



DISCLOSURE



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TRANSCENDENTAL REALITY: TREES PLANTED FOR FAIR AND LASTING DEVELOPMENT

Notwithstanding the adversities faced by a very serious crisis of multiple dimensions afflicting the country, Brazil is a land recognizably fertile in several fronts. Brazil has the vocation for producing forests. The country is blessed by its territorial size and favorable conditions, such as abundant light, heat, periods of rain distributed throughout the year, cutting-edge technology, greater productivity and global quality.

As such, it's important for society to understand that in Brazil's planted trees sector resides the sustainable path for an effective solution to the global demand for fiber, energy and bioproducts. This being said, the safe adoption of innovative technologies and optimized processes is paramount to obtain results that can evolve in a continuum. The premise for developing the technologies and processes necessary is to break paradigms with good ideas and integrate generations in favor of a palpable future, where there's order in sustainable progress, creating value (not just wealth) for everyone.

Growth perspectives for the sector are positive and extremely possible. In Brazil, there are approximately 7.7 million hectares of planted trees, corresponding to just 0.9% of the country's territory. A preliminary analysis of the Brazilian landscape already indicates that the country possesses large anthropized and underutilized areas. Just in the conversion from extensive cattle raising to the controlled confinement model, it is estimated that 70 million hectares would be freed up for other responsible management activities.

Given the expansion possibility, organizations must reflect on society's behavior and its desire for products from a clean production chain, where resources are used in a balanced and responsible manner. The next, and even simultaneous step, is to research, understand and utilize wood's applicability and transformation potential, especially eucalyptus. It involves advancing in innovation with productivity focused on leveraging participation in new

markets, even if still incipient. For such, science application and alignment with scientific institutions are fundamental. Society needs to understand that the planted trees sector does not compete with food production, but rather complements it, as it develops products that are essential to the day-to-day with renewable resources.

Regardless of which direction is chosen by companies, it is important to manage natural resources in a responsible manner and master the challenge of balancing production costs, operational and climatic adversities, as well as comply with increasingly more restrictive bureaucratic legislation. Decisions such as the restriction stipulated by the Federal Attorney General's Office (AGU), which since 2010 imposes limits on purchasing land for foreign capital entities, based on Law #5,709, of 1971, even if reverted, produces legal uncertainty, highly impacting the trust and investing of foreigners, particularly long-term. The chain effect of this regulation interferes in the country's development, both in relation to protecting biodiversity, as well as in creating and distributing income.

The current economic model has presented nuances of an orientation determined by consumer end demand. The country needs to integrate with global value chains without losing its identity, but also promote the expansion and permeability of knowledge frontiers, institutional and commercial relations. Brazil needs to be even more aligned with the latest innovations in the market in order to compete without losing the historical social achievements that confirm the sobriety and responsibility of private initiative, particularly of forest base companies like CENIBRA.

At CENIBRA, we prioritize the preservation of biomes and the revitalization of green areas, coupled with investments in technologies for clean, safe, efficient and profitable production. There's no doubt that companies or sectors that do not introject this aspect as a cultural value, are deemed to stagnate and even collapse commercially. ■