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Letter from the CEO



I am pleased to present our third Sustainability Report regarding the environmental, social, and economic management of Montes del Plata for 2021.

I will begin by addressing the forest fires that occurred near the end of the year, which affected almost 4,000 hectares of our forests in Río Negro and Paysandú. Through the collaborative efforts of our firefighting personnel along with authorities, firefighters, other private entities and neighbors who volunteered in the area, the flames were quickly extinguished, preventing further damage. A heartfelt thank you to all of them.

Although there were no injuries or loss of family homes, neighboring livestock and beekeeping producers were affected. As a company, in addition to providing support where necessary, we seized the opportunity to transform the various lessons learned into improvements for adapting to a climate that is undoubtedly changing.

Over and above these events, 2021 was still characterized by the pandemic that severely struck the country during the first half of the year. Despite this, we maintained our momentum and succeeded in improving all management areas. Pulp production totaled 1.5 million tonnes, with 99.9 % of the pulp meeting the expected quality. In addition, throughout the year, our energy contribution to the national grid reached an average of more than 76 MW, which positions us as the largest private energy generator in Uruguay and the third largest in the country.

In terms of logistics, we transported a record 2.35 million m³ of wood by river, which enabled us to save approximately 24 million kilometers of road travel. At the same

time, in 2021 we began the use of triple trailer transportation, which will enable us to reduce the number of trucks circulating on the country's highways.

The nursery achieved a record production of more than 17 million clonal seedlings, and we developed 258 new clones. We surpassed 15,000 hectares of forested land during the year and harvested and loaded more than 3.5 million cubic meters of wood.

Third-party certifications provide assurance of our conduct and responsibility: we maintained FSC®, PEFC and Chain of Custody certifications, as well as ISO 45.001, 9.001:2015 and 14.001:2015 They demonstrate and reaffirm our focus on integrated management of worker health and safety, on the quality of our processes and on economically viable and socially and environmentally responsible management. A highlight of 2021 was the certification under ISO 45.001 of the harvesting, road and freight contractors.

We achieved the best safety rates for individuals; 430 days with no accidents with time lost in our own personnel. This figure is not a coincidence but rather the result of the work we do every day to consolidate a strong safety culture: management systems, methodologies, awareness campaigns, audits and regular meetings are just some of the examples of what has been implemented in recent years. We are proud of our achievements.

In environmental matters, this year we verified our carbon footprint under ISO 14.064. Montes del Plata is a carbon-negative company, as it captures more carbon than is



emitted in its operations. This encouraged us to work together with the meat packing plant BPU Meat on the verified Carbon Neutral Meat project, produced in livestock-forestry systems. At the start of 2022, the first export to Germany and Japan was successfully achieved.

At the mill, 94 % of energy consumption used renewable sources and, thanks to process efficiencies, water consumption per ton of pulp produced was reduced by 6 %.

But these results are only possible through a committed and motivated team. Our work environment has improved consistently in recent years; in the fifth organizational climate survey we obtained a record 80% favorable response rate. We continued to work on people development: more than 40 thousand hours of training were provided; internal mobility opportunities were generated while leadership was strengthened. In addition, we took the first steps in the Somos Oportunidad program for the inclusion of people with disabilities into our teams.

Last but not least, we continued supporting the neighboring communities: we worked on the revitalization of the tourism sector in Colonia, by promoting Conchillas as a destination, and sponsoring the Colonia Plaza Club, for example. We conducted a course with UTU on Eucalyptus mushrooms and supported UTEC's research on ways of preserving mushrooms so growers can add value to them. We also uphold our commitment to education and employment, especially through the "Yo Sigo" program for educational continuity and the "Inglés para todos" English scholarship program for high school students in Conchillas.

To consolidate our commitment to the promotion of corporate sustainability, we were among the eight founding members of the Uruguayan chapter of the United Nations Global Compact, one of the most well-known corporate sustainability initiatives in the world.

I encourage you to read this third Montes del Plata Sustainability Report, which details each of these achievements, as well as the opportunities for improvement we have identified. This voluntary transparency initiative is the result of an effort by different areas of the company and was prepared in accordance with the following international standards: Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB).

Diego Wollheim
CEO



We are Montes del Plata



We are Montes del Plata

Founded in 2009 as a result of a merger in Uruguay between Arauco (Chile) and Stora Enso (Finland-Sweden), Montes del Plata is an industrial-forestry company dedicated to the production of *Eucalyptus* cellulose pulp.

We work in a sustainable manner, committed to caring for natural resources, people and local communities.

Montes del Plata and its value chain in 2021



Individuals



+6,500
people work in the production chain.

622 direct collaborators



93% of our collaborators work in the interior of the country.



99% are Uruguayan.



71% under 40 years old.



Production and transportation

15,254 ha
planted.

+17 million
plants produced at the nursery.

+3,5
million m³ of wood
harvested.

1,5 million
tonnes of cellulose pulp produced, 99.9 %
according to the expected quality.

153 MW
of average annual
power produced.

5,9 %
of Uruguay's energy is
produced in our industrial
complex.



Logistics



24 million
kilometers traveled with freight.

429
barge trips transported more than 2.35
million tonnes of wood by river.

3,7 million
tonnes of cellulose pulp and raw
materials transported by ocean freight.

Conservation areas



12,000
hectares of protected natural areas, including more
than 2,300 hectares of high conservation value.

90,000 ha
of non-planted natural areas (35 %
of the total area) .

+65,000 ha
hectares of natural pastureland.

Our presence in Uruguay

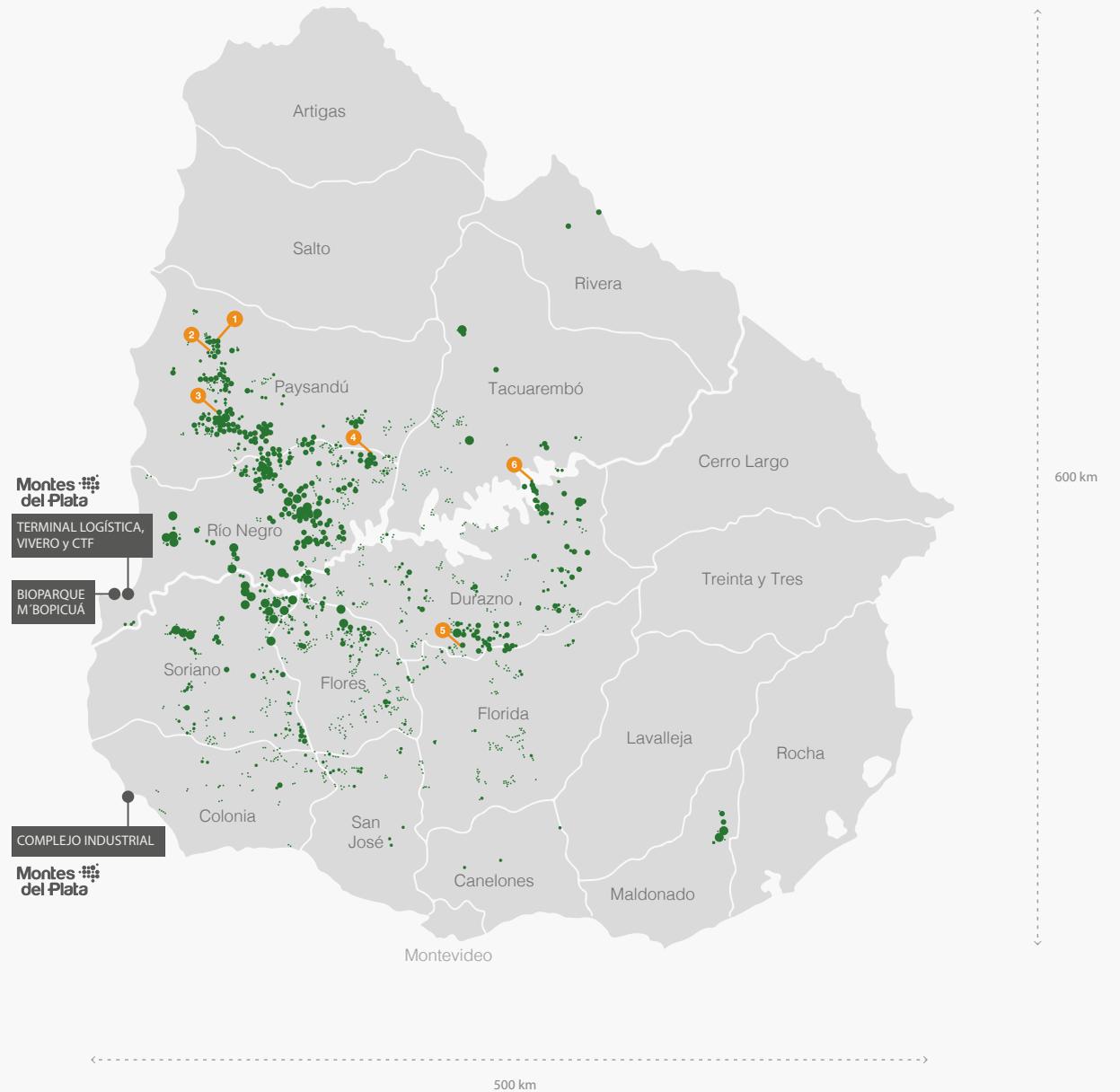


References:

Forestry

High Conservation Value Areas

- 1 Bañado Santo Domingo
- 2 Palmares Santo Domingo
- 3 Capilla Vieja
- 4 Tres Árboles
- 5 Sauce del Yi
- 6 Rincón del Río



Forest fires



Forest fires

In December 2021, Uruguay was affected by a heat wave with extremely high temperatures and low humidity levels. These conditions were conducive to the occurrence of fires in several areas of the country.

Two of these fires affected almost 4,000 hectares of Montes del Plata's forestry plantations in the departments of Río Negro and Paysandú.

Although there were no fatalities or loss of family homes, the greatest community impact was in the area of Route 25 and 90 due to the proximity of the towns of Algorta (Río Negro) and Arroyo Negro, Pandule, Orgoroso and Piedras Coloradas (Paysandú).

As soon as the outbreaks were detected, the emergency and firefighting system was activated: personnel were involved, firefighting equipment and machinery were deployed with the support of the Forestry Brigade with its helicopters and specialized personnel, and efforts were

coordinated with the authorities and the affected communities.

During the emergency, 320 people from Montes del Plata and contractors, together with firefighters, personnel from other forestry companies and community volunteers worked tirelessly to extinguish the fire and to meet the needs that arose: food, protective equipment, medical supplies, among others.

Once the emergency was under control, Montes del Plata contacted the 11 affected cattle ranchers who graze their cattle on the company's land. They were offered to have their cattle relocated, bales of feed for the animals and the services of a veterinarian who provided specific medication to address the situation.

At the same time, the company repaired the conditions of two ponds and the fences of neighboring producers and grazing lands.





Four beekeepers had their hives on the company's premises, with 111 hives affected. Montes del Plata collaborated with these beekeepers by providing financial support to assist in maintaining their productive enterprises as a source of income.

In addition, Montes del Plata made 350 hectares in the Pandule area available to the Ministry of Livestock, Agriculture and Fisheries (MGAP) for use by other producers in the area not related to the company.

In conjunction with this ministry and the municipality of Piedras Coloradas, 350 bales donated by producers from all over the country were transported to the affected cattle ranchers.

A series of measures were implemented and maintained until the end of the fire season: water tankers were distributed in towns and two air tankers were hired with a capacity of 1,800 liters and specific floodgates to support the Fo-

rest Firefighting Group, which also includes six aircraft and three helicopters for firefighting and transporting individuals.

At the community level, we provide support through the Departmental Emergency Coordination Centers. The company was actively involved in community meetings held after the fires were controlled in the area of Route 24, Route 25 and Route 90, with the participation of ministry representatives. The Sociedad de Productores Forestales, a union to which Montes del Plata belongs, convened a working group in Piedras Coloradas with the participation of local, departmental and national representatives as well as neighbors in order to develop a work plan to address the problems generated and establish lines of action to prevent similar situations in the future.

Lastly, we participated in meetings convened by neighbors within the framework of a working group coordinated by the Universidad de la Re-

pública. One of the actions taken voluntarily by the companies was to cut trees 200 meters from the population centers in this area, which will be done in other parts of the country during 2022. Part of the wood harvested from the neighboring Orgoroso farm in Paysandú was donated to the community for domestic use as firewood.

In relation to environmental impact, we are evaluating the possible impact on natural areas and their fauna, as well as the measurement of CO₂eq emissions into the atmosphere.

Sustainable business model



Corporate management model

VISION

Become a world leader in sustainable pulp production through responsibly managed forests.

MISSION

Create long-term value for all our stakeholders starting from the responsible management and transformation of our forestry plantations into products that satisfy the needs of consumers.

CORPORATE VALUES

Excellence, commitment, trust, integrity, safety.

MANAGEMENT POLICY

- Environmental responsibility
- Healthy labour environment
- Legal and regulatory compliance
- Economic value creation and compliance
- Responsible business behaviour
- Contribution to local development

See more at montesdelplata.com.uy

STRATEGIC PILLARS

Strong safety culture for individuals and the environment.

Optimize cellulose pulp and energy production.

Enhance forestry development.

Drive for efficiency and competitiveness with process innovation.

A single professional team with a good working environment.

To be a responsible neighbour close to the communities.

Corporate governance

BOARD OF DIRECTORS

The Board of Directors of Montes del Plata is responsible for the governance of the company and for looking after the interests of the shareholders.

Its role is to analyze major investment projects, ensure effective and efficient risk management, oversee executive management and monitor key operational and financial decisions.

It is governed by the provisions of the Shareholders' Agreement and the specific bylaws of each of the companies comprising Montes del Plata, where the quorum and voting mechanisms are specified.

It is comprised of five representatives from each of the owner companies. None of them holds a management position in Montes del Plata.

The governing body meets four times a year and had 100% attendance in 2021.

COMPOSITION OF THE BOARD OF DIRECTORS¹



Cristian Infante
ARAUCO.
 Chilean. Industrial Civil Engineer, Pontificia Universidad Católica de Chile. Year of appointment: 2009.



Franco Bozzalla
ARAUCO.
 Chilean. Civil Engineer, Pontificia Universidad Católica de Chile. Year of appointment: 2009.



Gianfranco Truffello
ARAUCO.
 Chilean. Civil Engineer, Pontificia Universidad Católica de Chile. MBA from Massachusetts Institute of Technology. Year of appointment: 2009.



Héctor Araneda
ARAUCO.
 Chemical Civil Engineer, Universidad de Concepción, and Master in Pulp and Paper, Universidade Federal de Viçosa, Brazil. MBA in Economics and Business Administration, Universidad de Concepción. Year of appointment: 2020.

1. Membership of the Board of Directors as of June 2022: Markus Mannstrom was replaced by Johanna Hagelberg while Sakari Eloranta was replaced by Per Bülund.



Iván Chamorro

ARAUCO.

Chilean-American. Civil Engineer, Pontificia Universidad Católica de Chile. MBA, Pontificia Universidad Católica de Chile. Year of appointment: 2020.



Johan Lindman

Stora Enso.

Swedish. Engineering Physics (Uppsala University), Master of Science, Forestry. Year of appointment: 2014.



Johanna Hagelberg

Stora Enso.

Swedish. Master of Science (Industrial Engineering and Management). Master of Science (Engineering and Management of Manufacturing Systems). Year of appointment: 2022.



Minna Kurki

Stora Enso.

Finnish. Master of Administrative Sciences (University of Lapland). Year of appointment: 2019.



Per Lyrvall

Stora Enso.

Swedish. Latin Legum Magister (Stockholm University). Year of appointment: 2014.



Per Bülund

Stora Enso.

Swedish. Master of Science, Chemical Engineering (Kungliga Tekniska högskolan). MBA, Executive Project Managers (Linköpings Universitet). Year of appointment: 2022.

EXECUTIVE DIRECTORS

Each of the owner companies appoints an executive director to support the CEO in making day-to-day decisions that require the approval of the Board of Directors.

AUDIT COMMITTEE

Montes del Plata's Audit Committee is made up of four members of the Board of Directors, three professionals from the owner companies and four members of the internal team. It is responsible for reviewing financial information, the main findings of annual audits, monitoring the internal control system and major corporate risks.

MANAGEMENT

The management of the company's operational, economic, social, environmental and support issues is handled by a management team with extensive professional experience, led by the CEO.

MANAGEMENT TEAM



Diego Wollheim

Position: CEO
 Profession: Accountant
 Nationality: Uruguayan
 Seniority in the company:² 20 years



Diego Carrau

Position: Forestry Manager
 Profession: Agricultural Engineer
 Nationality: Uruguayan
 Seniority in the company: 19 years



María Noel Fadel

Position: Regulatory Affairs and Continuous Improvement Manager
 Profession: Chemical Engineer
 Nationality: Uruguayan
 Seniority in the company: 15 years



Aldo Favre

Position: People and Organizational Culture Manager
 Profession: Bachelor's Degree in Business Administration
 Nationality: Uruguayan
 Seniority in the company: 15 years



Carolina Moreira

Position: Sustainability and Communications Manager
 Profession: Bachelor's Degree in Social Communication
 Nationality: Uruguayan
 Seniority in the company: 11 years



Carolina Gil

Position: Legal Affairs Manager
 Profession: Lawyer
 Nationality: Uruguayan
 Seniority in the company: 10 years



Juan Manuel Laxague

Position: Logistics Manager
 Profession: Mechanical Engineer
 Nationality: Uruguayan
 Seniority in the company: 9 years



María Inés Odriozola

Position: Administration and Finance Manager
 Profession: Accountant
 Nationality: Uruguayan
 Seniority in the company: 5 years



Gonzalo Gascue

Position: Mill Manager
 Profession: Chemical Engineer
 Nationality: Uruguayan
 Seniority in the company: 10 years

2. Make-up to 31 December 2021. Several members of the management team originated from some of the companies acquired by Montes del Plata in 2009, so the total seniority in several cases is greater than the seniority within the company.



SUPPORT GROUPS

To assist area managers in specific aspects of management, support groups are formed, each of which includes professional representatives of the owner companies who contribute their experience and points of view and work together with Montes del Plata executives.

The nine support groups that meet with varying frequency are: audit, legal, information technology, financial risk, forestry and logistics, people and organizational culture, pulp production, communication and sustainability, and safety.

RISK MANAGEMENT

The risk management model, a fundamental component of our corporate governance, allows us to identify, evaluate and manage risks that may significantly affect the achievement of the company's objectives.

We have an Internal Audit area, which is responsible for annually updating the matrix, presenting an internal audit plan and reporting quarterly to the Audit Committee.

Through meetings, workshops and interviews with the company's first-line managers and people in key positions, Montes del Plata's strategic risk matrix is identified and updated. This document is presented to all managers, the Board of Directors and the Audit Committee. An update of this document will be carried out in 2022 and will take into account the strategic plan and the company's pillars.



Business ethics and regulatory compliance

The Declaration of Values, the Management Policy and the Code of Ethics and Conduct enshrine the importance that Montes del Plata gives to integrity, ethical conduct and transparency, in addition to the unrestricted respect for current regulations. In this regard, our management systems enable us to maintain a proactive and preventive behavior and, if deviations are detected, we take the necessary measures to correct them promptly, notify the competent authorities and apply corrections to prevent their recurrence.

In addition, we have internal policies, codes and procedures that allow us to ensure transversal compliance with each of our corporate principles throughout our value chain.

The Code of Ethics and Conduct, updated in 2016 and approved by the Board of Directors, describes the basic obligations of directors, executives and each of the employees of the companies that make up Montes del Plata. The document is distributed through internal communication channels and is handed out during the induction process for new employees.

Since 2019 we have a specific code for suppliers and contractors. This document is delivered at the time of contracting services. Most of the contractors and suppliers adhere to this document.³

3. More information in the Supplier Management section - Chapter: Economic Performance



Since 2017 we have implemented business ethics courses for all Montes del Plata employees. In addition to the e-learning courses prepared for employees joining the company, a program structured into four online sessions was added in 2021, covering topics such as the importance of ethics, expected behaviors and specific case studies. A total of 146 collaborators participated in the first stage. On a second occasion, a two-hour workshop was held with the same focus, in which 147 workers participated. By the end of 2021, 47% of employees had participated in this training.

The participants completed a new corporate relationship declaration procedure to protect collaborators and Montes del Plata. This document explains links that could be considered existing, potential or perceived conflicts of interest. In the event of any relevant conflict with the company's interests, monitors were appointed to ensure independence.

Montes del Plata's Ethics Committee is made up of the CEO and representatives of the Legal, Internal Audit, People and Organizational Culture while the Sustainability and Communications department is the body responsible for:

- Promote the values and conduct set forth in the Code of Ethics and Conduct.
- Ensure its distribution and application.
- To be an instrument for consulting and explanation.
- Updating, correcting and modifying the document.
- Investigating, channeling and documenting cases.

During 2021, it met four times.

Another component of the management system is the channels for reporting situations of non-compliance with current legislation, the Code of Ethics and Conduct or internal policies. These tools guarantee the confidentiality of the reports received. In 2021, 11 complaints were received, five of which were not within the scope of the Ethics Committee and were referred to the corresponding areas. The remaining six were investigated in a timely manner and concluded during the same period.

At the end of 2021 and with the purpose of knowing the working environment of the workers of contractor companies at the mill and the degree of knowledge of the reporting channels, we conducted a survey. As a result, we obtained responses from 41 employees of contractor companies, 78% of whom confirmed that they were aware of Montes del Plata's current channels for reporting non-compliance.

We have a specific manual for the prevention of money laundering or terrorist crime financing, which includes the appointment of a corporate compliance officer. In 2021, specific clauses were incorporated in third-party contracts prohibiting anti-competitive practices, such as interlocking.

We also have a Free Competition Manual approved by the Board of Directors, which is mandatory for all company collaborators. For the preparation of the document, we worked on the identification of possible risks, areas or positions most exposed to dilemmas in this area and designed a free competition compliance plan detailing risk mitigation, action and training activities.

Adherence to the United Nations Global Compact

During 2021, Montes del Plata became one of the eight founding companies of the Uruguayan chapter of the United Nations Global Compact - UN, which was relaunched in August 2021.

The Global Compact contributes to establishing a platform for collaboration between the business sector, government and the United Nations System to promote and accelerate the 2030 Agenda and the 10 principles of the UN Global Compact.

Montes del Plata participates not only as founder but also as vice-president. Learn more about the Global Compact

[CLICK HERE](#)



United Nations
Global Compact



Our key stakeholders

Who are they?	How do we interact with them?	What do they expect from Montes del Plata?
Shareholders	<ul style="list-style-type: none"> • Participation in the Board of Directors. • Specific reports, information requirements 	<ul style="list-style-type: none"> • Compliance with environmental, social and economic guidelines. • Regulatory compliance. • Efficiency and productivity. • Product quality. • Risk Management. • Yield. • Supply security.
Financing Entities / Insurance Companies	<ul style="list-style-type: none"> • Annual Reports. • Response to requirements. • Annual visits. • Specific reports. 	<ul style="list-style-type: none"> • Compliance with environmental, social and economic commitments. • Safeguarding and mitigating environmental, labor, social, health and safety impacts. • Risk Management.
Certification companies	<ul style="list-style-type: none"> • Regular reports. • Response to requirements. • Regular visits / audits. • Public forest management summary. 	<ul style="list-style-type: none"> • Compliance with environmental, social and economic commitments and standards. • Continuous improvement. • Safeguarding biodiversity and other environmental impacts. • Management of occupational, health and safety and social risks.
Own personnel	<ul style="list-style-type: none"> • Internal communication channels. • Meetings, gatherings. • Organizational climate survey • Meetings with union representatives • Collective negotiations. • Training. • Ethical complaints channel. 	<ul style="list-style-type: none"> • Safeguarding health and safety. • Employment protection. • Employment benefits. • Work-family life balance. • Career development. • Fair wages.

Our key stakeholders

Who are they?	How do we interact with them?	What do they expect from Montes del Plata?
Trade unions at national level	<ul style="list-style-type: none"> • Meetings with labor union representatives. • Collective negotiations. 	<ul style="list-style-type: none"> • Fair wages. • Job creation. • Working conditions. • Employment benefits.
Contractors' employees	<ul style="list-style-type: none"> • Training. • Coordination meetings. • Ethical complaints channel. 	<ul style="list-style-type: none"> • Safeguarding health and safety. • Employment protection. • Working conditions. • Fair wages.
Contractors and other critical suppliers	<ul style="list-style-type: none"> • Bidding processes. • Coordination meetings. • Ethical complaints channel. 	<ul style="list-style-type: none"> • Fair and timely payment. • Compliance with agreements. • Development opportunities.
Associated producers (participants in the Alianzas program)	<ul style="list-style-type: none"> • Coordination meetings. • Specific meetings. 	<ul style="list-style-type: none"> • Productivity and efficiency. • Fair relations.
Communities / Neighbors of the facilities and operations / Local communities	<ul style="list-style-type: none"> • Channel for community complaints, requests, and proposals. • Direct relationship with the Montes del Plata team • Buen Vecino Program. • Specific meetings. • Public forest management summary. 	<ul style="list-style-type: none"> • Response to commitments made. • Mitigation of negative impacts and enhancement of positive impacts. • Accountability for environmental, social and economic monitoring, as well as for projects implemented. • Socioeconomic and environmental impact studies.

Our key stakeholders

Who are they?

How do we interact with them?

What do they expect from Montes del Plata?

Local, departmental and national authorities

- Established periodic reports.
- Response to specific requirements.
- Specific meetings.
- Public forest management summary.

- Compliance with current environmental, social and economic regulations.
- Negative impact mitigation.
- Positive impact enhancement.
- Contribution to national and departmental development.
- Development of collaborative projects.
- Socioeconomic and environmental impact studies.

Social and environmental groups (NGOs)

- Specific meetings.
- Response to specific requirements.

- Response to commitments made.
- Accountability for environmental, social and economic monitoring and implemented projects.
- Socioeconomic and environmental impact studies.

Media and public opinion

- Timely delivery of information on projects to be implemented / Press releases.
- Direct contact with significant events.
- Corporate website.

- Crisis response.
- Innovative projects.
- Annual management results: social, economic and environmental.



Our Objectives for 2022

- Continue to improve occupational safety indicators throughout Montes del Plata.
- Continue adapting the production process to a new mix of Eucalyptus varieties.
- Develop a successful General Mill Shutdown.
- Continue working on efficiency to ensure competitiveness in international markets.
- Continue strengthening our organizational culture to ensure that Montes del Plata is an excellent place to work.
- Launch the Montes del Plata Academy, aimed at our own employees and those of contractors, and later also at families and communities.
- Continue strengthening forest fire prevention and firefighting systems.
- Maintain close ties with the communities and contribute to local development.

Economic- financial performance



Generated and distributed economic value

GENERATED AND DISTRIBUTED ECONOMIC VALUE ⁴	2020	2021
CREATED ECONOMIC VALUE	671,4	962,5
1. Ordinary income	615,8	925,4
2. Other earnings	54,0	36,4
3. Financial income	1,6	0,7
DISTRIBUTED ECONOMIC VALUE	-597,9	-794,4
1. Operating costs	-525,9	-528,6
1.1 Raw and secondary materials consumption	-338,7	-355,1
1.2 Other expenses per sector	-187,2	-173,5
2. Employee wages and direct benefits	-26,9	-30,1
3. Payments to capital suppliers	-26,7	-220,7
4. Direct tax payments ⁵	-14,4	-11,7
5. Investments in the community	-4,0	-3,2
RETAINED ECONOMIC VALUE	73,5	168,1
6. Reinvestment	73,5	168,1

4. Montos en millones de USD.

5. Los pagos por retenciones de impuestos y CESS se incluyen por separado en las líneas del gasto o inversión que los originan.

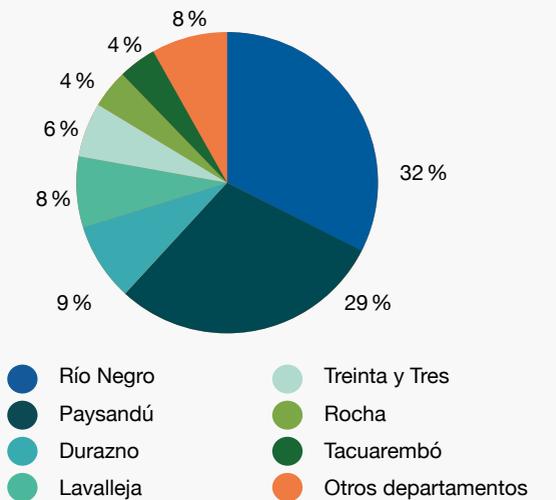
In 2021, cellulose pulp and energy production accounted for 96% of our generated value. As a result of cellulose pulp international price increases, our ordinary income rose by 50%. In addition, both the economic value distributed - due to the payment of dividends to shareholders - and retained - equivalent to the difference between the value generated and the value distributed to stakeholders - increased due to the growth in economic value generated..

Our annual investment plan involves: planting, mill improvements, road construction and repair, and machinery purchases. **In 2021, investments amounted to USD 69.24 million and were mainly allocated to mill and plantation improvements.** Community investments amounted to USD 3.2 million and include investments made for the benefit of the environment, the communities neighboring the operations, and compensation and mitigation projects.

The company did not receive any fines or sanctions for noncompliance with national environmental, social, or economic laws or regulations, with the exception of a fine related to the failure to submit a timely report on the closing of a quarry for the extraction of road construction material, which did have the corresponding authorization. The fine was 50 UR.

Road investments amounted to USD 6.4 million, 33 % more than the previous year. More than half -almost USD 4 million- were made in the departments of Paysandú and Río Negro.

Investment in roads per department



Financing

The industrial plant required an investment of approximately USD 2.5 billion, 40% of which was financed with shareholders' equity and 60% with loans from third parties: a 12-year loan from the Inter-American Development Bank (IDB) for USD 200 million, another from four commercial banks also convened by the IDB for a total of USD 254 million and a third financed by Finnvera for USD 900 million. At the end of 2021, the debt had been repaid for USD 1,170 million.

The industrial plant required an investment of approximately

USD 2,500 million

At the end of 2021, the debt had been repaid for

USD 1,170 million

Direct and indirect economic impact

An annual Economic Impact Report on Montes del Plata in Uruguay is prepared with financial, production and employment information on the company and its value chain, using a methodology and model developed by the consulting firm Exante. In addition, statistics and information for public use are updated and an input-output approach (based on the social accounting matrix developed by IECON in 2013) is applied to calculate indirect and induced impacts. The latest report corresponds to the 2020 study which is available on our website

[Click here](#)



Direct and indirect annual economic impacts 2020⁶

The model considers the several types of economic impacts along the value chain:

Direct impact: the effects generated directly in Montes del Plata companies and contractors or suppliers under direct supervision.

Indirect impact: those “downstream” effects produced by the activity of Montes del Plata on other suppliers and support activities (not included as direct).

Induced impact: those effects derived from incremental consumption originated in the expenditure of income (salaries and others) derived from direct and indirect effects.



These are reflected in terms of:

The gross value added (GVA or GDP) generated by Montes del Plata in Uruguay.

Tax collection.

Remunerations: wages and social security contributions.

Employment: full-time equivalent jobs.

Trade balance: exports minus imports.

6. At the close of this Sustainability Report, said study had not been concluded; therefore, 2020 information is presented.

Direct and indirect annual economic impacts 2020⁸

Added value

USD 621 million
equivalent to 1.5%⁷ GDP.

Exports

8,4 %⁷
of the country's exports.

Supplier companies

2,157 companies
88% are national.

Salaries

USD 92 million
net salaries paid

6,200
full-time employees

Job locations

93 % countryside.

Impuestos

USD 92,5 million
including taxes and social security contributions.

7. Average of the last three years.

8. At the close of this Sustainability Report, said study had not been concluded; therefore, 2020 information is presented.

Tax footprint⁹

According to Montes del Plata's 2020 Economic Impact Report in Uruguay, our operations involved the collection of USD 92.5 million.

Of this amount, 25% are direct taxes¹⁰ paid by Montes del Plata for social security contributions¹¹; wealth, income and value-added taxes; free trade zone fees; real estate taxes, among others.

The remaining 75% corresponds to taxes collected by the State on forestry and industrial production activities: 35.5 % are indirect taxes and 39.5 % are induced by Montes del Plata's activity.

Supplier management

We seek to maintain beneficial, ethical and long-lasting business relationships with suppliers and contractors. We have teams specialized in each supply cycle and depending on the type of purchase or tender, differential requirements.

Adherence to the Supplier Code of Ethics and Conduct, as of 2019, is a prerequisite for new contracts. In 2021, 100% of large suppliers, 85% of medium-sized suppliers and 73% of small suppliers were subscribed. The challenge is to continue increasing participation in order to reach 100% adhesion.

One of the main impacts of Montes del Plata in the country is the acquisition of goods and services. In 2021, 92% of Montes del Plata's purchases were from suppliers in Uruguay.

Each year, operating areas rate their strategic suppliers according to their level of criticality and performance in terms of health, safety, environmental management and product or service quality.

This allows us to ensure compliance with our standards and identify improvement opportunities in each supplier's management.

In 2021, 77 suppliers were evaluated and, according to the preliminary results, no situations have been observed that would warrant the removal of any of them.

As a company certified as a Certified Economic Operator (OEC) by the National Customs Authority, we implemented a plan of visits to ensure compliance with security requirements for commercial processes and operations. The number of suppliers rated as critical was 54, as in the previous period. Of these, 87% adhered to our company's OEC policy, enabling us to extend our sustainable management commitment to the companies that supply and provide services to us.

Among the most relevant projects is the implementation of P2P (Purchase to Payment) which reduces the number of invoices without purchase

orders and automates the purchase to payment process. In addition, efficiencies were generated in the mill through improvement projects related to commercial agreements.

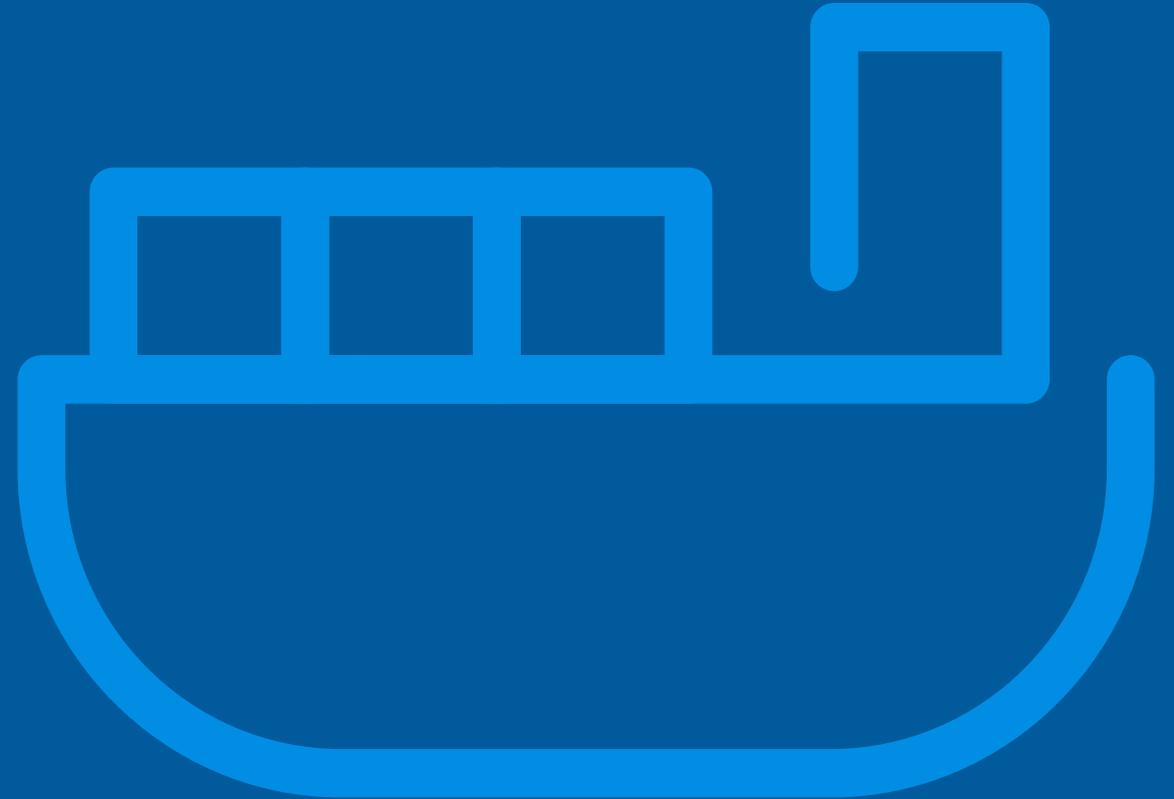
	2020	2021
Total suppliers and contractors	2.157	1.909
% of supplier companies that are of domestic origin	88 %	86 %
% of total amount purchased from domestic suppliers	89 %	92 %

9. At the close of this Sustainability Report 2021, said study had not been concluded; therefore, 2020 information is presented. <https://tinyurl.com/mb599f3k>

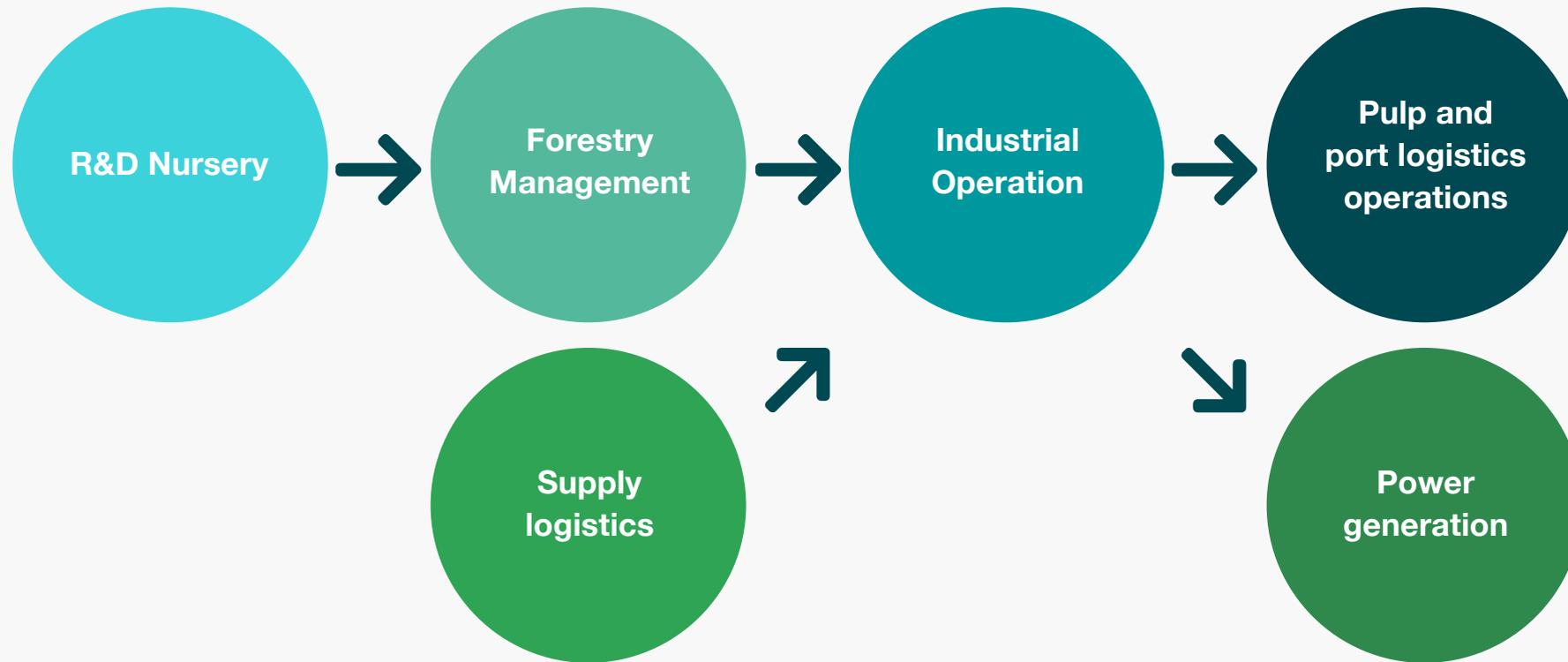
10. Direct taxes: disbursements of some companies comprising Montes del Plata. Indirect taxes: expenses incurred by suppliers and contractors in the activities supervised by Montes del Plata.

11. Includes employer and personal social security contributions.

Ensuring responsible operations



Ensuring responsible operations





Management system and certifications

To manage the business in manner that is well-balanced and in harmony with the environment and stakeholders, we use the best available practices and technologies and have independent third parties certify our work in each of the links of our value chain.

Our integrated management system (IMS) drives us to ensure regulatory compliance and to work towards continuous improvement. It entails policies, procedures, instructions, checklists as well as event and communication logs. The system uses computer tools custom-designed for Montes del Plata.

The IMS and its components are subject to inspections, audits and internal and external evaluations to identify opportunities for improvement, detect training needs or the implementation of preventive or corrective actions.

In 2021 we obtained QEO recertification at the plant. In addition, the IDB and safety audits of one of our shareholders, Stora Enso, were conducted, both with outstanding results. We also conducted external verification of our carbon footprint measurement, a process carried out in accordance with ISO 14064.

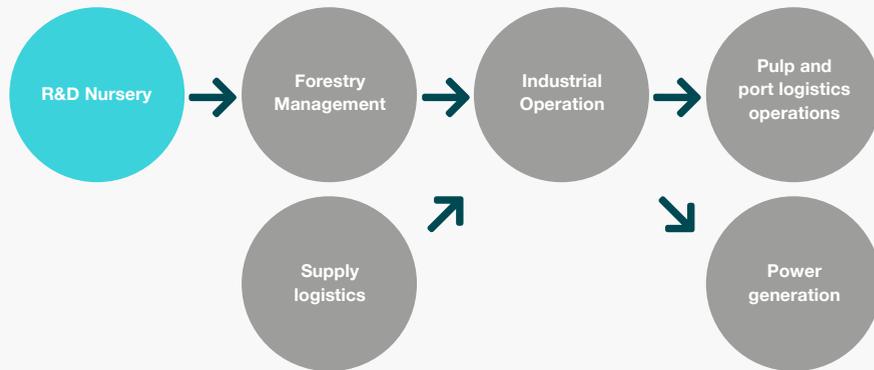
International certification



Standard	Field / Aspect	Scope
FSC® y PEFC	Sustainable forest management	All forest assets
ISO 45001	Occupational Health and Safety Management System	Forestry Operations and Industrial Complex
ISO 9001:2015	Quality Management System	Industrial Complex (CEPP and ZFPF)
ISO 14001:2015	Environmental Management System	Industrial complex
QEO	Qualified Economic Operator	Logistics complex, logistics chain
SPFS	Ship and Port Facility Security	Logistics complex, logistics chain
ISO 14064	Carbon footprint	All operations, scopes 1, 2 and 3
Certificación Kosher	Industrial production	Industrial complex

Licences: FSC-C016979/FSC-C023409/FSC-C116413/ FSC-C125461

Nursery and R&D



Nursery and R&D are key areas for forestry development. Its objectives are to optimize the adaptation of Eucalyptus species to the environment; develop and implement new technologies for plantation performance; and incorporate new genetic material. The improvements obtained result in lower planted area requirements per ton of pulp produced.

The nursery has two types of seedling production: clonal and seminal; no transgenic production is performed. In 2021 our nursery increased its efficiencies and achieved a record production of more than 17 million clonal seedlings, exceeding the estimated figures.

It was also a record year for the implementation of clonal trials and field research, thus we obtained 258 new clones as a result of the Genetic Improvement Program.

We harvested 7,000 hybrid seeds, which allows us to expand genetic diversity for the development of new clones.

In addition, we incorporated 32 field trials to improve fertilization techniques, weed and regrowth control, seedling and planting quality, soil preparation and planting density.

We obtained the registration of our genetic materials at INASE with 8 property titles.



168

genetic improvement trials were performed

68

plantation productivity tests were performed

Forestry innovation projects

In addition, during this period we implemented major forestry efficiency projects that allow us to be at the forefront of our sector at an international level. These include the use of LIGHT DETECTION AND RANGING (LiDAR) technology to carry out asset inventories and improve information quality; application of artificial intelligence in seedling irrigation; implementation of meteorological stations; and the first steps in the development of precision forestry practices.

Plantation health monitoring

Montes del Plata is part of a national health monitoring system managed and led by the Health Commission of the Society of Forest Producers (SPF) of Uruguay, with the collaboration and guidance of the National Institute of Agricultural Research (INIA) and the University of the Republic.

The system allows the evaluation of all pests and diseases in individual trees. In 2021, field monitoring was carried out based on a network of 169 points distributed throughout the country, of which 41 were on Montes del Plata's properties.

Moreover, in the event of anomalous situations, our team carries out monitoring, registries and the necessary research.



Responsible forest management



Uruguay is characterized by a solid, demanding and stable forestry regulatory framework based on Law 15.939 and its regulatory decrees. These regulations establish that all forestry projects must be registered with the General Forestry Department of the MGAP¹² and must comply with technical, environmental and social guidelines. At the end of 2021, the Executive Branch signed a new regulatory decree requiring registration with the National Department of Environmental Quality and Assessment (DINACEA) of the Ministry of the Environment for forestry projects and reforestation projects of between 40 and 100 ha, as well as changes in soil classification. Projects larger than 100 ha already required registration.

According to these regulations, forest plantations projects must be approved by the General Forestry Directorate (DGF) and DINACEA following the established technical, environmental and social guidelines.

Our forest management activities have been certified for more than 15 years by the internationally recognized FSC® and PEFC standards, as well as the Chain of Custody, which guarantees that the origin of all the wood we use for pulp production originates from reliable sources.

Through internal audits, follow-up and specific inspections, occupational health and safety tours and drills in our forestry operations, we verify the correct implementation of our protocols, policies and procedures, as well as the contractual, technical and legal compliance required of our contractors.

Every year, Montes del Plata publishes a Public Forest Management Summary, detailing key productive, environmental and social aspects.

[CLICK HERE](#)

Hectares by land use

Forest assets	Hectares
<i>Eucalyptus</i> plantations	171,725
<i>Pinus</i>	302
Other genus (<i>Salix</i> , <i>Populus</i>)	651
Representative Areas ¹³ (AR)	8,270
Sensitive Areas ¹⁴ (AS)	81,137
Historical and cultural areas ¹⁵	27
High Conservation value areas ¹⁶ (AAVC)	2,338
Restoration areas	25
Total	272,289

12. MGAP: Ministerio de Ganadería, Agricultura y Pesca (Ministry of Livestock, Agriculture and Fisheries).

13. These are areas that present well-preserved and representative samples of a type of environment or natural landscape with typical and distinctive characteristics of a region.

14. These areas are vulnerable to anthropogenic pressure or natural changes and provide key ecosystem services, thus requiring management for their conservation.

15. These are areas where unique attributes created by humans have been identified or whose characteristics are of cultural, palaeontological, historical or sacred relevance to the community.

16. They have one or more of the following attributes: concentration of biodiversity values and/or significant areas in terms of landscape, rare, threatened or endangered ecosystems, basic natural services in critical situations (watershed protection, erosion control), resources that meet the basic needs of local communities and contribute to their cultural identity.

Forestry research and development

Montes del Plata's genetic improvement program seeks to maximize our plantations' productivity through the generation of clones that are optimal both for the soil and climate of Uruguay as well as for the final destination of the wood we produce. We have a specialized area for this type of research that is nurtured by collaboration with other actors, such as the University of the Republic, the National Institute of Agricultural Research (INIA), the Society of Forestry Producers (SPF) and regional research consortiums such as the Institute of Research and Forest Studies (IPEF), the National Institute of Agricultural Technology (INTA) and the Central American and Mexico Coniferous Resources Cooperative (Camcore).

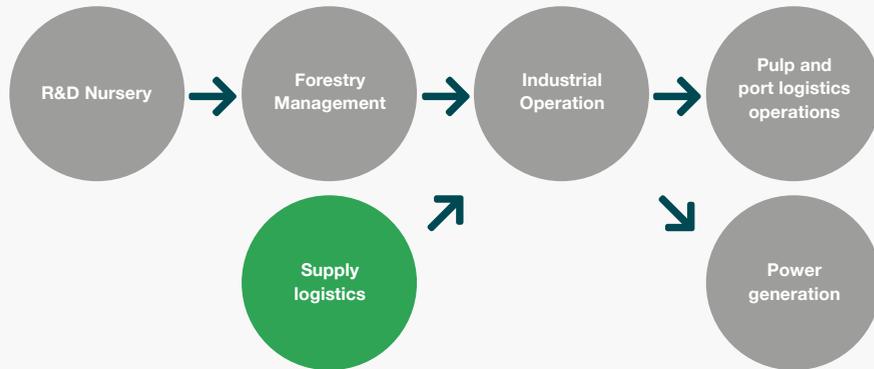
Our genetic improvement innovation projects are related to the selection, cloning and multiplication of the best specimens, evaluation of new Eucalyptus species, production of hybrids and development of studies related to wood properties.

In terms of forestry productivity, our focus is the study of soil preparation techniques, weed control, sprout and stock management, plant nutrition, as well as pest and disease monitoring, hydrological analysis and meteorological monitoring of plantations.

In forestry operations, we focus on the efficiency of our forestry equipment and machinery as well as the assessment and incorporation of new technologies, emphasizing optimization and quality control.



Supply logistics



We employ a bimodal system that combines river and land transportation to supply the industrial complex.

Approximately 50 % of the wood required to supply the plant is transported by four barges that depart from the M'Bopicuá Logistics Terminal (TLM) and arrive directly at the port terminal in Punta Pereira (PP). Each barge has a capacity of 5,000 tonnes, equivalent to the capacity of 170 trucks.

The river system operates continuously: one barge loading at TLM; one barge unloading at PP, and the other two barges sailing, one loaded downstream while the other navigates upstream, empty.

This bimodal system was implemented to spare approximately 24 million kilometers of truck transport on roads and highways in 2021, with the resulting benefits for the environment, infrastructure and road safety. In terms of greenhouse gas emissions, the barge system prevents the release of more than 15,000 tonnes of CO₂e per year.

Twelve Uruguayan transportation companies deliver the wood to TLM or directly to the pulp mill. The truck fleet operates under long-term contracts that establish environmental, safety and efficiency

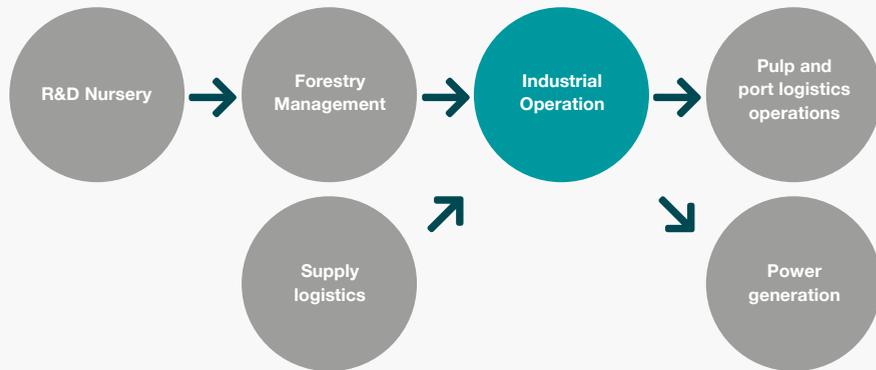
standards, and is monitored from our Transportation Center located at the TLM.

Logistics innovation projects

While significant improvements had been achieved by 2020, we accomplished even more significant gains in logistics chain efficiency during 2021. We began to operate with triple trailer transportation, implemented Network Analyst, a computer system to optimize transportation routes, and the second phase of POCA (Supply Chain Optimization Program).



Industrial operations



The industrial complex is composed of a pulp mill, a power generation plant and a port terminal. It is located in Punta Pereira, close to the town of Conchillas, in the department of Colonia.

The plant produces 1.4 million tonnes of bleached Eucalyptus pulp annually using the Kraft process. It was built according to the best available technologies and techniques IPPC-BAT¹⁷ for the cellulose pulp sector and in accordance with the regulations in force in Uruguay. Every year, a specialized team monitors compliance with envi-

ronmental legislation and regulations, as well as with the provisions of the AAO (Environmental Authorization for Operation).¹⁸

Since 2017, the plant has been certified under ISO 9.001:2015, Quality Management Systems; ISO 14.001:2015, Environmental Management Systems; and since 2020 under ISO 45.001:2018, Occupational Health and Safety Management System.



17. IPPC, Integrated Pollution Prevention and Control Directive: European regulation for the integrated control of large-scale industrial activities and their impact on the receiving environments (air, water and soil). BAT: best available techniques and technologies.

18. Based on the most stringent international standards, it regulates the emissions of our industrial plant, establishing the applicable limit values of all the most relevant environmental parameters.

Main characteristics of the mill's production process

- The cellulose pulp bleaching system is elemental chlorine free (ECF). Chlorine dioxide is used instead, which minimizes its consumption by using oxygen and hydrogen peroxide
- In its production processes, it includes a circular conception for the management of supplies, water, energy and wood.
- The biomass resulting from the process is burned to generate heat and electric power, which fully supplies the plant. The remainder is fed into the national grid.
- The non-combustible part of the black liquor is removed from the boiler and treated to recombine white liquor, which re-enters the process.
- Of the total water consumed, a fraction evaporates at different stages of the production process, another fraction is reused internally and the remainder is liquid effluent, which is treated before being released back into the Río de la Plata.
- All effluents are subjected to physical, chemical and biological treatments in our effluent treatment plant in order to ensure the necessary quality level before being released into the Río de la Plata.
- Atmospheric emissions are 99% water vapor and, as with liquid effluents, comply with the most stringent national and international environmental standards.

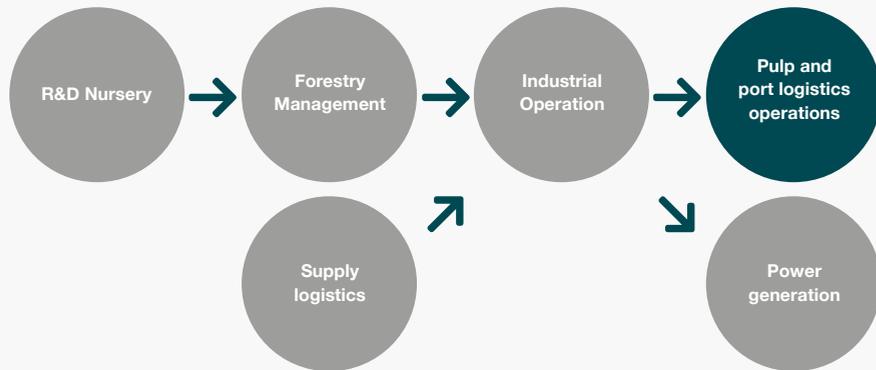
Quality of our cellulose pulp



We work continuously to improve the quality of the pulp we produce (whiteness, impurity content, viscosity and dryness) and maintain its consistency, in accordance with the standards established with end customers through the commercial areas of our shareholders, Arauco and Stora Enso.

In order to maintain a homogeneous pulp quality and respond to the diversity of climates, soils and plantations throughout the country, we have invested in physical adaptations of processes and equipment, industrial and laboratory tests, as well as daily and weekly adjustments according to the incoming wood.

Pulp and port logistic operations




At the end of 2021, record figures for pulp shipments were obtained, with six ships in one month.

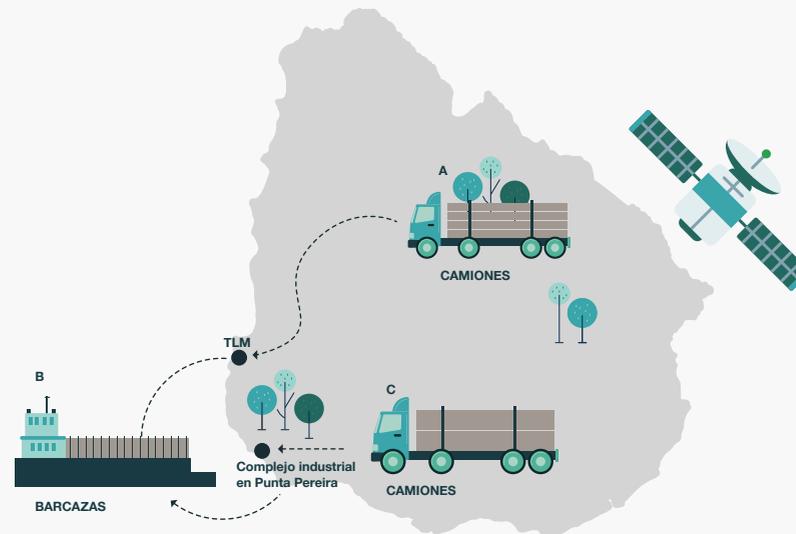
The Punta Pereira port terminal is considered by international shipping companies as one of the most efficient port terminals in the world. It is equipped with two docks, a river dock for unloading wood from barges and an ocean dock for the arrival

of supplies and the loading of production onto overseas vessels.

In the context of the pandemic and the worldwide shortage of ships, cellulose pulp stocks in the repository were overstocked, a reality that the team in charge had to face with innovative solutions that reversed the situation. At the end of 2021, record pulp shipments were achieved with six ships in one month.

In 2021, a new maintenance shop was opened for equipment used in wood operations. This investment allows us to be more efficient in the movement of wood. In addition, the elevators were replaced with electric equipment, with the resulting environmental benefits.

In 2021 Montes del Plata was recertified as a Qualified Economic Operator (QEO) by the National Customs Directorate (Dirección Nacional de Aduanas) in addition to being certified as ISPS (Security of Ships and Port Facilities).¹⁹



19. PBIP: The International Ship and Port Facility Security Code is a code adopted by the International Maritime Organization (IMO) to establish an international framework for maritime cooperation to detect threats to international maritime commerce and to take preventive measures against possible attacks against people or goods in the maritime environment.

Energy production



The extraction process of cellulose from wood generates hemicellulose and lignin residues, which are very high energy components. This renewable and clean resource is sufficient to supply energy to the entire industrial complex and generates surplus.

The power generation of the plant is 170 MW, of which approximately 90 MW are consumed within the industrial complex and 80 MW are fed into the national grid. Thus, our plant in 2021 was the largest private power generator in Uruguay and the third largest nationally, after the Salto Grande hydroelectric power plant and the Punta del Tigre combined cycle plant.



The amount of power fed into the grid, which is equivalent to the consumption of 200,000 households, has contributed to the diversification and expansion of Uruguay's energy matrix from 100% renewable resources.

The project to generate energy from renewable resources was accepted as part of the Clean Development Mechanism (CDM)²⁰ a process contemplated by the Kyoto Protocol. We obtained 66,006 certificates corresponding to the 2014-2016 period and 164,029 certificates corresponding to the 2017 and 2018 period, which were issued by the United Nations.

As a next step, carbon dioxide equivalent reduction certificates for the period January 2019 to April 2020 will be validated during the second half of 2022.

20. For more information on the CDM, please visit: <https://cdm.unfccc.int/about/index.html>

Strong health and safety culture





How did we address the covid-19 pandemic?

In 2021, the country experienced the largest wave of covid-19 infections with consequent health, economic and social effects, which led the government and companies to take urgent containment measures and speed up the vaccination process.

Although prevention mechanisms were implemented in Montes del Plata in 2020, increased infection rates forced us to redouble our efforts. It should be noted that during 2021 the corporate crisis committee continued to operate, in addition to specific daily committees at the plant and at the nursery, with the active participation of the respective unions. Meanwhile, all personnel who, due to their functions, could perform teleworking, continued with this arrangement.

At a general level, and in order to keep personnel informed and aware of health risks, internal communication campaigns continued to be implemented including daily newsletters, videos, e-mails, WhatsApp and webinars. Specific sessions were held with contractor companies to share guidelines and recommendations for the prevention of infections, and their effective implementation was monitored on a biweekly basis.

Through an internally developed application, we were able to track each of the people infected and vaccinated, both in our own employees as well as in contractors.

During this period, we mourned the death - due to this virus - of a worker belonging to the Transfluvial contractor company that operates barges.

By the end of 2021, 69 of our own employees and 307 of contractors had contracted the virus.

Throughout the year, a counseling and psychological support service provided by specialists was available free of charge to all Montes del Plata personnel and their families.



Safety of our people

Various intergovernmental organizations such as the ILO, OECD and WHO recognize that healthy and safe working conditions are a human right. For Montes del Plata, safety is our top priority, commitment that is reflected every year in the safety improvement goals we achieve. Montes del Plata boasts world-class safety performance.

Our occupational health and safety management system contemplates Uruguayan regulations and the principles and requirements established by the OHSAS 18.001:2007 standard and, more recently, its successor, ISO 45.001:2018, by which our industrial plant and forestry management are certified. In addition, in forestry operations, FSC® and PEFC requirements related to the health and safety of the company's own and contractors' employees are in force.

This system covers both direct employees and contractors and is transversal to all of Montes del Plata's forestry, industrial, logistical and administrative activities. It acknowledges the potential risks to which each area is exposed and establishes policies, plans and objectives to prevent, control and minimize them. In this period, we proceeded with this system's continuous improve-

ment, which is supported by the ISRS™ (International Sustainability Rating System), a worldwide reference methodology that promotes excellence in safety management and which we have been implementing since 2018. Thus, the procedures for identifying and evaluating occupational risks were upgraded and a new training and update program for inspection modality was developed. At the same time, we continue to develop GIS tools to provide more decision-making information on management.

With the participation of managers and supervisors, throughout 2021 the risk matrices were updated under the new IPERC methodology (Hazard Identification and Risk Evaluation and Controls), a tool that allows to control risks during the execution of activities, preventing injuries or occupational illnesses. The process of upgrading is expected to be completed during 2022.



Safety Culture

In order to build safe workplaces, our Occupational Health and Safety (OHS) policy highlights the role of each team member. Montes del Plata undertakes to provide the necessary conditions and to ensure compliance with regulations. To reinforce our safety culture among both our own personnel and those of our contractors, we have work standards, specific qualifications, inspection schedules, and annual training plans. Quarterly follow-up meetings are held, monthly reports are prepared while evaluating the work programs of both the company and its contractors.

Health and safety in contractor companies

Our health and safety policy and related indicators apply to our own personnel as well as to those of our contractors, who must employ a prevention technician and implement an OSH plan approved by Montes del Plata.

Each year, OSH programs are developed in each operational area to identify the following activities: operational controls, preventive tools, inspections, reports and follow-up meetings, health controls, training and authorizations. Contractors provide evidence of compliance with the plan through a web platform. Every six months, the internal team evaluates contractors and verifies compliance with regulations, the plan as well as accident rate indicators.

In 2021, the 19 harvesting, road and loading contractors, which employ 450 people, were certified under ISO 45001.





Structure & responsibilities:

- All persons associated with the company - employees, contractors and visitors - must report any event that may imply a risk to the health and safety of people or the environment to management or the person in charge.
- Montes del Plata leadership must ensure the activities in their charge are carried out in safe conditions, within the framework of the management system, and that the channels for collecting and analyzing suggestions, complaints and complaints are available and operative.
- The Occupational Health and Safety area is responsible for ensuring policy compliance through the design of planned controls; conducting inspections and audits; periodically evaluating area management; and providing training and support in the investigation of incidents.
- In the forestry area, the operational safety collaborators must collect and transmit to the company's managers any deviations, unsafe conditions or acts, incidents and opportunities for improvement that have been detected.
- Occupational Health and Safety committees enable the exchange of points of view and the identification of opportunities for improvement in risk prevention. They operate in the industrial complex and in the nursery and are made up of safety delegates representing the workers, the production manager and a prevention technician.

Preventive tools for task risk management:

- Assessments with necessary control measures.
- Perform a task safety analysis (AST or Stop, Think and Act) before performing non-routine or high-risk activities.
- Non-routine and high-risk routine task safety analysis.
- Task Observation Reports where plant managers monitor each activity and necessary improvements are made.
- Inspections and programs to monitor compliance with standards, focusing on the condition of facilities and equipment.
- Training by area and position.
- Specific safety requirements for contractors.
- Safety meetings.
- Occupational Health and Safety committees.

Health and safety training

Our annual training program has a special emphasis on this topic with specific training processes developed according to each employee's position. In 2021, the main focuses of training were around the "10 Rules that Save Lives" and the updating of risk matrices for which middle managers were trained in the Hazard Identification and Risk and Control Evaluation methodology. At the mill, emphasis was placed on training in planned inspections, defensive driving, and the detection and analysis of high potential incidents.

10 Rules that save lives

1. Always wear a safety belt.
2. Never use a cell phone operating a vehicle or machinery.
3. Never drive or work under the effects of alcohol or drugs.
4. Always adjust your speed to the driving conditions.
5. Always perform a safety analysis (PPA/AST) prior to hazardous or non-routine tasks.
6. Always use the appropriate PPE for the task, paying special attention to work at heights and with chemicals.
7. Always respect the safety distances.
8. Always isolate and block energy sources before performing a task.
9. Never use equipment without its protection systems.
10. Always have extinguishing elements available for working with heat.



In addition, the annual training program incorporates aspects such as health, active breaks, accident and illness prevention, first aid, among others.

These training processes are complemented with safety days and campaigns, incident and drill awareness activities, safety alerts, monthly meetings with the operational areas and specific workshops. In turn, the main safety indicators are permanently published on the intranet and on electronic bulletin boards, together with other key production indicators, in order to keep all Montes del Plata personnel alert and informed.

In 2021

469
people obtained first aid training.
5,261
people obtained health
and safety training

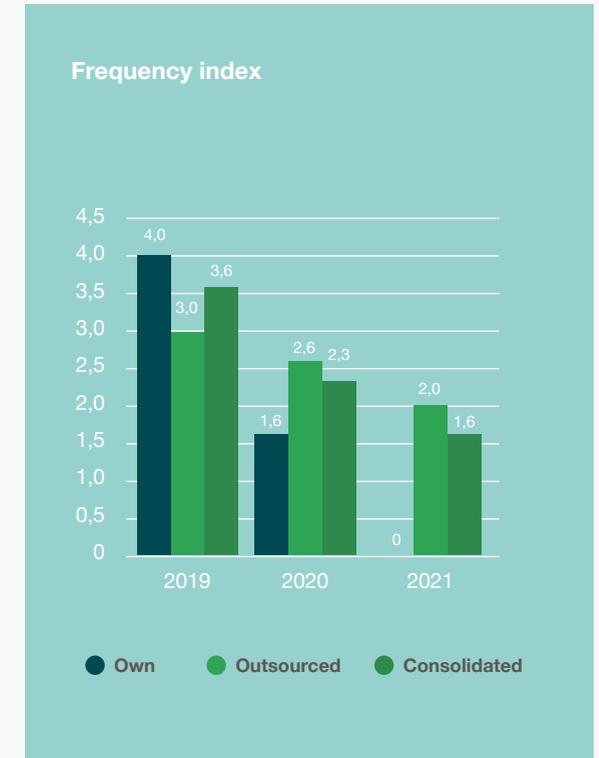
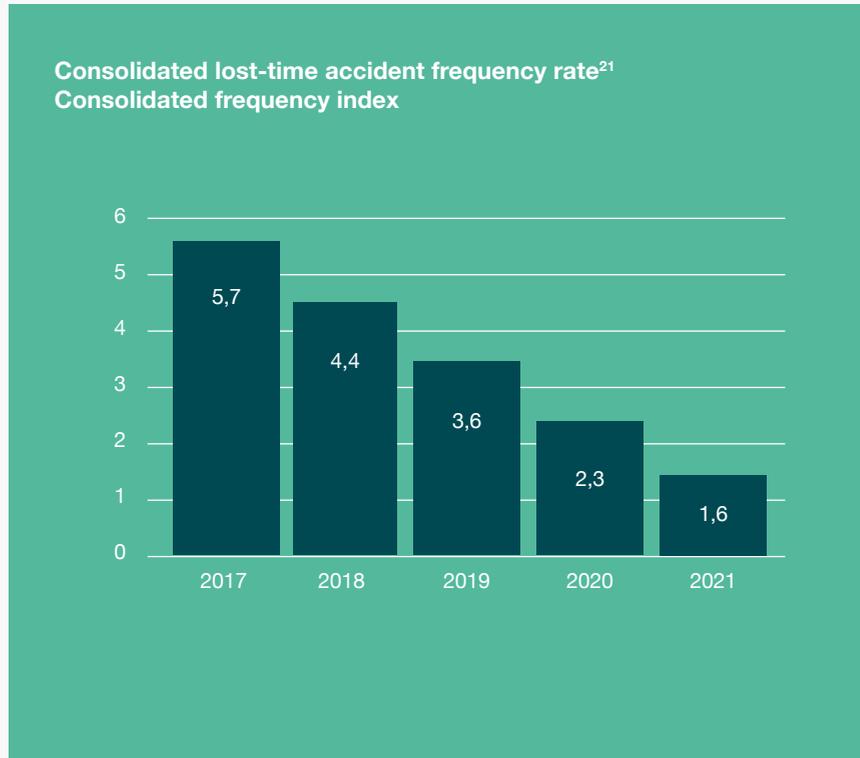


	2020		2021	
	In-house personnel	Contractor personnel	In-house personnel	Contractor personnel
Health and safety training hours	6,634	36,640	4,501	37,981



Main occupational health and safety results during 2021

- We improved the safety indexes of individuals throughout Montes del Plata, reaching 430 days without accidents with lost time for our own personnel. In nursery and forestry, two years without accidents were achieved.
- We exceeded the consolidated accident frequency rate reduction target, reaching a historic low of 1,6, 30 % lower than in 2020.
- All areas of the company improved in terms of safety indicators, reaching levels that are outstanding in the industry at world level, both in the frequency index and in the severity index.
- In the contractor companies, 11 lost time accidents were suffered during the year: three in the forestry area (one minor traffic accident, one musculoskeletal injury and one with superficial injuries with equipment), five in logistics (related to minor blows, fall, shoulder dislocation and muscular injury due to overexertion) and in the plant (three involving lows to the hand).



Thanks to the systematic implementation of the Occupational Health and Safety policy, safety practices and the development of a safety culture, the occurrence of lost time accidents has consistently and significantly decreased for more than 7 years.

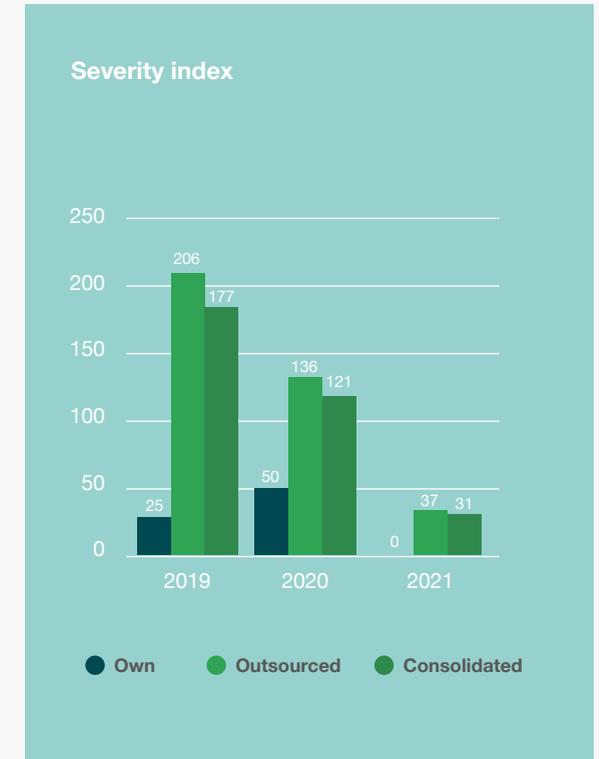
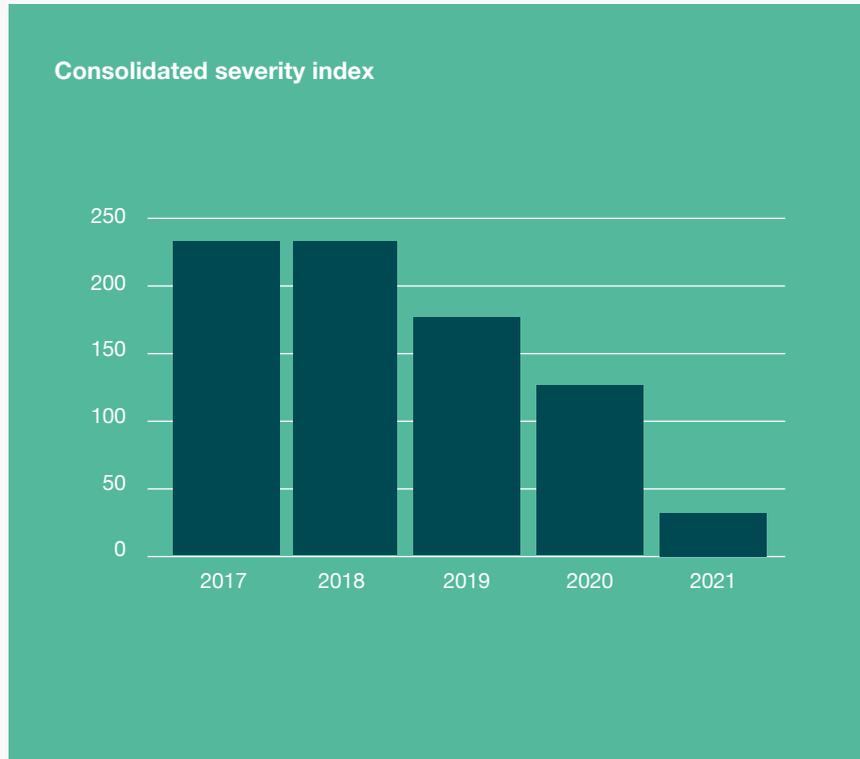
21. Number of accidents with sick leave per consolidated million hours worked.



The year 2021 saw the results of work undertaken with Montes del Plata's employees and contractors in the area of road safety. In forestry operations there were only two traffic accidents, one involving our own personnel and one involving a contractor, significantly less than the eight in 2020. The first case involved a light vehicle traveling on a national highway that collided with another vehicle, not involved in the operation, with no injuries. The second case was due to a collision of a contractor's personnel vehicle with a third party's trailer that broke away from the vehicle towing it. The impact caused minor superficial injuries to the driver.

In the forestry transportation area, the frequency of traffic accidents decreased by 12%; in 2021, 18 accidents were reported, and none of them generated lost days. All were contractor personnel.

Regarding the severity index, which is measured as the amount of time lost by the worker as a result of the accident, it is worth noting the significant decrease in the rate of contractor workers, from 121 to 31. The accidents involving the most lost time for contractor personnel were two in the forestry transportation area, one involving an object hitting a driver in the face and the second resulting in a broken leg. The accident with the most lost time was at a wood logistics contractor who suffered a fall from a ladder, causing back trauma.



Safety pyramid

At Montes del Plata we are convinced that it is daily and systematic work is reflected in results. In order to achieve zero fatalities in 2021, it was necessary to carry out 131,754 controls and inspections, from which 6,175 observations, opportunities for improvement or non-conformities arose. This minimizes the occurrence of near accidents and therefore also accidents involving lost time. Each control, observation or accident triggers a series of root cause analyses to ensure a continuous learning process. Accomplishing safety is not by chance, it is the result of the daily work of a team committed to the safety of people.



Occupational health

Montes del Plata's health and medical monitoring program covers all company personnel and takes into account the specific risks of forestry, industrial and logistic activities to design preventive or corrective plans. Physicians and technicians specializing in occupational health and ergonomics perform quarterly follow-ups.

For primary medical care of nursery workers, there is an on-site health service and the mill has a permanent medical team (doctor and nurse-driver) as well as weekly visits from a physician specializing in occupational health. The industrial area health program includes, among other periodic check-ups, kinesic-postural assessments, respiratory examinations and audiometric tests.

In 2021, specifically at the mill, hearing protection, nutritional control and active breaks programs were initiated.

In addition, vaccination campaigns and alcohol and drug prevention workshops are held in each of the operating centers.



Road safety

During 2021, wood transportation involved 191 trucks and 640 drivers, which makes safety in activity a key issue to manage.

Our sustainable transportation strategy seeks to mitigate the probability of accidents and their consequences. Likewise, it includes awareness-raising, education, listening and active dialogue with all stakeholders involved in traffic safety: drivers, transportation companies, authorities, local communities and educational centers.

As of 2020, 70% of the truck fleet is equipped with intelligent technology that assists drivers with the best available safety standards: lane keeping assistance, safety alert and emergency braking.

Moreover, after launching a pilot program developed the previous year, the Guardian system deployment process continued, reaching a total of 60 trucks by the end of the period. It is an intelligent solution that allows the driver and the

transport company to be instantly alerted in the event of drowsiness or distractions, so they can act according to established procedures. For effective implementation, training was provided to supervisors and monitors and talks were given to drivers. Likewise, technical training and protocols for action were prepared together with the transportation companies.

Another project implemented included identification of drivers with sleep disorders or who present other risk factors with the potential to lead to this type of events. The objective is to offer preventive treatment and follow up, as well as to raise awareness and promote healthy habits for drivers and their families. A health standard was also designed.

At the mill, defensive driving training was provided and a specific workshop was held for 23 personnel carriers (cabs and vans), with theoretical and practical training and a psycho-technical cabinet.

Another axis of our sustainable transportation strategy is the bond with transportation companies. On a bimonthly basis, Montes del Plata meets with safety monitors to share best practices, monitor the main accident indicators, understand their causes and draw lessons from accidents that may have occurred, and jointly design improvements and safety plans.

Internally, road safety training continued, reaching 1,099 people, both our own personnel and those of contractors.



Community impact mitigation

Our sustainable transportation strategy encompasses all actions in pursuit of safe transportation for employees, carriers and the community in general. In the years prior to the pandemic, Montes del Plata systematically carried out activities together with the communities along the wood transportation routes. After mapping of these communities, the communities most impacted by wood traffic were prioritized and, accordingly, various interventions were implemented. Given the impossibility of carrying out these activities in person, efforts continued to raise community awareness of road safety through mass media campaigns, particularly local radio stations in the areas of influence of wood transport.

This comprehensive safety program contributed to a significant improvement in accident rate indicators in 2021.

Listen to the radio spots on safe driving here.



Prevention messages were validated and endorsed by UNASEV,²² an agency of the Office of the President of the Republic.

The content was an adaptation of an internal road safety campaign, “En un segundo te puede cambiar la vida” (“Your life can change in a second”), where good practices in safe driving are reinforced.



22. Unidad Nacional de Seguridad Vial, Presidencia de la República.

Environmental management



Biodiversity protection

At Montes del Plata we have specific procedures to take care of biodiversity and the ecosystem of our lands.

Approximately

35 %

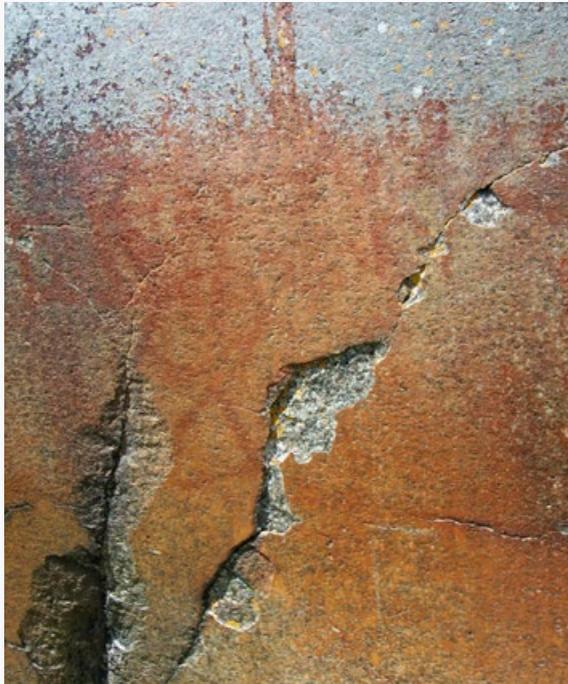
of the land

that make up our land holdings is used for other purposes such as cattle grazing, honey production and the conservation of native forests and of particular ecosystems such as palm groves, pastures and wetlands.



Conservation areas

Montes del Plata's conservation areas are classified according to their biological, scenic and cultural characteristics.



High conservation value areas

These are areas that present well-preserved and representative samples of a type of environment or natural landscape with typical and distinctive characteristics of a region.

Historical, cultural and paleontological areas

These are areas where unique attributes created by humans have been identified or whose characteristics are of cultural, palaeontological, historical or sacred relevance to the community.

Sensitive areas

These areas are vulnerable to anthropogenic pressure or natural changes and provide key ecosystem services, thus requiring management for their conservation.

Relevant visual areas

They characterize or lend meaning to a given region.

Representative areas

They have one or more of the following attributes:

- concentration of biodiversity values and/or significant areas in terms of landscape;
- rare, threatened or endangered ecosystems;
- basic natural services in critical situations (watershed protection, erosion control);
- resources that meet the basic needs of local communities and contribute to their cultural identity.



- Based on regional planning processes carried out in cooperation with the School of Sciences of the University of the Republic (UDELAR) in 2013 and technical reports, legislation and evidence from specialized sources, we identified valuable sites, habitats and species for conservation within the company's land.

- In 2021 there were 109 representative areas in 41 company owned properties

- 13 of them were monitored. Two new areas were incorporated: El Recado and El Minero

- By the end of 2021, we had six High Conservation Value Areas ,²³ with unique environmental or cultural-historical features.

- In High Conservation Value Areas (HCVAs), scientific studies, monitoring and various conservation activities are carried out, including ecosystem rehabilitation and wildlife conservation.



Some of these monitoring programs have been in place for more than 20 years, as in the case of the birds of Santo Domingo.

23. According to FSC®, nomenclature, the high conservation value areas: These are areas that present well-preserved and representative samples of a type of environment or natural landscape with typical and distinctive characteristics of a region.



HCVA	Departament	Description	Area management measures
Santo Domingo palm grove	Paysandú	<ul style="list-style-type: none"> • Palm tree rows.²⁴ 	<ul style="list-style-type: none"> • Monitoring of palm regeneration and fauna with a focus on birds. • Grazing is excluded in palm groves.
Santo Domingo marshlands	Paysandú	<ul style="list-style-type: none"> • Presence of several aquatic species. • 276 species of native fauna. 	<ul style="list-style-type: none"> • Hunting prohibited. • Control of exotic woody species. • Control of livestock entry to marshlands.
Tres Árboles	Río Negro	<ul style="list-style-type: none"> • Protected area of 12 ha of high environmental value. • Presence of Las Piedras gecko, a species listed as a priority by the National System of Protected Areas (SNAP). 	<ul style="list-style-type: none"> • Prohibition of collection of specimens, eggs and rocks. • Exclusion of grazing and all forestry operations in the area. • Prohibition of construction of quarries and chemical deposits in the area.
Sauce del Yi	Durazno	<ul style="list-style-type: none"> • Area with two cave paintings, declared a National Historic Monument and part of the Maestre Campo cave site • Major archaeological relevance due to being prehistoric cultural expressions between 1,500 and 2,000 years old. 	<ul style="list-style-type: none"> • Specific management guidelines as a protected cultural landscape. • Modifications or interventions are prohibited without the prior consent of the National Heritage Commission. • Maintenance of a surrounding buffer zone. • Exotic flora invasion control. • Controlled access. • Prevention of any type of depredation or alteration.
Capilla Vieja	Paysandú	<ul style="list-style-type: none"> • Part of the National System of Protected Areas. • 1,780 ha of native forest on the banks of the Queguay Grande River. • Native forests associated with other watercourses, such as the Capilla Vieja stream and park forests. • Over 200 vertebrate species. 	<ul style="list-style-type: none"> • Hunting prohibited. • Control of exotic woody species. • Bird monitoring.
Rincón del Río	Durazno	<ul style="list-style-type: none"> • 430 ha • Home to six different ecosystems and shelter to some of Uruguay's rarest and most threatened habitats 	<ul style="list-style-type: none"> • Management plan. • Hunting prohibited. • Control of exotic invasive species.

Flora biodiversity in conservation priority

According to studies carried out by experts, 13 species of flora classified as priority for conservation by the National System of Protected Areas of Uruguay (SNAP) have been identified in our forestry properties and are managed in such a way as to maintain and improve their conservation. Our collaborators have been trained to identify these species in the field in a timely manner.

*Species identified in
Montes del Plata
properties as priority flora
species for conservation*

**Number of
species**

CACTACEAE	4
FERNS	1
LEGUMES	2
WOODY	4
PALMS	2

TOTAL 13



Fauna biodiversity in conservation priority

In terms of fauna, 47 species have been identified in the Montes del Plata properties as priorities for conservation.

Number of fauna species found within the Montes del Plata properties ²⁶						
Group ²⁷	At risk	Vulnerable	Near threatened	Minor concern	Insufficient data	TOTAL
Birds	3	10	11		2	26
Mammals	1		3	12	1	17
Reptiles		1	1	2		4
Total	4	11	15	14	3	47

Bird and amphibian monitoring program

Every two years in the representative areas and annually in the HCVA's, we monitor ecological groups of birds. Changes in the environment can be detected and interpreted from these studies.

Amphibian monitoring allows, in the medium and long term, to understand the ecosystem status at a local scale and provide information on possible changes in the distribution and detection patterns of the species. Amphibians are of great importance as indicators of environmental quality, as they are linked to water availability and quality. Due to the characteristics of their skin and their limited mobility, they constitute very useful bio-indicators.

We conducted measurements of amphibian acoustic records in nine areas of Montes del Plata's lands. In 2021, 17 species were identified, corresponding to seven families, representing approximately 34% of the total number of amphibian species known in Uruguay. **No species loss has been observed at any of the sites during the 10 years of the study.**

In general terms, the index shows a favorable behavior for most of the sites, which reflects values in frequency and abundance of the species that are within the expected range.

26. A breakdown of endangered, vulnerable and near-threatened species is presented in the annex.

27. In the case of species included in the IUCN and national lists with a different categorization, the highest risk conservation category was considered.



Biodiversity conservation of natural grasslands in forestry production

The PPI (Grassland Conservation Index) is an indicator of a producer's contribution to grassland conservation, measured by the presence and condition of natural grasslands. This methodology was developed by the NGO Aves Uruguay through its Alianza del Pastizal program.

Through a joint agreement, this measurement was carried out in two of the company's properties with different initial characteristics, which allowed us to evaluate how the area managed influences the ICP. One of the fields was closed to grazing for two years, due to the recent introduction of forestry, and another was under controlled grazing.

This index was measured for three consecutive years in selected fields. As a conclusion of the study, it can be said that, with adequate mana-

gement and the combined use of rotational and grazing, there is an increase in species of forage value, a decrease in dry debris and bare soil, which improves the general ICP of the field.

It must be taken into account that management and grazing are fundamental to improve ICP, which results in improved productive and reproductive performance of cattle grazing in the fields.

This research allows us to conclude that **proper grassland conservation management results not only in environmental benefits but also in higher livestock productivity.**

Environmental and social characterizations of sites

- The environmental and social conditions of the land to be forested are studied to identify any potential impacts of the activities.
- Based on this, preventive or mitigating management measures are defined, such as the control of invasive exotic species.
- In the technical assessment phase, the different types of environment, their cultural or historical values and biological corridors are identified.
- During the operation, permanent monitoring is carried out to avoid the occurrence of unexpected impacts on the environment.
- In 2021 we conducted environmental characterizations of 42 properties.

Control of exotic species

In accordance with the definitions of the IUCN,²⁸ Uruguay keeps a list of plant and animal species reported as invasive alien species. That is, species that expand rapidly outside their original distribution range and can cause alterations in the ecological relationships between native species, in ecosystem functions and in human health. For this reason, as part of our management system, we have procedures monitor properties and carry out proactive and specific diagnoses in each zone (species, affected areas, degree of invasion). This allows us to establish priorities and strategies for action in each situation.

In 2021, controls of exotic woody species were conducted in 39 forestry sites. In addition, a campaign to identify and raise awareness of the importance of controlling capinannoni (*Eragrostis plana*), a highly invasive weed, was carried out, targeting both the company's own personnel and herders.

28. International Union for Conservation of Nature.

M'Bopicuá Biopark²⁹

The M' Bopicuá biopark is located in the department of Río Negro, on the banks of the Uruguay River, and covers an area of 150 hectares. It includes a fauna breeding station, an interpretation trail for native flora and a national historic heritage site known as the M'Bopicuá Saladero.

The biopark seeks to encourage the conservation and reproduction of native fauna species -particularly those in danger of extinction-, environmental education and the reintroduction of species in their habitat within the natural areas preserved by Montes del Plata.

Prior to release, specific animal health verification protocols and authorizations from the Ministry of the Environment are fulfilled. Animal releases are carried out in natural areas maintained by Montes del Plata, which contributes to the biological richness of these sites.

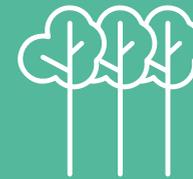
Since 2010 coatis and caimans have been released, and in 2017 collared peccaries were reintroduced in a forest establishment located in Paysandú. This species, which had been extinct in Uruguay for more than 100 years, has been declared a priority for conservation by the SNAP. In 2019, another peccary release was carried out at a Montes del Plata site in Río Negro. The success of these processes has been proven by monitoring which has verified perfect adaptation of the released specimens and the presence of offspring.

In order to raise awareness and educate on biodiversity conservation, educational institutions and organizations related to the subject are visited by about 2,000 visitors per year, mostly students. Due to the pandemic in 2021, the Biopark was closed to the public.

M'Bopicuá Biopark in figures



58 animal
species and 463 specimens



+60 species
native tree and shrub

Since 2006 we have released:
260 peccaries, 66 rheas, 75 alligators
and 40 coatis.

29. M'Bopicuá Biopark, <https://bioparque.montesdelplata.com.uy/espanol/>

Forestry and water

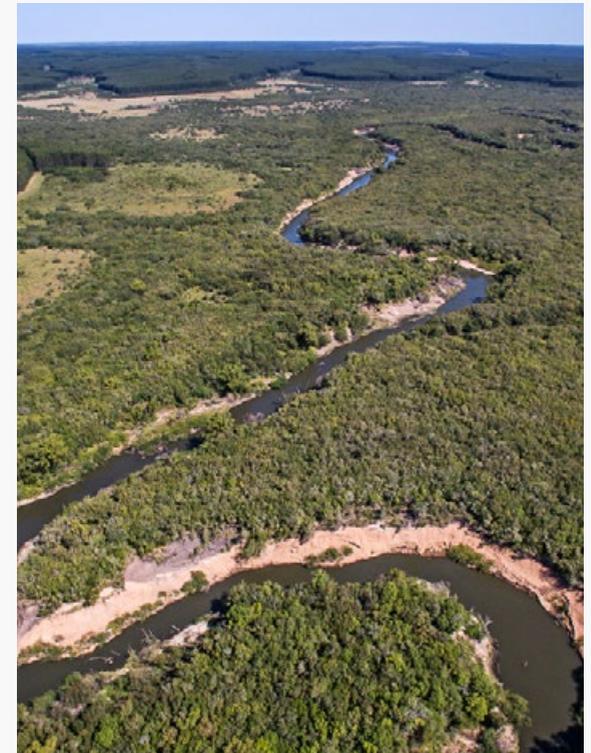
Uruguay's rainfall averages more than 1,200 mm per year, which is adequate to sustain forestry production without affecting water availability.³⁰ In addition, forests produce several beneficial effects, such as evapotranspiration and moisture return to the atmosphere, reducing surface runoff and thus soil loss, regulating water temperatures, favoring infiltration and improving the quality of water resources for better drinking water supply. On the other hand, Uruguay is characterized by a basin yield of between 300 and 400 mm of runoff per year, which means that the region does not have chronic water shortage problems.

In this context, forestry is one more actor in each of the areas where it operates. As demonstrated by numerous studies in the country,³¹ been observed among the monitored watersheds according to the soil types, the percentage of forested land and the rest of the activities, but always within defined limits.

The Ministry of the Environment, through prior environmental authorizations, regulates the percentage that can be afforested in certain watersheds. To design each of the forest management units, zoning is carried out to evaluate soil types, species to be planted and activities to be carried out, in order to ensure adequate management. With regard to use and management, we design our plantations keeping areas that are relevant to the hydrological cycle, such as drainage and low areas around watercourses, without forestry.

The company also protects water resources by incorporating protection areas on the banks of all bodies of water. The use of best forestry practices and their respective compliance controls prevent water pollution from chemical products, fertilizers or forestry waste. In addition, we perform chemical and physical analyses of the main types of CONEAT land used as forestry. According to cri-

teria defined by the Ministry of the Environment, soil, water, and biodiversity are monitored.



30. In Australia, where Eucalyptus is native, the annual rainfall is about 500 to 600 mm.

31. Ing. Luis Silveira, Efectos de la forestación sobre la recarga de las aguas subterráneas y el balance hídrico. Caso de estudio: zona litoral de Uruguay, Montevideo: IMFIA-UDELAR, 2017.

Dr. Marcelo D. Nosetto and Dr. Esteban G. Jobbágy, Análisis del impacto hídrico de la expansión forestal en cuencas de Uruguay, 2016.

Since 2006, together with an interdisciplinary team of researchers from the Universidad de la República and other forestry companies, a micro-watershed monitoring program has been carried out to evaluate the environmental effect of forestry plantations on water resources, taking into account the regional peculiarities of climate, rainfall, soils and topography. These studies provide hydrological, water quality and soil indicators, which are valuable tools for the integrated management of water resources and the sustainable development of natural resources.

We also participated in an initiative developed within the framework of an agreement between the School of Engineering of UDELAR, other companies and Montes del Plata that began in 2019 and ended in 2021. The objective was to identify water impacts of forestry and of extensive cattle ranching, which is the main and historical land use in Uruguay. Montes del Plata monitored two micro-watersheds (one with pasture land use and the other under forest cover).

The study concluded that aquifer recharge is similar in both micro-watersheds.

The conversion of natural pastures to forestry plantations in Uruguay has no impact on groundwater recharge.

In average hydrological years, the reduction of surface water flow in the forest micro-watershed is 17.2%, a value that corresponds to the magnitude of annual interception.³² In a region such as Uruguay, with an annual rainfall of more than 1,200 mm, such water consumption allows for sustainable development of the activity as well as other uses of the resource.



32. Interception refers to water intercepted by foliage that then evaporates into the atmosphere. These figures show variability, from 16 % in stations with rainfall above 600 mm to 28-32 % for dry periods (rainfall below 400 mm), since they apply to a very limited amount of rainfall. Ing. Luis Silveira, Efectos de la forestación sobre la recarga de las aguas subterráneas y el balance hídrico. Caso de estudio: zona litoral de Uruguay, cit.

Climate change

As humanity, one of the main challenges we face is climate change.

The role of forests and forest products is crucial and widely recognized for both climate change mitigation and adaptation by maintaining and increasing carbon stocks. Through forestry, reforestation and restoration of natural ecosystems, carbon dioxide is removed from the atmosphere.³³

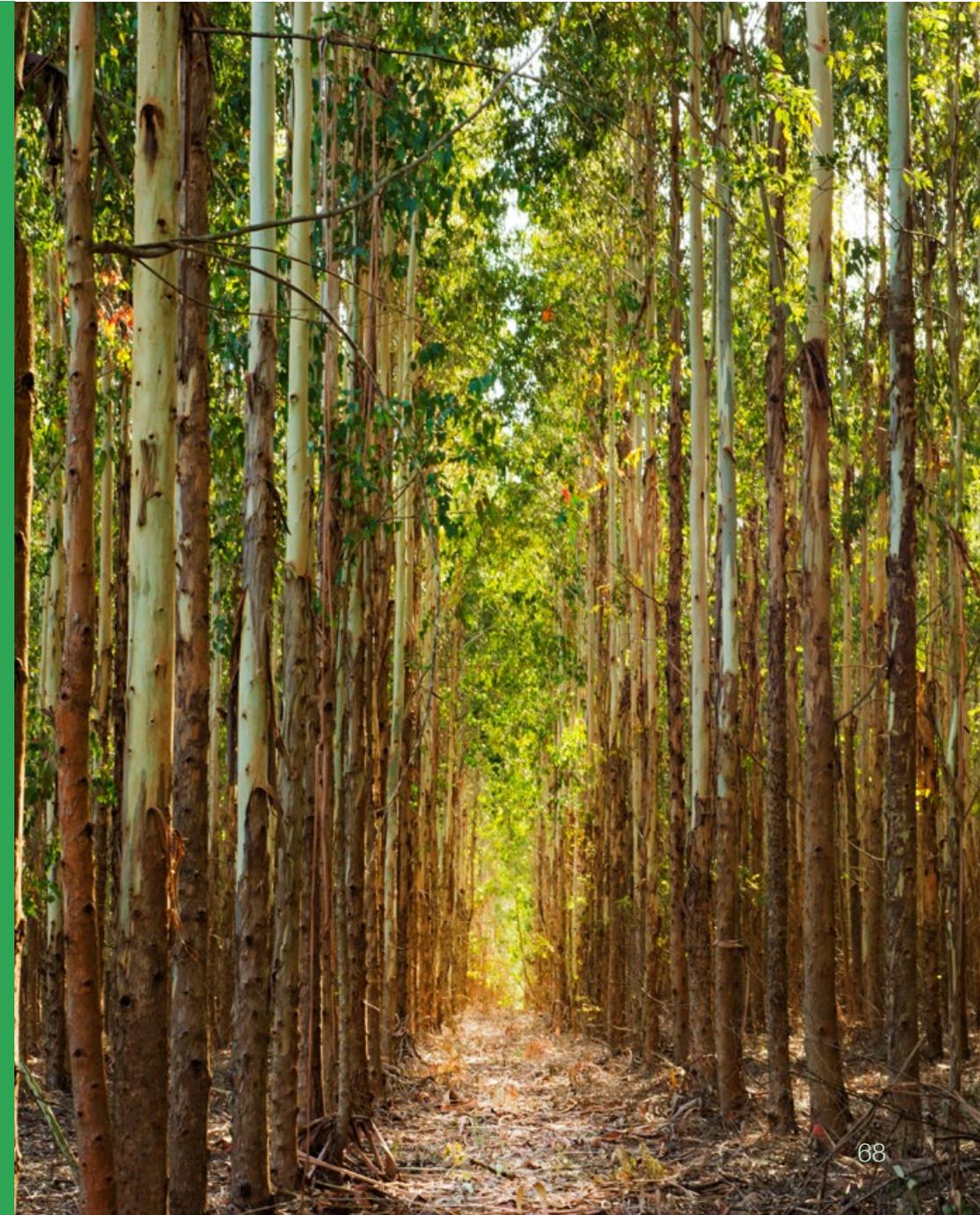
International efforts to reduce GHG emissions are complemented by the positive impacts of forests through carbon sequestration and their contribution to reducing soil erosion and improving water quality. Trees, in addition to being a renewable resource, are one of the main carbon sinks due to their natural capacity to capture CO₂ and store it as part of their physical structures. By intercepting precipitation and regulating runoff, trees contribu-

te, as acknowledged by the Paris Agreement³⁴ — to regulating water systems and conservation and protection of soil.

On the other hand, it is necessary to find renewable solutions to face the sustained increase in the world's population with growing needs to be satisfied. Again, the forestry sector offers an alternative by generating products based on renewable resources and low emissions, which can replace options derived from finite resources, such as petroleum products.

33. Forest Sector SDG Roadmap 2019 - WBCSD: https://docs.wbcsd.org/2019/07/WBCSD_Forest_Sector_SDG_Roadmap.pdf

34. XXI International Conference on Climate Change (COP21).



Power generation and consumption

At the Punta Pereira industrial complex, we have a biomass-based power generation plant that enables us to be self-sufficient in clean, renewable energy and to contribute a significant surplus to the national grid.

Thus, our plant in 2021 was the largest private power generator in Uruguay and the third largest nationally, after the Salto Grande hydroelectric power plant and the Punta del Tigre combined cycle plant.



A total of 49.6% of production was fed into the national electricity grid, representing 5.9% of national energy consumption.



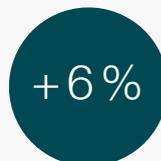
We fed 7% more energy into the national grid than in 2020.



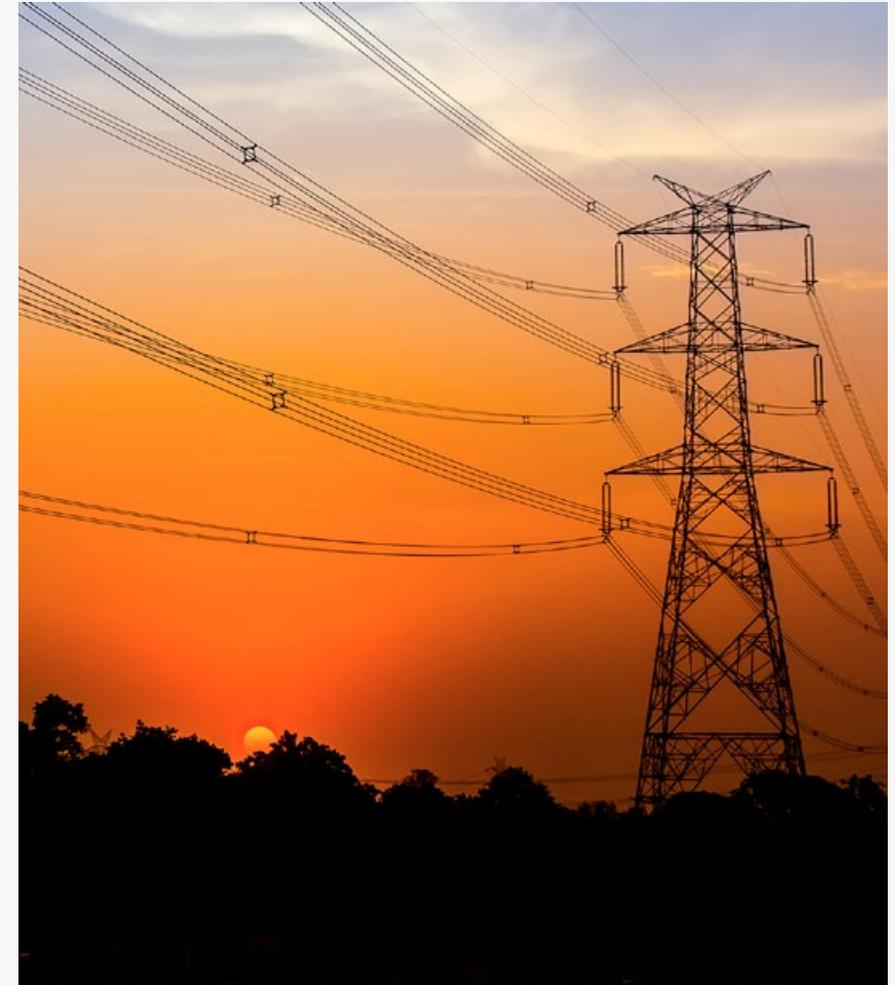
94 % de la energía consumida en 2021 por el complejo industrial provino de fuente renovable.



Non-renewable energy consumption per ton of pulp produced decreased 3.5% compared to 2019. This year was an exception since there was a lower consumption of fuel oil due to an unscheduled maintenance period in the lime kiln.



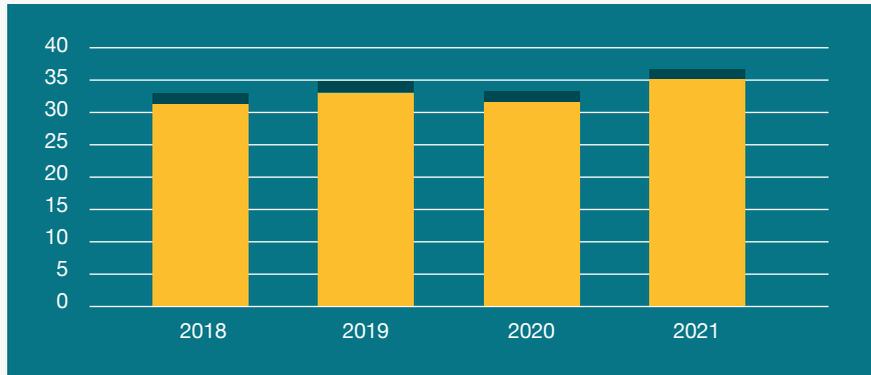
We generated 6% more energy than in the previous year.





Electric power consumption in plant (in GJ)	2019 GJ	2020 GJ	2021 GJ
Power generated	4.392.360	4.551.477	4.828.110
Exported/surplus power	12.136	15.750	7.565
Energy imported from the grid	-2.049.340	-2.236.491	-2.393.637
Total power consumed	2.355.156	2.330.736	2.442.038

Fuel consumption for electric power generation (in millions of GJ/year)



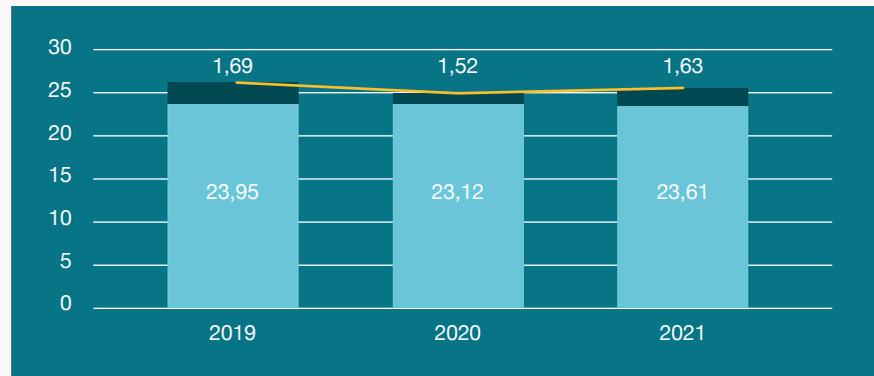
● Total renewable
 ● Total non-renewable

Fuel consumption for electric and thermal power generation (in GJ/year)				
	Fuel	2019	2020	2021
Renewable	Black liquor			
	Biomass	31.400.947	30.987.312	33.502.912
	Methanol	913.864	929.259	963.038
	Odorous gases	433.933	302.746	358.927
		443.586	630.667	534.954
Total renewable		33.192.330	32.849.984	35.359.831
Non-renewable	Fuel oil	2.287.389	2.104.178	2.383.914
	Diesel	47.840	48.521	55.282
	Propane	445	222	838
Total non-renewable		2.335.674	2.152.921	2.440.034
Total fuel consumption (renewable and non-renewable) for power generation (GJ)		35.528.004	35.002.906	37.799.865

Energy intensity at the mill

Type of source	Unit of measure	2019	2020	2021
Renewable energy consumption	GJ/ADt ³⁵	23,95	23,12	23,61
Non-renewable energy consumption	GJ/ADt	1,69	1,52	1,63
Total power consumption	GJ/ADt	25,64	24,64	25,24

Energy intensity - Industrial operations



● Renewable energy consumption /ADt
 ● Non-renewable energy consumption
 ● Energy consumed per year



35. ADt: air-dried tonne

Energy in the forestry and logistics areas:

In forestry and wood transportation activities, primary energy consumption is the result of fuel used by machinery and trucks.

In 2021

-1,4%

In the forestry and logistics area, annual fuel consumption per ton produced decreased.

Year	GJ Energy consumption in forestry area	ADt production	GJ/ADt
2020	1.124.170	1.420.701	0,791
2021	1.168.717	1.497.557	0,780

Fuel consumption (in GJ)	Silviculture	Harvest	Roads	Cargo	Barge transport	Truck transportation to mill	Van transportation	Total
2019	34.042	226.979	27.245	23.311	116.162	767.760	18.464	1.213.963
2020	50.202	173.681	13.236	22.202	114.158	732.547	18.144	1.124.170
2021	49.866	204.788	25.808	24.642	106.391	743.041	14.181	1.168.717

In 2021, 1.2 million GJ-equivalent to 28.5 million liters of diesel oil-were consumed, 4% more than the previous year.

Carbon footprint

In 2021, we carried out our third carbon footprint measurement, one of the most widespread environmental indicators in recent years. This study includes all forestry, logistics and industrial activities and was verified by an independent third party, through ISO 14,064.

Our carbon footprint, under the guidelines of this standard and the GHG (Protocol Corporate Accounting and Reporting Standard) considers:

- Carbon sequestration from the trees on our forestry properties, which remove and store CO₂ in the atmosphere.
- Air emissions from our operations.

As carbon sequestration far exceeds emissions, we can say that Montes del Plata is carbon negative. Nevertheless, the company aims to work on emissions year by year to continue to reduce them and maximize their positive impact.

In 2021, Montes del Plata captured more CO₂eq than it emitted, with a negative net balance of -2,608,172.59 tCO₂eq. The main source of removal is forestry plantations, the sequestration that occurs in carbon pools: above and subsurface biomass, mulch, dead wood and soil organic carbon. The main source of emissions is the industrial complex, which in 2021 accounted for 55% of the total.

Summary of CO ₂ emissions and removals from Montes del Plata	2020	2021
EMISSIONS:		
Scope 1 emissions (direct emissions)	187,886	219,439
Scope 2 emissions (purchased power)	395	1,537
Scope 3 emissions (indirect emissions not managed by the company)	135,246	153,975
Total emissions	323,527	374,951
REMOVAL:		
Removal by forestry plantations	-5,460,390	-2,970,693
Removals by native forests	-12,431	-12,431
Total removals	-5,472,821	-2,983,124
BALANCE	-5,149,294	-2,608,173

The excess removals from Montes del Plata would neutralize the emissions of 65% of the entire Uruguayan vehicle fleet 83 % of the emissions of the city of Montevideo 1.2 Russia World Cup emissions



Montes del Plata and BPU developed carbon neutral meat brand from Uruguay

To combat climate change and accelerate actions for a sustainable future, Montes del Plata and BPU Meat developed a carbon neutral meat brand.

Version Zero is a SGS Peru verified brand under the ISO 14067 standard, which has a “cradle to gate” scope: from the birth of the cattle to the time they are removed from the field. This brand ensures that the greenhouse gases emitted by livestock are captured and neutralized by the presence of trees on the property.



Other industrial emissions and air quality

Atmospheric emissions from combustion in the recovery and biomass boilers and the lime kiln are 80% nitrogen, water vapor and oxygen. The remaining 20% represents combustion gases and particulate matter. Thus, the limits established in Uruguayan legislation and the reference standards established by the Inter-American Development Bank (IDB) and the European reference standards IPPC-BAT 2001 are fulfilled.

For continuous monitoring of atmospheric emissions we have technological devices³⁶ and we share the data online- 24 hours a day, 365 days a year- with the environmental authority. In addition, the company monitors emissions on a daily basis and submits environmental monitoring reports to the regulatory authority on a quarterly basis.

Other air emissions (in tonnes)	2019	2020	2021	Variation
SO ₂ ³⁷	31,8	21,6	21,7	0%
NOx	1.821,6	1.855,7	1.802,8	-3%
PM	217,6	172,3	234,4	+36%
TRS	19,0	16,8	23,8	+42%



In 2021, SO₂ and NOx loads remained constant compared to the previous year. TRS and PM emissions increased; in the case of the TRS parameter, the increase is due to operational changes in the recovery boiler to protect its operation. Particulate matter emissions increased due to the fact that, as the plant was not shut down, it was not possible to carry out cleaning activities at the boiler. It is worth noting that, despite these specific increases, **all parameters were in compliance with regulatory requirements by a wide margin.**

The industrial plant monitors manganese, mercury and nickel emissions from the lime kiln on an annual basis, always with concentrations below the limit established by national regulations. Meanwhile, dioxin and furan emissions are measured every two years in biomass and recovery boilers. The latest available measurement corresponds to the year 2020, with results below the limits applicable in our environmental legislation.

36. CEM: Continuous Emissions Monitoring Systems

37. SO₂ and NOx measurement methodologies: Non-dispersive infrared spectroscopy (NDIR)- TRS: Thermal oxidation with selective catalyst, then UV fluorescence and finally laser scattering photometry.



Noise and odor management

Under normal operating conditions, the Punta Pereira industrial plant does not generate odors. In the event of certain operations or specific situations, episodes may occur which, although they do not imply a health hazard or are not outside the norm, may cause inconvenience to nearby residents. At Montes del Plata we fully comply with current regulations and work to minimize the inconvenience to the community. To this end, we have a working plan with operational actions and communication with neighbors.

On the one hand, we have containment, collection and management systems for TRS (Reduced Total Sulfur) gases. Investments and technological improvements are made annually to reduce emission levels. Our two monitoring cabins, located in Conchillas and Puerto Inglés, allow us to track immission air quality and other parameters that can predict odor situations: wind speed and

direction, temperature and humidity, radiation, rainfall and atmospheric pressure.

In addition, we carry out permanent monitoring of fixed odor sources (boiler chimneys and lime kilns) and diffuse odor sources (associated with large areas of process liquids - tanks or basins - or solids - industrial waste) that have the potential, under certain environmental conditions, to generate odors.

We communicate directly with neighbors to inform them of planned maintenance or operational actions that may cause inconvenience. To analyze root causes and identify opportunities for improvement, we have procedures designed with the community for early notification and recording of each odor episode. In addition, plant employees and neighbors were trained to identify specific odors to better pinpoint their origin and manage

improvements. In response to a notification from the community, an investigation is initiated, with the participation of several areas and a response is given to the resident.

In 2021, thanks to operational improvements and investments made in recent years, the number of events was reduced to 15.

For the management of possible events related to noise, monthly monitoring is performed at five points outside the plant.

Events / Notifications	2020	2021
Noise	0	0
Odors	21	15



Water collection, consumption and discharge at the industrial complex

The water consumed by Montes del Plata originates from the Río de la Plata, the second largest river basin in South America, with an average flow of approximately 22,000 m³/s discharging into the Atlantic Ocean.

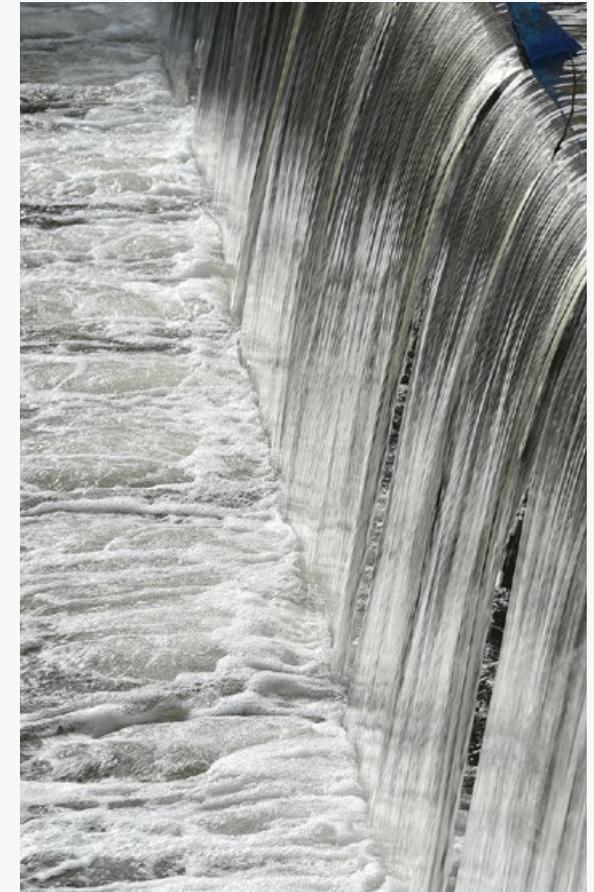
- As established in the Environmental Management Plan - approved by the national agency - the water extracted is treated at the raw water treatment plant, to be used in industrial processes and then reused internally.
- Prior to release into the Río de la Plata, the water is treated by physicochemical and biological processes (water treatment plant), in compliance with Uruguayan regulations and international technical standards (BAT 2001, IFC 2007). In addition, the plant must comply with discharge limits in concentrations established by Uruguayan regulations.³⁹

In the effluent treatment plant, pretreatment and primary and secondary treatment are carried out using a biological sludge system.³⁸

The main difference between the volume of water extracted and returned to the source corresponds to evaporation as a result of the production process.

All treated effluents are discharged into the Río de la Plata through an underwater pipeline with a 1,572 m long pipe and a 200 m long diffuser.

Compliance with these standards is not only monitored by the Ministry of Environment through continuous monitoring, inspections and audits, but also through IDB audits performed by a specialized international consulting firm.



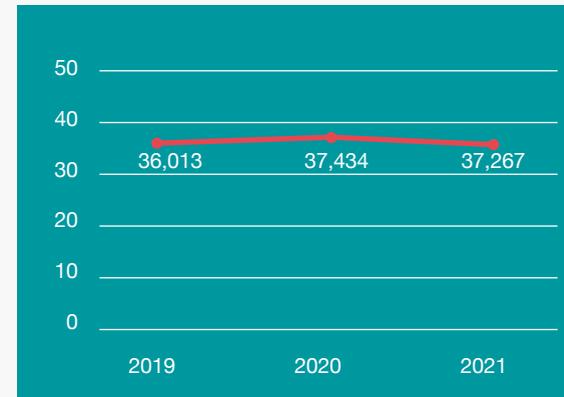
38. The effluent treatment plant was approved by DINAMA (now DINACEA) resolution, which established specific load limits on a monthly and annual basis for the discharge of certain characteristic parameters.

39. Rules for the prevention of environmental pollution through water control, Article 11 of Decree 253/079 and its amendments.

All extracted water is treated at the raw water treatment plant, to be used in industrial processes and then reused internally.



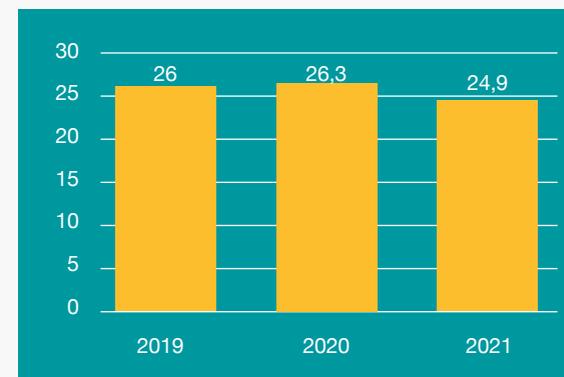
Water extraction (in millions of m³)



In 2021, although production increased compared to the previous year, process efficiencies were achieved, resulting in a 6% reduction in water consumption per ton of ADt. Thus, the plant exceeded its internal water consumption target (25.5 m³/ADt), obtaining a specific consumption of 24.9 m³/ADt.

Several factors explain this result, such as improvements implemented in recent years in the processes, as well as lessons learned by the team in charge. At the same time, the plant's different areas continued to implement operational adjustments, resulting in water efficiencies. In addition, in 2021, there were no relevant leakage events that might increase water consumption.

Water extraction / ADt





Effluent quality

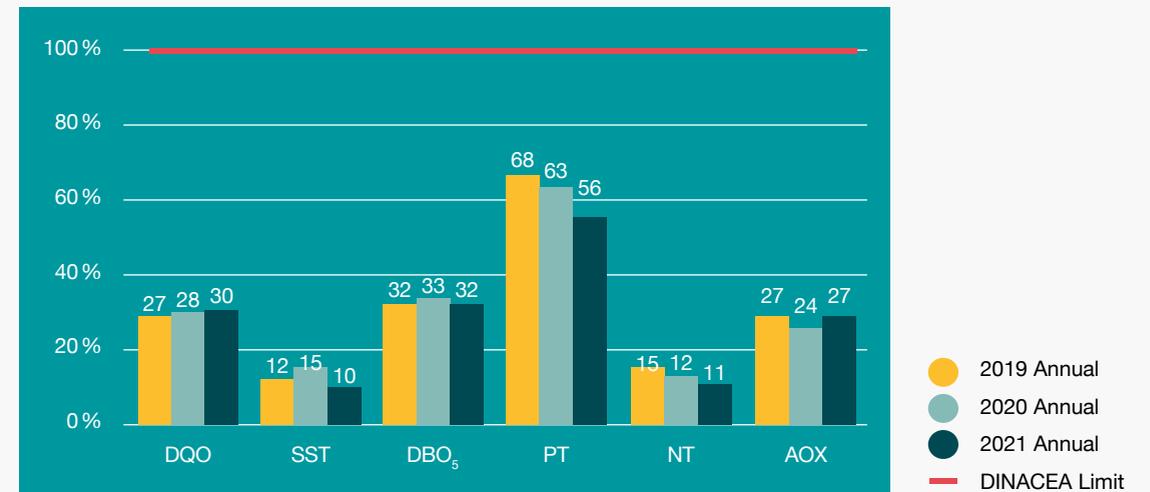
Prior to discharge, water resources are treated by physicochemical and biological processes before being returned into the river under conditions that comply with both the applicable national environmental regulations and international technical standards (BAT 2001, IFC 2007). Compliance with these standards is not only overseen by the Ministry of the Environment through continuous monitoring, inspections and audits, but also through IDB audits performed by a specialized international consulting firm.

Uruguayan and international regulations stipulate maximum limits for each of the effluent quality parameter. Internally, we conduct daily, monthly and annual monitoring processes for these indicators.

In all parameters, Montes del Plata comfortably complies with both national and BAT regulations.

Effluents discharged to the Río de la Plata			
	2019	2020	2021
Effluents discharged (in mill. m ³)	26,874	27,899	27,827
m ³ of effluent discharged per tonne produced	19,4	19,6	18,6

Limits kg / ADt (Annual)



DQO: chemical oxygen demand.

SST: total suspended solids.

DBO₅: biological oxygen demand on the fifth day.

PT: total phosphorus.

NT: total nitrogen.

AOX: absorbable halogenated organic compounds.



Water quality

In terms of effluents, historical performance levels were achieved in 2021. Since the beginning of the operation, the lowest level of specific effluent generation and discharge to the Río de la Plata was achieved (18.6 m³/ADt), a figure that exceeded the internal goal by 35 %. These results are the product of industrial processes efficiencies implemented in recent years, particularly in terms of lower water consumption.

Regarding effluent quality, all monitoring parameters showed specific load values lower or equal to 2020, with the exception of COD⁴⁰ and AOX. The increase in the COD level responds to isolated events and with respect to the AOX parameter, the increase would be justified by the higher production levels in 2021 and the higher COD level in 2021.

The differences found in discharges into water are due to the natural variability of the production process and, in all cases, the values reported comfortably comply with the limits established in the specific resolutions of the undertaking.

In the month of September 2021, a value higher than the reference was recorded for the parameter thermotolerant coliforms. In the internal sampling results analysis of operational conditions and rainfall events, in addition to those performed by LATU and LIMSA, no assignable cause was found for this increase, which is why it was designated as an atypical value. DINACEA was immediately informed and a report with a detailed analysis of the event was submitted in January 2022.

Parameter (kg/ADt)	2019	2020	2021	DINACEA limit	IPPC-BAT 2001 limit
DQO	4,0	4,0	4,56	15,0	23,0
SST	0,1	0,2	0,1	1,0	1,5
DBO ₅	0,2	0,20	0,22	0,7	1,5
PT	0,02	0,02	0,02	0,03	0,03
NT	0,03	0,02	0,02	0,20	0,25
AOX	0,04	0,04	0,04	0,15	0,25

Groundwater quality

In accordance with the Environmental Management Plan, four specific groundwater quality monitoring campaigns are conducted annually at the plant.

Two biodiversity and bioaccumulation monitoring campaigns are conducted every year in the Río de la Plata, where water quality parameters, sediments, biodiversity and bioaccumulation factors are studied at six specific sampling stations located in the Río de la Plata and the San Juan River. The studies conducted in 2021 conclude that performance is similar to historical data from the start of the industrial mill's operation, and to that of the baseline prior to the start of the mill's operation.

40. COD: Chemical oxygen demand and AOX Halogenated Organic Compounds

Waste management

Throughout the Montes del Plata value chain, waste is managed in accordance with current legislation and in line with international best practices. Waste is classified according to its characteristics as hazardous or non-hazardous.

In the forestry and logistics area, waste is classified, stored and disposed of according to its type; hazardous waste is also monitored through specific procedures. The main types include used oils, agrochemical containers, hydraulic hoses and other contaminated materials (soil, personal protective equipment, cloths, etc.).

Tonnes of hazardous waste managed by Montes del Plata	2019	2020	2021
Forestry and logistics	70,6	84,9	116,16
Industrial	267,9	180,0	299,4
Total hazardous waste managed	338,5	264,9	415,56



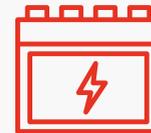
Non-recyclable waste

Mainly organic waste, food waste containers, used paper.



Metallic waste

Uncontaminated scrap metal.



Special/dangerous waste

Agrochemical containers, material contaminated with hydrocarbons, batteries, etc.



Recyclable waste

Plastic, paper, cardboard, glass, etc.

Waste management in the forestry area



They are classified according to the following categories: non-recyclable, metallic, hazardous or special and recyclable.

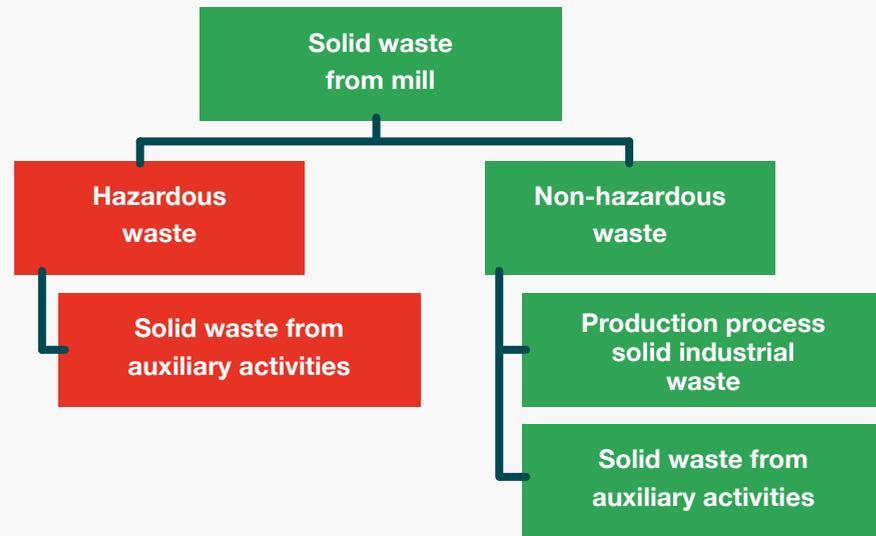
They are temporarily stored at work fronts (maintenance areas, warehouses, service areas, canteens, mobile or permanent), operational bases or administrative office.

They are transferred to final disposal sites or temporary collection centers (waste deposits) defined by the company.

Packaging of phytosanitary and fertilizer products is channeled through Campo Limpio, an initiative that brings together more than 85 companies that import or formulate agrochemical products to comply with the Container Management Plan, in line with Decree 152/013. At Montes del Plata, empty containers are decontaminated using the triple washing technique, which is appropriate for the decontamination of rigid containers, prior to their delivery to the reception centers.



Waste management in industrial operation



The plant's waste management procedures and standards are based on applicable local regulations and the guidelines set forth in the best available international practices (IPPC-BAT). Our IT platform allows us to monitor waste management, consolidate all the information associated with waste generation, conditioning and final destination, provide traceability, identify stock, inform the environmental authority and establish initiatives for reduction, reuse, recycling and recovery.

Plant waste is generated as a result of the production process or auxiliary activities.

Hazardous waste is generated exclusively by auxiliary processes:

Used oils: a percentage of the tonnes of waste oil is recovered internally in the lime kiln.

Containers, hydrocarbon residues (used oil, lubricants, unused grease, waste fuel), paint, used rags, among others, are stored in a specific temporary warehouse and then sent to authorized waste managers. Certificates are issued for the service, which provides waste traceability from origin to final destination.

Containers holding solid hazardous substances (big bags): are washed for decontamination and baled for recycling.

The information is submitted every quarter to the environmental authority.

Tonnes of hazardous waste managed per destination (mill)	2019	2020	2021
Energy valorization (internal and external)	46,6	41,2	54,7
Preparation for reuse	0,01	0,6	0,1
Recycling	7,5	26,6	67,0
Others ⁴¹	61,2	36,4	113,2
Transportation to final disposal site ⁴²	152,6	75,2	64,4
Total hazardous waste managed	267,9	180,0	299,4

18% of hazardous waste managed were used for power generation

41. Sorting, valorization and miscellaneous destinations of waste, carried out by authorized waste managers

42. Authorized sites include: Safety Landfill of the Chamber of Industries and Landfill of the Municipality of Montevideo with previous conditioning to remove the hazardousness: decontamination, stabilization, etc.



In 2021, the total weight of hazardous waste increased by 66%, mainly due to the waste generated during the general plant shutdown at the end of the previous year and the increase in the plant's production level.

Thanks to 100% big bag recycling, in 2021 the amount of hazardous waste sent to final disposal sites decreased significantly from 42% to 22% of the total tonnes managed by the industrial complex and the weight of this type of waste recycled increased by seven percentage points.

18% of the hazardous waste managed was used to generate energy both at the lime kiln and through third parties.

The significant increase in "others" is due to an oil spill at the plant that was diverted to the emergency lagoon and treated by an authorized operator, who recovered the water and recovered the oil for energy recovery.

Non-hazardous waste includes solid industrial waste and non-hazardous waste from auxiliary ac-

tivities. The former are removed from their points of generation in suitable containers to be transported to their final destinations. Within the industrial complex, they are sent for energy recovery, uses as soil improving agents or final disposal in the industrial landfill.

Within the non-hazardous waste from auxiliary activities, recyclable waste -mainly cardboard, plastic, scrap metal and wood- is identified and collected, conditioned (baling and shredding) and disposed of for recycling by authorized waste managers. Wood is managed internally by valorizing it in the biomass boiler.

Non-recyclable waste is mostly disposed of at the final disposal site of the Intendencia Departamental de Colonia (IDC) or at the industrial landfill in Punta Pereira.

Tonnes of non-hazardous waste managed classified by destination	2019	2020	2021
Transfer to landfill of the IDC (similar to urban waste)	1,159	551	503
Transfer to the final disposal site in CEPP - industrial complex	99,441	109,255	102,614
Reuse	13,173	8,328	7
Recycling	13,701	12,874	9,241
Energy valorization	68,950	73,447	75,710
Total Non-Hazardous Waste Generated	196,423	204,455	188,075



54%
of managed non-hazardous waste was recovered through the different mechanisms

- Final disposal- Industrial Complex Site
- External final disposal
- Valorization

In 2021, despite increased mill production volume, 8% less non-hazardous waste was managed; this development is mainly due to a decrease in reused waste (no lime sludge was generated as there was no General Plant Shutdown) and to improvements in plant efficiency, particularly in the logistics operation that generates lower levels of recyclable waste (wood).

Of the non-hazardous waste managed, 54% was recovered through various mechanisms (energy recovery, recycling or reuse) and the remaining 46% was sent for final disposal, either at the plant's internal site or at the Colonia departmental landfill.

In the second half of 2021, industrial solid waste recycling projects were applied, seeking to implement new circular economy initiatives in the management of the plant. First, an agreement was reached with a cement company for recycling two types -or streams- of industrial waste, incorporating them in different stages of its production process.

This project has great potential since it not only generates an ingredient from what was previously a waste product, but - by substituting cement inputs - helps to reduce the environmental impact of this type of construction product.

Furthermore, along with the internal solid waste manager, a pilot plant was implemented to recycle the main stream of industrial waste in order to obtain a product for improving agricultural soils, leveling the pH in acidified soils. This project, in addition to transforming a waste product into an input, has the potential to generate benefits for the conservation of soil resources and for agricultural producers, since this product could reduce the need to use other agrochemicals.

**We are one
single team**



We are one single team

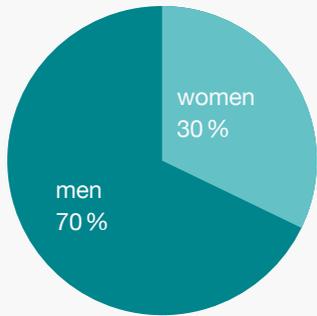
Forming a single team and offering a good working environment is one of the strategic pillars of Montes del Plata.

We seek to create work environments based on respect, honesty, participation and non-discrimination. Our policies and procedures were developed within the framework of respect for human rights and go beyond applicable national and international labor regulations. As established by Uruguayan regulations and stated in our Code of Ethics and Conduct as well as in the specific code for suppliers and contractors, we reject the use of forced labor or child labor, in any form, in the organization or throughout the value chain.

Occupational health and safety is a priority in everything we do, and we work proactively to control occupational risks and provide training for the professional development of our employees.



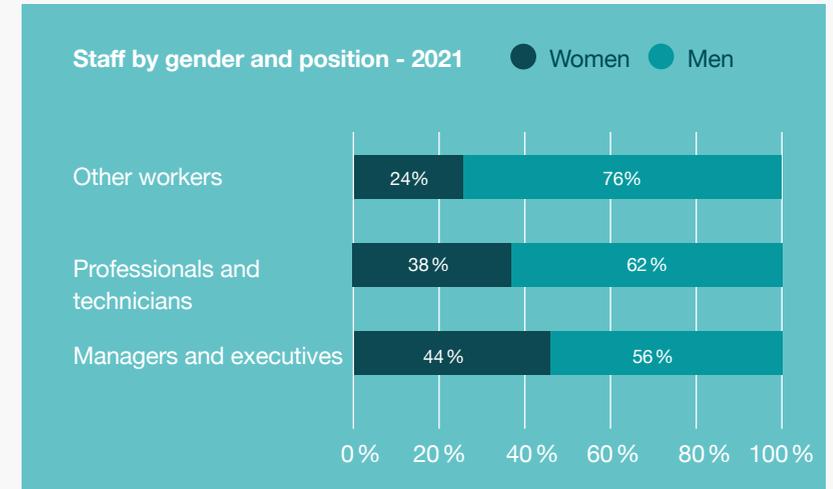
Our people



622
people

434
men

188
women



of our employees are
Uruguayan



of recruitments are local



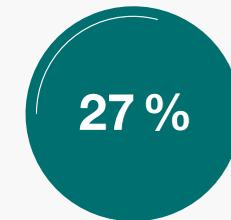
of the team has an indefinite-term
employment contract



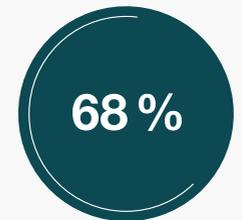
of the team in full-time
employment



under 40
years old



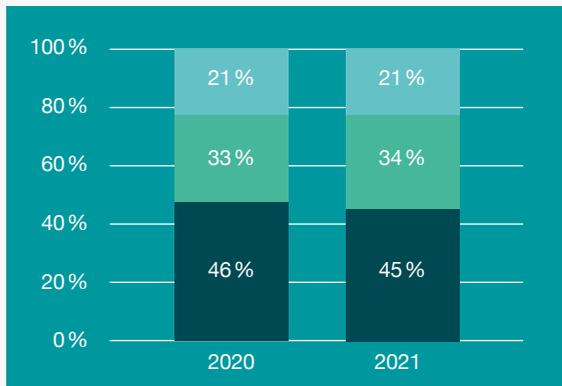
of workers belong to
generation X



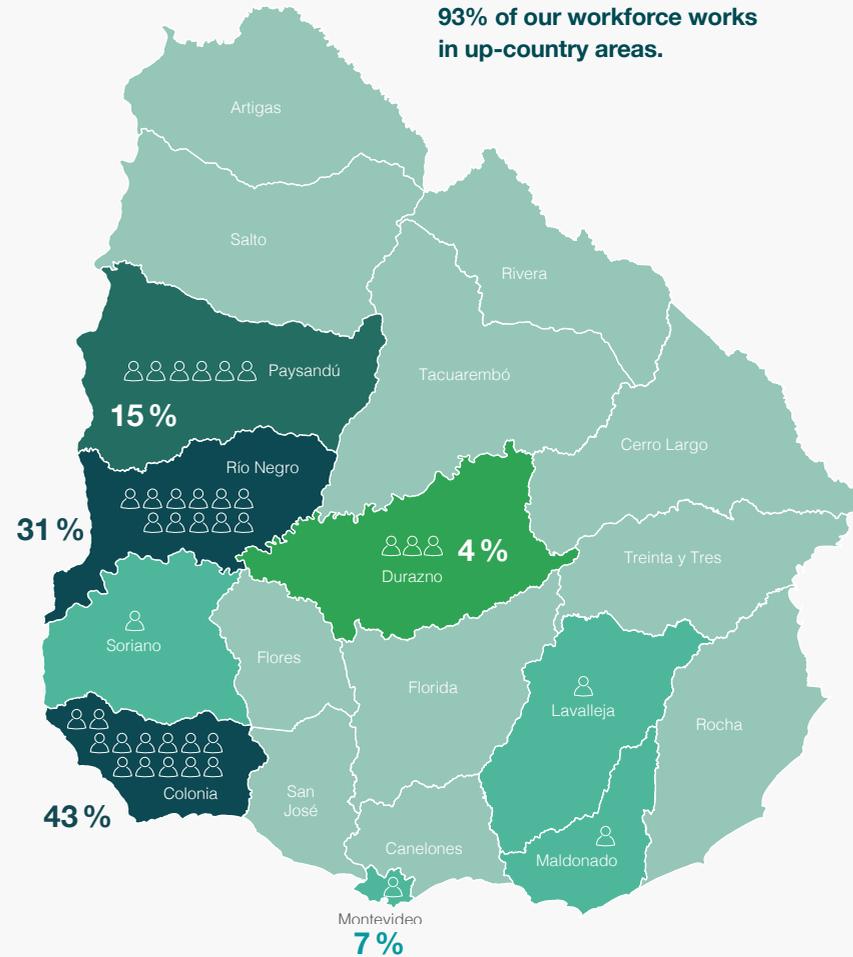
are
millennials

Forty-three percent of our employees work in the department of Colonia, where our industrial plant and port terminal are located. Thirty-one percent work in Río Negro, where the Nursery, the Forestry Technology Center and the M’Bopicuá Logistics Terminal are located. The remaining 26% is distributed among Paysandú, Soriano, Durazno -where our forestry activities are carried out- and Montevideo, where our support staff is mainly located.

Employees by work area



● Forestry
 ● Industrial
 ● Logistics and administrative support



Talent attraction and retention

Our policies stipulate that selection, recruitment and hiring processes must be carried out in a transparent and honest manner, guaranteeing respect, integrity and responsibility to all participants without any form of discrimination. We reject any discriminatory attitudes related to ethnicity, religion, gender, age, nationality, marital status, sexual orientation, physical characteristics or any other attributes of the applicants. When vacancies need to be filled, internal

announcements are made through the intranet and external announcements are made through our website, social networks and the main means of communication in the areas of influence of our operations. As a matter of corporate policy, calls are addressed to both men and women, as well as to people with disabilities.

- During the year, 36 employees (29 men and 7 women) joined the company, and the hiring rate⁴³ was 6%.
- In terms of turnover, 37 people (28 men and 9 women)⁴⁴ left in 2021. The average turnover⁴⁵ rate remained constant.

Growth opportunities for employees are expressly promoted. Internal mobility in 2021 was 57 people (11% of women and 8% of men) who took on new responsibilities through promotions, horizontal movements or participation in different projects.

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Hiring rate	7%	7%	7%	3%	8%	6%	4%	7%	6%
Average turnover rate	0,92%	0,59%	0,61%	0,48%	0,64%	0,52%	0,48%	0,81%	0,50%
Turnover rate	10%	7%	8%	5%	8%	7%	5%	7%	6%

43. Number of new employees / Staffing at closing.

44. Turnover rate - GRI standard: Total exits of the year / Staffing at the close.

45. Average turnover rate: Average annual joining and exiting / Total number of employees * 100.

Local employment opportunities

We continue to follow local employment policies, whereby calls are made in each locality where the vacancy is located. All things being equal, preference is given to the applicant who is from the towns close to the operation.

Globally, 36 people joined Montes del Plata in all its operations, 27 of whom were recruited from local communities. In the forestry area, 17 of the 25 entries were local, while in the plant area, 100% of the 7 entries were local.

In 2021, 75% of the hires were local, something that continues to strengthen the consolidation of people in the interior of the country with quality jobs.



We are inclusion

In 2021, we launched the Somos Oportunidad labor inclusion program at the plant, an initiative to provide job opportunities for people with disabilities.

We are thus continuing a process we started at the Nursery to build a culture of inclusive teams, with a special focus on the forestry and industrial areas. To this end, we have the support and consensus of both leaders and unions.

Somos Oportunidad has 10 phases. In the first, 12 jobs were identified that could be filled by people with some type of disability. Secondly, awareness-raising talks were given to plant and support area managers, as well as to the labor union; interviews were conducted with reference persons; and specific workshops were held for 227 employees and representatives of eight contractor companies.

In the different areas of the company, ambassadors were appointed, leaders in charge of pro-

moting job vacancies and diversity and inclusion values in each of the teams.

In addition, materials and media were adapted: induction presentations and institutional videos with sign language, subtitling of our courses and the inclusion of new functions in Teams for holding virtual meetings are some of the examples along this line.

Lastly, procedures were designed for case follow-up, with the participation of the employee, his or her colleagues and supervisors. The objective is to identify possible barriers to inclusion and opportunities for performance improvement. At the same time, we are working to improve accessibility in the accesses, main building, dining room and hospital of the plant.

In 2021, three people joined the nursery. A total of five people joined: two women and three men.



Team development

Training

99 %
of Montes del Plata's workers were trained.



In 2021

+75.000
hours of training

34 % more
training hours than the previous year.

83 %
of training hours for technical skills acquisition

Average Training Hours 2021



49	Management and executives	94
45	Professionals and technicians	37
235	Other workers	48



	2019		2020		2021	
	Women	Men	Women	Men	Women	Men
Number of people trained	189	419	182	427	186	432
Average hours of training	69	55	60	105	43	156
% of people trained	97 %	97 %	96 %	99 %	99 %	100 %

Despite the barriers imposed by the pandemic, our efforts to build personal capacity, knowledge and leadership skills in team members did not cease. All areas of Montes del Plata were trained in Lean methodology, a management philosophy with a long-term approach that seeks to improve processes and products through gradual changes. **160 employees participated in the eight editions of the program.**

In addition, we continued to deploy two specific initiatives linked to strengthening leadership. “The Four Jobs of the Boss”, a workshop that provides essential skills for teamwork, leadership and people management, and a support program for leaders and middle managers. In addition, a lateral leadership workshop was held to reflect on the skills and tools needed to lead teams.

As in the previous year, three orientation workshops for internal instructors were held with the participation of 45 employees.

Lastly, in terms of innovation and efficiency, training was also provided on subjects such as project management, Power BI, business analytics, Big Data, drone management, English and Excel courses.

In 2021, Montes del Plata supported six employees participating in postgraduate and master’s degree programs in Uruguay and abroad.



Performance management

In 2021 we revamped our yearly competency review system, a tool that allows us to identify and manage growth and development opportunities for our employees and be increasingly objective in our evaluation processes. The new competency model seeks to align the work, behaviors and attitudes of employees to Montes del Plata's strategic objectives and organizational culture. It contemplates eight competencies, both for the achievement of the company's results and for generating the desired identity, climate and culture. This model includes those who perform administrative or supervisory functions and includes an assessment of each employee's compliance with

specific goals, aligned with the company's strategic pillars.

In turn, plant operators have a specific evaluation model, linked to productivity and other objectives specific to the industrial area.

Forestry and nursery operators are paid according to their monthly productivity in addition to their fixed salary. According to the results of the process, feedback is given to each worker and the necessary improvements are determined.

Employees with performance evaluation	2020		2021	
	Women	Men	Women	Men
Managers and executives	100%	100%	100%	100%
Professionals and technicians	86%	95%	90%	97%
Other workers	36%	43%	37%	47%
Total	65%	65%	68%	68%

Acknowledgment

In addition to performance management, we promote the practice and attitudes of acknowledging and thanking those who stand out. To this end, we designed an internal program called Bravo! where each person can acknowledge, congratulate or thank those who have made specific achievements or demonstrated positive attitudes and values. In addition to the daily acknowledgement of each person with their teams, there are public instances of acknowledgement in categories such as safety, ideas for improvement, innovation and exceptional performance. Some examples include acknowledgments for accident-free days in operating teams, for R&D and nursery achievements, for participation in improvement projects, for being part of the emergency brigade, as well as gifts and public acknowledgments when an employee reaches 25 years of experience in the company or for retirement. Hundreds of people were reached by the "Bravo!" acknowledgement program, both in formal and informal actions that make up the work culture at Montes del Plata.

In addition, through a specific section on the corporate intranet, we can identify what we are doing well, what deserves to be applauded or what brings us closer to our objectives. It is an open section to honor collaborators, peers or other work teams. In 2021, 50 acknowledgement posts were made and received 1,580 "likes".



Compensation and benefits

To administer the compensation model, we use international job evaluation methodologies in order to ensure internal equity and external competitiveness.

Our salary structure analysis system allows us to evaluate salary range levels in accordance with market evolution, and at the same time, to consider the suitability of each employee's professional growth.

Category	Equity ratio 2019 ⁴⁶	Equity ratio 2020	Equity ratio 2021
Forestry operator	Position held only by men		
Plant technician	1,02	1,03	1,04
Nursery operator	1,09	1,08	1,09
Professionals and technicians	1,10	1,07	1,06
Supervision and leadership	1,07	1,07	1,05

	2019 Ratio NMW	2020 Ratio NMW ⁴⁷	2021 Ratio NMW
Ratio of lowest salary paid by Montes del Plata compared to national minimum wage (NMW)	1,50	1,57	1,52

In Montes del Plata, the lowest salary paid is

**52 %
higher**

than the national minimum wage (NMW) in 2021.

To improve productivity and generate a sense of belonging in the nursery and R&D team, an incentive was agreed upon that includes a variable individual and group remuneration system.

46. The pay equity ratio is calculated as the average fixed remuneration of the category (Men) / Average fixed remuneration of the category (Women).

47. This ratio demonstrates how much higher the salary paid by our company is in relation to the national minimum wage in Uruguay. SMN 2019: 15,000 Uruguayan pesos. SMN 2020: 16,300 Uruguayan pesos. SMN 2021: 17,930 Uruguayan pesos.

Benefits for employees

The People and Organizational Culture area is in charge of identifying and implementing benefits for all the company's employees: some are transversal and others depend on the geographical location where the employee performs his or her tasks. These include food, mobilization, life

and health insurance, flexibility for personal care and personal issues, agreements with local businesses and institutions, and educational scholarships. In 2021, we launched a platform that consolidates all discounts in stores and services throughout the country.

My First Work Experience

We relaunched the My First Work Experience program, where the sons and daughters of Montes del Plata employees can complete an internship. In 2021 there were six participants who did it remotely and had tutors in charge of training and motivation.

Since its creation in 2018

15 people

had their first work experience at Montes del Plata

Families



Extension of maternity leave and home office for an additional three months.

My First Work Experience: internships for employees' sons and daughters.

Health and rest



Medical certification supplement.

Flexible days: three days off per year for personal matters and two days off to care for family members.

Education and credit



Postgraduate and master's degree support.

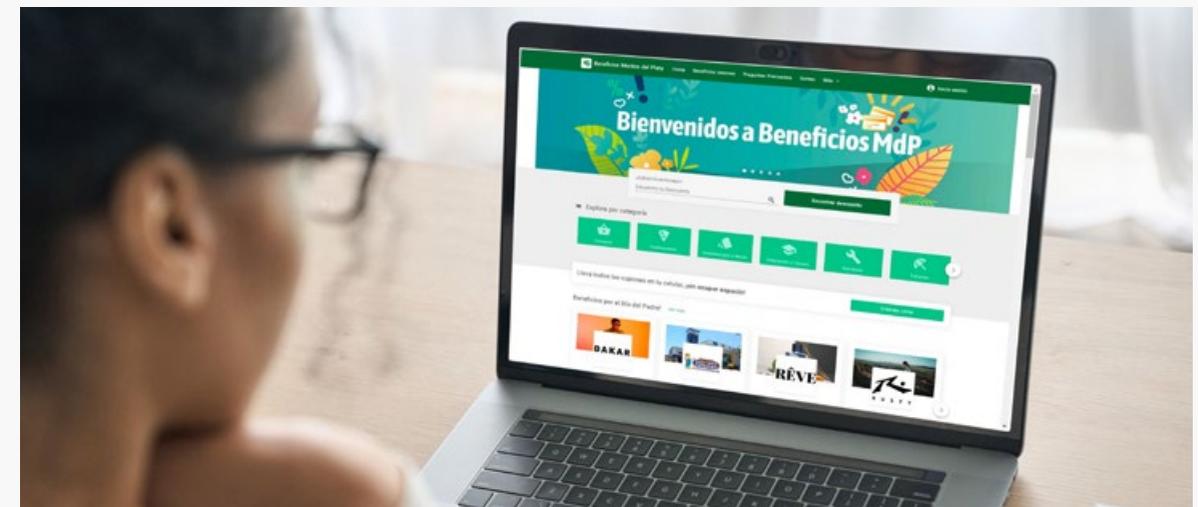
Preferential rates in local banks.

Recreation



Discounts in local businesses and services.

Celebrations and special days.



Organizational climate

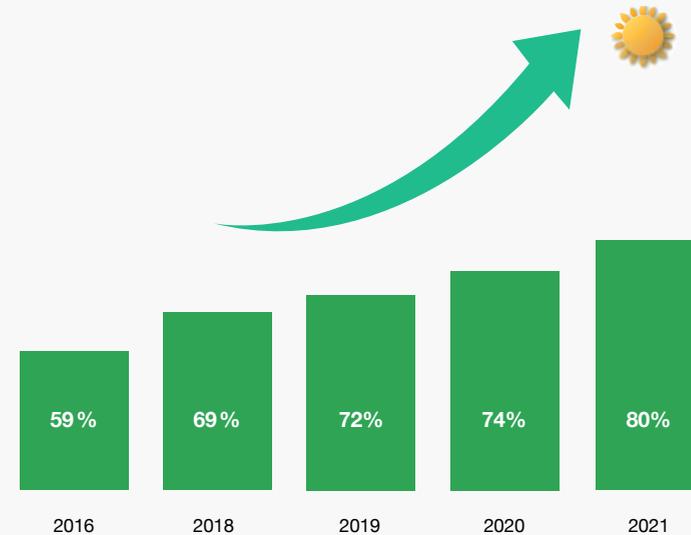
To monitor and measure the most relevant aspects and identify strengths and opportunities for improvement, we conduct an annual organizational climate survey, called SUMÁ, which is anonymous and confidential. In its fifth edition, 89% of the workers participated.

In 2021, favorability increased from 74% to 80%, 21 points higher than the first survey conducted in 2016. The dimensions of personal safety, and clarity and direction are those with the highest favorability: 91%. Pride in belonging obtained 85%, the highest rate since the survey was implemented, 14 points higher than in the first edition.

Such positive results motivate us to continue reinforcing actions for the development and well-being of our people and teams, and implement transversal and specific plans, adapted to the diverse needs of our employees.

For a better understanding of the pandemic's impact, we conducted focus groups and pulse surveys, which allowed us to draw up action plans appropriate to the reality of the collaborators.

Percentage of favorability in our work environment survey



89 %
of the workers participated
in this fifth edition

91 %
in people's safety,
clarity and direction

85 %
pride of
belonging

Freedom of association

In accordance with Uruguayan regulations and corporate policies, everyone who works at Montes del Plata is guaranteed the right to freedom of thought, conscience and religion. Both the company's own personnel and those of contractors have the right to exercise their union activities.

Permanent dialogue is promoted on a bipartisan basis with all trade union associations. Moreover, our workers are represented by SOIMA (Sindicato de Obreros de la Industria Maderera y Afines) and by FOPCU (Federación de Obreros, Papeleros y Cartoneros del Uruguay) at the national and sectorial levels, in accordance with the regulations in force in Uruguay. The company follows the collective bargaining agreements established by the national wage councils with its employees.

In 2021, a new four-year internal collective bargaining agreement was signed with the nursery's union. General working conditions and benefits were agreed upon, as well as a new variable compensation system. In addition, an agreement was reached with the union concerning work and

leave arrangements, the calculation of sanctions, benefits, alcohol and drug protocol, and a new internal regulation with guidelines for behavior and areas for cooperation.

At the national level, a new collective bargaining agreement was signed for the Forestry sector, included in Group 24 of the wage councils. The agreement with the plant workers' union is in effect since 2020.

80% of our employees are covered by collective bargaining agreements in force. At the end of 2021, 54% of the operating personnel were members of unions (33% of the total workforce).⁴⁸

In 2021, an Assistance Fund was created, co-administered by the company and the workers, with contributions from both parties, to mainly address health issues of the workers and their families.

For the past nine years, Montes del Plata has been conducting workshops on labor rights and obligations for its employees and forestry con-

tractors, providing information on current legislation and international agreements. Internally, workshops are taught by our team, while in the contractors' companies are in charge of teaching their workers, with the support of Montes del Plata through adapted materials. In 2021, 799 people participated.

In 2021, in the workshops on labor rights and obligations, participated 799 people.

Contractors

We have the support of contractors for the development of our forestry (38%), industrial (33%) and logistics (29%) activities. In 2021, 2,998 contractor employees were dedicated to our operation, 6% more than in the previous year.

Each of these companies must comply with policies and procedures, according to the type of services they provide. To ensure compliance, a company that specializes in document monitoring for the management of people and safety verifies: payment of salaries, social security contributions and legal severance payments to the workers of said companies.

We conduct annual trainings with emphasis on environmental, health and safety and compliance matters. In 2021, 38 thousand hours of training were provided in health and safety aspects, in addition to participating in various initiatives and campaigns to contain the pandemic.

48. GRI 102-41 Standard: the unionization rate is 29% of the company's total workers considering all positions.

Commitment with communities



Social management strategy

One of the six strategic pillars of Montes del Plata is to be a responsible and close partner in the community. To this end, the Sustainability and Communications area is transversally responsible for designing and implementing the company's social management strategy. This is achieved through the identification, assessment and sizing of both positive and negative impacts, real or potential, derived from our activity, designing management programs to address each one of them.

We also maintain specific protocols and procedures for managing community relations, guidelines defining the lines of work, programs and responsibilities of each of the company's areas in relation to stakeholder engagement.

Social management strategy is structured in three main lines of action: dialogue and relationship building, enhancement of positive impacts (local development) and mitigation of negative impacts.

Monitoring and management are performed using a control board with quantitative indicators that measure: local community development (social participation, impacts on the area, local employment, opportunities), Montes del Plata as a neighbor (attributes of proximity and social responsibility, complaints register, local surveys) and corporate image (brand recall, presence in the media, national and regional surveys).

The board considers the annual, biennial or five-year tracking of indicators based on measurements resulting from social studies in the field, social indicators of the country, results of surveys in the programs and our own management indicators.



Dialogue and community relations

Our engagement approach involves developing open, transparent and timely relationships through proactive dialogue in each of the areas in which we are present.

These listening processes are carried out through various tools: surveys, in-depth interviews, so-

cial characterization studies, analysis of received communications, media surveys and one-on-one dialogues with neighbors.

Each year, the company conducts specific social studies in the areas of influence of both forestry and industrial operations, to identify changes in

the environment, as well as the perception of neighbors regarding our activity. In 2021, these studies were conducted in the industrial plant micro-zone and in forestry communities.

Along with these studies, surveys with other stakeholders and secondary information gathe-

ring allow us to complement the diagnoses and thus have objective instruments for social management, update the impact matrices of the company's operations and feed the identification map of communities of influence.



The studies' main conclusions include the following:



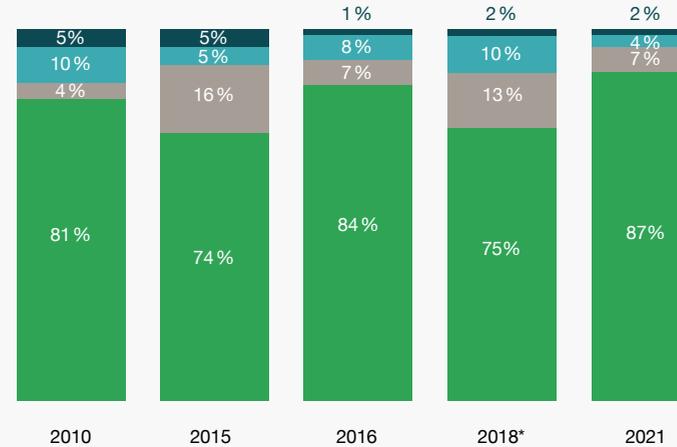
94% of the inhabitants of Conchillas and surrounding areas (industrial microzone) consider that Montes del Plata is positive for the area or has no impacts.



Among the inhabitants of the department of Colonia, 83% consider it positive that Montes del Plata has established itself in Colonia, 10 points higher than the expectations of 2011.

As for reliability, Montes del Plata has been increasing in this indicator in the department of Colonia. Prior to its construction in 2011, confidence levels were low (26%) and today, after eight years of operation, it stands at 72% at the departmental level. Confidence in Montes del Plata in the area closest to the plant (Conchillas and surrounding areas) stands at 82%.

Do you believe that MdP is positive or negative for the area?



- Positive
- No impact
- Negative
- No opinion

* Two questions were asked: if it had an impact and then if it was positive.

Montes del Plata cares about him zone progress:

2013 59%
2014 74%
2021 76%

In Conchillas, 42% of the economically active population has a job at the plant or works with a contractor or supplier (or is a contractor or supplier).

In 2016 the proportion was of 21%.

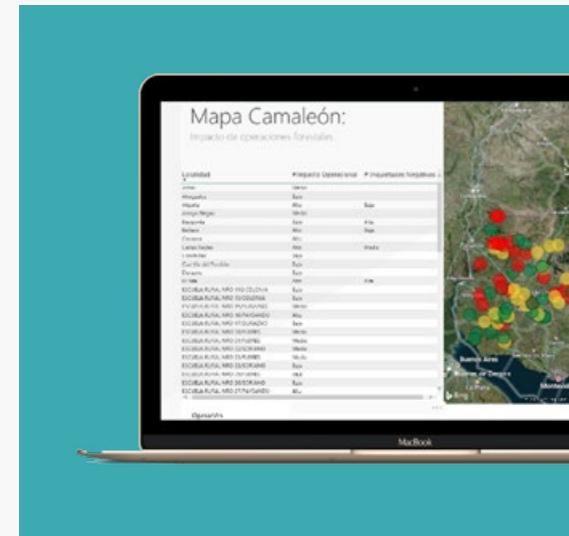


External communications management system

We encourage neighbors to maintain permanent and direct contact with Montes del Plata's representatives in each area as part of our relationship with the community. Through these dialogues, we are able to make ourselves known, respond to concerns and implement the necessary improvements in our forestry and industrial operations. Our external communications management system is centralized and transversal to the entire company. Concerns, requests, inquiries, queries, claims or complaints are filed there, dealt with internally and responded to in a timely manner. Furthermore, this tool allows us to analyze record statistics, identify opportunities for improvement and drive improvement actions. In 2021, 361 registrations were uploaded to the platform, 44% increase over the previous year. 40% corresponded to requests from neighbors for the collection of firewood for domestic use, while one third of the contacts were requests for donations.

Chameleon

Developed internally, this digital tool was designed to systematize social information and make timely decisions. Through a dynamic map, the system shows areas with the greatest presence of forestry, road, harvesting and loading operations; incorporates the results of social studies; and complaints received in the communications registry.



Good Neighbour

This program was implemented in the communities neighboring our operations to introduce neighbors and local representatives to the company's activities-particularly those that will be carried out in their area-, offer direct communication channels and generate spaces for constructive dialogue and good relations. In addition, we hold community meetings where we gather community concerns and plan cooperation projects. Activities are carried out in the forestry area prior to the start of operations to involve local stakeholders. This includes, for example, visits to the operations or presentations at educational centers or in community settings.

A total of 574 neighbors were contacted during 2021, 8% more than in 2020.

There were

307

in-person visits while the remainder were phone conversations.

Local Development

Developing and improving the quality of life of the residents of the communities neighboring the operations is an objective in itself derived from a positive impact enhancement strategy in terms of social environment.

Thus, we encourage and support projects generating shared value and promoting local development, strengthening the social fabric and contributing to long-term impacts such as education, employability and the shared use of the forest.

Alianzas for growing together

Support tourism

Education and employability

Contributions to the community

Alianzas for growing together

Our Alianzas program integrates forestry with other activities, making agreements with producers who diversify their production with forestry or shared use of the forest. Tree shade and shelter are used by cattle; shelter and food source for bees; and mushrooms that grow naturally in the forest are collected by neighbors in the communities.

Grazing, beekeeping and mushroom gathering are part of the forest landscape in Montes del Plata.



Wood production in Alianzas

As part of our sustainable growth vision, we **promote strategic integration alliances with more than 300 rural farmers who incorporated forestry into their properties** to complement their agricultural or livestock production. These farmers own land with medium-low fertility forestry soils located at a reasonable distance from our plant. Through shared land use, they have access to business opportunities, with contracts that cover from one to three forestry cycles, and a mutually beneficial relationship. Moreover, forestry is complementary to other activities such as livestock farming, which benefits from greater animal comfort and productivity. **30% of the plantations managed by Montes del Plata are under the Alianzas program.**

30%

of the plantations managed by Montes del Plata are under the Alianzas program.

There are three ways to produce wood:

- **Leasing part of the land:** the landowner leases the land and Montes del Plata invests in planting the forest.
- **Partnership:** the farmer grants the use of the land for a determined period of time and Montes del Plata invests in the forest. Profitability is distributed at the end of the production cycle.
- **Forestry promotion:** the farmer preserves the use of the land and invests in the establishment of the forest. Montes del Plata obtains permits and provides the genetic material for which it receives an economic compensation, in addition to being the first option for the purchase of the resulting wood.

Livestock grazing and beekeeping at Montes del Plata

Nearly 35% of our forest lands are not used for planting but for other activities such as livestock and beekeeping.

240 livestock breeders graze more than 44,000 head of cattle on over 163,000 ha. belonging to Montes del Plata.

Beekeepers use the company's land for honey production; bees obtain shelter and feed on native woodlands and pastures. In addition, these sites are very suitable for organic honey production due to the low use of agrochemicals.



In 2021

38

beekeepers kept more than **6,500** hives on our properties. Of these, 40% are already certified organic, which places producers in value-added niches.

Type of enterprise	Indicator	2019	2020	2020
Livestock grazing	Number of livestock farmers	188	194	240
	Total hectares under contract	128,000	144,000	163,000
Apiculture	Number of hives	6,000	5,660	6,500



The mushroom trail

In 2017, we took the first steps to formalize edible mushroom picking, an economic activity carried out by neighbors of forestry communities. This mushroom grows naturally with the Eucalyptus of our forests. The company first created a log of collectors and provided training in safety and occupational health, designed a procedure for entering the fields, and conducted a socioeconomic study of the mushroom value chain. With these inputs, the “Mushroom Trail” project began to be implemented so that the pickers of Piedras Coloradas and Orgoroso, in Paysandú, could be trained and add value to the product.

In 2021, Montes del Plata and the Universidad del Trabajo del Uruguay (UTU) taught a course on mushroom identification and preservation to 25 mushroom pickers in the area, whose main source of income was mushroom picking. The training was structured in three modules: conservation and harvesting, entrepreneurship, and support for an incubator project to accompany and develop their own ventures. In addition, a

food handling workshop was given by the Universidad Tecnológica del Uruguay (UTEC) Southwest Region.

To deepen the project, we signed a working agreement with UTEC for the development of three lines of research:

- 1) the evaluation of nutritional content and labeling of fresh and dried mushrooms;
- 2) the evaluation of the shelf life of fresh mushrooms and according to their preservation process, design of production processes and by-products;
- 3) molecular characterization of edible mushrooms.



200
residents

of the Piedras Coloradas and Orgoroso communities in the department of Paysandú collect and sell 250,000 kg of edible mushrooms per year to food suppliers.

The product is processed in industrial plants, mostly in Montevideo.

Once packaged, these mushrooms can be found on supermarket shelves and fast food carts, and are the most widely consumed mushroom in Uruguay.

We promote tourism in Colonia

In the plant's area of influence, a local development line of work was developed to promote tourism, a sector strongly affected by the pandemic.



Colonia Tourism Association

We signed an agreement with the Tourism Association of the department of Colonia to boost the local economy through a key sector of the department. The project involved providing funds to design and implement an effective communications strategy: analyzing the characteristics of the department's visitors, aligning strategies with the sector's stakeholders, and executing a digital marketing campaign targeted to the different markets.

It should be recalled that Conchillas was the first town to be awarded the Pueblo Turístico prize in 2013, granted by the Ministry of Tourism. Since the mill was built, Montes del Plata has contributed to promote this activity through initiatives such as the Tea Tables Contest, community festivals, heritage site restoration, tourism signs and infrastructure, and institutional strengthening, among others.



Support to Club Plaza Colonia

In 2021, an agreement was made to sponsor Plaza Colonia, the most prominent club in the department, and the only one whose soccer team plays in the First Division, at the national level. All their T-shirts carry the phrase “Visit Colonia”. In this way, the athletes act as ambassadors of the department and promote local tourism. This sponsorship reaffirms Montes del Plata’s strong ties with the department and is a vehicle to promote and reactivate Colonia as a post-Pandemic tourist destination.

The agreement includes all club sports: swimming, basketball, baby soccer, handball, volleyball, boxing and inclusive sports, while offering benefits to Montes del Plata employees and their families to join the club and participate in its activities.



Re-inauguration of the Plaza de Toros Real de San Carlos

We participated as a sponsor of the celebrations for the reopening of the Plaza de Toros Real de San Carlos, an emblematic building in the city of Colonia del Sacramento.

This monument was reopened after 111 years and the event was a long-awaited moment for locals and visitors alike. On Thursday, December 9, representatives of Montes del Plata were present at the ceremony, a party packed with music, art and emotions. During that weekend, the whole city enjoyed a festive atmosphere, from the Historic District to the Plaza de Toros, where Colonia vibrated with activities with the participation of more than 1,300 artists, 25 bands, exhibitions and a varied cuisine.



Heritage Tourist Guide Colonia - Fray Bentos

Another of the actions carried out in 2021 was the presentation of the Guide “Colonia - Fray Bentos: route between two world heritages),⁴⁹ promotional material focused on one of the most significant routes in the country from a cultural and natural heritage point of view, with several points of attraction in the vicinity of our forestry and industrial operations. With Route 21 as its axis, the journey includes the area linking the Historic District of Colonia del Sacramento with the Cultural-Industrial Landscape of Fray Bentos, both of which are on UNESCO’s World Heritage List.

This project is in addition to the work on the book “Conchillas Patrimonio Vivo” (Conchillas Living Heritage), produced in collaboration with the cultural production company BMR. The launching of this guide was carried out jointly with the Tourism Association of Colonia, the different member chambers and tourism departments of the municipalities of Colonia, Soriano and Río Negro. At the same time, a workshop was held with tour operators to promote this tool and invite them to add this route to their existing tourist services.



Tourism in Conchillas and its surroundings

Lastly, support was provided to ASECOZ for the development of a series of short videos to promote the different tourist attractions in Conchillas and the surrounding area through social networks. In 2021, despite the pandemic, new ventures and proposals were consolidated, diversifying Conchillas’ tourist attractions.

As part of our commitment to Conchillas, we continued our contribution to the improvement and cleaning of La Islita Beach, an initiative led by the Conchillas Rural Development Association and the Municipality of Colonia.

49. <https://www.yumpu.com/en/document/read/65840210/guia-colonia-fray-bentos-ruta-entre-dos-patrimonios-mundiales>

Education and employability

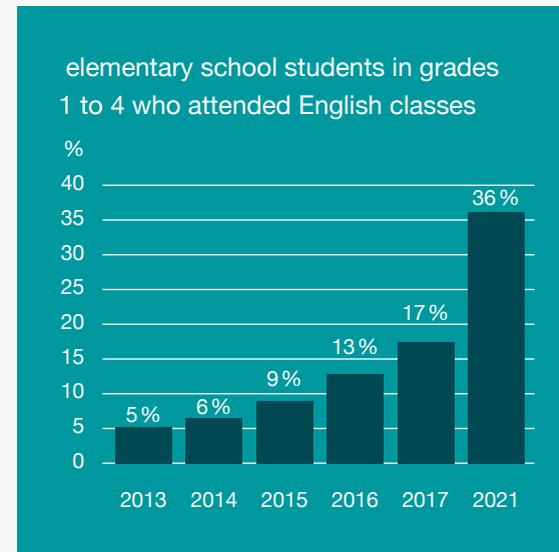
English for All

This is a system of scholarships for students from Conchillas High School to learn English, an initiative promoted by Montes del Plata in conjunction with the local high school and the Anglo-Uruguayan Cultural Institute. Classes are held in the town's emblematic Evans House and as part of the program, cultural and recreational activities are also developed to bring participants closer to British culture. The program arose from the initiative of two individuals from Conchillas: a high school teacher and a collaborator of the Montes del Plata team, who are now coordinating the program. Montes del Plata and the Anglo Institute jointly finance 90% of the costs of the program and the remaining

10% is financed by the families of the young participants.

Thanks to this program, the number of students in the first through fourth year of high school who attend private English classes increased by 117%.

In 2021, the fourth year of the project, the first generation of students graduated and received their Preliminary English Test (PET) certification. In addition, Montes del Plata awarded two cultural exchange scholarships to England to students who completed the program.



28

students had the opportunity to participate in the program in 2021, bringing the total to 62 since the program began in 2018.

Yo Sigo

The “Yo Sigo” work plan aims at the educational continuity of young people in the area of influence of the Montes del Plata mill and is structured into four areas: Orientando Orientales (vocational orientation), A day in Montes del Plata (visits to mill by 6th grade students from Conchillas), a trip to Montevideo to study centers, as well as personalized accompaniment to address individual barriers that each student may have.

Orientando Orientales is a program that Montes del Plata runs together with the Di Mauro Davrieux Center. Its objective is the educational continuity of students, through vocational guidance to help them make decisions about their educational future and motivate them to continue their studies. The program was implemented in the high schools of Ombúes de Lavalle and Conchillas uninterruptedly from 2015 until 2020, when it was suspended due to the pandemic.

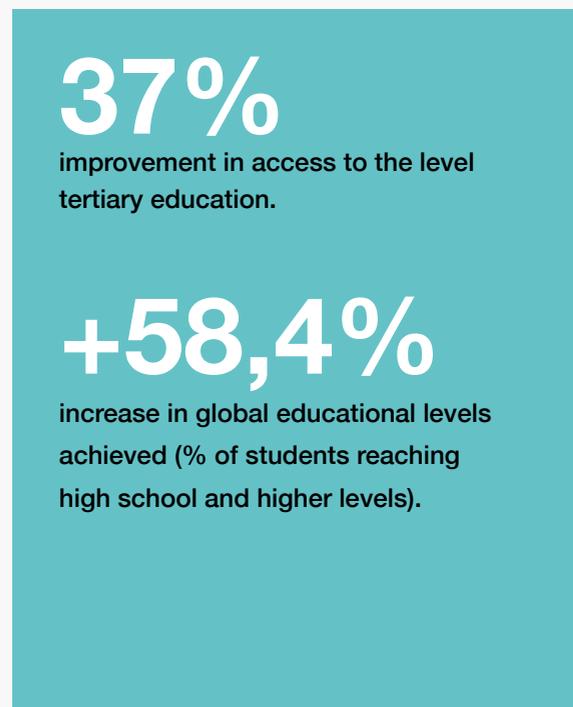
At the end of 2020, a study was commissioned to measure the effectiveness of the program,⁵⁰ concluding that the initiative meets its objective and contributes to the educational continuity of its participants.

The success of the project lies in the increase in the percentage of students completing high school (sixth year of secondary school) or reaching higher levels of education. Of those who participated in the program, 92.1% achieved a bachelor’s degree or higher, compared to only 60.4% of those who did not participate in the program. The high school dropout rate among young people who participated in the program was 16.7%, while among the population that did not participate it was 42.3%.

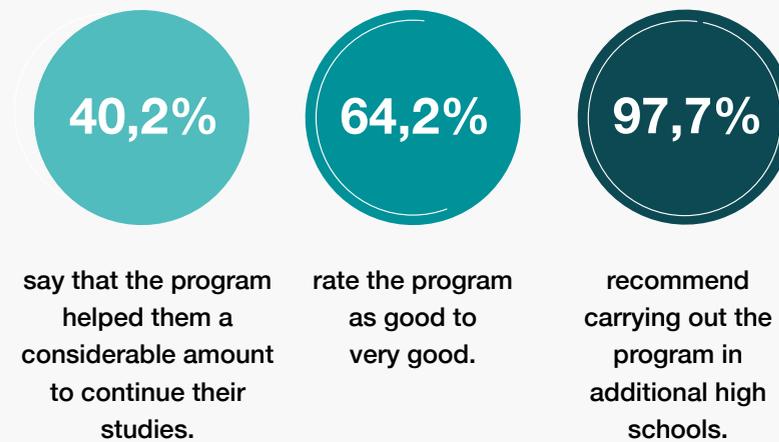


50. The study involved young people between 16 and 24 years of age, 139 who participated in the program (experimental population) and 139 who did not (control population). For the control population, a locality of similar demographic characteristics was selected within the department of Colonia.

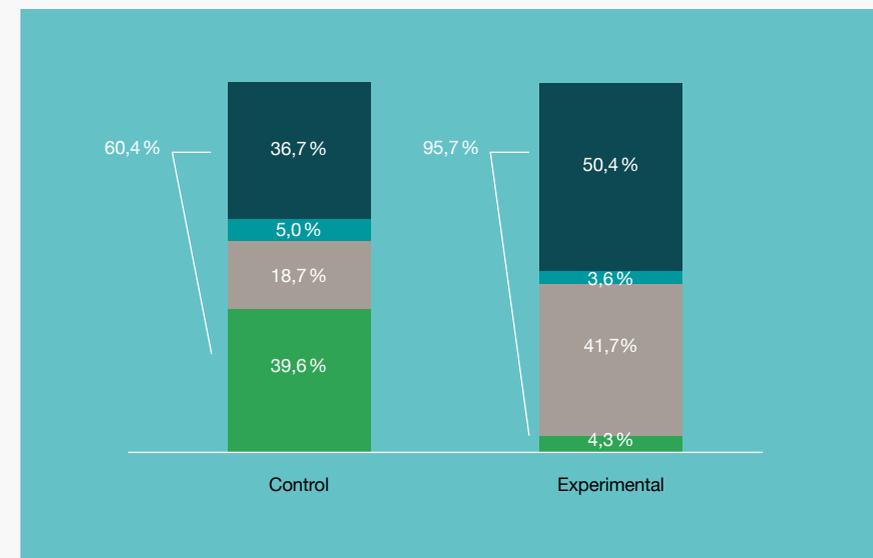
Participation in the Orientando Orientales program



Among those who participated in the Orientando Orientales program:



In 2021, we re-launched Orientando Orientales on-site at the Ombúes de Lavalle and Conchillas high schools and doubled the number of students, from 174 to 324. Additionally, the second and third year groups from both high schools were included. At the same time, work sessions were held with teachers, who are fundamental pillars for the educational success of young people, especially after the pandemic.



- University tertiary education and Non-university
- Baccalaureate
- Technical education / UTU professional training
- Basic education



Community impact mitigation

Our operations generate positive and negative impacts on the communities of influence of our industrial, forestry and logistics activities. While we work to enhance the positive aspects of our presence in the territory, to manage negative impacts, we have specific programs that include permanent monitoring of the social environment, planning and execution of specific actions aimed at minimizing these impacts.

In this regard, two main lines of work should be highlighted: management of plant odors and noise (activities described on page 76) and mitigation of impacts generated by transportation (activities described on page 56) and the fire prevention and firefighting plan.

Fire prevention measures

Each year, Montes Plata, together with the other companies of the Society of Forestry Producers, finance a Forest Fire Prevention and Combat Plan, made up of specialized brigades for the high-risk season. It is equipped with three stations to cover the different regions of the country, six fire-detection aircraft and three helicopters, each with a crew of five brigade members plus a fire chief.

Forestry practices comply with national regulations and the most demanding international certification guidelines in this area and include:

- periodic maintenance of the forest lands (cleaning and monitoring) and the presence of grazing cattle, which keeps the vegetation cover in check and reduces combustible material.

- training and infrastructure for firefighting in all forest areas:
 - firefighting training is conducted every year for both the company's own teams and forestry contractors (465 people were trained in 2021);
 - each forestry region has firefighting equipment: water tanks, tractors, implements, road machinery, specific tools for fire control, water tanks.
- Semi-annual drills are performed to be prepared for emergencies and identify opportunities for improvement (response times, effectiveness of tools and control measures, etc.).

Community contributions

Through various mechanisms, we provide financial support to health, education and security institutions in the areas of influence of forestry and industrial operations.

This year, due to the pandemic, most of the donations were directed to address the social crisis associated with the pandemic, complementing the 2020 efforts to strengthen local health centers to cope with the increased demand.

To ensure a timely supply in accordance with the various needs that arose, open channels of dialogue were maintained with local authorities, and the contributions required by each actor to address the health and social crisis were jointly

defined. The main contributions were: 3,500 food baskets for Colonia, Río Negro and Paysandú, hospital beds for the Fray Bentos Hospital (totaling 15 beds since 2020) and cleaning and disinfection supplies for the reopening of educational centers.

The total amount of community contributions in 2021 was USD 212,552, mainly destined to support the health emergency, followed by the Montes del Plata Funds and Small Donations, which are the main tools for contributing to the communities.



About this report



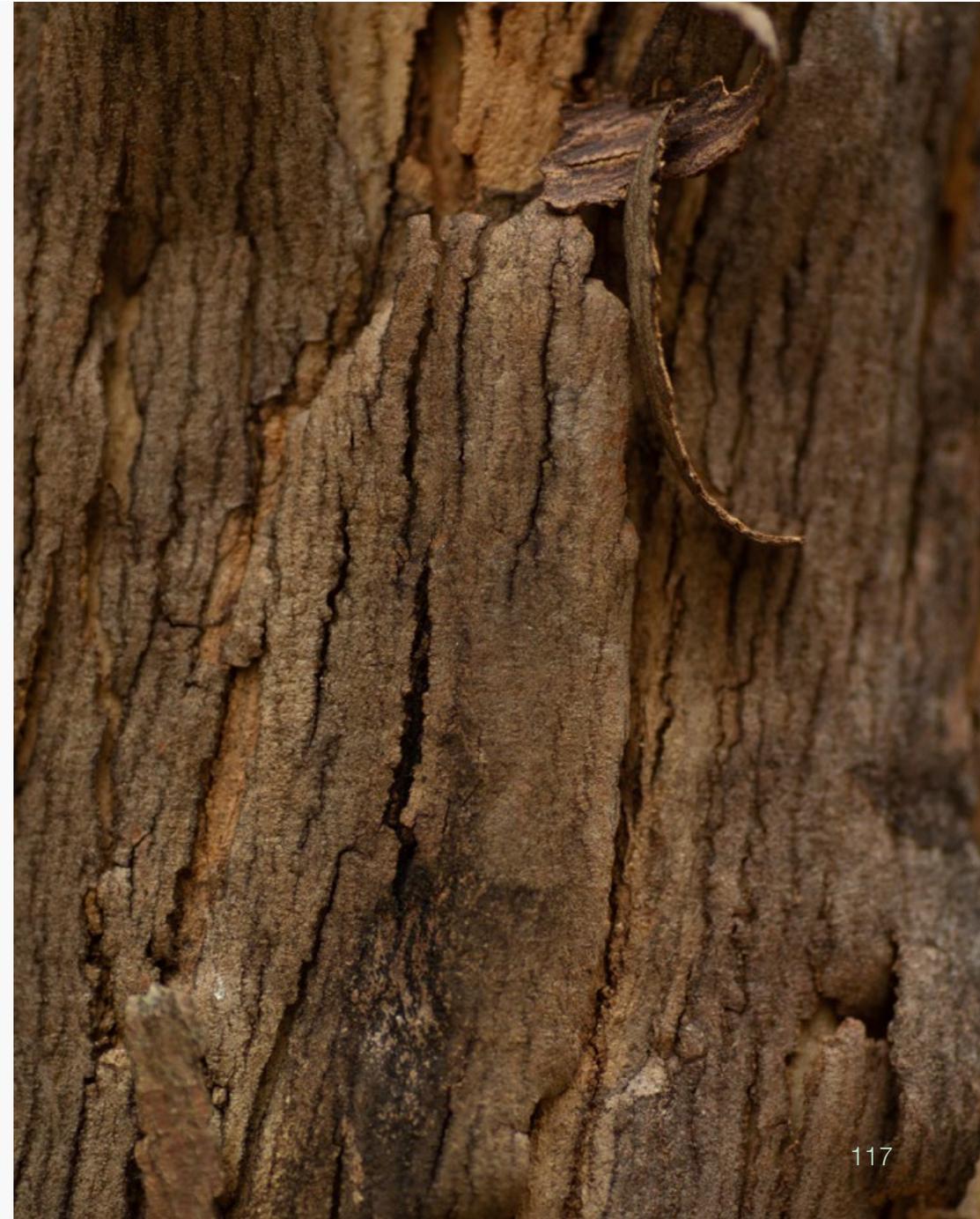
Report standards

Montes del Plata's third sustainability report consolidates information on our environmental, social and economic performance for the period covered between January 1 and December 31, 2021. *This report has been prepared in accordance with the GRI Standards: Core option - Global Reporting Initiative, complying with the principles of said standard in regards to the definition of the contents and the quality of the information provided.*

In addition, this document incorporates the SASB (Sustainability Accounting Standards Board) guidelines, in regards to Forest Management and Pulp and Paper Products. Given that in 2021 we joined the United Nations Global Compact initiative, this document represents our communication regarding our progress in the application of its principles.

Scope

Montes del Plata is the brand under which the following companies operate: Stora Enso Uruguay S.A., Eufores S.A., Celulosa y Energía Punta Pereira S.A., El Esparragal Asociación Agraria de Responsabilidad Limitada, Zona Franca Punta Pereira S.A., Terminal Logística e Industrial de M'Bopicuá S.A., Ongar S. A. and Forestal Cono Sur S.A.





Methodology and scope

Employees from different areas of the company participated in the preparation of this document. The Sustainability and Communications area was in charge of project management. The data presented here were submitted and validated by each of the responsible managements. The document was not subject to third party verification.

The following activities were carried out to determine the topics to be included in the report (materiality):

- Meetings with Montes del Plata's eight managers and project leaders, to define the most relevant milestones of the year and the most significant impacts of the operation.
- Two workshops with Montes del Plata employees who had the chance to learn about reporting, the trends and opportunities it offers

the company, and share their impressions of the previous edition. A total of 47 collaborators participated in both instances.

- In-house survey of nine company executives to identify and compare strategic business priorities and the state of progress of the company in each specific area.
- Corporate priorities analysis arising from strategic pillars and their implications in terms of environmental, social and economic issues.
- Review of forestry companies' best practices internationally and of literature related to sustainability in the industry, such as GRI, DJSI and SASB publications.
- Review of the results of the 2021 organizational climate survey.

- Analysis of the main themes of the Environmental and Social Compliance Report, presented annually to the IDB.

- Analysis of the main regulatory requirements, particularly in environmental matters.
- Identification of the main strengths and opportunities for improvement resulting from the perception and monitoring studies conducted in Montes del Plata's industrial and forestry communities.

- Analysis and compilation of SASB standard performance indicators for the following industries: Forest Management and Pulp and Paper Products.

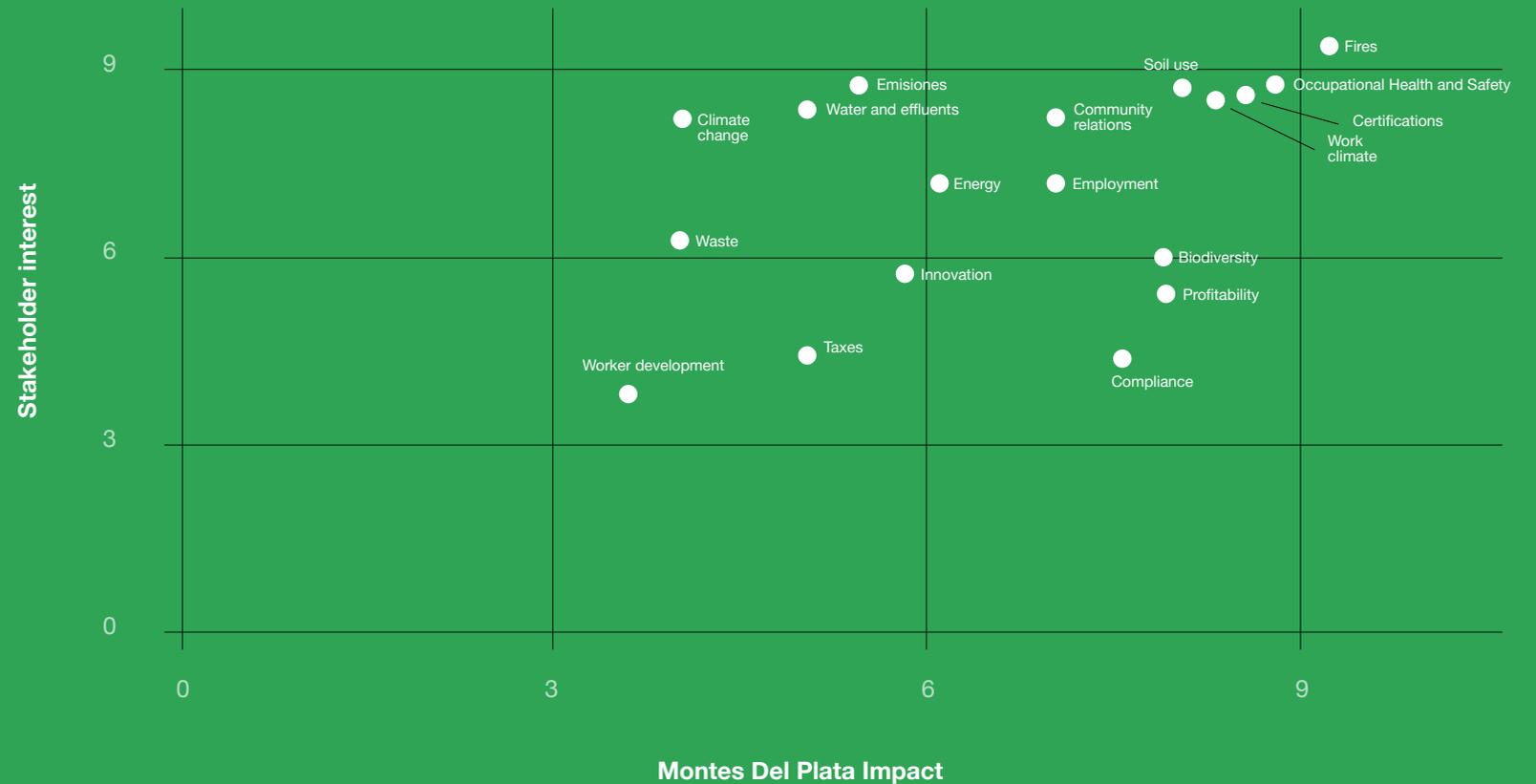
As a result of these activities, the list of material aspects presented in the previous report was updated and the categorization was maintained according to their relative importance, in high, medium or low materiality. This list was validated by the General Management.

Sustainability Report Point of Contact

Sustainability and Communications Management

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Matrix of materiality



GRI content index

GRI 102: 2016		Global Compact	Global Compact
		Page	Principles
102-1	Name of the organization	06	
102-2	Activities, brands, products, and services	06	
102-3	Location of headquarters	06	
102-4	Location of operations	09	
102-5	Ownership and legal form	06	
102-6	Markets served	41	
102-7	Scale of the organization	07	
102-8	Information on employees and other workers	88	6
102-9	Supply chain	31	
102-10	Significant changes to the organization	117	
102-11	Precautionary principle or approach	46	
102-12	External initiatives	127	
102-13	Membership of associations	127	
102-14	Statement from senior decision-makers	03	
102-16	Values, principles, standards, and norms of behavior	14	10
102-17	Mechanisms for advice and concerns about ethics	19	10
102-18	Governance structure	15	
102-19	Delegating authority	15	
102-20	Executive-level responsibility for economic, environmental, and social topics	15	
102-22	Composition of the highest governance body and its committees	15	
102-23	Chair of the highest governance body	15	
102-24	Nomination and selection of the highest governance	15	
102-25	Conflicts of interest	15	10
102-30	Effectiveness of risk management processes	15	
102-31	Review of economic, environmental and social issues	15	
102-40	List of stakeholder groups	22	
102-41	Collective bargaining agreements	99	1, 2 y 3
102-42	Identifying and selecting stakeholders	22	
102-43	Approach to stakeholder engagement	02	
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102-45	Entities included in the consolidated financial statements	117	
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102-54	Claims of reporting in accordance with the GRI Standards	117	
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102-56	External assurance	117	



TOPIC	Thematic standard	Content	Specific standard	Page	Global Compact Principle
Water and effluents	GRI 303: Water and effluents, 2018	303-3	Water withdrawal	77	7, 8 y 9
		303-4	Water discharge	77	
		303-5	Water consumption	77	
Biodiversity	GRI 304: Biodiversity, 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	58 / 66	7, 8 y 9
		304-2	Significant impacts of activities, products, and services on biodiversity	58 / 66	
		304-3	Habitats protected or restored	58 / 66	
		304-4	IUCN Red List species	58	
Organizational climate	--	--	Own indicators	98	
Local communities / Donation	GRI 413: Local communities, 2016	413-1	Operations with local community engagement	101	1 y 2
			Impact assessments and development programs	101	
Talent development (training, assessment)	GRI 404: Training and Education, 2016	404-1	Average hours of training per year per employee	93	6
		404-2	Programs for upgrading employee skills and transition assistance programs	93	
		404-3	Percentage of employees receiving regular performance and career development reviews	93	
Economic performance	GRI 201: Economic Performance, 2016	201-1	Direct economic value generated and distributed	27	



TOPIC	Thematic standard	Content	Specific standard	Page	Global Compact Principle
Emission and climate change	GRI 305: Emissions, 2016	305-1	Direct (Scope 1) GHG emissions	73	7, 8 y 9
		305-2	Energy indirect (Scope 2) GHG emissions	73	
		305-3	Other indirect (Scope 3) GHG emissions	73	
		305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	75	
Employment	GRI 401: Employment, 2016	401-1	New employee hires and employee turnover	90	4, 5 y 6
		401-2	Employee benefits	97	
Energy	GRI 302: Energy, 2016	302-1	Energy consumption within the organization	69	7, 8 y 9
		302-3	Energy intensity	69	
Tax	GRI 207: Tax, 2019	207-4	Country-by-country reporting	31	
Environmental incidents	--	--	Own indicators	27 / 78	8
Significant indirect economic impacts	GRI 203: Indirect economic impacts	203-2	Indirect economic impacts	30	
				30	
Forest fires	--	--	Own indicators	10	
Waste	GRI 306: Waste, 2020	306-3	Waste generated	81	7, 8 y 9
		306-4	Waste diverted from disposal	81	
		306-5	Waste directed to disposal	81	



TOPIC	Thematic standard	Content	Specific standard	Page	Global Compact Principle
Health and safety employees and contractors	GRI 403: Occupational Health and Safety, 2018	403-1	Occupational Health and Safety	46	
		403-2	Hazard identification, risk assessment, and incident investigation	46	
		403-3	Occupational health services	54	
		403-4	Worker participation on occupational health and safety	46	
		403-5	Worker training on occupational health and safety	46	
		403-6	Promotion of worker health	54	
		403-7	Prevention and mitigation of occupational health and safety impacts	46	
		403-8	Workers covered by an occupational health and safety management system	46	
		403-9	Work-related injuries	46	
		403-10	Work-related ill health	54	
Land use	--	--	Own indicators	66	



SASB content index

SASB - Forestry management sector

TOPIC	Accounting metric	Code	Page
Ecosystem Services & Impacts	Area of forestland certified to a third-party forest management standard; percentage certified to each standard	RR-FM-160a.1	07
	Area of forestland with protected conservation status	RR-FM-160a.2	60
	Area of forestland in endangered species habitat	RR-FM-160a.3	63
	Description of approach to optimizing opportunities from ecosystem services provided by forestlands	RR-FM-160a.4	105
Rights of Indigenous Peoples	Area of forestland in indigenous land	RR-FM-210a.1	0
	Description of engagement processes and the due diligence practices with respect to human rights, indigenous rights, and the local community	RR-FM-210a.2	Not applicable
Climate Change Adaption	Description of strategy to manage opportunities for and risks to forest management and timber production presented by climate change	RR-FM-450a.1	68

SASB content index

SASB - Forestry management sector

ACTIVITY METRICS	Unit of measurement	Code	Worth
Area of forestland owned, leased, and/or managed by the entity	Acres	RR-FM-000.A	272.289 ha
Aggregate standing timber inventory	m ³	RR-FM-000.B	22.864.405 m ³ ssc
Timber harvest volume	m ³	RR-FM-000.C	+3,5 million m ³ of wood harvested



SASB content index

SASB Pulp and Paper Products Sector

TOPIC	Accounting metric	Code	Page
Greenhouse gas emissions	Gross global Scope 1 emissions	RR-PP-110a.1	73
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	RR-PP-110a.2	73
Air quality	Atmospheric emissions of the following pollutants: (1) Oxides of nitrogen (NOx) (excluding N ₂ O), (2) SO ₂ , (3) Volatile organic compounds (VOCs) (4) Particulate matter (PM) and (5) hazardous air pollutants (HAPs)	RR-PP-120a.1	75
Energy management	(1) Total energy consumed, (2) Percentage grid electricity, (3) Percentage from biomass, (4) Percentage from other renewable energies	RR-PP-130a.1	69
Water management	1) Total water withdrawn, 2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	RR-PP-140a.1	77
	Description of water management risks and discussion of strategies and practices to mitigate those risks	RR-PP-140a.2	77
Supply chain management	Total wood fiber produced, (1) percentage from certified sources and the percentage for each standard, as well as (2) those meeting other standards relating to fiber sourcing and the percentage for each standard	RR-PP-430a.1	07
	Amount of recycled and recovered fiber procured	RR-PP-430a.2	0

SASB content index

SASB Pulp and Paper Products Sector

ACCOUNTING METRIC	Unit of measurement	Code	Worth
Pulp production	Dry Metric Tonne (t)	RR-PP-000.A	1.497.557ADt
Paper production	Dry Metric Tonne (t)	RR-PP-000.B	Not applicable
Total wood fiber sourced	Metric Tonne (t)	RR-PP-000.C	4.711.617 m ³ ssc



Annexes

Memberships

As part of the Uruguayan business ecosystem, Montes del Plata
It is part of several prominent organizations, namely:



United Nations
Global Compact



Uruguayan Chamber
of Industries



Chamber of Commerce
Uruguay-Nordic Countries



DERES, Sustainable
Development Business
Network



ACDE, Christian
Association of Business
Leaders



AUGPEE, Uruguayan
Association of Private
Power Generators



SPF, Uruguayan
Society of Forestry
Producers



Uruguayan Chamber
of Free Zones



Uruguayan
Exporters Union



Uruguayan Chamber
of Commerce
and Services



CERES, Center for
the Study of Economic
and Social Realities

Staffing by department and by gender 2021

Departament	Women	Men	Total
Colonia	78	191	269
Durazno	5	14	19
Lavalleja		2	2
Maldonado		2	2
Montevideo	31	13	44
Paysandú	10	81	91
Río Negro	64	128	192
Soriano		3	3
Total	188	434	622



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