

 **Montes del Plata**

SUSTAINABILITY REPORT

2023



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Letter from our CEO



We are pleased to share with you a new edition of our Sustainability Report.

I would like to begin this fifth voluntary accountability exercise by congratulating each of our collaborators who, directly or indirectly, contributed to a great achievement: we reached more than 3 years without lost time accidents in the team.

This major milestone is a reflection of systematic and continuous work to make safety the number one priority. Thanks to these efforts, we achieved a world-class frequency indicator level of below 1 for both our own equipment and of contractors throughout our value chain.

These indicators are a source of great pride for all of us and are a source of appreciation from various stakeholders.

2023 was also a landmark year in our commitment to sustainable management. After more than a year of work by an interdisciplinary group of 40 Montes del Plata collaborators, we established our sustainability indicators with goals for 2030, in alignment with the

Sustainable Development Goals of the United Nations. These goals, validated by the Board of Directors of Montes del Plata in November, are a great challenge to be better in terms of the environment, gender equality ethics, biodiversity, climate change, circular economy, local development, among others.

However, the weather has not helped. In 2023, Uruguay experienced the worst drought in 50 years, with temperatures rising more than 4°C above the historical average and 80% less rainfall in the summer. This situation caused relevant impacts on the growth of our forestry production. This challenging environment shows us that we need to remain focused on continuous improvement, implementing new technologies and seeking higher levels of efficiency. In addition, we continue to strengthen our capacity to detect and respond to forest fires.

Being a responsible neighbour and close to the community is one of our fundamental pillars. Throughout the year, we strived to implement the “Buen vecino camino” (Good neighbour on the road) program to talk first-hand with the communities neighbouring the roads on which our lumber trucks travel in order to mitigate the impacts of the activity.

In the presence of the President of the Republic, Luis Lacalle Pou and the Intendants of Río Negro and Soriano, Omar Lafluf and Guillermo Besozzi, among other authorities, we inaugurated a new visitor centre in our M'Bopicuá Biopark. Thanks to this new centre, the more than 3,000 people who visit us every year can learn more about Montes del Plata: the production process, wildlife monitoring and sustainability management.

In the pulp mill, we achieved record pulp production, 6.8% more than in 2022. In 2023, we continued to move towards a circular economy; not only did we set a goal of recycling 100% of our waste by 2030, but we have already begun to recycle sludge from the water treatment plant and from washing logs before they are chipped, for use as soil improvement.

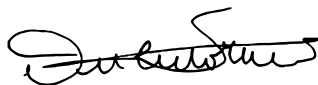
We were proud to present in public the progress of our Montes del Plata Academy, which seeks to generate innovative learning experiences and promote the personal and professional development of individuals. And not only from our team; the challenge is to extend it to our contractors, our families and neighbouring communities. In this regard, in 2023, we launched

the leadership and management program with our pulp mill's contractors. In addition, we launched the Rebrote (Resprout) program, which allowed 17 forestry, harvesting and nursery collaborators to complete their basic education, a source of personal and professional pride.

In the annual employee satisfaction survey, we achieved a favourability rating of 85%, and 90% of our employees would recommend Montes del Plata as a good place to work. This shows us that we are on the right track and encourages us to continue working in this direction.

Thanks to each and every one who makes up the Montes del Plata team; to our employees, contractors, suppliers and strategic allies who challenge us to continue working to be an increasingly sustainable company.

Sincerely,



Diego Wollheim.

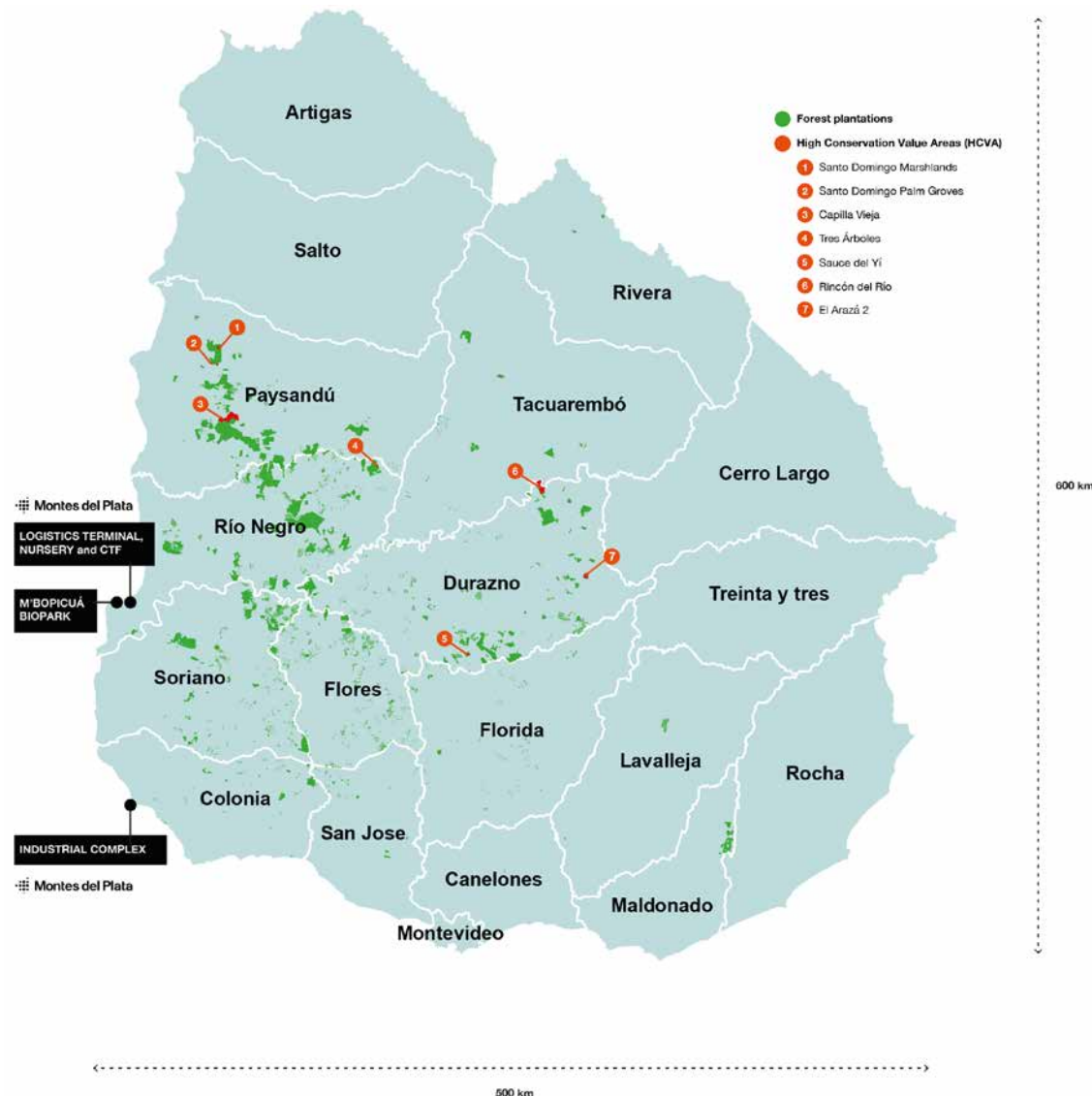
We are Montes del Plata

Montes del Plata¹ is a forestry-industrial company founded in Uruguay in 2009, as a result of the merger of Arauco and Stora Enso, of Chilean and Finnish-Swedish origin, respectively.

Its primary activity consists of producing cellulose pulp from Eucalyptus.

1. 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.

Our presence in Uruguay



Mission

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

Vision

"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

Strategic pillars:



STRONG SAFETY
CULTURE FOR
PEOPLE AND
THE ENVIRONMENT



OPTIMIZE THE
PRODUCTION OF
PULP AND
ENERGY



POTENTIATE
FORESTRY
DEVELOPMENT



OBSSESSION FOR
EFFICIENCY AND
COMPETITIVENESS
WITH INNOVATION
IN PROCESSES



A SINGLE TEAM:
PROFESSIONAL
AND WITH GOOD
WORKING
CLIMATE



A RESPONSIBLE
COMPANY, CLOSE
TO THE
COMMUNITIES

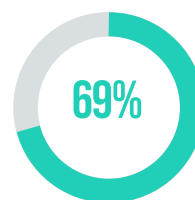
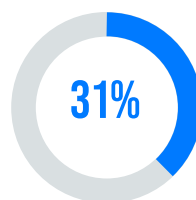
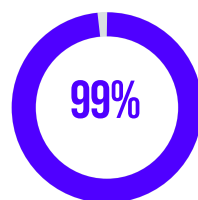
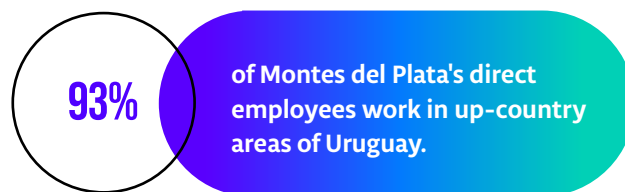
MANAGEMENT POLICY

2023: A year filled with challenges

Individuals

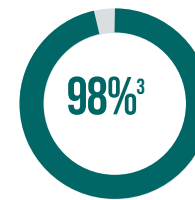
6,400²
individuals along
the value chain.

629
direct collaborators.



Certifications

Current international certifications:
FSC®, PEFC, Chain of Custody ISO 9001,
ISO 14001 and ISO 45001.



2. Calculated as part of the Montes del Plata Economic Impact Study 2023 based on "Full Time Equivalent" jobs. The last report corresponds to the period October 2022 - September 2023, the last three months of the year were extrapolated. Available at www.montesdelplata.com.uy

3. The remaining 2% corresponds to plantations in the process of certification.

Production and transportation

+170,000

hectares managed on own and third-party lands with Eucalyptus forests.

191

genetic improvement trials were performed.

+11,500

hectares planted in 2023.

+4.1

million m³ of wood harvested

18

million plants produced at the Montes del Plata nursery as well as third party nurseries.

153 MW

of average annual power produced.

1,438,316

tons of pulp produced, 100 % of the pulp produced in accordance with the expected quality.

11,9%

of Uruguay's energy is produced in our Montes del Plata's industrial complex

Conservation

11,000

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

+90,000

hectares of non-planted natural areas.

+65,000

hectares of natural pastureland.

Avanzamos! (Moving Forward): Montes del Plata's route to sustainability

Avanzamos is the cross-cutting initiative promoted by Montes del Plata since 2022 to transform the organization and become increasingly sustainable.

The objective of this project, driven by the managers' committee and under the premise of continuous improvement, was to design a roadmap, agreed upon by the entire organization, to help focus efforts to become an increasingly sustainable company.

This project, coordinated by Montes del Plata's Sustainability area, included the active participation of 40 collaborators from various teams and was developed through five multidisciplinary roundtables.

The members of the roundtables discussed and proposed concrete goals and objectives to be achieved in the short, medium and long term in the areas of the environment, gender equality, ethics, biodiversity, climate change, circular economy and local development.

In addition, a sixth working group, Círculos (Circles), was formed to involve suppliers and contractors, which is key to having a greater impact with sustainability initiatives.

The first version of indicators and targets proposed by each roundtable, aligned with the United Nations Sustainable Development Goals (SDGs), was presented to area managers and the Steering Committee for validation. Adjustments were made based on the recommendations of directors, managers and specialized external consultants, and in November 2023, the 2030 indicators and goals dashboard were presented to the Board of Directors for approval.

The 17 Sustainable Development Goals (SDGs) were defined by the United Nations (UN) to end poverty, protect the planet and improve the lives and prospects of people around the world. The 17 SDGs recognize that action in one area will affect outcomes in others and that development must balance social, economic and environmental sustainability. These objectives prioritize issues such as climate change, biodiversity, quality education, drinking water, reduction of inequalities, sustainable agriculture, among others.



SUSTAINABILITY GOALS 2030

WHAT ARE WE COMMITTED TO?

	GOAL 2030		BASE LINE	SDG STATUS 2023	LINKED
Safety and Occupational Health	<1	Lost time frequency index	1.4 ²⁰²²	0.9	
	<10	Severity rate	31 ²⁰²²	51	
Gender equality	35%	of positions filled by women	31% ²⁰²²	31%	
	40%	leadership positions held by women	32% ²⁰²²	32%	
Work climate	≥80%	favourability in climate survey	84% ²⁰²²	85%	
Ethics	100%	of ethics management system implemented	90% ²⁰²³	90%	

	GOAL 2030		BASE LINE	SDG STATUS 2023	LINKED
Local Development	10	local suppliers developed	-	-	
	≥85%	local employment	83% ²⁰²²	83%	
	U\$S 15	million community investment	- ²⁰²²	11%	
	1 MILLION	hours of training	- ²⁰²²	29%	
Community relations	≥75%	favourability as an environmentally and community responsible company	70% ²⁰²²	72%	

	GOAL 2030		BASE LINE	SDG STATUS 2023	LINKED
Carbon footprint	-10%	greenhouse gas emissions for scope 1 y 2.	150 ^{2021 - 2022} (kg CO ₂ eq/ADt)	149 (-1 %)	
	50	millions of tons carbon dioxide from the atmosphere (CO ₂ eq) stored	-	37 million tons CO ₂ eq	
		Reduce greenhouse emissions scope 3: under construction	-	-	
Renewable energy	+15%	supply electric power from renewable resources into the national power grid	571 ²⁰¹⁹ (Gwh/year)	623 (+9%)	
Water	-18%	water mill consumption	30.6 ^{2017 - 2020} (m ³ /ADt)	25.5 (-17%)	

	GOAL 2030		BASE LINE	SDG STATUS 2023	LINKED
Biodiversity	42%	natural areas and increase the number of High Conservation Value Areas	42% ²⁰²⁰ y 5 HCVA	42% y 7 HCVA	
	≥43%	natural areas of MdP in the biological corridors of Uruguay	43% ²⁰²⁰	43%	
	90%	of the identified native flora and fauna species	70% ²⁰²²	70%	
Circular Economy	100%	industrial solid waste recycled	46% ²⁰¹⁹	60.2%	



Corporate Governance Model



GOAL 2030

BASE LINE

STATUS 2023

Ethics

100%

To achieve 100% implementation of the ethics management system, which includes 4 tools

90%²⁰²³

90%

- 1) Codes, policies, procedures and internal control bodies.
- 2) Training.
- 3) Adherence to the code of ethics and perception of ethical environment.
- 4) Management tools: complaints channel and management.

Corporate governance

BOARD OF DIRECTORS

The Board of Directors is responsible for leading and supervising the management of Montes del Plata to protect the interests of the shareholders.

The Board of Directors analyses and evaluates investment projects, ensures adequate risk management, oversees executive management and monitors operating and financial decisions. It is governed by specific bylaws and the Shareholders' Agreement, which establish voting rules and procedures.

- The Board of Directors is comprised of four representatives from each of the owner companies none of them holds a management position in Montes del Plata. All members are formally and functionally directors; a chairman of the Board of Directors has not been appointed.
- Each of the owner companies appoints an executive director who supports the CEO in making day to-day decisions that require the approval of the Board of Directors.
- It meets four times a year. In 2023, it had 100% attendance.



CRISTIÁN INFANTE
Director for ARAUCO

Chilean.
Industrial Civil Engineer (Pontificia Universidad Católica de Chile).

Seniority in the Board of Directors: 15 years



IVÁN CHAMORRO
Director for ARAUCO

Chilean-American
Civil Engineer (Pontificia Universidad Católica de Chile). Master of Business Administration, (Pontificia Universidad Católica de Chile).

Seniority in the Board of Directors: 4 years



GIANFRANCO TRUFFELLO
Director for ARAUCO

Chilean.
Civil Engineer (Pontificia Universidad Católica de Chile) Master of Business Administration (Massachusetts Institute of Technology).

Seniority in the Board of Directors: 15 years



HÉCTOR ARANEDA
Director for ARAUCO

Chilean. Chemical Civil Engineer, (Universidad de Concepción). Master in Pulp and Paper, (Universidade Federal de Viçosa, Brazil). MBA in Economics and Business Administration, (Universidad de Concepción).

Seniority in the Board of Directors: 4 years



ROY ANTINK
Director for Stora Enso

Dutch.
Msc, Chemical Engineering.
(University of Twente).

Seniority in the Board of Directors: 2 years



JOHANNA HAGELBERG
Director for Stora Enso

Swedish.
Master of Science (Industrial Engineering & Management). Master of Science (Engineering & Management of Manufacturing Systems).

Seniority in the Board of Directors: 2 years



MARTIN ROS⁴
Director for Stora Enso

Swedish.
Msc. Forestry (Umeå Universitet) Master of Business Administration (Swedish University of Agricultural Sciences).

Seniority in the Board of Directors: Joined November 2023



PER BÜLUND
Director for Stora Enso

Swedish.
Master of Science Chemical Engineering, (Kungliga Tekniskahögskolan). Master of Business Administration (Linköpings Universitet).

Seniority in the Board of Directors: 2 years

Four members of the Board of Directors are also members of the Audit Committee of Montes del Plata. They are joined by three professionals from the owner companies and four members of Montes del Plata. This committee is responsible for reviewing financial information, the main findings of annual audits, monitoring the internal control system and the main corporate risks.

Board members are not compensated for this role; their training and performance evaluation is managed directly by the owner companies.

4. At the November 2023 Board of Directors' meeting, the number of members was changed to four members from each of the owner companies. Franco Bozzalla, Minna Kurki and Tuomo Heikkinen served as directors until November. Martin Ros took over for Stora Enso.

Senior Management

Management and administration of the company is delegated by the Board of Directors to the general manager who is in charge along with eight area managers who work under his supervision.

On a monthly basis, the CEO presents to the Board of Directors information related to the evolution of the business and associated strategic projects and initiatives.

The Board of Directors is also presented with the main conclusions of studies and surveys of the various stakeholders, as well as the follow-up of communications received.

In 2023, the Board of Directors actively participated in the review and validation of the 2030 sustainability goals, designed within the framework of the "Avanzamos" project.



DIEGO WOLLHEIM
General Manager - CEO

Profession: Accountant.
Nationality: Uruguayan.
Seniority in the company⁵: 22 years



DIEGO CARRAU
Forestry Senior Manager

Profession: Agricultural Engineer.
Nationality: Uruguayan.
Seniority in the company: 21 years



MARÍA NOEL FADEL
Regulatory Affairs & Continuous Improvement Senior Manager

Profession: Chemical Engineer.
Nationality: Uruguayan.
Seniority in the company: 17 years



ALDO FAVRE
People & Culture Senior Manager

Profession: Degree in Business Administration.
Nationality: Uruguayan.
Seniority in the company: 17 years

5. 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.



CAROLINA MOREIRA
Sustainability & Communications
Senior Manager

Profession: Degree in Social Communication.
Nationality: Uruguayan.
Seniority in the company: 13 years



CAROLINA GIL
Legal Senior Manager

Profession: Lawyer.
Nationality: Uruguayan.
Seniority in the company: 12 years



JUAN MANUEL LAXAGUE
Logistics Senior Manager

Profession: Mechanical Engineer.
Nationality: Uruguayan.
Seniority in the company: 11 years

SENIOR MANAGEMENT COMPENSATION POLICIES

Management compensation has a fixed and a variable component, as established in the executive compensation policy. It is determined using the international position valuation methodology (IPE Mercer), which is updated every two years with market salary surveys.

Salary adjustments are approved by the general manager and the executive officers of the shareholders.

Variable compensation is linked to the fulfilment of specific objectives associated with the strategic pillars and is determined based on the areas of responsibility of each executive.



JAVIER SCHENONE
Chief Financial Officer

Profession: Accountant.
Nationality: Uruguayan.
Seniority in the company: 17 years



GONZALO GASCUE
Industrial Senior Manager

Profession: Chemical Engineer.
Nationality: Uruguayan.
Seniority in the company: 12 years

Support Groups

Nine support groups are designed to assist area managers in specific aspects. Participants include professionals representing the owner companies and executives of Montes del Plata.

AUDIT COMMITTEE

LEGAL AFFAIRS

INFORMATION TECHNOLOGY

FINANCIAL RISK

FORESTRY AND LOGISTICS

PEOPLE AND ORGANIZATIONAL CULTURE

PULP PRODUCTION

SUSTAINABILITY AND COMMUNICATIONS

SAFETY



RISK MANAGEMENT

Once a year, the Internal Audit and Risk Management area, together with the first line management, updates Montes del Plata's risk matrix. In turn, on a quarterly basis, it reports to the Audit Committee of Montes del Plata.

The challenge for 2024 will be to continue strengthening the integrated risk management system.

In addition, and as part of the different management systems, established methodologies and procedures are in place to identify and assess the risks to which operations and supply chains are exposed.

Multidisciplinary teams with experience and knowledge of the processes and activities to be evaluated participate in these instances.

IN 2023

The strategic risk matrix was updated using the best international practices in ERM⁶ considering:

Corporate goals.

Opinions and perspectives of Montes del Plata's first-line managers.

As a result of this collaborative work, strategic risks related to the following were identified:

- Accident rates
- Climate change
- Supply chain
- Regulatory changes
- Machinery or infrastructure malfunctions
- Cybersecurity
- Talent

6: ERM: Enterprise Risk Management

Management system and continuous improvement

WHAT DOES IT MEAN TO BE A SUSTAINABLE COMPANY?

For Montes del Plata, making a commitment to sustainability means managing the business in a balanced and harmonious way with the environment and with all stakeholders. To this end, we use the best available practices and technologies and maintain an open and continuous dialogue with the communities in the areas of influence.

The main focus of decision making relies on impact management of activities. In this way, programs and actions are carried out both to enhance the naturally positive aspects of the operations, and to prevent, mitigate or remedy those that may be negative.

Montes del Plata's management policy guides the actions of the teams and supports the processes and integrated management systems in the pursuit of continuous improvement to ensure the health, safety and welfare of people, the conservation of natural resources, quality and competitiveness of the business.

MANAGEMENT POLICY COMMITMENTS

LEGAL AND REGULATORY COMPLIANCE

CREATION OF ECONOMIC VALUE AND COMPETITIVENESS

HEALTHY WORKING ENVIRONMENT

RESPONSIBLE BUSINESS CONDUCT

ENVIRONMENTAL RESPONSIBILITY

CONTRIBUTION TO LOCAL DEVELOPMENT

COMMUNICATION AND DIALOGUE

The integrated management system (IMS) is an active and transversal management tool that helps ensure compliance with established processes, current regulations and efficiency in the forestry, logistics and industrial operations of Montes del Plata.

Another fundamental pillar of Montes del Plata's Management Policy is the concept of continuous improvement.

- **Work methodology for the generation of organizational efficiency projects was developed using the best international practices available, such as LEAN, PMI and SCRUM.**
- **The ideas that arise are evaluated based on the organizational strategy, their viability, the potential benefits they may generate and the investment required.**
- **At the same time, these processes stimulate inter-area work, the development of leadership and project development skills in the teams. It also stimulates the capacity for innovation and a solution-seeking attitude.**

IN 2023

25

employees from several areas participated in the Design Thinking workshop aimed at promoting innovation.

+250

ideas emerged as part of the process, 5 were selected to be developed.



Relations with stakeholders

One of Montes del Plata's commitments is to establish effective, transparent and close communication that encourages participation and constructive dialogue with stakeholders.

To identify and prioritize the third parties, the types of links between each group and Montes del Plata are taken into consideration: responsibility, commercial or operational dependence, influence, representativeness or degree of geographic proximity.

WHO ARE THEY?

RELATIONSHIP MECHANISMS

WHAT DO THEY EXPECT FROM MONTES DEL PLATA?

SHAREHOLDERS

- Participation in the Board of Directors.
- Specific reports, information requirements.

- Compliance with environmental, social and economic guidelines.
- Regulatory compliance.
- Efficiency and productivity.
- Product quality.
- Risk Management
- Profitability
- Supply security.

FINANCING ENTITIES / INSURANCE COMPANIES

- Annual Reports.
- Response to requirements.
- Annual visits.
- Specific reports.

- Compliance with environmental, social and economic commitments.
- Safeguarding and mitigating environmental, labour, social, health and safety impacts.
- Risk Management.

CERTIFICATION COMPANIES

- Regular reports.
- Response to requirements.
- Regular visits / audits.
- Public forest management summary

- 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.

WHO ARE THEY?	RELATIONSHIP MECHANISMS	WHAT DO THEY EXPECT FROM MONTES DEL PLATA?
OWN PERSONNEL	• Internal communication channels. • Meetings, gatherings. • Organizational climate survey. • CEO webcast. • Meetings with union representatives / Collective negotiations. • Training. • Ethical complaints channel.	• Safeguarding health and safety. • Employment protection. • Employment benefits. • Work-family life balance. • Career development. • Fair wages.
TRADE UNIONS AT NATIONAL LEVEL	• Meetings with union representatives / Collective negotiations.	• Fair wages. • Job creation. • Working conditions. • Employment benefits.
CONTRACTOR'S EMPLOYEES	• Training. • Coordination meetings. • Ethical complaints channel.	• Safeguarding health and safety. • Employment protection. • Working conditions. • Fair wages.
CONTRACTORS AND OTHER CRITICAL SUPPLIERS	• Bidding processes. • Coordination meetings. • Ethical complaints channel.	• Fair and timely payment. • Compliance with agreements. • Development opportunities.
ASSOCIATED PRODUCERS (ALIANZAS)	• Coordination meetings. • Specific meetings.	• Productivity and efficiency. • Fair relations.

Montes del Plata is one of the eight founding companies of the Uruguayan chapter of the United Nations Global Compact⁷, an initiative that promotes 10 principles related to human rights, labour standards, the environment and anti-corruption.

Since 2021, Carolina Moreira, Sustainability & Communications Senior Manager, has held the position of Vice President of the Uruguayan chapter of this initiative.



United Nations
Global Compact

WHO ARE THEY?

COMMUNITIES / NEIGHBORS OF THE FACILITIES AND OPERATIONS / LOCAL COMMUNITIES

RELATIONSHIP MECHANISMS

- Channel for community complaints, requests, and proposals.
- Direct relationship with the Montes del Plata team.
- Buen Vecino Program.
- Specific meetings.
- Sustainability Report.
- Socioeconomic and environmental impact studies.

WHAT DO THEY EXPECT FROM MONTES DEL PLATA?

- 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.

LOCAL, DEPARTMENTAL AND NATIONAL AUTHORITIES

- Regular reports.
- Response to specific requirements.
- Specific meetings.
- Sustainability Report.

- Compliance with current environmental, social and economic regulations.
- Mitigation of negative impacts and enhancement of positive impacts.
- Contribution to national and departmental development.
- Development of collaborative projects.

SOCIAL AND ENVIRONMENTAL GROUPS (NGOS)

- Specific meetings.
- Response to specific requirements.
- Socioeconomic and environmental impact studies.
- Sustainability Report.

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

MEDIA AND PUBLIC OPINION

- Timely delivery of information on projects to be implemented.
- Direct contact given significant events.
- Corporate website.
- Sustainability Report

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

7. <https://www.pactoglobal.uy/10-principios/>



Ethics and compliance management

THE WAY WE ACT SPEAKS OF THE WAY WE ARE.

Integrity, ethical conduct and transparency, in addition to respect for current regulations, are values rooted in the organizational culture of Montes del Plata. The management system allows a proactive and preventive behaviour to be maintained.

If deviations are detected, the necessary measures are activated to correct them, notifying the competent authorities and applying corrective measures to prevent their recurrence.

The main corporate instruments that make up the ethics and compliance management system are as follows:

- **Code of Ethics and Conduct.**
- **Campaigns for the promotion of expected ethical conduct.**
- **Induction processes for new employees.**
- **Code of Ethics and Conduct for Suppliers and Contractors.**
- **The Ethics Committee of Montes del Plata: in 2023 convened for four defined meetings with 100% participation.⁸**
- **Ethics courses and specific programs for employees and contractors.**
- **Corporate procedure for declaring conflicts of interest.**
- **Confidential reporting channels for employees, contractors or suppliers.**
- **Money laundering or terrorist financing crime prevention manual.**
- **Free competition manual and compliance plan.**



8. Composed of the general manager and representatives of the Legal, Internal Audit, People and Organizational Culture and Sustainability and Communications departments, it is the body responsible for promoting the values and conduct set forth in the Code of Ethics and Conduct; ensuring its dissemination and application; to be a body for consultation and clarification; updating, correcting and modifying the document; and investigating, channelling and documenting cases.

HIGHLIGHTS OF 2023

ETHICS AND COMPLIANCE TRAINING	INDIVIDUALS TRAINED IN 2023	ACCUMULATED AS OF DECEMBER 2023	% OF TARGET AUDIENCE
Ethics for operational collaborators	254	298	85%
Ethics for non-operational collaborators	186	305	85%
Free competition	45	52	90%
Money laundering prevention	45	46	96%

The annual organizational climate survey included questions specific to the ethical environment. These questions are a component of the ethics management system established within the framework of the Avanzamos project.

During 2023, 14 complaints were received, investigated and closed in their entirety. Three were classified as outside the scope of the committee; seven corresponded to complaints related to the working environment or working conditions; the remainder involved road safety or non-compliance with internal procedures.

Economic-financial performance

Generated and distributed economic value

GENERATED AND DISTRIBUTED ECONOMIC VALUE ⁹	2022	2023	VARIATION 2022 / 2023
GENERATED ECONOMIC VALUE	1,094.4	1,041.9	-5%
DISTRIBUTED ECONOMIC VALUE	- 960.4	- 984.4	3%
1. Operating costs	- 578.1	- 596.5	3%
2. Direct employee salaries and benefits	- 35.5	- 40.6	14%
3. Payment to capital suppliers	- 325.6	- 312.8	-4%
4. Direct tax payments ¹⁰	- 17.9	- 32.2	80%
5. Investments in the community	- 3.3	- 2.4	-28%
RETAINED ECONOMIC VALUE	134.0	57.5	-57%
6. Reinvestment	134.0	57.5	-57%

Montes del Plata's economic value generated mainly corresponds to the production of pulp and energy. The decrease in revenues is due to the 17% drop in the price of pulp.

Direct tax variation is due to the higher payment of Income and Wealth Taxes during the year as a result of the termination of the benefits under the investment promotion system Law 16,906.

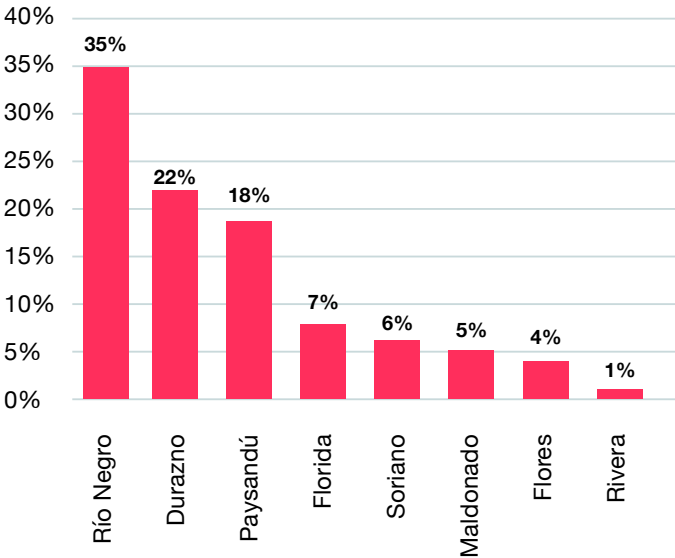
9. Amounts in million USD.

10. Payments for tax retentions and social security contributions are included separately in the expense or investment lines from which they originate.

Major investments during the period

Montes del Plata's annual investment plan involves plantations, improvements to the pulp mill, road construction and repair, new technologies, among others.

ROAD INVESTMENT BY DEPARTMENT 2023



In 2023 Montes del Plata invested more than USD 12 million in roads. 45% more compared to 2022.

IN 2023

+117.8

million dollars of annual investment

+17%
than in 2022.

75%

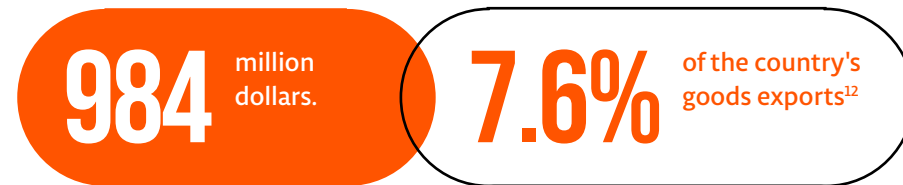
of the investments in roads were undertaken in the departments of Río Negro, Durazno and Paysandú.

Investments in the community amounted to USD 2.4 million and include investments made for the benefit of the environment, the communities neighbouring the operations, and compensation and mitigation projects.

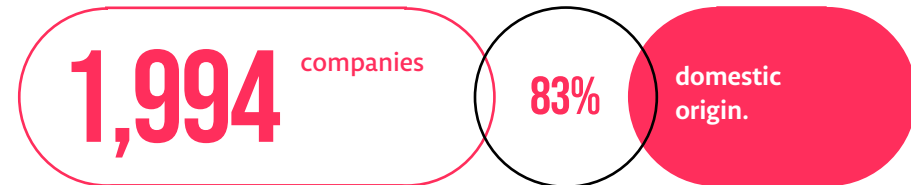
Direct and indirect economic impacts¹¹

Key findings of the Montes del Plata Economic Impact Report in Uruguay (2023):

ADDED VALUE FROM MONTES DEL PLATA'S DIRECT ACTIVITY:



Suppliers:



EMPLOYMENT:

125 MILLION

dollars of net salaries paid throughout the value chain

TAXES:

127 MILLION

dollars paid in taxes.

32% corresponded to direct taxes¹³ paid by Montes del Plata for social security contributions¹⁴, property, income and value added taxes, free zone canon, real estate taxes, among others.

68% The remaining 68% corresponds to taxes that the State collects from the activities of the forestry and industrial production chain; 33% are indirect taxes and 35% are generated by the activity of Montes del Plata and its forestry production ecosystem.

11. The latest report corresponds to the period October 2022 - September 2023, the last three months of the year were escalated.

The latest report corresponds to the 2022 study which is available on the website: www.montesdelplata.com.uy

12. Average of the last 3 years.

13. 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.

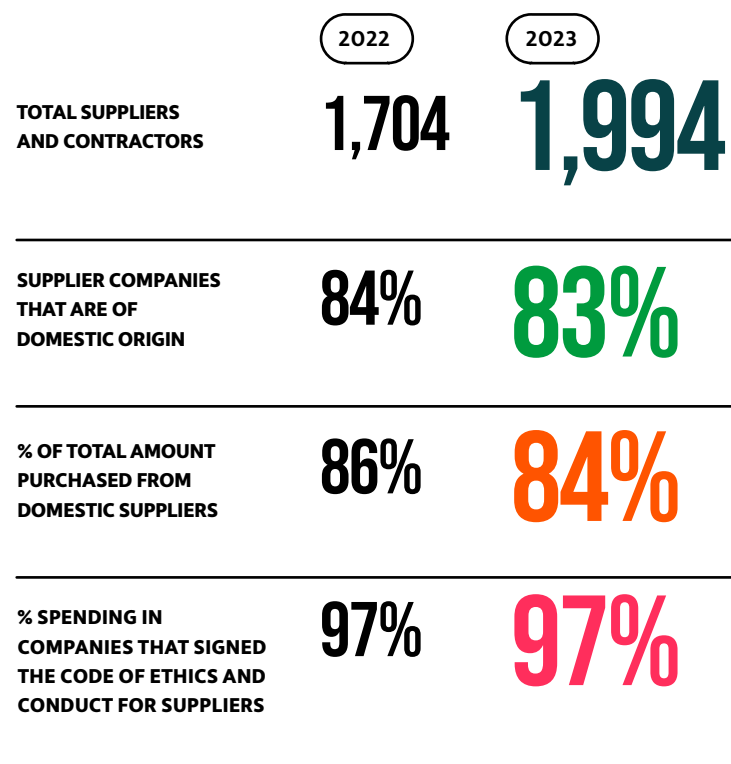
Induced taxes: disbursements generated by effects derived from the consumption and expenditure of suppliers and contractors (direct and indirect effects).

14. Includes employer and personal social security contributions.



Supplier management

People and companies that provide goods and services are a fundamental part of Montes del Plata's value chain. Therefore, we seek to maintain mutually beneficial business relationships, based on ethics and that are sustainable over time.



The Company's operational areas conduct annual evaluations of strategic suppliers, rating them according to their level of criticality and their performance in terms of health, safety, environmental management and product or service quality. This allows us to ensure compliance with Montes del Plata's standards and identify improvement opportunities in each supplier's management. Those who are rated "with reserve" must submit work plans for the improvement of their performance.

In 2023, no situations were observed that would warrant the termination of any of the critical suppliers evaluated.

Montes del Plata is recognized by the National Customs Office as a Certified Economic Operator (OEC)¹⁵. 51 of the suppliers were rated as critical for these purposes and, therefore, follow-up visits are conducted annually to ensure the correct implementation of the applicable regulations.

	2021	2022	2023
Suppliers assessed	77	79	95
Suppliers evaluated with reserve	0	4	4

15. The Qualified Economic Operator is a reliable and secure operator that meets a series of security and control standards (OEC Requirements) and is certified as such by the National Customs Office after an audit process of its organization, processes, security, administration and financial statements.

Regulatory compliance

CÍRCULOS PROJECT

As part of the "Avanzamos" project, the Círculos project was created with a group of individuals from several areas of the company to work on sustainability along with all of Montes del Plata's suppliers and contractors.

A census was conducted to learn more about the companies, their sustainability initiatives and communication channels.

Based on these results, best practices will be exchanged and specific relationship strategies will be designed to strengthen their sustainability strategies and collaborative work.

Systems, controls, regulations and procedures are essential to ensure regulatory compliance.

In 2023, the company did not receive any fines or sanctions for non-compliance with national environmental, social or economic laws or regulations. With the exception of the payment of 300 UR for a plantation in 2010 of 18 hectares beyond the authorized area.





	GOAL 2030		BASE LINE	STATUS 2023
Gender equality	35%	of positions filled by women	31% ²⁰²²	31%
	40%	leadership positions held by women	32% ²⁰²²	32%

One single team

Being a single, professional team with a good working environment is one of the strategic pillars of Montes del Plata. The company's culture promotes work environments based on respect, honesty, participation and non-discrimination.

Internal policies and procedures were developed under the premise of respect for human rights and go beyond applicable national and international labour regulations.

HIGHLIGHTS OF 2023

17 people finished high school through the Rebrote program.

External launch of Montes del Plata Academy.

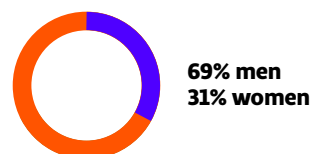
Leadership program: 100 leaders from the pulp mill's contractors participated.

Somos Oportunidad: internships for people with disabilities.

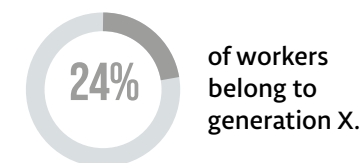
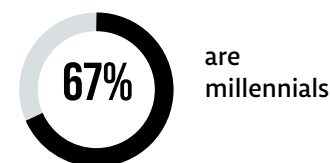
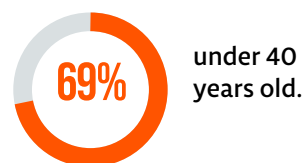
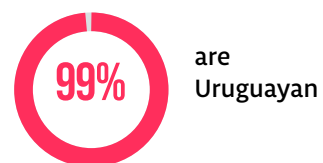
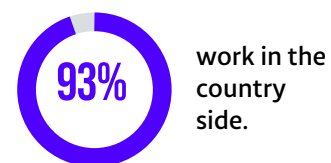
85% favourability in organizational climate survey.

The Montes del Plata team.

629 collaborators



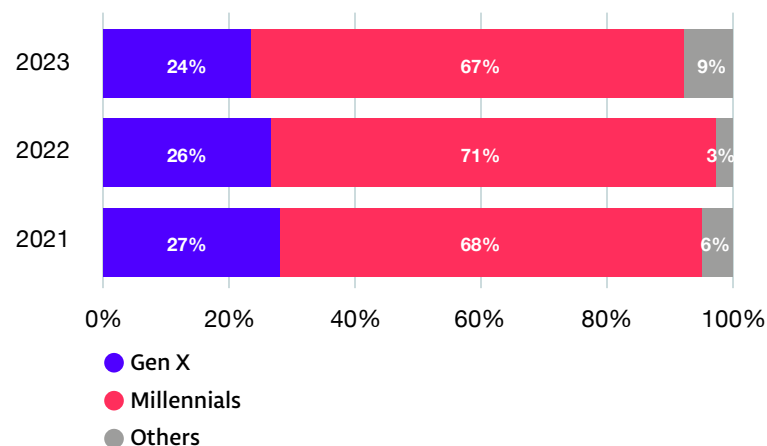
43% of the workforce is employed in Colonia, where the industrial complex is located. 31% of the company's employees work in Río Negro, where the Nursery, the Forestry Technology Centre and the M'Bopicuá Logistics Terminal are located.



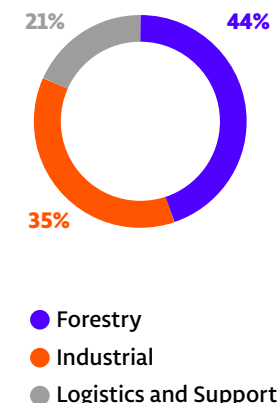
EMPLOYEES BY DEPARTMENT 2023

DEPARTAMENT	WOMEN	MEN	TOTAL
Colonia	79	193	272
Durazno	8	16	24
Lavalleja		2	2
Maldonado		1	1
Montevideo	31	13	44
Paysandú	9	76	85
Río Negro	68	130	198
Soriano		3	3
Total	195	434	629

WORKFORCE PER GENERATION



WORKFORCE PER AREA



Opportunities for everyone

Montes del Plata's recruitment and hiring processes are governed by principles of transparency, respect, integrity and fairness, in addition to ensuring full compliance with current labour legislation in Uruguay.

Candidates are selected according to their personal skills and aptitudes. Montes del

Plata encourages applications without distinction of gender, age, ancestry, ethnicity, race, religion, sexual orientation, political opinion or physical condition, and people with disabilities. In case of equal qualifications for the position, priority is given to candidates residing in a locality close to the company's area of influence.

In 2023, a total of 32 employees (21 men and 11 women) joined the company. 69% came from communities neighbouring the operations. During the same period, 39 individuals departed (24 men and 15 women). Turnover rate was of 6 %. 74% of the departures were voluntary.

	2021			2022			2023		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Hiring rate ¹⁶	4%	7%	6%	13%	10%	11%	6%	5%	5%
Turnover rate ¹⁷	5%	7%	6%	8%	9%	9%	8%	6%	6%

Internal mobility opportunities were available to 7% of employees: 50 vacancies were filled with Montes del Plata employees (44 men and 6 women), through promotions or horizontal movements.

16. Number of employees joining during the year / Workforce at the end of the year.

17. Number of employees departing during the year / Workforce at the end of the year.

MONTES DEL PLATA EXPERIENCE

Working at Montes del Plata is a unique experience. The induction process is key to a thorough understanding of the organizational culture, processes and the importance of each area throughout the value chain.

Employee induction for those who joined the company in 2023 included a tour of the company's activities: Montes del Plata Nursery, M'Bopicuá Logistics Terminal, land with forestry and harvesting activities, M'Bopicuá Biopark, Industrial Complex and Port Terminal.



Gender-responsive employment

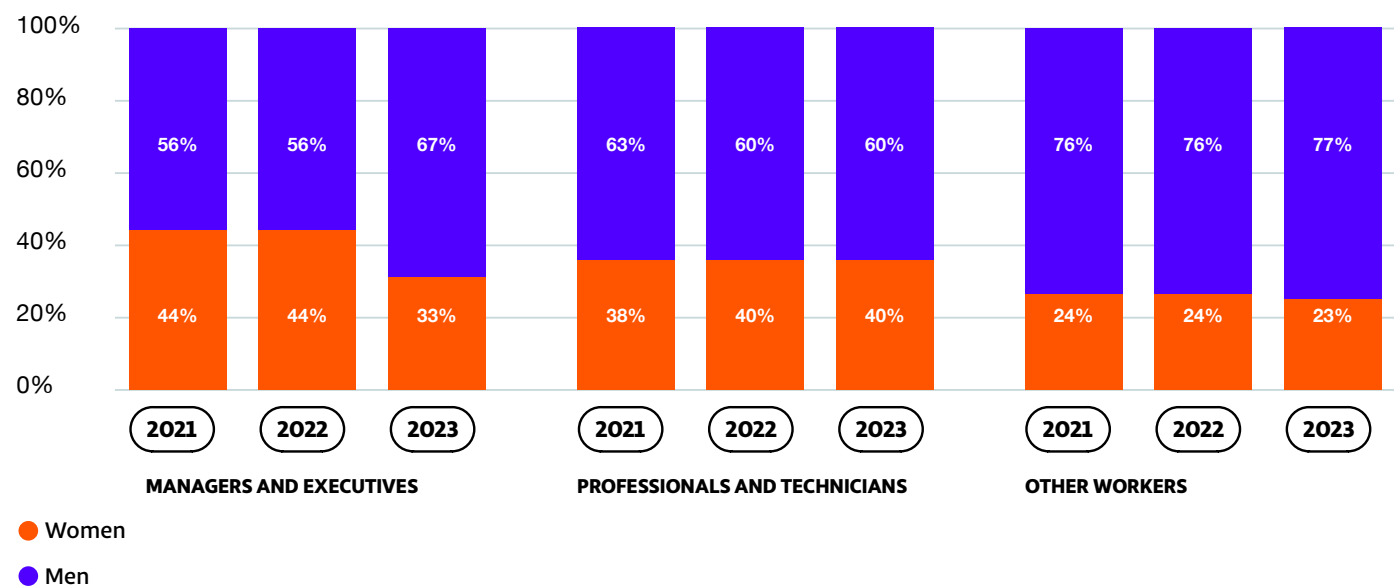
At Montes del Plata we foster diversity, equity and inclusion values in every area. Diversity is not only a principle of equality, but also a source of innovation and creativity that drives business growth.

44%

of professional-technical positions are held by women.

33%

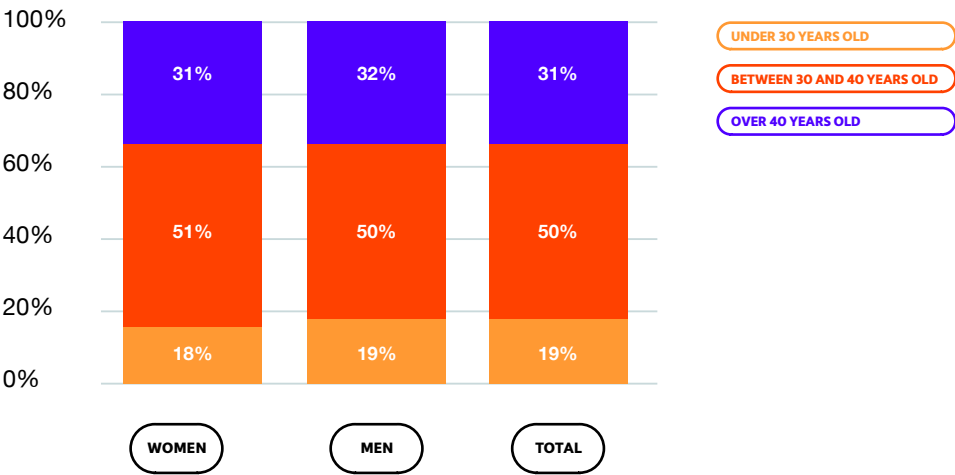
of executive positions filled by women



The work plan to achieve the 2030 goal includes increasing the participation of women in operational positions, especially in forestry activities, which have traditionally been the most predominantly male-dominated. This will contribute to changing the perception of rural work, including women in these activities.

As part of the commemoration of Diversity Month, which is celebrated in September, talks on sexual diversity were given by the Colonia Diversa¹⁸ collective. There was a large turnout for these talks and generated a great deal of interest from the participants. Questions, dialogue and enthusiasm demonstrate the importance of the subject to the team.

DOTACIÓN 2023 - POR RANGO ETARIO Y GÉNERO



PAY EQUITY RATIO

EMPLOYMENT CATEGORY ¹⁹	2021	2022	2023
Forestry operator	Position held only by men		
Mill operator	1.04	1.02	1.05
Nursery operator	1.09	1.08	1.06
Professionals and technicians	1.06	1.07	1.00
Supervision and leadership	1.05	1.04	1.03



18. This collective defends sexual diversity and human rights in the department of Colonia and works for a more inclusive, equitable and plural society.
 19. The pay equity ratio is calculated as the average fixed remuneration of the category (Men) / Average fixed remuneration of the category (Women).

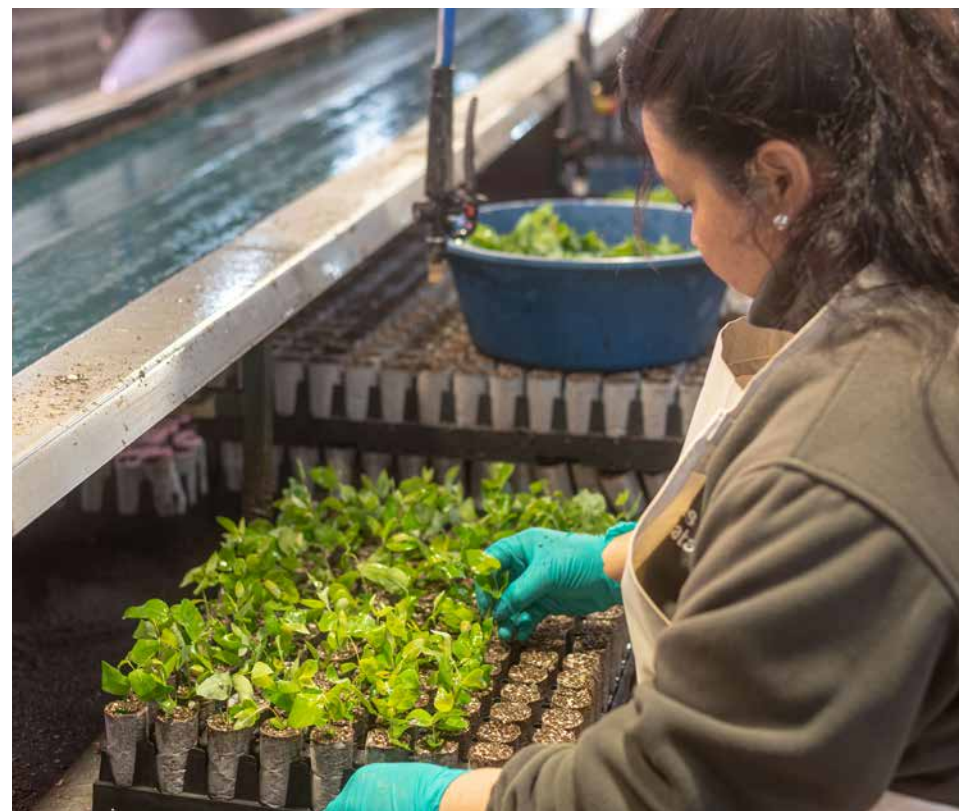
We are Opportunities

This program allows Montes del Plata to promote diverse and inclusive spaces, seeking to incorporate people with disabilities into their teams.

In 2023, internships of up to six months were offered to people with disabilities, along with teamwork and follow-up activities with the areas. At the end of the year, the program had 9 collaborators, 3 women and 6 men.

COLLABORATORS “SOMOS OPORTUNIDAD” TOTAL WORKFORCE

	2021	2022	2023
% individuals con disabilities / total workforce	0.80%	0.94%	1.43%



Training and Development

MONTES DEL PLATA ACADEMY

The Montes del Plata Academy is a cross-cutting training initiative. Through this program, the organization aims to contribute to the country, generating and transferring knowledge to its employees, contractors, families and neighbours in the communities.

Training is systematized on the basis of a plan, organizing the courses into learning paths. In addition, a virtual platform enables viewing learning history and a variety of courses and workshops.

Designed to unleash the full potential of workers while prepping them for the challenges they will face in the future.



MONTES DEL PLATA ACADEMY

- **Learning communities:** collaborators from several areas generate knowledge through practice.
- **Provides technical and practical knowledge to companies and contractors linked to industrial or forestry activities.**
- **Working in conjunction with prestigious formal education organizations.**
- **In 2023, an academic calendar was incorporated to facilitate access to training opportunities.**

In an event with over 160 guests, the Montes del Plata Academy, its objective and contents were presented. The activity was attended by the Ministers of Labor and Social Security and of Education and Culture, Pablo Mieres and Pablo da Silveira, respectively.



Technical Certification Institute:

Learning matrices were developed for 100% of the pulp mill positions.



Leadership and Management School:

This includes specific lines for the development of skills of personnel from plant contractor companies. More than 100 collaborators were involved in 2023.



Professional and Personal Development School

Centralizes training initiatives. By 2023: +50 instructors and +100 internally designed courses.



School for Innovation and Efficiency:

Launching of the first Higher Diploma in Continuous Improvement to showcase the work done so far while providing an additional tool to promote this philosophy throughout the organization.

It provides a learning framework for individuals to acquire the necessary competencies to design, manage and implement improvement projects through the Montes del Plata and Lean methodologies.

During the process, knowledge acquired by the candidates was formalized through the revalidation of training and the "Learning by Doing" credential, a format that seeks to capture the experience of the candidates in improvement projects as well as in the responsibilities and challenges faced. The results were evaluated and validated by the Academic Monitoring Committee (CAS). In 2023, the first two graduates of the Montes del Plata team completed the process.

+700 courses organized by schools and learning programs.

REBROTE

Through this program, 17 employees (10 men and 7 women) from the harvesting, forestry and nursery departments completed their high school education. All participants passed and received official certification from the National Public Education Administration.

Learn about
Margot's story.

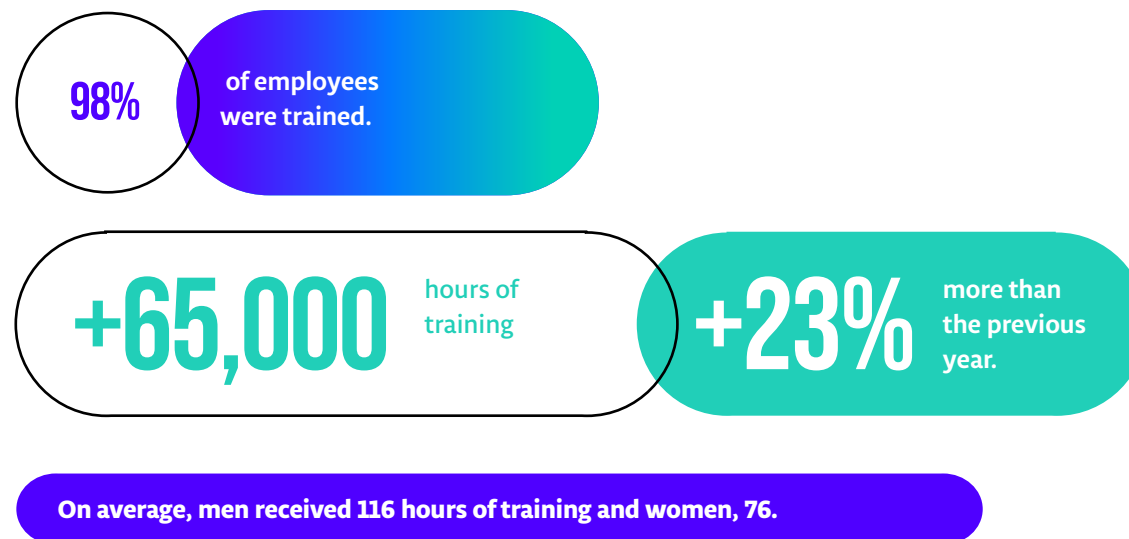


MY FIRST WORK EXPERIENCE

Under this initiative, the children of Montes del Plata's employees can participate in an internship at the company with the support of tutors in charge of their training and motivation.

Six young people participated in 2023, joining the 24 who have participated in this program since its inception. During the year, the children of two associated producers from the Alianzas program also joined the company.

IN 2023



Training initiatives aimed at strengthening personal and leadership skills are highlighted.

Another component is training under the Lean methodology, a management philosophy that seeks to identify and address the root causes of problems, involving the entire team with a focus on continuous improvement.

In 2023 Montes del Plata supported 7 employees participating in postgraduate and master's degree programs in Uruguay and abroad.

TRAINING HOURS BY GENDER AND POSITION

	2021			2022			2023		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Managers and executives	374	244	618	105	97	202	124	369	493
Professionals and technicians	3,851	7,947	11,798	3,844	8,316	12,160	6,210	8,913	15,123
Other workers	3,803	59,614	63,417	9,974	30,765	40,739	8,404	41,253	49,657
TOTAL	8,028	67,805	75,833	13,923	39,178	53,101	14,738	50,535	65,273

AVERAGE HOURS OF TRAINING

	2021			2022			2023		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Managers and executives	94	49	69	26	20	22	41	62	55
Professionals and technicians	37	46	42	34	48	42	54	51	53
Other workers	48	236	190	123	119	120	108	162	150
Average hours by gender	43	156	122	70	90	83	76	116	104

PERFORMANCE MANAGEMENT

This is a model to align work, behaviours and attitudes of employees with the strategic objectives and organizational culture of Montes del Plata. This includes those who perform administrative or supervisory functions as well as evaluation of the fulfilment of the specific goals of each collaborator.

Pulp mill and forestry operators are evaluated under a specific model, linked to productivity and other objectives specific to the area. In turn, forestry and nursery operators are compensated according to their monthly productivity in addition to their fixed salary.

In 2023, nursery, harvesting and forestry workers were incorporated into the performance management process.

RECOGNITION PROGRAM

The internal **Bravo!** program allows each person to 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.

The "**Bravo!**" intranet has a specific section where everyone at Montes del Plata can provide recognition to those who stand out. In addition, more than 300 people received awards for safety, improvement ideas, innovation or exceptional performance.

EMPLOYEES WHO RECEIVED EVALUATIONS	2021		2022		2023	
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
Managers and executives	100%	100%	100%	100%	100%	100%
Professionals and technicians	90%	97%	90%	97%	92%	89%
Other workers	37%	47%	37%	47%	35%	67%
TOTAL	68%	68%	69%	67%	69%	76%



Compensation and benefits

- **Montes del Plata's compensation policy includes a fixed and a variable component.**
- **The variable component is determined in the following way:**
 - Monthly collaborators: based on annual objectives.
 - Operational collaborators: for group and individual productivity
- To ensure principles of internal equity and external competitiveness, the compensation model is updated annually with information from international job evaluation studies.
- **In Montes del Plata, the lowest salary paid is 52% higher than the national minimum wage (NMW) in 2023.**
- In addition to remuneration, workers have access to a series of benefits (transversal and according to the geographic location where they work).



FAMILY

Extension of maternity leave. 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: five days off per year. 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.

IN 2023

33

collaborators (10 women and 23 men) benefited from parental leave established in Uruguayan legislation. ²⁰

All of them returned to their positions at the end of the period and continued to work for the company for the rest of the year.

20.(100% of those subject to this right during the year).

Work Environment

Having a good working environment, where each person is recognized, feels safe and motivated, is one of the objectives of personnel management at Montes del Plata.

For the past seven years, the work environment has been evaluated through SUMÁ, an anonymous and confidential organizational climate survey. This process has resulted in significant improvements over the years.

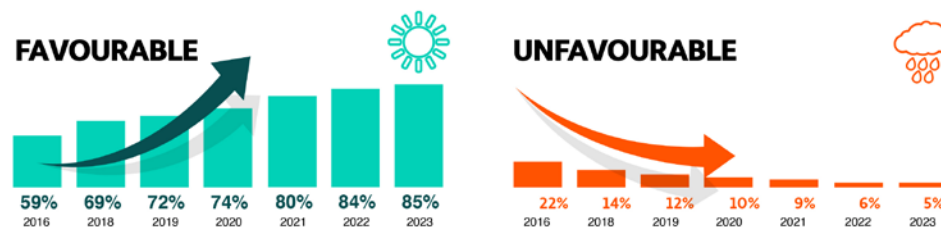
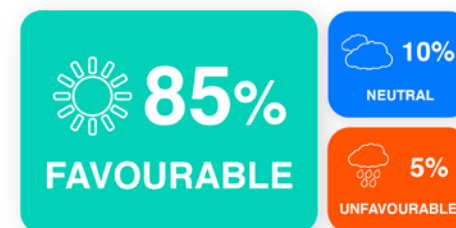
90%

In 2023, 93% of our employees participated in the annual survey.

86%

are proud to work at Montes del Plata.

2023
Participation 93%



Since 2022, we have also been monitoring contractors' employees' work environment. In 2023, the measurement was implemented in 8 companies that provide services to the forestry area with a participation of 78%. Based on the results obtained, feedback was given to the managers of each of the companies where information and tools were provided to improve people management.

Respect for human rights

Montes del Plata's policies and procedures were designed in accordance with the organization's core values: respect, honesty, participation, non-discrimination and respect for human rights.

Uruguayan regulations, as well as our Code of Ethics and Conduct and the specific code for suppliers and contractors, reject the use of forced labour or child labour, in any form, both in the company and along the value chain.

In accordance with national 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 freely exercise their union activities.

Montes del Plata has teams dedicated to relations with trade union associations, to promote continuous and transparent dialogue.

Montes del Plata workers are represented by SOIMA (Sindicato de Obreros de la Industria Maderera y Afines) and SUTMP (Sindicato Único de Trabajadores de Montes del Plata).

In June, negotiations with SOIMA began, and in December, the Wage Council Agreement was signed with the 24- Forestry group. In this agreement, wage adjustments and benefits and working conditions in the forestry sector were agreed upon.

Regarding the bipartite agreement between Montes del Plata and its workers, a definitive addendum was signed in October, which is incorporated into the current framework agreement, to provide an incentive for irrigation in the nursery.

In the industrial complex, the collective bargaining agreements were in force, therefore no negotiations were carried out.

At the end of 2023, 79% of employees were covered by collective bargaining agreements in force and 67% of operating personnel were unionized (35% of the total workforce). The terms defined in the collective bargaining agreements apply only to the persons covered by them.

Montes del Plata provides employees with information related to labour rights and obligations, both for its employees and for the personnel of contractors in the forestry area, where in-person workshops are held to disseminate current legislation and international agreements, as well as channels for reporting violations or non-compliance.



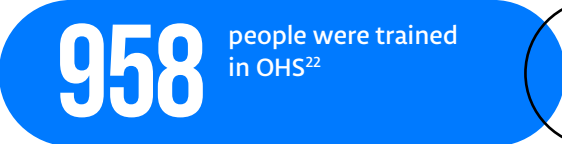
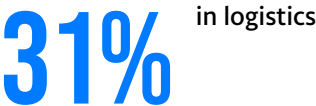
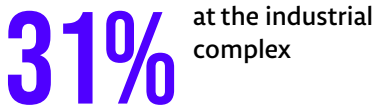
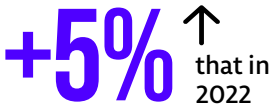
Contractor personnel

In the productive chain of Montes del Plata, more than 150 companies specialized in different areas provide their services. These companies must comply with applicable regulations as well as with the policies, procedures and standards defined by Montes del Plata.

In accordance with the Outsourcing Law (Law No. 18,251), a specialized company verifies compliance with salary payments, social security contributions and legal indemnities to contractor companies' employees.



2023



LEADERSHIP FOR CONTRACTORS:

As part of the Montes del Plata Academy, a program to improve leadership skills was implemented with the participation of 100 employees from the pulp mill's contractors.

In 2023, awards were presented to outstanding contractors for their health and safety management.

21. It only includes workers from contractor companies; it does not include MdP collaborators or induced employment, which brings the figure to 6,500 jobs.
 22. Occupational Health and Safety

Responsible Forest Management



Regulatory framework

- In Uruguay, forest management and exploitation are regulated by Law 15,939, which declares forestry activities to be of national interest and establishes conservation and control guidelines.
- All forestry projects must be registered with the General Forestry Directorate of the Ministry of Livestock, Agriculture and Fisheries and must comply with the technical, environmental and social guidelines of current regulations.
- Decree 349/005, which regulates Law 16,466, establishes that plantations of more than 100 hectares require prior environmental authorization.
- As of 2021, forestry projects between 40 and 100 ha must be registered with the National Directorate of Environmental Quality and Assessment (DINACEA) of the Ministry of Environment. A new environmental authorization process is required for reestablishing any forestry areas, as appropriate.

Legal requirements applicable to the company's activities at both the national and departmental levels, as well as the provisions established in international agreements, are identified, registered and updated in Montes del Plata's Management System.

The registry includes provisions related to environmental care, occupational health and safety, labour law, International Labor Organization conventions ratified by Uruguay (including those required by FSC®) and biodiversity (CITES, CMS, Ramsar Convention, Convention on Biological Diversity, among others).



FORESTRY MANAGEMENT PLAN

The company's integrated forest management system is based on the implementation of processes and best practices for continuous improvement to ensure compliance with national regulations and international standards. FSC® and PEFC certify responsible forest management practices and chain of custody, guaranteeing the origin of the wood used for pulp production.

Prior to operations, the environmental and social impacts and risks of each activity are assessed, and preventive and mitigating measures are incorporated into work procedures to ensure standardization of activities.

Through internal audits, follow-up and specific inspections (technical, environmental, health and safety and legal labour), drills²³ and occupational health and safety tours, we verify the proper implementation of procedures.

23. In these instances, contractual, technical and legal compliance is verified, as well as the guidelines and requirements in contractor companies and at the work fronts.

MAIN FORESTRY INDICATORS MONITORED:

- Forest growth and development.
- Performance of the different products and activities, products marketed and material certified to ensure wood traceability from destination.
- Environmental and social impacts created.
- Health and safety aspects.
- Training and evaluation of Montes del Plata personnel and contractors.

FOREST ASSETS

HECTARES

Eucalyptus plantations	174,026
<i>Pinus</i>	307
Other species (<i>Salix</i> , <i>Populus</i> , <i>Eucalyptus camaldulensis</i> and <i>tereticornis</i>)	895
Areas to be planted	10,793
Representative Areas ²⁴ (RA)	8,279
Sensitive Areas ²⁵ (SA)	79,291
Historical and cultural areas ²⁶	28
High Conservation value areas ²⁷ (HCVA)	2,374
Restoration areas	173
Total number of hectares of property	276,168

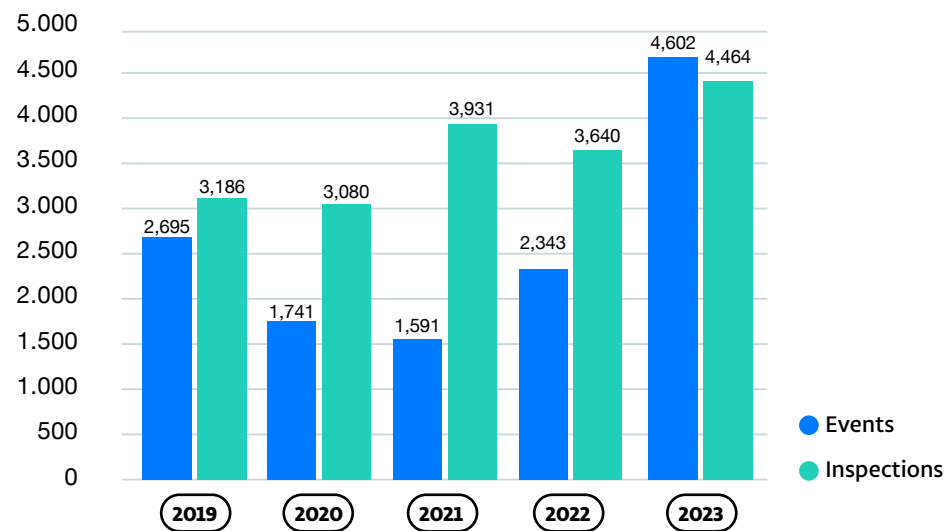
24. These are areas that present well-preserved and representative samples of a type of environment or natural landscape with typical and distinctive characteristics of a region.

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

26. 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.

27. 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.

EVENT AND INSPECTION REGISTRY EVOLUTION



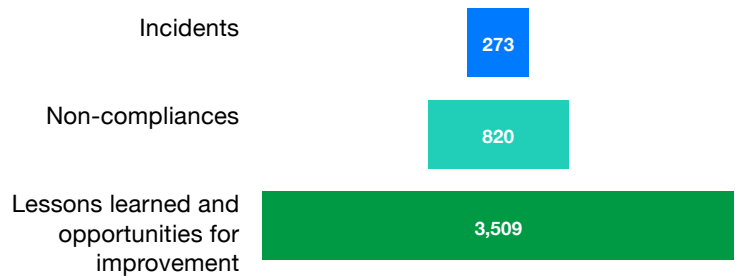
All events are categorized and reported and managed to ensure continuous improvement:

- NON-COMPLIANCES
- OBSERVATIONS
- INCIDENTS
- OPPORTUNITIES FOR IMPROVEMENT

In each case, causes are analysed and corrective actions are established to prevent their recurrence. Registered events are associated with health and safety, environmental and operational issues.

In 2023, contractors were directly involved in the registry and as a result, the number of registered events doubled.

2023 FINDINGS PER CATEGORY





Nursery and R&D

The nursery and the Research and Development area of Montes del Plata have the following objectives:

Develop and implement new technologies to increase plantation yields.

Improve the adaptation of Eucalyptus species to the environment.

Add new genetic materials.

Montes del Plata nursery

- Located in the area of M'Bopicuá, close to the city of Fray Bentos.
- Designed taking into consideration occupational health and safety, environmental care and efficiency.
- It incorporates the best technologies and procedures available in the world.
- Clonal seedling production.
- Does not engage in transgenic production.

Research and Development Objectives:

- Increase efficiency and quality of forestry operations.
- Improve plantation yields through the development and implementation of new technologies and the incorporation of new genetic materials.
- Study soil preparation techniques, weed control, regrowth and stock management, plant nutrition, as well as pest and disease monitoring, hydrological analysis and meteorological monitoring of plantations to improve forest productivity.
- Seek opportunities to improve the efficiency of forestry equipment and machinery and incorporate new technologies, with emphasis on optimization and quality control.





The area is supported by the University of the Republic and regional research consortiums such as the Instituto de Pesquisas e Estudos Florestais (IPEF), the Instituto Nacional de Tecnología Agropecuaria (INTA) and CAMCORE (Central American and Mexico Coniferous Resources Cooperative).

Montes del Plata is a member of the Research and Innovation Consortium together with the National Institute of Agricultural Research, the Society of Forestry Producers and the Technological Laboratory of Uruguay.

HIGHLIGHTS OF 2023

18

million clonal seedlings produced.

12

commercial clones with very good growth.

Professionalization of contractors.

Strengthening and development of teamwork using Lean methodology.

Forestry Planning

Sustainable management of forest assets depends on planning at several levels:

STRATEGIC PLAN:

20 to 30 years - to optimize annual wood volumes according to their origin, land requirements and definition of the species to be planted.

TACTICAL PLAN:

3 to 5 years - to optimize all processes and resources directly related to timber harvesting.

OPERATIVE PLAN :

The project entails 12- to 24-month program that determines the budget for programmed activities within the following year with the necessary resources to meet the objectives.

The monthly plan defines the harvesting units taking into consideration:



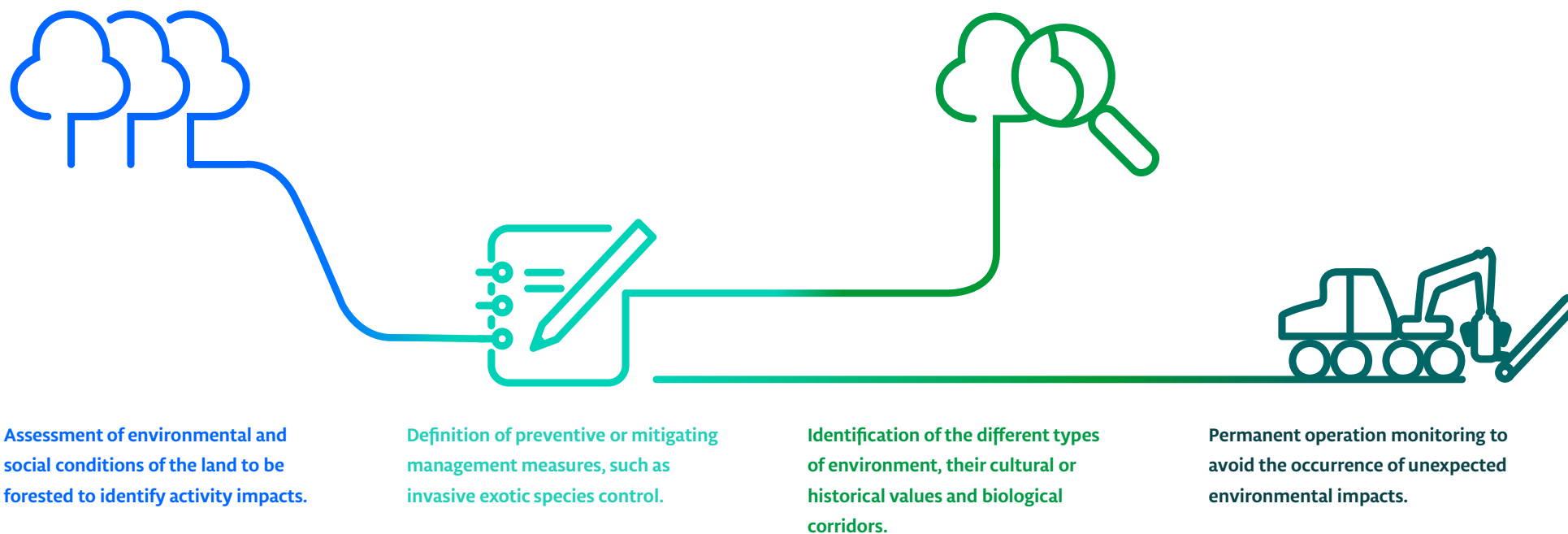
- Prioritization of felling of stands that are out of rotation, with decreasing growth, health problems or affected by fire.
- Defining major roads and drainage ways to make up the harvesting block.
- The average distance of wood extraction.
- Identification of sensitive zones or conservation areas to avoid potential environmental impacts.

The forest management plan is the compilation of the technical, environmental and social information of each property managed by Montes del Plata throughout the successive production cycles, including:



- Initial forestry plan for each property.
- Operational and property management guidelines.
- Documents submitted to national and departmental agencies to obtain authorizations.
- Relevant environmental, social and economic studies and characterizations.

Environmental and social characterizations



100 CHARACTERIZATIONS

environmental and social characterizations were performed in 2023, twice as many as in 2022.

Continuous forest inventory

A statistically based methodology is used to update available wood information. Starting in the third year of tree growth, permanent plots are set up throughout the property and used to develop and expand growth models for the different species.

Quality plots are set up in one-year plantations and, in the middle of the cycle, temporary plots are set up. Prior to final cutting, inventories are taken to adjust volumes and plan the plant's supply adequately.

All this information is managed through the Geographic Information System and the Forest Management System, which serve as a basis for decision making and proper planning. In the last 6 years, technologies such as LiDAR and high-resolution satellite imagery have been used for more accurate inventories.

	2023***	SPECIES MAI* (m ³ ssc/ha/year)	MAI MAI (m ₃ ssc/ha/year) Long-term**
<i>Eucalyptusbenthamii</i>	26		26-29
<i>Eucalyptus bicostata</i>	12		-
<i>Eucalyptus dunnii</i>	25		26-34
<i>Eucalyptus globulus</i>	12		-
<i>Eucalyptus grandis</i>	25		-
<i>Hybrid Eucalyptus</i>	32		32-38
<i>Eucalyptus maidenii</i>	11		
<i>Eucalyptus viminalis</i>	10		
General total	26		26-38

*Stock 2023, IMA projected to age 10 for plantations with 5 or more years. (m3ssc = solid cubic meters without bark).
 **Long Term IMA = Projection in rotation (10 years) of plantations to be carried out between 2023-2025 (m3ssc = solid cubic meters without bark).
 ***IMA affected by drought, ICA 2023 was 50% lower than expected.



A look at the forestry process

Forestry planning

Integrated management plan with economic, productive, environmental and social aspects to identify the areas to be planted and those destined for grazing or conservation.

Timber transport routing planning, works to be carried out on roads and routes and mitigation actions.



Silviculture

7

Contractor companies.

55

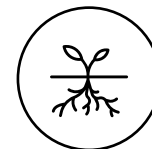
people from Montes del Plata.

+11,000 planted hectares in the year.

+170,000 ha of plantations.



Soil preparation: clearing and shredding of forest residues for subsequent tillage.



Planting: begins after delimiting the area to be planted according to the forest management plan. It can be manual or mechanized.



Care of growing trees: in the first year we control weeds and ants that may be competition for the seedlings that are taking root.



Between year 1 and 8 of plantation: Phytosanitary monitoring and fire prevention activities with firebreak maintenance and weed control through grazing.



Roads

Start of road works between eight and ten years after planting: bridges, culverts and speed dips.

In the area of neighbourhood roads, we work jointly with the local governments.

480 km roads built in 2023.

+42% more compared to 2022.

Harvest



Mechanized

9 contracted companies and three in-house harvesting units.

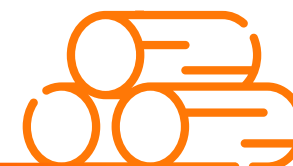
+100 people working in this area

4,193,492

m³ harvested in 2023.

+9% than in 2022.

At the end of the harvest, exhaustive reviews are made of the state of the environment (waste management, sensitive areas, quarries, tracks); the quality of the operations (condition of roads and stockpiles; logs not extracted; timber in the loading dock); property infrastructure (wire fences) and follow-up of events generated in the Management System.



PLANTATION HEALTH MONITORING

Together with other forestry companies, Montes del Plata contributes to a national health monitoring system managed and led by the Health Commission of the Society of Forestry Producers (SPF), with the collaboration and guidance of the National Institute of Agricultural Research (INIA) and the University of the Republic.

The main objectives of this initiative are:

- **Implement a permanent monitoring and sanitary control system for Uruguay's forestry companies' assets, with special attention to the entry of new pathogens.**
- **Standardize a continuous sanitary monitoring system to alert on abnormal situations.**
- **Generate a database to evaluate temporal and spatial distribution of the main pathogens.**
- **Jointly manage control or handling measures for the highest-priority damage agents.**
- **Generate a space to exchange information and generate knowledge.**

In 2023, monitoring was carried out based on a network of 148 points distributed throughout the country. Specifically, 40 monitoring points were defined in Montes del Plata, located on the coast, in the centre and south of the country. The work carried out by expert forest health consultants during the fall season, covered:

- assessment of the presence of known pathogenic agents,
- field identification of causative agents and
- assigning a severity level to each type of damage.

In Eucalyptus spp. plantations in Montes del Plata, the main problems detected were bacteriosis (leaf spot and blight) and defoliation by Gonipterus (eucalyptus weevil).

The results of this study are available on a virtual platform of the INIA-LATU-SPF consortium. If significant growth of an invasive species is detected, it is dealt with quickly. The detection system is based on sticky

traps placed in plantations of various forestry companies changed monthly and analysed by the Forest Entomology Laboratory of INIA Tacuarembó.

At Montes del Plata Nursery we implemented our own surveillance and monitoring system for the detection, control and follow-up of diseases, which allowed us to end the year without losses due to the main disease affecting the nursery (Botrytis). Early detection of the second most important disease (Calonectria) and the efficient use of insecticides and fungicides (lower doses and application frequencies) explain the results obtained. Rapid diagnosis in the primary analysis laboratory, implementation of control measures in the production process (disinfection tasks, early detection, discarding, insect management plan) and the performance of agronomic efficacy and active ingredient dosage tests in the CTF's sanitation module were key to this result.



SOIL AND WATER

For the past 20 years, Montes del Plata has been participating - in conjunction with other forestry companies, the School of Engineering and the School of Agronomy - in various projects to evaluate the impact of forestry plantations on water and soil²⁸.

Identification and quantification of the various components of the hydrological cycle and water quality is vital to understanding and measuring impacts. For this purpose, Montes del Plata is part of a national network of micro-watersheds (smaller than 200 ha) that allow for measurement and comparison of different hydrological indicators in livestock use (pasture vegetation) and forestry (eucalyptus plantations for pulp).

These studies have led to the conclusion that:

- Trees obtain water from rainfall because, due to the physical characteristics of Uruguay's soils, they are not able to access water from subway aquifers with their roots.
- Surface runoff in a forested micro-watershed is 20% lower than in a watershed with grassland vegetation because of the higher evapotranspiration (interception + transpiration) of the forest cover.
- Precipitation interception is greater in the forest canopy than in the pasture and causes water to evaporate directly from the tree canopy and return to the atmosphere (direct evaporation) and thus does not reach the soil.
- As for consumption (transpiration), when water is available, both conditions are close as both tend towards potential. In years with lower availability there is a higher consumption in forestry than in pasture, but in general terms there is a positive water balance since it rains more than what is consumed.
- With regard to deep water recharge, which feeds the aquifers, no significant differences have been observed.

In order to minimize the impact of forestry on the soil, forestry planning implements management measures aimed at its conservation and complies with current regulations:

- The total area is not tilled: only the planting row, which is equivalent to 1/3 of the area, is tilled.
- The number of interventions is minimized.
- Plantation at a determined distance from watercourses.
- Detection of water accumulation and drainage points to plan tasks and minimize circulation over them.
- Soil gully monitoring.
- Use of advanced technologies to minimize tillage impact.
- No activities are carried out on the soil when it is saturated with water.
- The tree is processed in the field, leaving approximately 30% of the biomass generated (leaves, branches and roots).

28. Source: Study of forest hydrology at La Corona farm, Tacuarembó, with the participation of INIA, University of North Carolina, University of the Republic and Lumin.
<https://www.fing.edu.uy/imfia/proyectos/hidroforestal/index.html>

If deviations are detected, they are reported as events in the Management System to be addressed. In addition, in order to comply with the Forest Management Plans, since 2017 monitoring points have been set up where both the quantity and quality of water and chemical and physical properties in certain types of soil, forested and non-forested, are evaluated. Water quality monitoring is seasonal, while quantity monitoring is monthly. Soil monitoring is evaluated before and after harvest.

In terms of water quality, no changes were observed that could be attributable to forestry. The results of the parameters analysed are below the limits established by current regulations (Decree 253/79 - Class 3) and are similar to those reported by the National Water Directorate in the basin monitoring plans.

In addition, since 2022, Montes del Plata participates in an initiative promoted by the Society of Forestry Producers that gathers

information from forestry companies and systematizes it in a single database of soil points in forestry and non-forestry conditions. Montes del Plata provides the information obtained from 11 points where the evolution of the chemical parameters of the same type of soil with forestry and natural field is monitored at different times: pre-planting, mid-rotation and post-harvest. Standardizing methodology, as well as the number of soil types sampled, will provide a robust and representative database of the country's reality, which will allow us to draw conclusions about the effects of forestry on the soil in Uruguay.

Furthermore, in 2023 Montes del Plata obtained positive results from a pilot test for the implementation of pasture on previously forested soils. With these studies it can be evidenced that this reconversion is feasible and the soil maintains the conditions and capacities.



PLAN FOR DETECTING, PREVENTING AND RESPONDING TO FOREST FIRES

Climatic conditions have changed in recent years: significant increases in temperature and lower rainfall levels have led to the outbreak of fires throughout the country. This context implies a risk for Montes del Plata due to the destruction of its forest assets and the potential impact on third parties.

In response, Montes del Plata has developed a management plan for preventing, detecting and fighting forest fires. The key to a fire is to arrive in time to control it.

PREVENTION

- Survey and conditioning of water sources.
- Annual firewall maintenance plan.
- Real-time monitoring of wildfire risk with data from INUMET ²⁹.
- Develop communication plans that include: awareness campaigns in the media, meetings with authorities in the area of influence and talks with neighbours where the plan is presented and their concerns are heard and answered.
- In 2023: The plan was presented to 209 representatives at six rural development roundtables in Flores, Colonia, Durazno, Soriano and Río Negro.

DETECTION

- Detection system in conjunction with the Society of Forest Producers (SPF):
 - 60 fire and smoke detection cameras with artificial intelligence.
 - Aerial detection with light aircraft with pre-established routes throughout the country.
- Montes del Plata listens to you to receive early warnings of smoke or fire or other concerns: WhatsApp 091 623 300.
- 24-hour emergency call line: 0800 7733.



WHATSAPP - 091 623 300
EMERGENCIAS - 0800 7733

RESPONSE

- Firefighting training:
 - 376 collaborators of Montes del Plata and contractors.
 - 378 people from neighbouring communities.
- In conjunction with SPF: Central monitoring and dispatch centre for forest fires where response is coordinated and resources are centralized:
 - 3 helicopter bases with fire departments.
 - 2 tanker aircraft.
 - 1 for coordination.
 - a network of 21 water reservoir tracks.
- Specific on-call firefighting brigades.
- Forest firefighting equipment: more than 50 water tankers and motor-pumpers, 4 fire-fighters.

29. Wildfire risk index: https://www.inumet.gub.uy/tiempo/indice_de_incendios







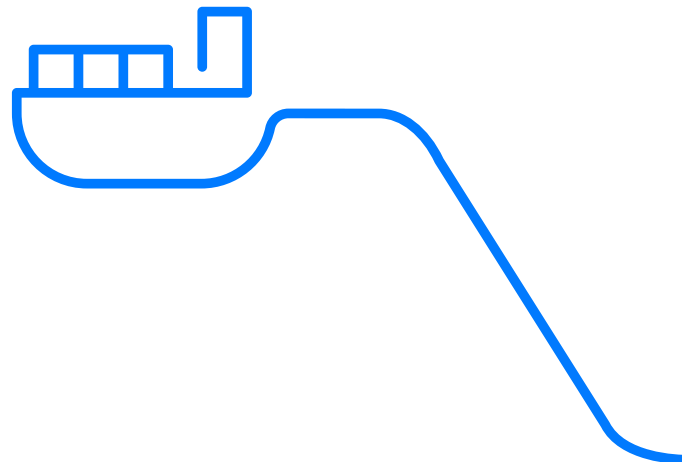
Logistics operations

The logistics management system enables the monitoring of operations at each stage of the value chain.

The wood is loaded onto forestry trucks and transported to the M'Bopicuá Logistics Terminal (TLM), to the Industrial Complex in Punta Pereira (PP) or to intermediate storage facilities located in Canelones, Durazno and Río Negro.

The bimodal, river and land transportation system allows the industrial complex to be supplied with wood.

The pulp produced is shipped from the Punta Pereira Port Terminal, recognized by international shipping companies as one of the most efficient in the world. It is ISPS (International Ship and Port Facility Security) certified.



BIMODAL TRANSPORTATION SYSTEM:

River transportation uses four barges with a capacity of 5,000 tons each. These barges sail from the M'Bopicuá Logistics Terminal (TLM) to the port terminal at Punta Pereira (PP). With a significant cargo capacity, each barge is equivalent to 170 trucks. In addition, using the river as a means of transportation reduces environmental impacts.

Land transportation is carried out by 12 Uruguayan trucking companies, with trucks that meet environmental and safety standards. The Transportation Centre, located at TLM, monitors and coordinates the fleet of 200 trucks: it plans where the wood should go for loading, the route to be followed and tracks each unit.

Logistics planning seeks to make loading and transportation of wood more efficient. Months in advance, activities are planned, determining the start and end dates of the work, designing routes according to the condition of each one and choosing those that generate the least impact on neighbouring communities.

From eight to ten years after plantation, road works are carried out to extract the wood from the forest. Related structural works such as bridges, culverts and speed dips are also carried out.

In the area of neighbourhood roads, we work together with the Departmental Governments, maintaining a permanent dialogue.

HIGHLIGHTS OF 2023

28.5

million kilometres travelled with wood.

Savings of 24 million truck kilometres on roads and highways thanks to the bimodal system, with the consequent benefit for the environment, infrastructure and road safety. The barge system avoided releasing approximately 66% of tons of CO₂eq into the atmosphere.

12

Uruguayan carriers move wood to TLM or the pulp mill.

8

triple trailer transportation units: high performance vehicles with a load capacity equivalent to two conventional trucks and with less impact on road infrastructure.

1.8

million invested in neighbourhood roads: 480 km of roads built, 40 km of country roads undergoing maintenance work. Agreement signed with the Municipality of Paysandú for road repairs.

Implementation of the Buen Vecino program for local roads: A new outreach plan was deployed for neighbours along the roads where forestry trucks circulate.



TRANSPORTATION IMPACTS MITIGATION

The transportation impact mitigation program contemplates the implementation of specific measures to prevent or reduce impacts on communities surrounding the activities.

Planning prior to transport:

1. **Route selection**, taking into account economic, social and road conditions.
2. **Georeferencing of third parties**, neighbours, schools and communities neighbouring the road.
3. **Identification of impacts and measures**: dust generation, speed, wear and tear on local.
4. **Design of the Buen Vecino Road plan**, identifying third parties.
5. **Implementation of the Buen Vecino program**, reaching 160 neighbours during 2023.

MONTES DEL PLATA

ACTUAL OR POTENTIAL IMPACTS

MITIGATION MEASURES

DUST	Irrigation / Dust tamper
WEAR AND TEAR OF ROADS	Conditioning / Maintenance
SPEED	Geofence
OBSTRUCTION OF ROADS	Road use protocols

Another component of the program is the communication plan with local governments, who are informed of new routes, weekly transportation plans, road conditioning or maintenance interventions, changes in planning and any other issue related to the use of local roads.



Industrial operations

The Montes del Plata industrial complex is located in Punta Pereira, in the department of Colonia. It is composed of a pulp mill, a power generation plant and a port terminal.

The Montes del Plata plant:

Was built with the best available technologies and techniques IPPC-BAT³⁰ for the mill pulp sector.

The pulp mill produces 1.4 million tons of bleached Eucalyptus pulp annually using the Kraft process.

Certified since 2017 under ISO 9001:2015, Quality Management Systems; ISO 14001:2015, Environmental Management Systems, and since 2020 under ISO 45001:2018, Occupational Health and Safety Management System.

It produces renewable energy for self-supply and feeds approximately 50% of its production into the national grid.

Pulp is exported from the Punta Pereira Port Terminal, recognized by international shipping companies as one of the most efficient in the world for pulp cargo.



30. 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.

MAIN CHARACTERISTICS OF THE MILL'S PRODUCTION PROCESS

WHITENING SYSTEM	CIRCULAR CONCEPTION	BIOMASS	BLACK LIQUOR	WATER MANAGEMENT	EFFLUENTS	ATMOSPHERIC EMISSIONS
The pulp bleaching system is elemental chlorine free (ECF). Chlorine dioxide is used instead, minimizing its consumption by using oxygen and hydrogen peroxide.	It includes in its production processes a circular conception in management of supplies, water, energy and wood.	The resulting biomass from the process is burned to generate heat and electric power, which fully supplies the pulp mill. The remainder is fed into the national grid.	The non-combustible part of the black liquor is removed from the boiler and treated to recompose the 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 the 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.

POWER GENERATING UNIT

Renewable energy generation from the residues of the wood pulp extraction process.

Capable of generating 170 MW of energy, of which 90 MW are consumed in the industrial complex and 80 MW are fed into the national grid. Montes del Plata has become the largest private power generator in Uruguay and the third largest at a national level.

The energy fed into the national grid is equivalent to the consumption of 200,000 households.

It contributed to the diversification and expansion of Uruguay's energy matrix from 100% renewable resources.

The industrial complex's renewable energy generation project was admitted as part of the Clean Development Mechanism (CDM), a procedure under the Kyoto Protocol, which means that the mill is committed to reducing greenhouse gas emissions.



HIGHLIGHTS OF 2023

Implementation of multiple improvements within the industrial process to use a higher proportion of Dunnii species.

Renewal of the environmental operating authorization (EOA) of the pulp mill.

Follow-up audits in accordance with ISO 9001, ISO 14001 and ISO 45001 standards. Unification of auditing processes with the forestry area of Montes del Plata.

SMETA audit (Sedex Members Ethical Trade Audit)

+ 2,500 people worked in the General Mill Stoppage (GMS).

11.9% of Uruguay's energy is produced in Montes del Plata's industrial complex.

Due to repairs to the condensation turbine made during the GMS which forced the mill to stop production for almost a month, energy production was lower than planned.

Deres recognition for GMS social impact management.

Strong health and safety culture

	GOAL 2030		BASE LINE	STATUS 2023
Safety and Occupational Health	<1	Lost time frequency index	1.4 ²⁰²²	0.9
	<10	Severity rate	31 ²⁰²²	51

Safety is the number one priority

HIGHLIGHTS OF 2023



In October 2023, Montes del Plata reached 3 years without lost time accident in own personnel.

Zero lost time accidents during the General Mill Stoppage.

ISO 45001 follow-up audits in forestry and mill operations

World class level:

0.9

lost time accident frequency rate.

Improvement of all safety indicators.

68,000

hours of Occupational Safety and Health (OSH) training were allocated.

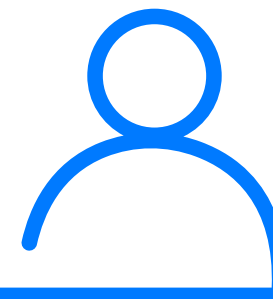
681

people (own collaborators and contractors) were trained in first aid.

Certification under ISO 45001 of 32 contractors in the Forestry, Logistics and Mill areas.

65 contractor companies have some form of occupational health and safety certification.

Certification under ISO 39001 (Road Safety) of 6 companies that provide services to the Forestry and Logistics areas. In addition, 1 company was certified under ISM³¹.



31. International Safety Management Code

PRIORITY ONE SAFETY

The management system applies to all Montes del Plata and contractor companies collaborators.

- It is governed by national and international ISO 45001 standards for all operations.
- As part of the management system, the risks associated with each work area are identified and policies, plans and objectives are established.
- Compliance with worker health and safety requirements established by FSC® and PEFC.
- In 2023, it covered all Montes del Plata workers and more than 3,300 employees of contractor companies.

- Some of the components of the management system include:
 - Procedures to identify the risks associated with each work area.
 - Specific policies, plans and goals to prevent, control and minimize risks.
- To control risks in the execution of activities and prevent occupational injuries or illnesses in the Forestry and Logistics areas, the risk matrices were updated using the Hazard Identification and Risk Evaluation and Controls (IPERC) methodology.
- The matrices were incorporated into a digital platform, which allows access and visualization of safety data at a consolidated level. The reviews are carried out with the active participation of the operational areas. In 2023, key performance indicators (KPIs) were implemented to monitor the validity of revisions.
- In 2023, progress was made in the implementation of the ISRS™ (International Sustainability Rating System) methodology, incorporating the "Accidentability Analysis".



STRUCTURE & RESPONSIBILITIES

All Montes del Plata collaborators as well as outsourced companies 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 analysing 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 Industrial, Forestry and Logistics areas, working groups are formed to monitor high potential incidents (HPI) on a monthly basis.

In the forestry area, the operational safety collaborators collect and transmit to the company's managers any deviations, unsafe conditions or acts, incidents and opportunities for improvement that have been detected.

The Occupational Health and Safety committees enable the exchange of points of view and the identification of opportunities for improvement in risk prevention. They operate on a quarterly basis at both the mill and the nursery and are made up of safety delegates - who represent the workers - the production manager and a prevention technician.

8

**Occupational Health and Safety
committees with own personnel**

20

**of collaborators of contractor
companies**

At the Nursery's Occupational Health and Safety Bipartite Committee, it was resolved to implement security measures for visitors and improvements in the parking areas. At the mill, work was done on the alcohol and drug protocol, on technical training for delegates, and on aspects of ergonomics and active breaks.

SAFETY CULTURE

In order to reinforce the safety culture, both in its own personnel and in those of its contractors, Montes del Plata has work standards, specific qualifications, inspection schedules and annual training plans. This is complemented by campaigns aimed at strengthening the role of each team member in the construction of safe workspaces.

"Let's turn off the autopilot:"
the objective of this campaign is to convey the message that if an unforeseen risk is detected or if there is any doubt about the execution of a task, it is necessary to stop, think and then act.

Detect, correct and record: workshops with leaders and supervisors of Montes del Plata and forestry contractors as part of the World Day for Occupational Safety and Health, to share the objectives achieved and actions to be improved.



PREVENTIVE TOOLS FOR RISK MANAGEMENT:

- Assessments with necessary control measures.
- Non-routine and high-risk routine task safety analysis.
- Preventive Safety Observations.
- Task Observation Reports where mill 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 Studies
- Task qualification table for non-forestry contractors.
- Pre-safety verification for contractors performing risky tasks.

Prior to the start of forestry and mill activities, contractors must submit their OHS plans, specifying the type of work to be carried out, the people involved and the planned activities. It is reviewed and approved by the internal OHS area. The mill also includes environmental aspects.

In the forestry area, in 2023, a table was published for the qualification of tasks for contractor companies that provide services not associated with forestry production (civil works, assembly, maintenance). In addition, for those who perform risky activities, a security pre-check process was implemented.



HEALTH AND SAFETY TRAINING

The training plan includes transversal and job-specific training components for each employee.

	2022		2023	
	EMPLOYEES	CONTRACTORS	EMPLOYEES	CONTRACTORS
Number of Occupational Health and Safety courses	132	901	159	958
Total hours of OHS training	12,726	73,092	9,530	68,897

TRAINING FOCUSES:

- **OHS Leadership Seminars: for employees of Montes del Plata and contractor companies.**
- **10 rules that save lives.**
- **First aid: 100% of collaborators from nursery contractor companies trained.**
- **Defensive driving.**
- **Tasks associated risks.**
- **Forest firefighting.**

At the mill, emphasis was placed on training maintenance and engineering contractors through workshops on work standards and induction activities.

In addition, annual training sessions are held on health, active breaks, accident and illness prevention, safety days and campaigns, incident reporting activities, drills and safety alerts.



377

collaborators received
1,698 hours of firefighting
training

The main safety indicators are published online at the intranet and on electronic bulletin boards.

HEALTH AND SAFETY OF CONTRACTOR COMPANIES

Each of the contractors operating with Montes del Plata has a prevention technician on its staff who presents the occupational health and safety plan.

Each year, specific health and safety programs are developed for each operational area: operational controls, preventive tools, inspections, reports and follow-up meetings, health controls, training and qualification. Contractors must demonstrate compliance with these plans through a web platform, and every six months the Montes del Plata team evaluates them and verifies compliance with regulations, the plan as well as safety indicators.

ACKNOWLEDGMENT OF CONTRACTORS

In order to highlight and promote the value of safety in contractor companies in 2023, acknowledgement instances were implemented. Directors and managers from Montes del Plata and the companies participated in each of the events.

In the Forestry area, specific recognition was also given to OSH technicians, supervisors and operational safety collaborators who performed outstandingly well.



Safety performance 2023

For the ninth consecutive year, we report a consistent and significant decrease in accidents, thanks to the systematic implementation of the OHS policy, safety practices and the permanent strengthening of the safety culture.

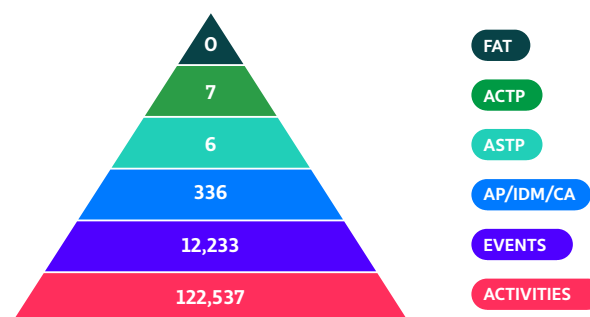
FREQUENCY RATE



The frequency rate measures the number of lost-time accidents per million hours worked.

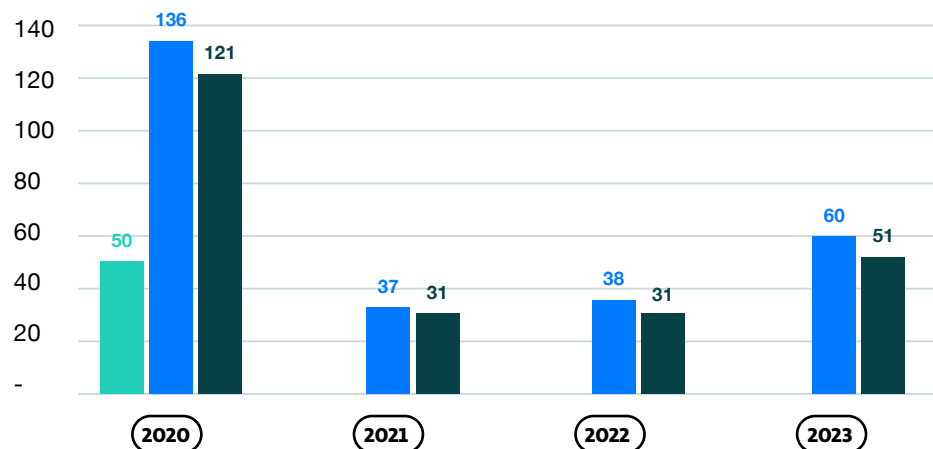
- Own personnel
- Contractors
- Consolidated

SAFETY PYRAMID³²



32. FAT: Fatalities / ACTP: Lost Time Accidents / ASTP: Non-Lost Time Accidents / ASTP: Primary care / IDM: Incident with material damage / CA: Quasi accident.

SEVERITY RATE



The severity index is measured according to the time lost by the worker as a result of the accident.

- Own personnel
- Contractors
- Consolidated

FORESTRY

There were two lost day incidents (LTIs), both involving contractor personnel. One was an entrapment of a finger in manual load moving tasks during harvesting. The other was a finger injury from a fall. Two traffic accidents were reported, involving overturns of light vehicles with no injuries.

LOGISTICS

Two lost time incidents were reported, both involving contractor personnel; one laceration to the elbow as a result of a traffic accident and one event due to overexertion and subsequent fall causing back pain.

Four of the traffic accidents that occurred during the year were categorized as high potential incidents: two total overturns, one crash, and one collision to the cab by a third-party lumber truck while driving on the road.

MILL

There were three lost-time accidents, all involving contractor personnel. One case caused a fracture in the leg; another case of trauma to the knee with a cut and a third, caused by a blow with an isopanel plate, causing trauma to the worker's arm.

In 2023 there was one case of occupational injury in a mill employee, corresponding to a hypoacusis, which did not imply any restrictions for the employee.

Road safety

The transportation strategy to reduce the probability of accidents and their consequences includes awareness-raising, education, listening and active dialogue with all stakeholders involved in traffic safety: drivers, transportation companies, authorities, local communities and educational centres.

In 2023, 207 trucks and 555 drivers were involved in ground transportation activities. One of the key programs to reduce traffic accidents is the Guardian system which, at the end of 2023, was implemented in 100% of the truck fleet. This technology enables the driver and the transportation company to be instantly alerted in the event of drowsiness or distractions, so that they can act according to established procedures.

In addition, within the framework of Yellow May, we conducted public awareness campaigns in the media in the communities of influence to raise awareness about safe driving.

Nuevamente nos sumamos a Mayo Amarillo.
Te recordamos nuestras primeras cuatro reglas que salvan vidas:

1 Siempre usá el cinturón de seguridad.

2 Nunca uses el celular mientras conducís vehículos o máquinas.

3 Siempre ajustá la velocidad a las condiciones del camino.

4 Nunca conduzcas o trabajes bajo los efectos de alcohol o drogas.

Tomemos decisiones correctas, salvemos vidas.
#TransitoEligeLaVida

Montes del Plata



Other initiatives to promote road safety

100% of drivers during 2023 were assessed for sleep disorders and other risk factors. If detected, specific follow-ups are carried out. In 2023, the company also implemented daily driver monitoring processes and customized indicators for follow-up.

Together with CEPA (Accident Prevention Centre), a series of 19 talks were given to more than 550 forestry transport drivers to address issues such as safety, the Guardian system, community relations and fire prevention.

Road safety campaign for the Forestry and Logistics areas on the use of cell phones and seat belts.

Throughout Montes del Plata and with the participation of company personnel and contractors, the Safety Reflection Week was held, with emphasis on high potential events.

162 collaborators of Montes del Plata were trained in road safety.

OCCUPATIONAL HEALTH

Montes del Plata's Health and Medical Surveillance program, updated in 2023, covers all company personnel and incorporates preventive or corrective plans according to the specific risks of forestry, industrial and logistics activities.



The program includes:

- Evaluation of operational/work processes and related health risk factors.
- Initial medical evaluation for all mill workers. A certificate of aptitude for the assigned task is issued through the occupational medical record.
- Yearly clinical controls (tonal audiometry, respiratory functional)
- Clinical control after reintegration of occupational accident/occupational illness.
- Quarterly follow-ups with physicians and technical specialists in occupational health and ergonomics.
- Evaluation of safe medical care areas in the mill to respond to emergencies.
- Immunization campaigns.
- Training.
- Active breaks program.

For primary medical care of nursery workers, there is an on-site health service and a permanent medical team (doctor and nurse-driver) at the mill. In addition, health and medical surveillance programs are in place at the mill for various groups of contractor personnel.

The agreement with the Hospital Evangélico allows all Montes del Plata collaborators associated with this provider, as well as their spouses and children, to obtain numerous benefits: free consultation orders for general practitioners and specialists, free medication tickets, free annual general check-ups and travel assistance with a special bonus, among others.

OCCUPATIONAL HEALTH INITIATIVES IMPLEMENTED IN 2023:

A cross-cutting occupational health procedure was implemented and the presentation of a health aptitude certificate for all of the company's own collaborators, an initiative that will be extended to contractor companies in 2024.

At the mill, training workshops were held on the prevention of alcohol and drug consumption and first aid, both for the company's own personnel and those of contractors.

The hearing conservation program continued to be developed and consultation with ophthalmologists was incorporated.

Musculoskeletal injury prevention program: in the Forestry area, a workshop on ergonomics was held for operational supervisors and Occupational Health and Safety technicians of the companies contracted in the Asset and Road, Harvesting and Loading areas.



		2030 GOAL		BASE LINE	STATUS 2023
Environmental management	Biodiversity	42%	natural areas and increase the number of High Conservation Value Areas.	42% ²⁰²² and 5 HCVA	42% and 7 HCVA
		≥43%	natural areas of MdP in Uruguay's biological corridors	43% ²⁰²⁰	43%
		90%	of the native flora and fauna species identified	70% ²⁰²²	70%
	Carbon footprint	-10%	greenhouse gas emissions for scope 1 y 2.	150 ^{2021 - 2022} (kg CO ₂ eq/ADt)	149 (-1%)
		50	million tons of carbon dioxide from the atmosphere (CO ₂ eq) stored.	-	37 million tons CO ₂ eq
		Reduce greenhouse emissions scope 3: under construction		-	-
	Renewable energy	+15%	supply electric power from renewable resources into the national power grid	571 ²⁰¹⁹ (Gwh/year)	623 (+9%)
Water		-18%	water mill consumption	30.6 ^{2017 - 2020}	25.5 (-17%)
Circular economy		100%	industrial solid waste recycled	46% ²⁰¹⁹	60.2%

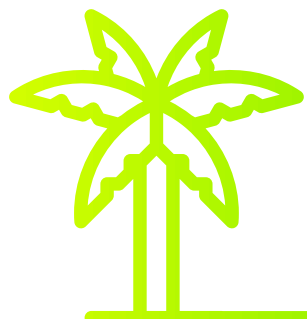


Ecosystem conservation

MULTIFUNCTIONAL FOREST LANDSCAPES

35%

of the land is not forested and is used for grazing, beekeeping, conservation of native forests and ecosystems, including palm groves, pastures and wetlands.



HIGHLIGHTS OF 2023

104

representative areas in 41 of the company's properties.

10,854

hectares of protected natural areas.



7 AREAS

of high conservation value (HCVA)³³ that present unique environmental or historical-cultural attributes, where scientific studies, monitoring and various conservation activities are carried out, including ecosystem rehabilitation and wildlife conservation.

+20

years of monitoring the birds of Santo Domingo.

Certification of the ecosystem services of the butia yatay palm groves.

Control of exotic species in 28 forest properties, twice as many as in previous years.

33. According to FSC® nomenclature, 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.

Conservation areas

The conservation strategy is planned according to the principles of representativeness and complementarity. It aims to conserve a representative sample of the biodiversity of the main ecosystems within the company's heritage, including elements that stand out for their components, processes and structures.

The classification of these sites is based on technical reports, current legislation and scientific evidence obtained. With the support of the Faculty of Sciences of the University of the Republic, planning is carried out by ecoregions, i.e., geographic units with different flora and fauna communities and their own dynamics. Every ecoregion contains representative areas of the various ecosystems that compose it.



Classification of natural areas according to their ecological importance and their biological, scenic and cultural attributes:

HIGH CONSERVATION VALUE AREAS (HCVA)

Present well-preserved and representative samples of a type of environment or natural landscape with typical and distinctive characteristics of a region.

SENSITIVE AREAS (SA)

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

REPRESENTATIVE AREAS (RA)

They have one or more of the following attributes: concentration of biodiversity values 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.

AREAS OF HISTORICAL, CULTURAL OR PALEONTOLOGICAL VALUE

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

RELEVANT VISUAL BASINS

Characterize or imprint meaning on a given region.



MONTES DEL PLATA³⁴ HIGH CONSERVATION VALUE AREAS (HCVA)

HCVA	DEPARTAMENT	DESCRIPTION	AREA MANAGEMENT MEASURES
SANTO DOMINGO PALM GROVE	Paysandú	• Butiá yatay palm groves	• Monitoring of palm regeneration and fauna with a focus on birds. • Grazing is excluded in palm groves.
SANTO DOMINGO WETLAND	Paysandú	• Presence of several aquatic species. • 276 species of native fauna.	• Hunting prohibited. • Control of exotic woody species. • Control of livestock entry to marshlands.
TRES ÁRBOLES	Río Negro	• Presence of Las Piedras gecko³⁵, a species listed as a priority by the National System of Protected Areas (SNAP). • Protected area of 12 hectares.	• Prohibition of collection of specimens, eggs and rocks. • Exclusion of grazing and all forestry operations in the area. • Remote plantation health monitoring.
SAUCE DEL YI	Durazno	• 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.	• Modifications or interventions are prohibited without the prior consent of the National Heritage Commission. • Maintenance of a surrounding buffer zone. • Control of invasion of exotic flora. • Controlled access. • Prevention of any type of depredation or alteration.

34. For more information on high conservation value areas (HCVAs), please refer to page 178.

35. *Homonota uruguayensis*

HCVA	DEPARTAMENT	DESCRIPTION	AREA MANAGEMENT MEASURES
CAPILLA VIEJA	Paysandú	• Conservation of 1,780 ha of native forest on the banks of the Queguay Grande River. • Part of the National System of Protected Areas. • Park and native forests associated with other watercourses, such as the Capilla Vieja stream. • Over 200 vertebrate species.	• Hunting prohibited. • Control of exotic woody species. • Bird monitoring.
RINCÓN DEL RÍO	Durazno	• Conservation of 430 hectares with six different ecosystems with endangered habitats in Uruguay.	• Hunting prohibited. • Control of exotic invasive species.
EL ARAZÁ II	Durazno	• Protection of small mammals: the the Greater Red-nosed Mouse Wilfredomys oenax	• Hunting prohibited. • Control of exotic invasive species.

New High Conservation Value Area (HCVA)

THREATENED AND CONSERVATION PRIORITY MICROMAMMALS

It was categorized in accordance with the principles and criteria established by the FSC®, an international standard for responsible forest management.

In Arazá II, in a small native forest within the property, located near Blanquillo in the department of Durazno, the presence of threatened and priority micromammals for conservation has been discovered through a very particular methodology developed: using artificial nests and cameras specially adapted to capture what happens inside these nests. This is the first protection area with a specific focus on this type of mammal in Uruguay and the region.

The main objective is to protect the ferruginous nosed rat (*Wilfredomysoenax*), classified as "Endangered" (E) by the International Union for Conservation of Nature (IUCN), as well as the marmosa (*Cryptomys*), small marsupials also known as dwarf possums, of which the number of species in the country has yet to be determined.

The national research behind these small mammals was captured in the form of a children's book that describes the different stages of the search for these inhabitants of the native forest of Uruguay. Both the book and this new HCVA were presented at the VII Uruguayan Congress of Zoology (CUZ), held in December at the Faculty of Sciences of the University of the Republic.



Certification of ecosystem services

SANTO DOMINGO PALM GROVES

They are ecosystems that provide concrete benefits to humankind. FSC® offers the possibility of certifying them to demonstrate the positive impact of responsible and sustainable forest management for protection and conservation.

Since 2022, Montes del Plata has been FSC® certified for the ecosystem service of biodiversity conservation for the Butia yatay palm grove area located on the Santo Domingo estate in Paysandú. This certification recognizes the contribution to the improvement of the biodiversity of an endemic and threatened ecosystem in South America.

Montes del Plata was the first company in Uruguay to obtain this certification.



FLORA AND FAUNA BIODIVERSITY PRIORITY FOR CONSERVATION

Flora species classified as priority species by the National System of Protected Areas of Uruguay (SNAP) are identified by experts and managed with the objective of maintaining and improving their conservation.

Conservation priority flora species identified in Montes del Plata's properties

Number of species

Cactaceae	4
Ferns	1
Legumes	2
Woody	5
Palms	2
Total	14



NUMBER OF FAUNA SPECIES FOUND WITHIN MONTES DEL PLATA'S PROPERTIES ³⁶

GROUP ³⁷	ENDANGERED	VULNERABLE	NEAR THREATENED	MINOR CONCERN	INSUFFICIENT DATA	TOTAL
Birds	3	10	12	0	2	27
Birds	2	1	3	12	0	18
Reptiles	1	1	1	2	0	5
Total	6	12	16	14	2	50

36. A breakdown of endangered, vulnerable and near-threatened species is presented in the annex.
37. In the case of species included in the IUCN and national lists with a different categorization, the highest risk conservation category was considered.



BIRDS AND AMPHIBIANS: ENVIRONMENTAL QUALITY BIOINDICATORS.

Bird monitoring makes it possible to identify changes in the environment and their causes. Changes in the feeding and habitat requirements of different ecological groups may be symptoms of changes in the environment. In Montes del Plata, bird monitoring is carried out annually in the HCVAs and biennially in the RAs.

Because of their skin characteristics and limited movement, amphibians are also good bioindicators and are associated with water availability and quality. 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.

The Programa Acústico para el Monitoreo de Anuros (PAMA) (Anuran Acoustic Monitoring Program) is an initiative created to monitor, through acoustic records, the variability of the species over the years. In forestry operations, 14 monitoring sites were implemented where we identified 17 species, corresponding to seven families, representing approximately 34% of the total number of amphibian species known in Uruguay.

IN 2023

Ten of the sites were rated "green" and two sites were rated "yellow".



CONTROL OF EXOTIC SPECIES

Uruguay has a list of plant and animal species reported as invasive alien species³⁸, that is, species that expand rapidly outside their original distribution range and can cause alterations in the ecological relationships between native species and in ecosystem functions.

At Montes del Plata we have procedures to monitor the properties and carry out proactive and specific diagnoses in each zone (species, affected areas, degree of invasion), tools that allow us to establish priorities and action strategies in each situation.

In 2023, the number of farms where exotic species controls were carried out doubled, reaching 28 sites (owned and leased), which required a total of 854 workdays.



38. International Union for Conservation of Nature (IUCN).

M'Bopicuá Biopark

The Biopark is located in an area of great historical and environmental value in the department of Río Negro, on the banks of the Uruguay River. Covering 150 hectares, it includes a wildlife breeding station, an interpretive trail for native flora and a historical area of cultural value, consisting of the remains of a meat canning industry dating back to the XIX century - known as the Saladero de M'Bopicuá.

The objectives of this area are the breeding of native fauna species for their subsequent reintroduction into their natural habitat and environmental education.

Since its inception, mammals, birds and reptiles have been reproduced and reintroduced.

In 2011 it was admitted as a member of WAZA (World Association of Zoos and Aquariums) and declared of Departmental Interest by the Municipality of Río Negro. In 2023 and with the presence of the President of the Republic, Luis Lacalle Pou, the Intendant of Río Negro, Omar Lafluf, the Intendant of

Soriano, Guillermo Besozzi, the Minister (i) of Environment, Gerardo Amarilla, among other authorities, a new visitor centre was inaugurated, with an interpretation area that offers an educational experience and crowns the work of more than 20 years that has been carried out in the biopark.

VISITOR CENTER

With the new visitor centre, visitors to the biopark will also be able to learn more about Montes del Plata: its production process, wildlife monitoring and sustainability management with playful and audiovisual proposals for children and adults to learn firsthand the importance of biodiversity conservation.

The Biopark was honored under the category "inspiring environmental practice" by the Deres 2023 Awards.





Climate change

In the fight against climate change, the role of forests and forest products in mitigation and adaptation is crucial and widely recognized. Forestry, reforestation and the restoration of natural ecosystems remove carbon dioxide from the atmosphere³⁹ and the products made from Montes del Plata cellulose pulp substitute materials that come from fossil fuels, generating a double impact.

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 contribute-as acknowledged by the Paris Agreement to regulating water systems and conserve and protect 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 oil derived products.

Meanwhile, climate change implies a greater frequency of acute natural events that can have a significant impact on the continuity of operations.

The project to generate energy from renewable resources was admitted as part of the Clean Development Mechanism (CDM) before the United Nations Framework Convention on Climate Change, under the guidelines of the Kyoto Protocol, with the objective of promoting investments in environmentally friendly projects.

After validation by the United Nations, the project received Certified Emission Reduction Credits (CERs), each equivalent to one ton of CO₂. For the 2014-2018 period, 230,035 CERs

were obtained. The 2019-2020 CERs are in the approval phase, with an additional 295,852 CERs expected to be validated.

Today, CDM projects are in the process of transitioning to the Sustainable Development Mechanism (SMD), in accordance with the criteria established at COP28 in 2023. Therefore, the credits generated from 2021 to the present by the "Punta Pereira Biomass Power Plant" project will be under the orbit of the new SMD mechanism.

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



Carbon footprint

During 2023, important adjustments were made in the calculation of the carbon footprint, particularly in the calculation of Scope 3, including the sources of emissions from transportation: main suppliers of supplies for production, wood from suppliers, pulp exports, and those generated in the manufacture of the fuels used.

In addition, activity data were corrected and calculation methods were updated: recategorization of emissions from the unloading of wood at the mill for both river and land transportation, updating of diesel consumption from mobile sources at the mill, improvements in electricity consumption data and in fuel consumption estimation methods for land transportation.

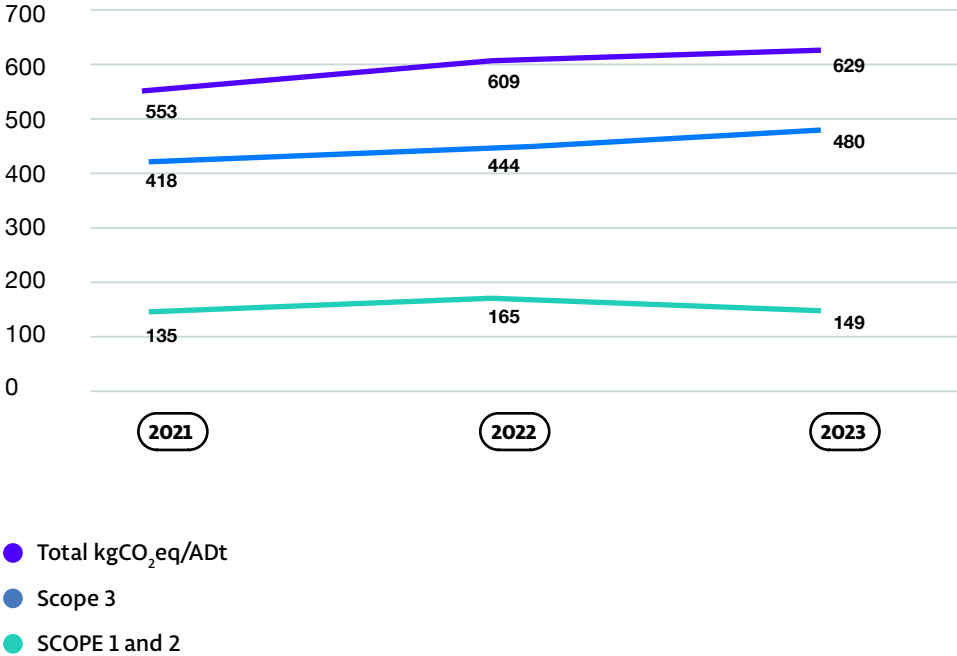
The decrease in 2023 Scope 1 emissions with respect to the previous year is due to fewer forest fires, changes in the characteristics of fuel oil and improved management of solid waste at the mill. In addition, in the nursery, less fuel was consumed in the boiler.

GHG (IN tCOeq) 2 EMISSIONS

	2021	2022	2023
Scope 1 emissions	201,259	234,957	213,997
Scope 2 emissions	1,537	537	603
Scope 3 emissions	625,755	634,958	690,511
TOTAL EMISSIONS	828,552	870,452	905,111
Removal by forestry plantations	-2,921,780	-4,258,009	0
Carbon Stocks (tCO2)			41,030,541
Native forest removals	-12,431	-12,431	-12,431
TOTAL REMOVALS	-2,934,211	-4,270,440	-12,431
GEI BALANCE	-2,105,659	-3,399,988	892,680
Biogenic emissions	2,832,594	2,722,943	4,259,050

In 2023, Uruguay suffered the worst drought in the last 50 years, with high temperatures (more than 4°C above the historical average) and 80% less rainfall in the summer. This situation generated significant decreases in the growth rate of forest production, with the consequent effect on the possibility of carbon sequestration (removals).

GHG EMISSION INTENSITY

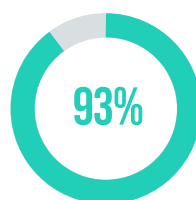


Power generation and consumption

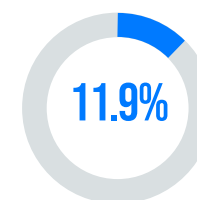
ENERGY MANAGEMENT IN THE INDUSTRIAL AREA

The industrial complex's power generation plant runs on biomass, allowing the company to be self-sufficient in renewable energy and, in addition, to feed a significant surplus into the national grid.

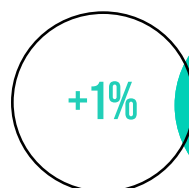
HIGHLIGHTS OF 2023



93% of the energy consumed in 2023 by the industrial complex came from renewable energy sources.



11.9% of the country's power is produced at Punta Pereira.



There was 1% more energy generated than the previous year.

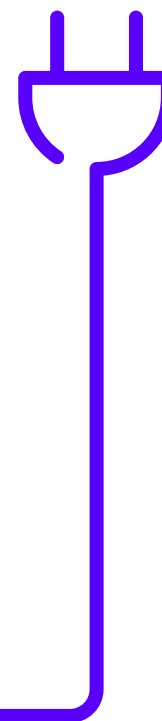
	2020	2021	2022	2023
Electric power consumption at the mill (in GJ)	GJ	GJ	GJ	GJ
Power generated	4,551,477	4,828,110	4,533,171	4,579,271
Exported/surplus power	-2,236,491	-2,393,637	-2,228,392	- 2,242,283
Energy imported from the grid	15,750	7,565	20,621	27,242
Total power consumed	2,330,736	2,442,038	2,346,021	2,364,230



FUEL CONSUMPTION FOR ELECTRIC AND THERMAL POWER GENERATION (IN GJ/YEAR)

		2020	2021	2022	2023
Renewable	Black liquor	30,987,312	33,502,912	31,270,689	32,269,700
	Biomass	929,259	963,038	893,505	811,520
	Methanol	302,746	358,927	302,113	299,618
	Odorous gases	630,667	534,954	494,515	535,867
Total renewable		32,849,982	35,359,831	32,960,822	33,916,705
Non-renewable	Fuel oil	2,104,178	2,383,914	2,512,324	2,428,951
	Diesel	48,521	55,282	50,072	51,426
	Propane	2,221,937	838	718	662
Total non-renewable		2,152,922	2,440,034	2,563,114	2,481,039
Total fuel consumption (renewable and non-renewable) for power generation (GJ)		35,002,904	37,799,865	35,523,936	36,397,744

INDUSTRIAL ENERGY INTENSITY (GJ/ADT)



ADt: air-dried tonne

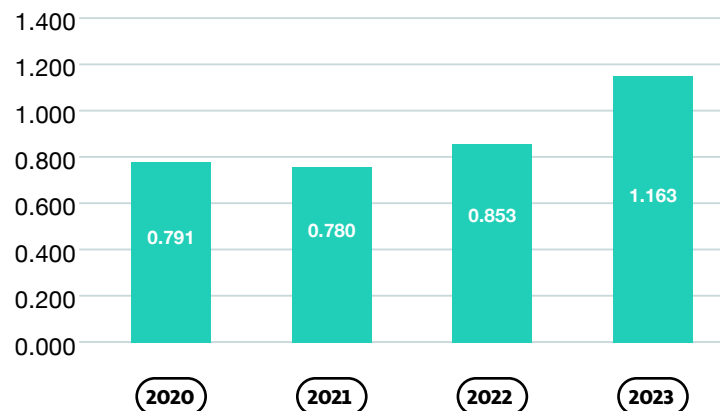


ENERGY MANAGEMENT IN THE FORESTRY AND LOGISTICS AREAS

The main energy consumption in forestry and logistics operations is diesel fuel, used both for machinery and waste management.

FUEL CONSUMPTION	SILVICULTURE	HARVEST	ROADS	CARGO	BARGE TRANSPORT	TRUCK TRANSPORTATION TO MILL	VAN TRANSPORTATION	TOTAL
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
2022	51,540	253,049	31,062	25,198	103,108	739,524	16,346	1,219,826
2023	54,047	268,203	39,815	25,120	97,170	1,172,160	16,289	1,672,804

ENERGY INTENSITY - FOREST-LOGISTICS/ GJ / ADt



Waste management

Current legislation and international best practices are the main references for trucks transporting wood and supplies.

TONNES OF HAZARDOUS WASTE MANAGED BY MONTES DEL PLATA

	2020	2021	2022	2023
Forestry and logistics	85	105	79	114
Industrial	180	299	202	163
Total hazardous waste managed	265	404	281	277

HIGHLIGHTS OF 2023

Hazardous packaging waste began to be reused at the mill.

Recycling of sludge from the water treatment plant and wood yard.

A project was implemented to reuse biomass generated during barge cleaning.





WASTE MANAGEMENT IN FORESTRY OPERATIONS

Classification

They are classified as non-recyclable, metallic, hazardous or special and recyclable.

Storage

They are temporarily stored at the work fronts.

Transfer to final destination

They are transported to final disposal sites or temporary staging centres.

The main hazardous wastes in forestry operations include: used oils, agrochemical containers, hydraulic hoses and other contaminated materials (soil, personal protection elements, cloths, etc.). Containers of phytosanitary products and fertilizers are channelled through suppliers and Campo Limpio, an initiative that brings together more

than 85 agrochemical companies 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 centres.

M'BOPICUÁ LOGISTICS TERMINAL (TLM) BIOMASS REUSE PROJECT

In the process of gathering and loading the barges that transport wood from TLM to the mill, approximately 4,000 tons of wood are generated annually, some of which is sent to the plant to produce energy. A team of collaborators developed a pilot project to shred the remaining tons and use it in dairy farms for animal welfare.

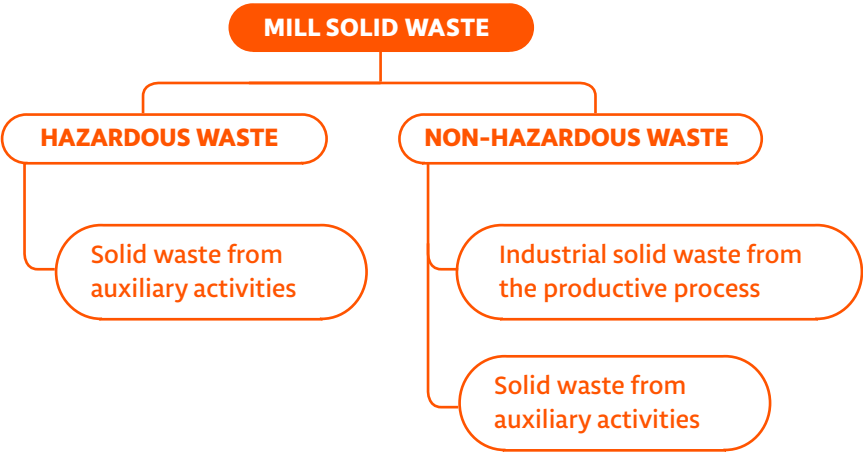
As part of the pilot, 1,715 tons of biomass were shipped to the biomass boiler and to dairy farms for use as hot bedding for animal welfare. The results of the evaluation were positive and therefore, it is expected to be able to move forward in 2024 with higher volumes.



WASTE MANAGEMENT IN INDUSTRIAL OPERATIONS

Industrial waste management processes were designed in accordance with applicable local regulations and the guidelines set forth in the best available international practices (IPPC-BAT). A computer platform is used to monitor integrated waste management: information is consolidated, stocks are monitored and reports are prepared for the environmental authority. Based on the information obtained, reduction, reuse, recycling and recovery initiatives are established.

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



TYPES OF HAZARDOUS WASTE MANAGED

- | | | |
|---|--|--|
| <div style="background-color: #f96; border-radius: 10px; padding: 5px; text-align: center; margin-bottom: 10px;">01</div> <p>Used oils: a percentage of the tons of waste oil is recovered internally in the lime kiln.</p> | <div style="background-color: #f96; border-radius: 10px; padding: 5px; text-align: center; margin-bottom: 10px;">02</div> <p>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.</p> | <div style="background-color: #f96; border-radius: 10px; padding: 5px; text-align: center; margin-bottom: 10px;">03</div> <p>Containers holding solid hazardous substances (big bags): are washed for decontamination and baled for later recycling.</p> |
|---|--|--|

TONNES OF HAZARDOUS WASTE MANAGED PER DESTINATION (MILL)

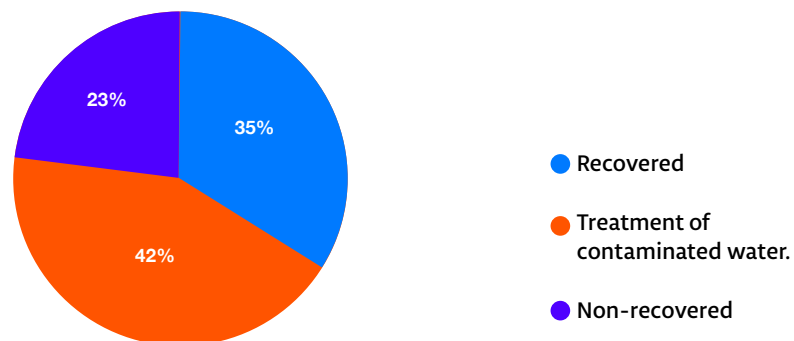
	2020	2021	2022	2023
Energy recovery (internal and external)	41.2	54.7	55.6	44.8
Preparation for reuse	0.6	0.1	5.4	8.1
Recycling	26.6	67.0	23.0	3.3
Others ⁴⁰	36.4	113.2	80.0	68.7
Transfer to the final disposal site ⁴¹	75.2	64.4	38.3	38
Total	180.0	299.4	202.3	162.9

In 2023, 201 tons of hazardous waste were generated within the industrial complex⁴².

35%

of the hazardous waste managed was recovered through reuse, recycling or energy recovery mechanisms.

INDUSTRIAL HAZARDOUS WASTE TREATMENT -2023



A lower volume of hazardous waste was recycled due to changes in the management of Big Bags.

40. Sorting, recovery and miscellaneous destinations of waste, carried out by authorized waste managers

41. 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.

42. The difference between what is generated and what is managed is stored in accordance with good practices and environmental authority indications, pending disposal by authorized handlers.

At the mill, non-hazardous waste includes solid industrial waste and non-hazardous waste from auxiliary activities. The former are removed from their points of generation in suitable containers to be transported to their final destinations. Within the industrial complex, waste is sent for energy recovery, use as a soil improver or final disposal in the industrial landfill.

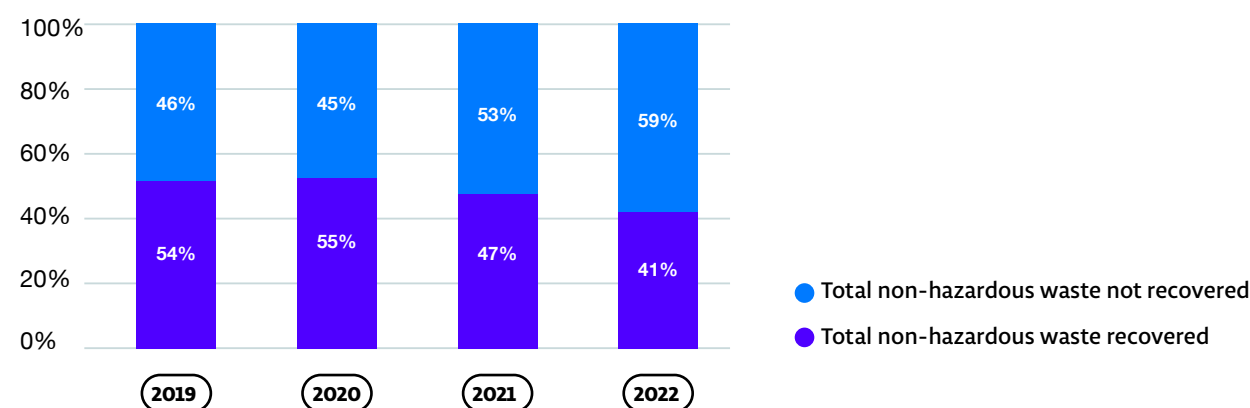
Non-hazardous waste from production process auxiliary activities includes recyclable waste that is collected, conditioned and disposed of for recycling by authorized waste handlers (mainly cardboard, plastics, scrap metal and wood). Wood is managed internally by recovering it in the biomass boiler.

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

MANAGED NON-HAZARDOUS WASTE (MILL - IN TONS)

	2020	2021	2022	2023
Transfer to landfill of the IDC (similar to urban waste)	551	503	607	552
Transfer to the final disposal site in CEPP - industrial complex	109,255	102,614	84,387	75,280
Total non-hazardous waste not recovered	109,806	103,117	84,994	75,832
Reuse	8,328	7	9	9
Recycling	12,874	9,241	16,468	22,777
Energy recovery	73,447	75,710	78,329	85,942
Total non-hazardous waste recovered	94,650	84,958	94,806	108,728
Total non-hazardous waste managed	204,455	188,075	179,800	184,560

NON-HAZARDOUS WASTE (MILL)





IN 2023

A total of 178,493 tons of non-hazardous industrial waste and an additional 4,197 tons of non-hazardous⁴³ waste from auxiliary activities were generated.

The year-on-year increase is due to a higher generation of biosludge in the effluent treatment system, a volume that is subsequently recovered.

184,000 tons of non-hazardous waste

59% was recovered through different mechanisms.

Montes del Plata has an agreement with a local concrete company to recycle alkaline waste from the recovery area for use in the production of clinker and bulk concrete with a smaller environmental footprint.

Among the industrial solid waste recovery projects are the composting of biosludges with biomass and the drying and mixing of various inorganic wastes (dregs, grits, fly ash and particulate material from the lime kiln) to obtain a soil amendment to be used in agricultural soils. Small-scale production trials and field tests have already been conducted.

Other innovation projects implemented included inorganic solid waste management and optimization of biomass management, applying the Lean methodology. As a result, improvements will be implemented in terms of waste generation, processing, use and transportation.

43. The difference between waste generated and managed during this period is explained by the fact that part of the waste generated and temporarily stored in 2022 was managed in 2023.



Water collection, consumption and discharge at the industrial complex

All water used at the mill is sourced from the Río de la Plata, the second largest river basin in South America.

The extracted water is treated at the raw water treatment plant.

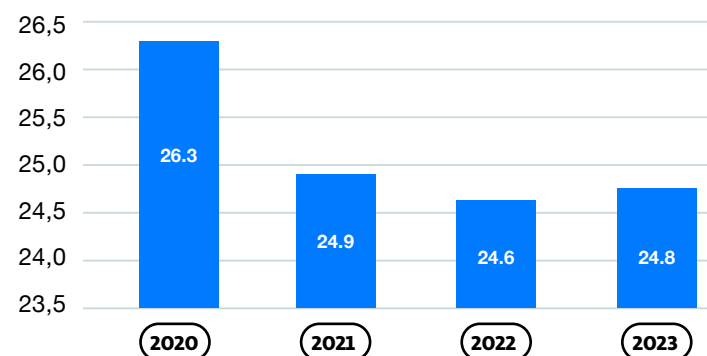
Water is used in industrial processes and reused internally.

Prior to discharge into the Río de la Plata, the water is treated by physicochemical and biological processes at the effluent treatment plant⁴⁴.

Compliance with these standards is controlled by DINACEA and DINAGUA through continuous monitoring, inspections and audits.

The difference between the volume of water captured and the volume returned to the source corresponds to the resource evaporated in the production process.

HYDRO INTENSITY: m³ extracted / ADt



The goal is to maintain specific water consumption less than or equal to 25 m³/ ADt. In 2023, although absolute consumption increased slightly with respect to the previous year, the target was again met and the level remained well below the requirements of the environmental authorities.

In terms of discharge, Uruguayan and international regulations stipulate maximum limits for each of the effluent quality parameter.

44. In accordance with Uruguayan and international technical standards (BAT 2001, IFC 2007).

	2020	2021	2022	2023
Effluent discharged (in mill. m³)	27,899	27,827	25,345	25,774
Effluent discharged per ton produced (m³ -ADt)	19.6	18.6	17.70	17.92

The volume of effluents discharged into the Río de la Plata increased by 2% in 2023 with respect to the previous year, remaining well below the indicators recorded at the beginning of the mill operation.

EFLUENT QUALITY PARAMETERS (KG/AdT)⁴⁵

	2020	2021	2022	2023	DINACEA limit	IPPC-BAT 2001 limit
COD	4.00	4.56	4.22	4.57	15.00	23.00
SST	0.20	0.10	0.17	0.18	1.00	1.50
DBO₅	0.20	0.22	0.19	0.22	0.70	1.50
PT	0.02	0.02	0.02	0.02	0.03	0.03
NT	0.02	0.02	0.03	0.03	0.20	0.25
AOX	0.04	0.04	0.05	0.04	0.15	0.25

As established in the plan approved by the authorities, four specific groundwater quality impact monitoring campaigns were carried out to study water quality parameters, sediments, biodiversity and bioaccumulation factors at six specific sampling stations. The conclusion is that performance remains similar to the baseline performed prior to the start of mill operation and to the historical records since the beginning of operation.

45. COD: Chemical oxygen demand. TSS: Total suspended solids. DBO₅: biological oxygen demand at day 5. PT: Total sulphur. NT: Total nitrogen. AOX: absorbable halogenated organic compounds.

Other industrial emissions and air quality

Modern technological devices are used to monitor the nuill’s air emissions levels, ensuring compliance with regulations and the European reference standards IPPC-BAT 2001. This information is constantly shared online with the environmental authority.

As a result of combustion in the recovery and biomass boilers and the lime kiln, 80% of the emissions into the air are nitrogen, water vapor and oxygen. The remaining 20% represents combustion gases and particulate matter.



The percentage variations obtained in all the monitored parameters respond to the natural variability of the process.

Manganese, mercury and nickel emissions from the lime kiln are monitored annually at the pulp mill, and concentrations are always 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 2022, with results below the limits established in our environmental legislation.

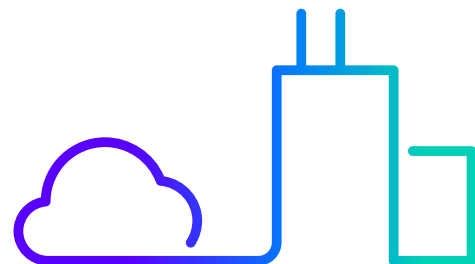
		2020	2021	2022	2023
Other air emissions (in tons) ⁴⁶					
SO ₂	Sulphur dioxide	21.6	21.7	29.6	25.3
NOx	Nitrogen oxide	1,855.7	1,802.8	1,758.9	1,702.2
MP	Particulate matter	172.3	234.4	206.2	216.5
TRS	Total Reduced Sulphur	16.8	23.8	25.2	25.9

46. 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 odour management

Under normal operating conditions, the Montes del Plata mill does not generate odours.

In certain specific operational situations, there may be episodes that, although they do not imply a damage to health or emissions outside regulations, may cause discomfort to neighbours, and therefore, TRS (total reduced sulphur) emissions are continuously monitored.



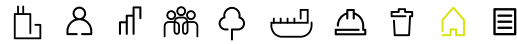
- The industrial complex has containment, collection and management systems for non-condensable TRS gases, characteristic of the pulp industry, to prevent them from being released into the atmosphere.
- Improvements in both infrastructure and operations are continually being implemented to minimize diffuse sources of odour.
- Montes del Plata has two monitoring cabins, located in Conchillas and Puerto Inglés, to track air quality and other parameters such as wind speed and direction, temperature and humidity, radiation, rainfall and atmospheric pressure. Activities are planned according to these parameters to minimize inconvenience.
- Drone monitoring is conducted weekly and specialized laboratories analyse specific samples from the area on a semi-annual basis.
- Since the mill began operating, neighbours have been encouraged to report each odour episode through specific communication channels to obtain information allowing the analysis of causes leading to permanent improvements in this area. Although Montes del Plata has been in full compliance with the regulations regarding these emissions, the company seeks to minimize any nuisance to the community.
- When planned maintenance or operational activities are carried out, neighbours are proactively informed.
- In order to timely identify potential noise impacts that could affect the quality of life of the inhabitants of the area, monthly monitoring is carried out at five points outside the mill.

Events / Notifications ⁴⁷	2020	2021	2022	2023
Noise	0	0	0	0
Odours	21	15	5	9

47. An event is any communication where the community warns of some odour or noise perception associated with the mill.



		GOAL 2030		BASE LINE	STATUS 2023
Commitment with communities	Local development	10	local suppliers developed	-	-
		≥85%	local employment	83% ²⁰²²	83%
		U\$S 15	million community investment	- ²⁰²²	11%
		1 MILLION	hours of training	- ²⁰²²	29%
	Community relations	≥75%	favourability as an environmentally and community responsible company	70% ²⁰²²	72%



Being a responsible neighbour and close to the community is one of the strategic pillars of Montes del Plata.

Montes del Plata's social management model aims to provide specific strategic and methodological guidelines for the formulation and development of social investment initiatives. It has protocols and procedures for the management of community relations, guidelines that define the lines of work, programs and responsibilities of each of the areas.

The Sustainability and Communications area designs and facilitates:

- **Social management strategy implementation**
- **Programs and actions to:**
 - enhance positive impacts.
 - mitigate negative impacts.
 - establish close and effective relationships.

The listening processes are carried out by means of various tools: surveys, in-depth interviews, social characterization studies, analysis of communications received, press surveys and one-on-one dialogues with neighbours.

Specific social studies are periodically carried out in the areas of influence of the operations - both forestry and industrial - to identify changes in the environment and the perception of the communities.

In 2023, a public opinion survey was conducted through an external consulting firm in Conchillas and the micro-zone near the mill, in the department of Colonia in the main departments of the forestry chain (Paysandú, Río Negro, Soriano and Durazno) as well as nationally.

These studies complement the diagnoses and are objective social management instruments to update the impact matrices of the company's operations and feed the identification map of communities of influence.

Montes del Plata collaborators actively participate in national and international initiatives such as seminars, exhibitions, lectures and congresses, sharing experiences and lessons learned.

Social management strategy is structured in three main lines of action:

01

Dialogue and relations

02

Positive impact enhancement

03

Negative impact mitigation



Community relations

BUEN VECINO PROGRAM

The main objective of this program is to raise awareness of Montes del Plata in the communities neighbouring the operations and generate good relationships. Through this initiative, meetings are held to present its activities, to raise concerns with neighbours, local boards, municipalities, schools, police stations and polyclinics, and to provide information on the means of communication.

Prior to the start of the activities in each zone, operational supervisors visit the area, explaining activities and gathering concerns and comments.

625

visits to neighbours and local representatives

RELAUNCH OF THE BUEN VECINO PROGRAM

In August, the “Buen Vecino” (Good Neighbour) program was relaunched in the presence of more than 80 collaborators from the forestry and logistics areas. In addition to raising awareness of Montes del Plata's social management programs and reinforcing the importance of dialogue, new tools for program management were presented, as well as aspects of communication, corporate image and communication campaigns developed internally to promote dialogue with stakeholders and facilitate operations.



In 2023, a team integrated by Roads, Transportation and Sustainability worked intensively to reach out with the Buen Vecino program to the residents along the roads where forestry transport circulates. In addition, the transportation impact mitigation program was strengthened and its components were socialized in meetings with transportation companies.⁴⁸

48. More information can be found in the “Logistics and Industrial Operation” section

EXTERNAL COMMUNICATIONS MANAGEMENT SYSTEM

Through the communications registry, which is transversal to all of Montes del Plata, concerns, requests, queries, claims and complaints are handled. Communications are entered into a platform, where they are followed up and the response to the applicant is logged. Furthermore, this tool enables the analysis of record statistics, identification of opportunities and drive improvement actions.

In 2023,

707

registrations were
uploaded to the platform,
19% increase over the
previous year.



MONTES DEL PLATA WELCOMES YOU

Montes del Plata's visitor program for the general public interested in learning more about its operations.

SUMMARY OF VISITS

Several educational institutions visited us: Faculty of Sciences (UdelaR), Faculty of Agronomy (UdelaR), Faculty of Agronomy (UCU), Industrial Engineering - University of Montevideo, Forestry Engineering Career (Udelar-CENUR), UTEC Fray Bentos, Talleres Don Bosco, Universidad de la Empresa, Agricultural School La Carolina, UTU Young, High School of San Javier, High School N°1 of Colonia del Sacramento, High School N°1 of Carmelo.

Over 600 schoolchildren participated in talks regarding the forestry process. Montes del Plata representatives presented the characteristics of the pulp production

process to schoolchildren, teachers and parents at schools in Soriano, Colonia, San José and Flores.

More than 200 students from 14 rural schools near the forestry sites were invited to visit our plantations. Talks on the environment and the production process were given to 120 students from 4 schools in the Conchillas area.

In 2023

4,300

people visited the mill, forestry activity
sites, the biopark and the nursery.

Community impact mitigation

Montes del Plata has developed a set of programs aimed at mitigating the negative impacts of its operations.

Negative impact mitigation programs:

- Mill noise and odour management (activities described on page 147).
- Forest fire detection, prevention and combat plan (activities described on page 86).
- Mitigation of transportation impacts. (activities described on page 92)
- Mitigation of impacts of Mill Maintenance Shutdown



Contribution to Local Development

To enhance positive impacts and promote the development of the communities neighbouring Montes del Plata's operations, the company supports and encourages multiple projects that generate shared value, in areas such as education, employability and shared use of the forest.

ALIANZAS: SYNERGY WITH OTHER PRODUCTION ACTIVITIES

The Alianzas productive integration program seeks to integrate forestry with other economic activities. To this end, agreements are made with producers who diversify their production through forestry or through the shared use of the forest.

The trees are used by livestock for shade and shelter, they serve as shelter and a source of food for bees, and the neighbours of the communities collect the mushrooms that grow naturally there. In this way, shared land use is encouraged with more sustainable and responsible forest management.

HIGHLIGHTS OF 2023

Approximately 35% of the land in Montes del Plata is not planted and is used for other purposes, such as livestock and beekeeping.

546 agreements with producers in alliances, more than 85,000 ha planted.

200 mushroom gathering families. 4 value-adding ventures developed.

Mushroom value-adding course conducted in communities of Río Negro.

247 livestock breeders graze more than 53,000 head of cattle on over 176,000 ha. belonging to Montes del Plata.

40 have 6,935 hives which obtain shelter from forestry and use native forests and pastures as a source of food.

WOOD PRODUCTION IN ALIANZAS

The Punta Pereira Industrial Complex is supplied with wood from three main sources: forest assets, market purchases and new plantations acquired through different partnership models with 546 contracts with producers who have incorporated forestry on their land.

During 2023, a significant percentage of contracts with partner producers were renewed. At the end of the period, we reached 85,000 hectares planted under different types of association, 4% more than at the end of the previous year. Thus, the Alianzas program represents almost 40% of the total area of plantations managed by Montes del Plata.

During this period, important improvements were made to farm infrastructure to improve working conditions and productivity of the 247 livestock breeders who keep cattle on Montes del Plata's properties.



THE MUSHROOM TRAIL

This initiative is developed together with UTU and UTEC, with the objective of adding value to the eucalyptus mushrooms that grow in the forest forests, in order to formalize the economic activity and overcome seasonality.

The program involves 200 families from Piedras Coloradas, Orgoroso, Piñera and Beisso in Paysandú, and from Algorta, in Río Negro, who collect and sell around 250,000 kilos of edible mushrooms per year. The majority of households are made up of female heads of household. In 2023, 15 new participants from Río Negro joined the program and 12 people were able to obtain a food handler's license, which is key to the formalization of this activity.

As part of the program - which took its first steps in 2017 - training is provided in conservation, collection and entrepreneurship so that collectors can strengthen their own enterprises.

IN 2023

4

productive undertakings.

11

show cooking with mushrooms.

Product booths at 7 trade fairs in the country.

200 families from Piedras Coloradas, Orgoroso, Piñera, Beisso and Algorta involved.



BOOSTING TOURISM

Tourism is one of the main economic activities of the department of Colonia.

Since the mill was built, Montes del Plata has contributed to promote this activity through local initiatives such as the Tea Table Contest, community festivals, heritage site restoration, signage and tourist infrastructure.

One of the most significant concrete contributions of the year was the paving of the Camino de los Polvorines road that connects the town of Puerto Conchillas with Route 55, in Puerto Conchillas.

The improvement of this road allows better accessibility to the resort for both residents and visitors, contributing to the development of tourism in the area.

In addition, during the year we contributed to a tournament promoting entrepreneurship among young people in Colonia (with the participation of 60 students) and sponsored the National Tea Table Contest, which seeks to maintain long-standing British traditions in the town of Colonia.

It also supported the organization and promotion of various traditional festivals in the department, such as the Chocolate Festival in Colonia Suiza, the Pink Lapacho Festival in Puerto Conchillas, the Islita Festival in Puerto Conchillas and the Agriculture Festival in Carmelo.



EXPO PRADO

Montes del Plata was present together with the department of Colonia at Expo Prado 2023, through various activities related to technology, sustainability, biomaterials, tourism and traditions.

To promote the department, the stand has been supported by Montes del Plata since 2021 at the main rural exhibition in the country, where thousands of people pass by every day.

On the day of Montes del Plata, visitors enjoyed a virtual reality experience to learn more about the company and its production process. In addition, Carolina Moreira, Sustainability and Communications Manager, gave a lecture on the future of cellulose and biomaterials. Finally, the "9th National Tea Table Competition" was launched, which is held annually in Conchillas to preserve the town's long-standing British roots.



SUPPORT FOR THE COLONIA REGIONAL FUND

For the second consecutive year, Montes del Plata supported the Colonia Region Fund by financing 14 projects presented by social organizations in the department, initiatives that were selected for incubation.

These organizations can rely on this fund to guide them in the execution of the project within a maximum of six months, and they will be trained in accountability and communication.

Montes del Plata is sponsoring the "Chau Mercurio" project of Liceo N°1 of Colonia to collect energy-saving lamps for energy efficiency and the environment.

YO SIGO ("I CONTINUE")

This program promotes the educational continuity of young people in the area of influence of the Montes del Plata mill. It is structured along three lines:

- **Orientando orientales:** For the eighth consecutive year, vocational orientation workshops were held at the Ombúes de Lavalle and Conchillas schools. Collaborators from different areas of Montes del Plata share their vocational and work experiences with teenagers. During 2023, this initiative reached a total of 286 students. (27% more than the previous year.)
- **A day in Montes del Plata Students** from the 6th grade of Conchillas visited the facilities of Montes del Plata to meet the professionals working there.
- **University trips:** centres of study tour universities according to the students' interests.



ENGLISH FOR ALL

Project developed in conjunction with the Anglo-Uruguayan Cultural Institute to prepare young people from the Conchillas High School for their future labour insertion, fostering a passion for the English language. Montes del Plata and the Anglo Institute jointly finance 90% of the costs while the remaining 10% is financed by the families of the young participants.

The program also includes cultural and recreational activities to bring participants closer to British culture. In 2023 it reached 44 grant recipients.

In 2023, two students from Conchillas graduated from the "Inglés para Todos" program and travelled to England on a scholarship from Montes del Plata, on an exchange program and stayed at the Oxford University campus.

The program has increased by

117%

the number of students attending English classes (from the first to the fourth year of high school).



Contributions to Community

Montes del Plata's community contributions are mainly used to support local institutions in basic needs within the areas of influence of forestry and industrial operations. In 2023, the contribution for the construction of the wastewater treatment plant in Colonia de Sacramento is noteworthy.

DONATION CLASSIFICATION	AMOUNT CONTRIBUTED
Donations of products or services	372,543
Cash contribution	281,694
Total	654,237

CATEGORY	AMOUNT CONTRIBUTED
Social contributions	201,402
Education	121,006
Health	6,137
Housing/infrastructure	209,000
Community relations	40,199
Others ⁴⁹	76,493
Total	654,237



The total amount of community contributions for 2023 was

USD 654,237

49. Awareness and Membership Campaigns

INAUGURATION OF THE FIRST WASTEWATER TREATMENT PLANT IN COLONIA DEL SACRAMENTO.

With the presence of the mayor of Colonia, Carlos Moreira, the president of OSE, Raúl Montero, and authorities of Montes del Plata, the first wastewater treatment plant in the department was inaugurated in October 2023.

This project, which represented a combined investment of US\$ 8.5 million (US\$ 5.3 million contributed by Montes del Plata), included the construction of the pipeline system to transport the wastewater to the site, a pumping station, a pretreatment plant and an underwater outfall. The effluents are diverted to a new outfall, a 580-meter-long underwater structure located at a depth of 8 meters in the Río de la Plata. This allows for a controlled discharge of the pretreated effluent to ensure proper disposal.

In addition, pretreatment units consisting of mechanized grids and a mechanical sand trap were implemented, equipped with gas collection systems for odour treatment on the site.



About this report

Presentation of 2023 Sustainability Report

- This fifth sustainability report of Montes del Plata reports on the economic, social, environmental and governance performance for the period from January 1 to December 31, 2023. Its publication date was June 2024.
- For Montes del Plata, this is a voluntary exercise that allows for a close approach and accountability to stakeholders in relation to impacts, projects and future challenges.
- The Sustainability and Communications area is in charge of managing the project, while representatives from various areas of the company participate in the drafting of the report.
- The data presented here were submitted and validated by each of the responsible management sectors.
- The information from the Public Summary of Forest Management, which was previously published separately, is consolidated.
- The document was not subject to third party verification.
- The document was developed in accordance with the latest version of the Global Reporting Initiative (GRI) standards in its 2021 version, and the Sustainability Accounting Standards Board (SASB) for the Forestry and Pulp and Paper sectors.
- No restatements of prior years information are presented.

FOR QUESTIONS OR SUGGESTIONS,
PLEASE CONTACT:

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Senior Manager

sostenibilidad@montesdelplata.com.uy

Process for defining material topics

What are material issues?

They are those that represent "the most significant impacts on the economy, the environment and people, including impacts on human rights".

How was materiality determined for this report?

In order to classify any aspects that, due to their relevance, should be included in the public document, the guidelines of GRI Standard 3 were followed: Material topics Validation of material topics was performed by the General Manager.

UNDERSTANDING OF THE CONTEXT IDENTIFICATION OF IMPACTS

Identification of industry issues and trends based on bibliographic analysis. 17 interviews to Montes del Plata collaborators.

Benchmark of forestry and pulp and paper sector reports.

Review of internal planning documents during the year: Organizational climate survey, internal and external communications.

Review of the corporate risk matrix.

Incorporation of aspects mentioned in "Avanzamos".



IMPACT IDENTIFICATION

17 interviews to Montes del Plata collaborators.

Incorporation of FSC® requirements.

Incorporation of results of consultations carried out during the year: Organizational climate survey, community perception studies, evaluation of community programs, communications platform.

SASB standard for forestry and cellulose sectors



IMPACT ASSESSMENT AND PRIORITIZATION

List of actual and potential impacts, both positive and negative.

Evaluation of impacts according to severity and probability. Application of an evaluation tool based on the internal risk analysis procedure for ISO 9001, 14001 and 45001.

Online survey of prioritization of issues for collaborators (93 responses)



List of material topics

(IN ALPHABETICAL ORDER) ^{50.}

MATERIAL TOPIC	PAGE
1. WATER AND EFFLUENTS	79, 140
2. ECONOMIC CONTRIBUTION TO THE COUNTRY	38
3. BIODIVERSITY	112
4. CLIMATE CHANGE	124
5. WORK CLIMATE	59
6. SUPPLIER AND CONTRACTOR DEVELOPMENT	40
7. COLLABORATOR DEVELOPMENT	51
8. DIVERSITY AND INCLUSION	48
9. DONATIONS AND OTHER COMMUNITY CONTRIBUTIONS	158
10. EMPLOYMENT AND WORK CLIMATE	46
11. ENERGY	128
12. TRANSPORTATION IMPACTS	86
13. FIRES	81
14. OTHER EMISSIONS (odour, noise)	143
15. WASTE	133
16. HEALTH AND SAFETY OF WORKERS AND CONTRACTORS	94
17. SYNERGY WITH OTHER PRODUCTIONS	151
18. SOIL	79

50. No significant changes in the material topics reported in the previous year were detected in this edition.

GRI Content Index

Montes del Plata has prepared the report in accordance with GRI standards for the period from January 1, 2023 to December 31, 2023.

GRI 1: 2021 Foundations

GRI 2: General Content 2021

	CONTENT	PAGE	REASON FOR OMISSION
2-1	Organizational details	9	
2-2	Entities included in the report presentation	9, 161	
2-3	Reporting period, frequency and contact point	161	
2-4	Updating of information	161	
2-5	External assurance	161	
2-6	Activities, value chain and other business relations	40	
2-7	Employees	44	
2-8	Non-employee workers	62	
2-9	Governance structure and composition	21	
2-10	Appointment and selection of the highest governance body	21	
2-11	Chair of the highest governance body	21	
2-12	Role of the highest governance body in overseeing impact management	21	
2-13	Responsibility delegation for impact management	24	
2-14	Role of the highest governance body in sustainability reporting	161	
2-15	Conflicts of interest	33	
2-16	Communication of critical concerns	33	
2-17	Collective knowledge of the highest governance body	21	
2-18	Performance evaluation of the highest governance body	21	
2-19	Compensation policies	21, 24 and 58	
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2-21	Total annual compensation ratio - Confidentiality	-	Confidential
2-22	Sustainable Development Strategy Statement	6	
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MATERIAL TOPIC	GRI THEMATIC STANDARDS	GRI THEMATIC CONTENT	PAGE	REASON FOR OMISSION
Water and discharges	GRI 303: Water and effluents, 2018	303-1 Interaction with water as a shared resource	79	
		303-2 Impact management related to water discharge	140	
		303-3 Water extraction	140	
		303-4 Water discharge	140	
		303-5 Water consumption	140	
Economic contribution to the country	GRI 203: Indirect economic impacts, 2016	203-1 Infrastructure investments and supported services	159	
		203-2 Significant indirect economic impacts	38	
Biodiversity	GRI 304: Biodiversity, 2016	304-1 Operations centres owned, leased or managed located in or adjacent to protected areas or areas of high biodiversity value outside protected areas	110	
		304-2 Significant impacts of activities, products and services on biodiversity	110	
		304-3 Protected or restored habitats	110	
		304-4 IUCN Red Listed Species	110	
Climate change	GRI 305: Emissions, 2016	305-2 Indirect energy-related GHG emissions	126	
		305-3 Other indirect GHG emissions	126	
		305-4 Intensity of GHG emissions	126	
		305-5 Reduction of GHG emissions	126	
		305-6 Emissions of ozone-depleting substances	126	
		305-7 Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions 1	142	Not applicable
Work climate	--	--	59	
Supplier and contractor development	GRI 204: Procurement practices, 2016	204-1 Proportion of spending on locally based suppliers	40	



MATERIAL TOPIC	GRI THEMATIC STANDARDS	GRI THEMATIC CONTENT	PAGE	REASON FOR OMISSION
Collaborator development	GRI 404: Training and Education, 2016	404-1 Average hours of training per year per employee	51	
		404-2 Programs for upgrading employee skills and transition assistance programs	51	
		404-3 Percentage of employees receiving periodic evaluations of their performance and professional development	51	
Diversity and inclusion	GRI 405: Diversity and inclusion, 2016	405-1 Diversity in governing bodies and employees	48	
		405-2 Ratio of basic salary and remuneration of women vs. men	48	
Donations and other	GRI 413: Local communities, 2016	413-1 Operations with local community participation, impact assessments and development programs	158	
		413-2 Operations with significant negative impacts - actual and potential		
		- on local communities	146	
Employment y working conditions (employment, benefits, climate)	GRI 401: Employment, 2016	401-1 New employee hiring and turnover	46	
		401-2 Benefits for full-time employees not provided to part-time or temporary employees	58	
		401-3 Parental leave	58	
Energy	GRI 302: Energy, 2016	302-1 Energy consumption within the organization	128	
		302-2 Energy consumption outside the organization	128	
		302-3 Energy intensity	128	
		302-4 Energy consumption reduction	128	
		302-5 Energy requirement reduction of products and services		Not applicable
Transportation impacts	--	--	86	
Fires	--	--	81	
Other emissions (odour, noise)	--	--	143	



MATERIAL TOPIC	GRI THEMATIC STANDARDS	GRI THEMATIC CONTENT	PAGE	REASON FOR OMISSION
Waste	GRI 306: Waste, 2020	306-1 Waste generation and significant waste-related impacts	133	
		306-2 Management of significant waste-related impacts	133	
		306-3 Waste generated	133	
		306-4 Waste not destined for disposal	133	
		306-5 Waste directed to disposal	133	
Health and safety of workers and contractors	GRI 403: Occupational Health and Safety, 2018	403-1 Occupational health and safety management system	94	
		403-2 Hazard identification, risk assessment, and incident investigation	94	
		403-3 Occupational health services	106	
		403-4 Worker involvement, consultation and communication on occupational health and safety	94	
		403-5 Worker training on occupational health and safety	100	
		403-6 Promotion of worker health	106	
		403-7 Prevention and mitigation of occupational health and safety impacts directly linked through business relationships	101	
		403-8 Coverage of the occupational health and safety management system	94	
		403-9 Work-related injuries	102	
		403-10 Occupational ailments and illnesses	102	
Synergy with other productions	--	--	151	
Soil	--	--	79	

SASB Index - forestry management

TOPIC	ACCOUNTING METRIC	CODE	PAGE / RESPONSE
Ecosystem Services & Impacts	Area of forestland certified to a third-party forest management standard, percentage certified to each standard	RR-FM-160a.1	170,401 ha certified FSC®/PEFC (98%)
	Area of forestland with protected conservation status	RR-FM-160a.2	Page 110
	Area of forestland in endangered species habitat	RR-FM-160a.3	Page 110
	Description of approach to optimizing opportunities from ecosystem services provided by forestlands	RR-FM-160a.4	Page 110
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 and risks for forest management and wood production presented by climate change	RR-FM-450a.1	Page 128
ACCOUNTING METRIC	UNIT OF MEASUREMENT	CODE	PAGE / RESPONSE
Area of forestland owned, leased, and/or managed by the entity	Acres	RR-FM-000.A	276,168 hectares 682,426 acres
Standing timber inventory	m ³	RR-FM-000.B	24,543,755 m ³ ssc
Wood harvest volume	m ³	RR-FM-000.C	4.1 million m ³ of harvested wood

SASB Index - Pulp and Paper Product Sector

TOPIC	ACCOUNTING METRIC	CODE	PAGE / RESPONSE
Greenhouse gas emissions	Gross global Scope 1 emissions	RR-PP-110a.1	Page 126
	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	Page124
Air quality	Atmospheric emissions of the following pollutants: (1) NOx (excluding N2O), (2) SO2, (3) volatile organic compounds (VOC), (4) particulate matter (PM) and (5) hazardous air pollutants (HAP)	RR-PP-120a.1	Page 142
Energy management	(1) Total energy consumed, (2) Percentage grid electricity, (3) Percentage from biomass, (4) Percentage from other renewable energies	RR-PP-130a.1	Page 128
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	Page 140
	Description of water management risks and discussion of strategies and practices to mitigate those risks	RR-PP-140a.2	Page 140
Supply chain management	Total wood fibre produced, (1) percentage from certified sources and the percentage for each standard, as well as (2) those meeting other standards relating to fibre sourcing and the percentage for each standard	RR-PP-430a.1 RR-PP-430a.2	270,401 hectares certified-FSC® / PEFC (98%).
	Amount of fibre recycled and recovered		0
ACCOUNTING METRIC	UNIT OF MEASUREMENT	CODE	PAGE / RESPONSE
Pulp production	Dry Metric Tonne (t)	RR-PP-000.A	1,438,316 tons
Paper production	Dry Metric Tonne (t)	RR-PP-000.B	Not applicable
Total wood fibre supplied	Metric Tonne (t)	RR-PP-000.B	3,742,433 tonnes entered the mill

Memberships



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, Society of Uruguayan
Forestry Producers.



Uruguayan Chamber of
Free Zones



Uruguayan Exporters Union



Uruguayan Chamber of
Commerce and Services



CERES, Centre for the Study
of Economic and Social
Realities

High Conservation Value Areas (HCVA)

High Conservation value areas (HCVA) are those considered extraordinarily significant or critically important:

- Concentrations of threatened species.
- Large forest cores and rare or threatened ecosystems.
- Provision of basic services, such as water and basic needs for local communities, including their traditional identity.

These values must be identified and adequately managed by defining management areas called High Conservation Value Areas (HCVA). The objective is to maintain or improve the values identified therein. For this purpose, a methodological approach is used that takes into account:

Identification: the presence or absence of each category of high conservation values is characterized based on an analysis of existing information or data collection.

Management practices: definition of appropriate management practices to maintain or increase the values identified above.

Monitoring: Establishment of an effective control system that allows appropriate decisions to be made in order to maintain and improve the identified values. The monitoring system is guided by the management plan's operational objectives and requires defining indicators to evaluate the status of the High Conservation Value Areas.

These values identified in the company's property are under the categories recognized by FSC® in this aspect.

TYPES OF HIGH CONSERVATION VALUE (HCV):

- **HCV1:** significant concentrations of biodiversity values at the global, regional or national level (e.g. endemism, endangered species, wildlife refuges).
- **HCV2:** large, landscape-scale ecosystems and ecosystem mosaics that are globally, regionally or nationally important and are embedded in the Forest Management Unit (FMU) or that include the FMU where viable populations of most or all naturally occurring species exist in natural patterns of distribution and abundance.
- **HCV3:** endangered, threatened or rare ecosystems.
- **HCV4:** basic ecosystem services in critical situations (e.g. watershed protection, erosion control).

- **HCV5:** sites and resources critical to meeting the basic needs of local communities (e.g. livelihood, health).
- **HCV6:** culturally significant sites, resources, habitats and landscapes for traditional cultural identity of local communities (areas of cultural, ecological, economic or religious significance identified in conjunction with these communities).

NAME OF THE HCVA	TYPE
Santo Domingo	HCV1 - Wetlands
	HCV 3 - Palm groves
Capilla Vieja	HCV 3
Sauce del Yi	HCV 6
Tres Árboles	HCV 1
Rincón del Río	HCV 3

RINCÓN DEL RÍO

Defined as a high conservation value site, it includes as part of its attractions swamp forests and associated ecosystems of great landscape importance; low meadows and wetlands; the Rio Negro river forest, park forests and dunes, in addition to the large number of recorded and potential species. The site, with a surface area of approximately 430 ha, extends along the coast of the Río Negro, between the Sarandí and Sauce streams, extending along the tributary streams and their tributaries.



FAUNA

The presence of different interconnected environments has allowed the development and maintenance of a local fauna. There are 160 registered species of native fauna. In addition, eight species are identified as endangered by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

MAMMALS

Compared to the monitoring conducted in 2016-2017, some changes in species of mammals were recorded: some species have appeared while others have disappeared. The margay (*Leopardus wiedii*), a priority species for conservation, is found. The varied composition of the carnivorous, insectivorous, omnivorous and herbivorous mammal species assemblage is noteworthy.

BIRDS

Evolution of the number of bird species identified.

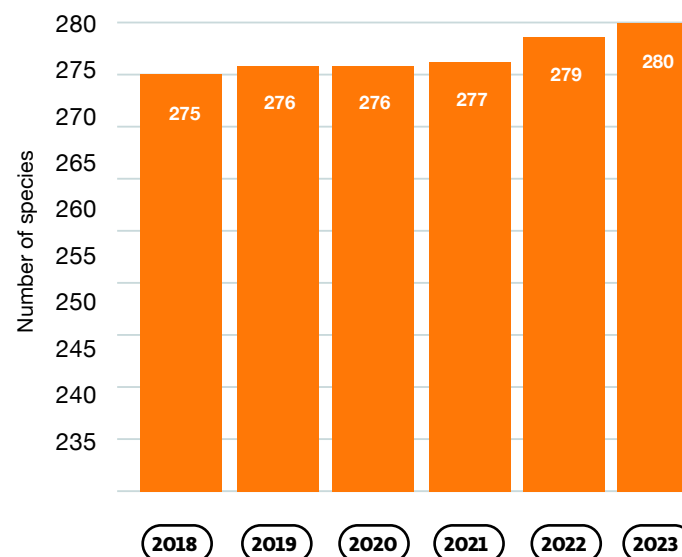
TYPE OF ENVIRONMENT	ECOLOGICAL GROUP	2022	2023
FORESTS	Omnivores	12	14
	Carnivores	2	1
	Insectivores	17	20
	Granivores	7	7
	Nectarivores	2	1
GRASSLANDS	Omnivores	2	4
	Carnivores	2	2
	Insectivores	6	5
	Scavengers	1	0
	Granivores	2	2
WETLANDS	Omnivores	2	4
	Carnivores	2	3
	Piscivores	0	2
	Insectivores	3	0
	TOTAL	60	66

Biennial bird monitoring.

SANTO DOMINGO

This is a landscape in the department of Paysandú where two High Conservation Value Areas coexist with forestry activities: a large wetland and a palm grove area. The 65% of its surface is covered by Eucalyptus plantations and the remaining 35% comprises low grasslands, an important wetland and three types of native forests: yatay palm (PY), park forest (BP) and riparian forest (BR). Since 2022, the palm grove area has also been verified as a biodiversity ecosystem service according to the FSC® classification.

EVOLUTION OF THE TOTAL NUMBER OF FAUNA SPECIES OBSERVED IN SANTO DOMINGO 2017-2023



280 species

26
Species

222
Birds

17
Reptiles

15
Amphibians

PALM GROVE

This HCVA is located within a palm corridor, a particular ecosystem that is monitored as a whole and is divided into six sectors with different management activities. Annual monitoring activities, carried out by a local expert, verify the state of regeneration of the palms.

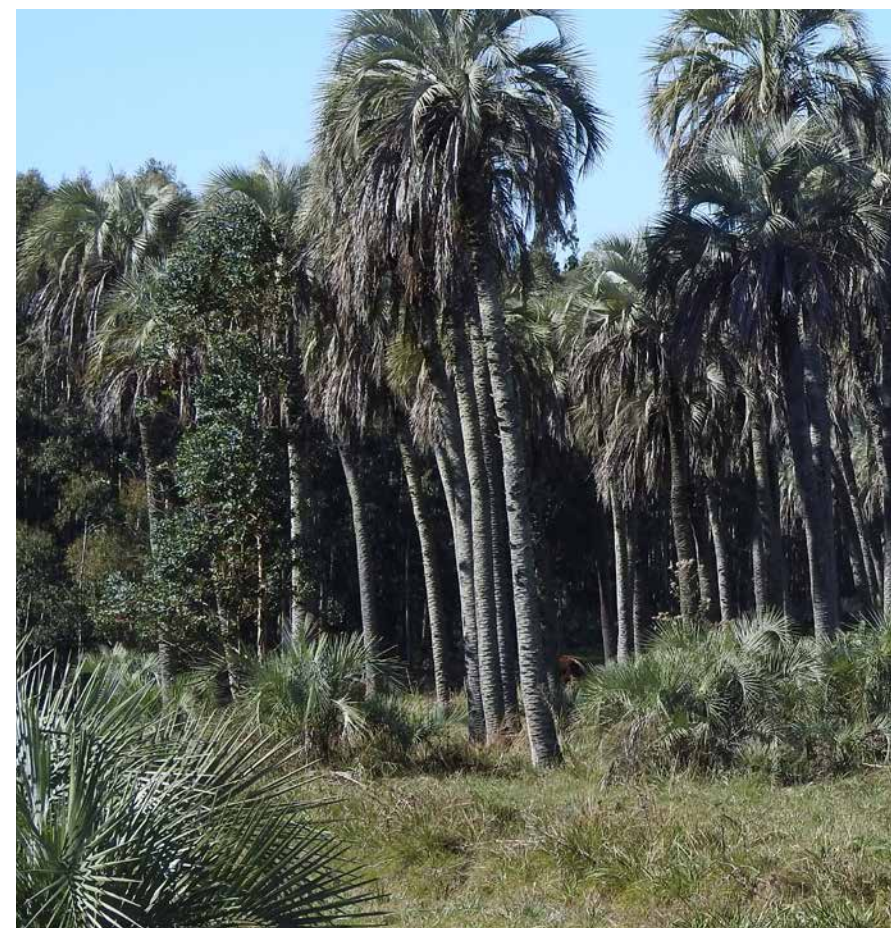
In turn, a bird expert identifies the area's fauna, focusing on birds.

YEAR	ADULT PALMS/HA.	PALMS YOUNGER THAN 2 M. /HA.
2021	582	300
2017	519	500

Monitoring performed every 2 years.

What are ecosystem services?

These are the benefits that ecosystems provide to humanity, in this case linked to the conservation of biodiversity in the Butia yatay palm groves. This threatened ecosystem is endemic to the southern cone and is very important for biodiversity conservation in Uruguay, where it is protected by law. In order to obtain certification, the connection between management activities and the impacts was demonstrated.



WETLANDS

The enlargement of the water body, vegetation, has contributed to the recolonization of several waterfowl that had no recent records in the wetland.

TYPE OF ENVIRONMENT	ECOLOGICAL GROUP	2022	2023
FORESTS	Omnivores	14	14
	Carnivores	1	2
	Insectivores	23	23
	Granivores	8	8
	Nectarivores	1	1
GRASSLANDS	Omnivores	7	7
	Carnivores	6	5
	Insectivores	8	10
	Scavengers	4	1
	Granivores	1	4
WETLANDS	Omnivores	9	11
	Carnivores	9	11
	Piscivores	1	5
	Insectivores	2	0
	TOTAL	94	102

Monitoring years compared to the baseline, allows us to conclude that abundance rates are maintained within the agroforestry environment in spite of the possible effects of forestry operational activities.

The use of camera traps is a suitable methodology to meet the objectives of the monitoring plan, considering the data as evidence of efficiency in recording species and tracking the released population of collared peccary. It allows not only to distinguish the species assemblage present in the area but also to determine patterns of movement and activity of the species. To date, data continue to be obtained to visualize diurnal activity patterns of the collared peccary while the activity of previously released species such as the coati and the yacare caiman is being recorded. The species abundance of wild mammals continues to increase. Lately, a family of coaties *Nasua nasua* has been recorded with their young, a species bred in the M'Bopicuá Biopark and released in 2010 in this area.



CAPILLA VIEJA

It is part of the Protected Area with Managed Resources Montes del Queguay of the National System of Protected Areas.

In this site, located in the Paysandú department, 10 km from the town of Pandule, a High Conservation Value Area has been defined in the 1,800 ha of native forest, on the banks of the Queguay Grande River, due to its great extension and abundant richness in biodiversity. There are also native forests associated with other watercourses, such as the Capilla Vieja stream, and park forests that occupy low and hilly areas, which are representative areas under conservation. In this property, forestry, livestock and beekeeping production coexist with natural areas.

With the research work on fauna carried out in recent years, a better knowledge of the vertebrate groups has been achieved, which amounts to 200 species. This research

confirmed the importance of the identified areas and the elaboration of a specific management plan to preserve and improve them.

In 2010, when forest planting began on the property, 37 plots were set up and surveyed to characterize, as a baseline, the structure of the different types of native forests: riparian, parkland and in transition.

In 2020, a team of technicians from UDELAR surveyed the plots, using the same design and sampling protocol. The work carried out made it possible to identify the species with the highest ecological weight (IVI), which were maintained with respect to the 2010 baseline: *Sebastiania commersoniana*, *Scutia buxifolia* and *Myrrhinium atropurpureum* var. *octandrum*.

In 2021, the studies of these plots continued to deepen, and it was determined whether

forestry activity, after 10 years, had generated changes in the structure and functioning of the native forests on the Queguay forests.

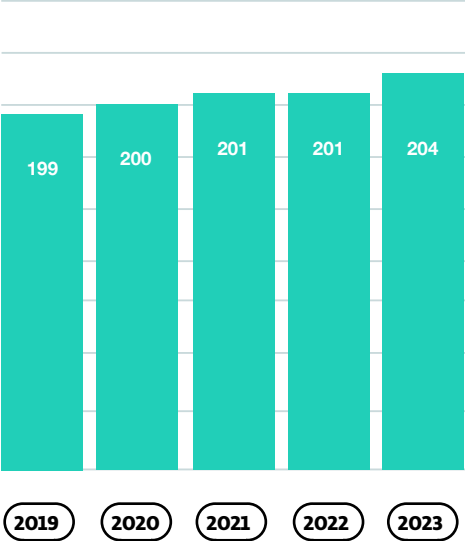
In 2022, after evaluating several indicators in the 37 plots surveyed since 2010, the NDVI (Normalized Difference Vegetation Index) was chosen for use in monitoring the condition of native forests. This is a numerical indicator of vegetation greenness, as it indicates the amount of chlorophyll and the fraction of green cover. In this area the NDVI indicates reasonably well the spatial variability of tree richness associated with these forest types (successional and common park, fluvial hydrophilic and mesophilic).

NDVI generally performed the best as an individual indicator, since it correlated positively and significantly with tree richness and basal area.

MONITORING

Bird monitoring is carried out with experts in the field in all representative areas and areas of high conservation value.

SPECIES IDENTIFIED
BY YEAR



Evolution of the number of species identified by ecological group.

TYPE OF ENVIRONMENT	ECOLOGICAL GROUP	2022	2023
FORESTS	Omnivores	15	18
	Carnivores	1	2
	Insectivores	26	29
	Granivores	11	10
	Nectarivores	1	2
GRASSLANDS	Omnivores	6	5
	Carnivores	3	3
	Insectivores	10	10
	Scavengers	9	1
	Granivores	1	8
WETLANDS	Omnivores	1	3
	Carnivores	0	0
	Piscivores	1	0
	Insectivores	1	1
	TOTAL	86	92

Classification of birds by ecological group allows us to visualize that habitats and diet are consistent throughout the interannual variations.





TRES ÁRBOLES

This site is located in the department of Río Negro and has great cultural and environmental value. It maintains ancient stone constructions, which gives it historical value and has been the object of study due to the presence of a species catalogued as a priority by the National System of Protected Areas: the homonotte. After the discovery of *Homonotauruguayensis*, the company declared this site as a High Conservation Value Area, delimiting a protected area of 12 hectares.

This species can be found in rocky areas of basalt or sandstone in the highlands of Uruguay and Brazil. It faces various threats, so the preservation of its environment is fundamental to its existence.

HOMONOTA URUGUAYENSIS MONITORING

Throughout the study period (2010-2023), 80 trips were conducted, resulting in more than 11,700 observations, of which nearly 2,100 were related to reptiles, mostly of the target species (*H. Uruguayensis*). The results of the study indicated a moderate and sustained population decline. After specific efforts were made to increase the amount of sunlight, a more favourable environment for their reproduction was fostered.

Currently, there is an increase in the number of registered individuals. Adults, juveniles and hatchlings were seen in Tres Árboles.

SAUCE DEL YÍ

In this site, located in the department of Durazno there is an area with two cave paintings, declared a National Historic Monument. These pictographs are part of the Maestre Campo rupestrian locality which, together with that of Chamangá, in Flores, are the only ones of this type in Uruguay. These discoveries are associated with granite outcrops, characteristic of the south-central region. They are of great archaeological relevance given that they represent prehistoric cultural expressions between 1,500 and 2,000 years old. The paintings represent geometric and abstract figures that have been preserved by the natural exudation process of the stone, making them difficult to distinguish with the naked eye.

In order to adequately conserve this art of singular heritage value, it has been declared an Area of High Conservation Value and specific management guidelines have been establi-

shed as a protected cultural landscape.

The annual monitoring of the general state of conservation of the cave paintings and their natural environment shows that they remain preserved over time.

Monitoring aspects:

- Conservation of cave paintings.
- Presence of invasive exotic species and weeds.
- Condition of perimeter fences.
- Signs of erosion and gully generation.
- Condition of the banks of watercourses.
- Unauthorized activities.

The protected landscape and its characteristic stones are maintained; there has not been growth of bushes in the meadow due to livestock management. There have been no erosions due to overgrazing, so it is considered that the stocking rate has been adequate.

Over three years we performed the ICP Pasture Conservation Index, which is an indicator of the contribution that a producer makes to rangeland conservation measured through the presence and condition of natural rangelands.

It remained stable, steadily improving the coverage of crop species.

This allows us to demonstrate that the protected landscape is maintained and improved through these applied indices.

The fauna identified is typical of open areas and includes, for example, the red-crested cardinal.





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