monitoring, and restoration actions, reinforcing the company's commitment to ecosystem conservation and the continuous improvement of its environmental and social performance.

We believe these results show the effectiveness of our practices aimed at conserving not only biodiversity, but also other environmental and social values and ecosystem services, contributing to the effective management of these topics and guiding our actions going forward.