



PRECIOUS WOODS

**MIL MADEIRAS**

# Sustainability Report Actions 2018

**Sustainability Department**  
Mil Madeiras Preciosas Ltda  
Itacoatiara / AM-Brazil.  
January 2019

ABOUT THIS REPORT

This report aims to demonstrate briefly the results of the actions carried out by the Sustainability Department in the year 2018.

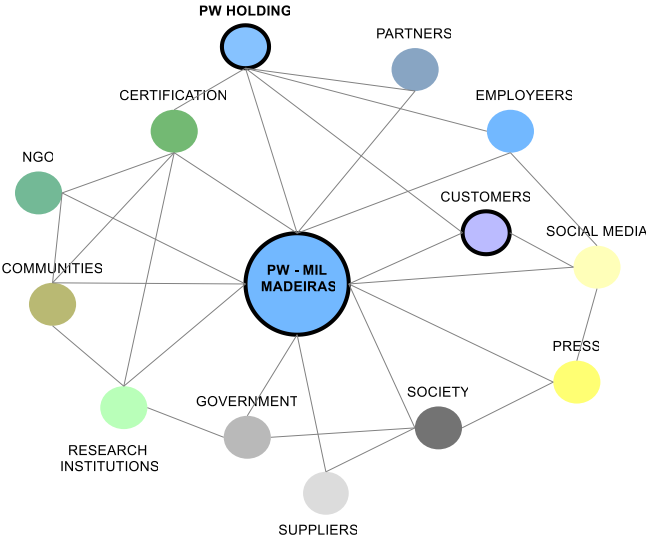
ABOUT SUSTAINABILITY DEPARTMENT

The Sustainability Department's mission is to monitor and perform essential actions for fulfilling all principles of Mil Madeiras, being directly responsible for social and environmental requirements and safety, keeping the enterprise in accordance with the law and the different Certifications Standards of FSC® and PEFC®.

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RELATIONSHIP NETWORK



To realize a business model based on sustainability, Mil Madeiras maintains a strategy of actions involved in an extensive network of relationships where bond of trust is established with all parties.



## ENVIRONMENTAL DIAGNOSIS

In 2018 the Sustainability Department carried out through visits, ombudsmen, rounds and reports of local monitors, a general diagnosis of social and environmental aspects and impacts in the area directly affected by the forest management, where there are now nine local communities organized in community centers.

According to these actions several aspects were identified that could be treated and subsequently monitored by the company, in partnership with government institutions.

In 2018 the company achieved to solve, clarify or forward 95% of the identified social and environmental demands. More than 100'000 Reais were invested in training and other actions regarding the qualification, environmental education and income generation for local people.



*Program Amazon Honey. Hives delivered to the Community São João, Silves-AM, Brazil.*

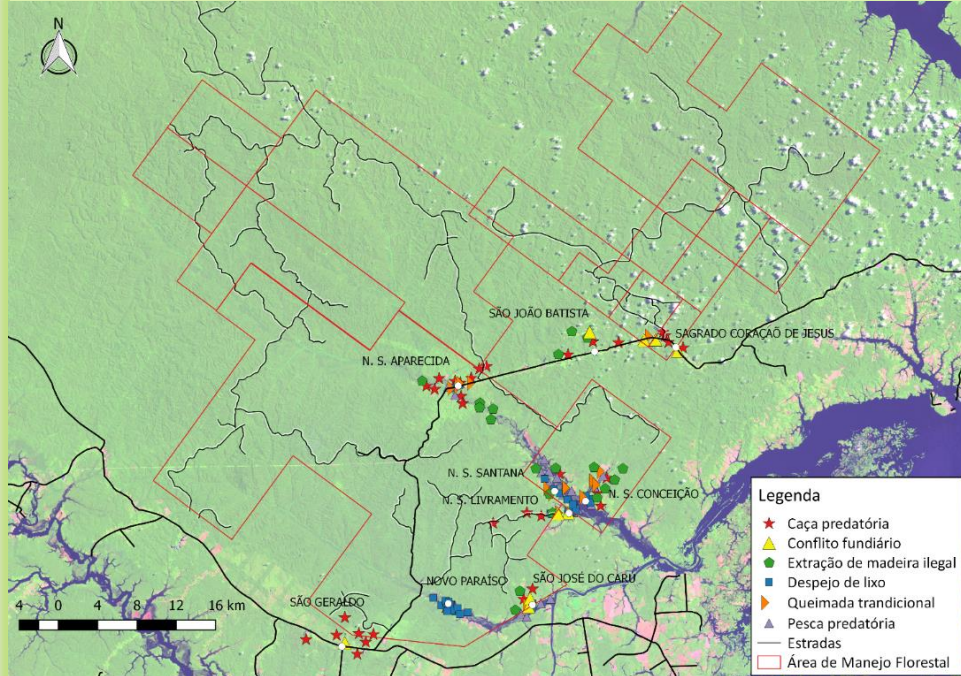
In 2018, through partnerships, the company initiated and renewed programs that have benefited directly and indirectly more than 1,000 local residents, for example, the program Amazon honey seeking new sources of income in rural areas by providing technical and structural subsidy for training new beekeepers, not forgetting the rich traditional knowledge.

## ENVIRONMENTAL MONITORING

Through environmental training of local people, Mil Madeiras got to improve the knowledge regarding importance of maintaining the Amazon region ecosystem resources.

The Map shows the results of monitoring activities in the forest management area in 2018, where it was possible to identify environmental occurrences thanks to the training program of community monitors.

Through a partnership with the Military Police and the Environment Department of local governments, Mil Madeiras held joint actions focused on preventing and combating environmental crimes in the region.





**IMPACT MONITORING AND MANAGED FOREST RECOVERY**

Through field assessments under the responsibility of internal monitoring team, in addition to scientific studies and in partnership with research institutions, Mil Madeiras conducts studies annually related to the environmental impacts on the physical, biotic and anthropic environment.

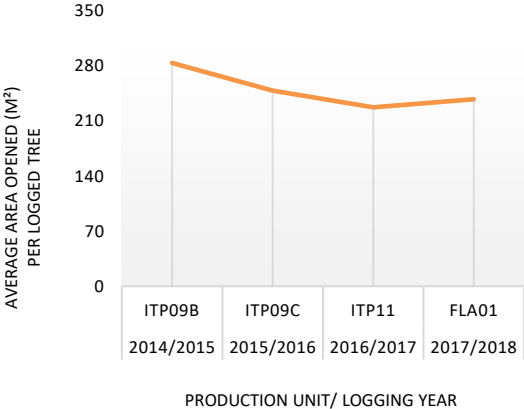
In 2018 the company remeasured more than 80 permanent plots for monitoring the growth and constitution of forest after logging.

This way of monitoring enables continuous improvement of forest management, through the implementation of sustainable techniques that ensure the least possible impact on biodiversity of the Amazon rainforest.

In the graph you can see an application of impact monitoring in the company activities. This is an important result of reduction the average opened area (trees crown) due to the management operations, compared to previous years. This decrease indicates improvement in harvesting techniques causing less impact to the managed forest.



*Monitoring of forest operations.  
Management Area. Itapiranga-  
AM. Brazil*



## PARTNERSHIP IN THE SCIENTIFIC PROJECTS

Mil Madeiras holds agreements with specialized research institutions in environment and sustainability topics, like the INPA (Amazon Research Institute), UFAM (Federal University of Amazonas), Embrapa (Brazilian Agricultural Research Corporation) and UEA (University of Amazonas State), keeping its activities as an open experimental field for new discoveries, always seeking improvements to the forest management, focusing on the reduction of impact and efficient use of forest resources.

In 2018 started or have been running, more than 20 scientific projects in the forest management company.

In the picture we can see an example of collection and study of wild animals during fauna monitoring program of the forests managed by the company, which have been obtained different results that indicate the maintenance of the population of animals, with no significant impact, or extinction species after logging.

These results clearly indicate success on this principle in the company forest management, with emphasis on care during forestry operations.



Species ***Onychorhynchus coronatus*** found in Forest Management Area. Itapiranga-AM, Brazil.

WORKPLACE SAFTY ACTIONS

In order to specialize and qualify all employees, the company complies with an annual schedule of training, where informations are provided focused on safety and occupational medicine, operating procedures, aspects of professional relationship, and others.

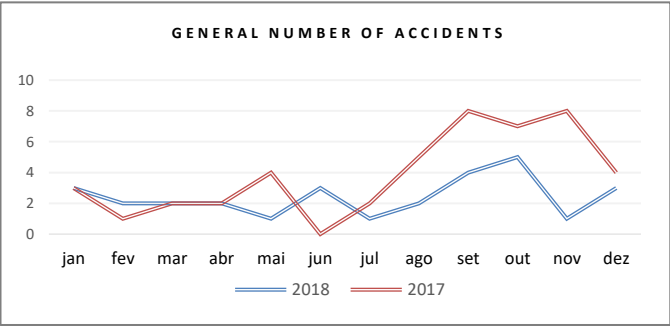
With these valuation of employees actions the company seeks to grow in a sustainable way, aiming at production with quality and safety.

In 2018 the company invested more than 240'000 Reais in the purchase of protective equipment for individual employee safety, as well as made several improvements in the workplace in order to reduce unsafe conditions and consequently the accident rate.

In the graph you can see a clear decrease of accidents in the company in 2018, compared to 2017, especially in the second half, which is the harvesting period of forestry activities.



Ergonomics training. Forest Management Area. Itapiranga-AM. Brazil





SOCIAL ACCIONS TO EMPLOYEES

The company carries out several actions aimed at the health and employees welfare and their families. Currently the sustainability department keep an extensive schedule of activities for the medical, psychological and educational assistance to them.

In 2018 the company invested more than 4.5 million Reais in social programs aimed at the welfare of employees and their families.

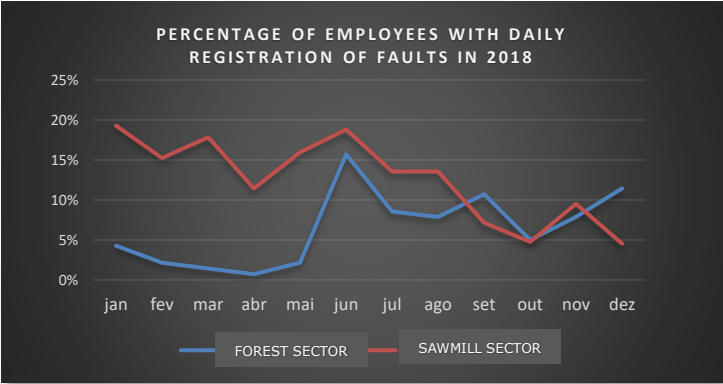
Program	Investment in 2018
Medicines Purchase	R \$ 63,600.00
Exams and Assistance	R \$ 310.000,00
Life insurance	R \$ 170.000,00
Food ticket and meals	R \$ 2,860,000.00
Transportation	R \$ 1,160,000.00
Total	R \$ 4,563,600.00

With these actions, which value human resources, the company has been seeking an increase in employee attendance and consequently greater efficiency in production, being one of the main challenges for the coming years.

The graph shows an important positive result in 2018. In the second half of the year, we can see a significant decrease in the number of employees who were absent from work, both in the Industry and in the forestry sector, even during the harvest season, which usually occurs from June to December.



Action aimed Health and Safety in Industry during the SIPAT. Itacoatiara-AM. Brazil





## COMMITMENT TO SOCIETY

According to the environmental commitment policy of the company, there are several internal programs for enhancement of culture, religion, education and leisure of the local population.

In 2018 was invested more than 120'000 Reais in support of sporting events, socio-educational, popular and religious festivals and mainly with wood supply for construction of community centers, as well as other purposes.

These actions demonstrate the company's commitment in maintaining a conscious and responsible attitude as to improve the quality of life, economic and educational development of the local population.

The picture shows a good example of environmental action that was performed successfully in 2018, where the company contributed to cleaning the river banks and areas of housing in the 9 local communities, through providing trash can and educational lectures to local people, focused on the proper handling and disposal of waste.



*Delivery of trash can in the community. Forest Management Area, Itacoatiara-AM, Brazil*





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