Summary: Establishes the principles for the sustainable development of the company’s activities.

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1. PURPOSE
   The purpose of this policy is to establish and share our commitments to sustainable development with all employees and society together with our aspirations for each one of the supporting pillars we consider strategic to our business and to the generation of value for our stakeholders and shareholders.

2. SCOPE
   This policy applies to the entire organization.

3. DEFINITIONS
   3.1. Sustainable Development: “Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. (Source: Our Common Future).
   3.2. Social Responsibility: “Responsibility of an organization for the impacts of its decisions and activities in society and in the environment, through ethical and transparent behavior which contributes to sustainable development, including the health and wellbeing of society; takes into account the expectations of the stakeholders; is in compliance with the applicable legislation and is consistent with international standards of behavior; and is integrated into the organization throughout and is practiced in its relationships.” (Source: ABNT NBR ISO 26000 Guidelines on Social Responsibility).
   3.3. Stakeholder: “Individual or group, which has an interest in any decisions or activities of an organization.” (Source: ABNT NBR ISO 26000 Guidelines on Social Responsibility).
   3.4. Private Social Investment: “Private social investment is the voluntary transfer of private resources in a planned, monitored and systematic manner to social, environmental and cultural projects of public interest.” (Source: GIFE - Institutes, Foundations and Companies Group).
   3.5. Value Chain: “Complete sequence of activities or parties that supply or receive value in the form of products or services.” (Source: ABNT NBR ISO 26000 Guidelines on Social Responsibility).
   3.6. Renewable Resource: Renewable resources are those, which nature, through its own processes, replaces over a short period. In some cases, renewable resources have a limit to the degree they can be harnessed before renewal is deemed to be in danger.
   3.7. Impact: “Positive or negative change, either totally or partially, in society, the economy or the environment, the result of past and present decisions and activities of the organization.” (Source: ABNT NBR ISO 26000 Guidelines on Social Responsibility).
   3.8. Mitigation: Precautions taken with respect to a given situation, to moderate or adopt a careful approach in relation to something, which potentially could be damaging.

4. DESCRIPTION OF THE PROCEDURES AND RESPONSIBILITIES
   4.1. Principles
       Duratex adopts a commitment of anticipating future needs always based on longstanding values. For this purpose, the principles of the sustainability strategy are based on four supporting pillars and eight material themes:
4.1.1. **People:** we promote the development of our employees, clients, consumers and local communities.

4.1.1.1 **Working Conditions and Employee Development**
- Engage the employees in the fulfillment and diligent performance of the Proposition, Vision and Management Principles described in the Way of Being and Doing;
- Guarantee and encourage the employees to know and comply with Duratex’s Code of Ethics and Conduct, improving the quality of our work and cultivating a motivational environment and one which stimulates cooperation;
- Prioritize the health and safety of all employees, investing in processes for the continual improvement in working conditions and for raising the awareness of safety standards and the suitable use of equipment, respecting the principles and basic universal rights established by the International Labor Organization (ILO);
- Adopt socially responsible behavior, promoting the inclusion of, and giving due value to diversity;
- Stimulate the commitment of the employees in relation to social responsibility in order to develop a civic attitude in the corporate environment and in its daily routines, encouraging the performance of voluntary work.

4.1.1.2 **Engagement of Clients and Consumers**
- Maintain a permanent dialog with our clients and consumers for promoting and developing sustainable practices;
- Engage clients and consumers in the development of sustainable solutions which bring benefits to society and the environment;
- Train clients to ensure the development and longevity of their businesses.

4.1.1.3 **Relationship with Communities and Local Development**
- Guarantee spaces for promoting dialog and collaboration with the communities surrounding the units, continuously identifying opportunities for reducing the social and environmental effects of our activities and to expand the positive impacts;
- Promote social initiatives which generate development and self-sufficiency through Private Social Investment;
- Contribute to promoting public policies in the municipalities to the benefit of the common good - such as combating sexual exploitation of children, the eradication of child and forced labor - and respect for inclusion.

4.1.2. **Processes:** we are continually improving our operations with a view to socio-environmental equilibrium along the entire value chain.

4.1.2.1 **Eco-efficiency**
- Use in a rational and sustainable manner natural resources, raw materials and inputs necessary for production processes by adopting principles which permit the reduction, optimization and reuse of resources;
• Conduct the management of waste in such a way as to be conducive to the concepts of reduction, reuse and recycling;
• Prevent pollution and environmental risks in the operations from production to the distribution of products using technical and innovative solutions, mitigating the impacts.

4.1.2.2 Climate Change
• Map and evaluate constantly the risks and opportunities of the business in relation to climate change;
• Act to mitigate greenhouse gas emissions and to adopt adaptable mechanisms in the light of impacts arising from climate change;
• Increase the share of energy from renewable sources in the company’s energy matrix.

4.1.2.3 Sustainable Management of Forests
• Use appropriate practices of forestry management and nutrition and develop programs for genetic improvement permitting the maximization of forestry productivity;
• Promote the integrated management of pests and disease and the understanding of climate change, thus assuring forestry productivity;
• Use optimized techniques for harvesting, processing and transportation with a view to reducing the use of resources and mitigating socio-environmental impacts;
• Protect the biodiversity, headwaters, watercourses as well as conserving the soil and forestry genetic bases;
• Constantly seek technological innovations in processes.

4.1.2.4 Responsible Supply Chain
• Evaluate and monitor the suppliers with respect to economic and socio-economic aspects and those of ethics and transparency in order to avoid and prevent negative impacts along the value chain, creating a more solid relationship;
• Promote partnerships with suppliers for the implementation of practices which foster innovation, continuous improvement and a reduction in socio-environmental impacts incorporating their productive chain;
• Promote greater transparency in the relation and in the processes of competition, ensuring a posture of cooperation.

4.1.3 Products and services: we are a bellwether in the supply of sustainable and competitive solutions, which combine design, technology, quality and innovation.

4.1.3.1 Inputs and Sustainable Solutions
• Expand the development of sustainable solutions along the entire line of products and services, which promote social and environmental benefits for the clients and consumers;
• Expand the use of new materials in the manufacture of products, researching, developing and implementing in the production of raw materials from renewable sources;
• Seek a reduction in the use of non-renewable materials in all processes.
4.1.4. New Business Models: we seek new business models, which generate value for our stakeholders in relation to the social, environmental and economic challenges.
- Seek businesses which guarantee the longevity of our company;
- Implement businesses which contribute to social and environmental wellbeing;
- Promote an innovative and open environment in order that employees are able to propose solutions for the current and future social and environmental challenges.

4.2. Governance and Management
The Company’s strategy and positioning on sustainability are decided by the Board of Directors, after having been duly advised and instructed by the Sustainability Committee.

The Executive Committee has the responsibility for the management, monitoring and implementation of this policy and the evaluation of the Company’s socio-environmental performance, maintain the Sustainability Committee duly involved and informed.

4.3. Communication
Maintain channels of communication with stakeholders as to the aspects of sustainability. Document and disclose the scope and results achieved in meeting the socio-environmental commitments, voluntarily adopted by the company.

4.4. Responsibility
Every two years, the Sustainability Unit shall present a proposal for revision of this policy and submit it for analysis by the Sustainability Committee, which in turn, analyzes, validates and recommends approval by the Board of Directors.

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