

# 2017 GLOBAL SUSTAINABILITY REPORT

# BRAZIL

RMS
Resource Management Service, LLC

Creating Forest Value Since 1950

# 2017 ACTIVITIES: BRAZIL

## Sustainable Forestry Certification

***In 2017, RMS achieved 100 percent certification of all 50,200 hectares of forestland we manage for investors in Brazil.***

This certification is granted under the Forest Stewardship Council® (FSC®) program following the successful audit of the remaining 6,797 hectares we operate in the country. FSC® certification in Brazil provides an essential mechanism for external feedback on our policies and operations. It also provides enhanced market access for investors' wood by ensuring that we meet the sustainable sourcing expectations of buyers of the material harvested from these forestlands.




Pine plantations managed by RMS in Brazil



## Protecting Biodiversity




Brazil's federal Forest Code requires the establishment of Areas of Permanent Protection (APP) around watercourses. These areas provide for the re-establishment of natural forest types while protecting water quality. Additionally, the FSC® standards for Brazil require forest managers to conserve and protect water resources. This means safeguards are required to minimize the adverse effects of routine forest management activities such as harvesting and road construction. The emphasis is on maintaining water quality and aquatic ecology. Compliance is monitored through annual third-party audits. In addition to APP areas, RMS manages areas of native forest as natural reserves. In 2017, we oversaw 28,031 hectares of natural areas, which provide 5,509 kilometers of natural area edge — an important component of any strategy for maintaining and enhancing landscape biodiversity. Forest edge habitat is the transition between two plant community types and provides key shelter and foraging area for a wide variety of species, including migratory birds and mammals.

RMS do Brazil has identified and manages two areas designated as High Conservation Value Forests (HCVFs). These sites feature contiguous blocks of more than 2,000 hectares each consisting of well-preserved natural forests. Such forest types are unusual in these regions — especially in such large concentrations. One of the sites, Gruta dà a Volta, is a rare geologic formation that is recognized as the largest catalogued cave in the region. The cave complex is more than 2,500 meters in length and features a rare ecosystem. RMS' 2017 FSC® surveillance audit confirmed that these HCVFs are managed in accordance with Brazilian laws and regulations, and to FSC® standards.


Unique cave ecosystem protected by RMS as a High Conservation Value Forest



**360 PLANT SPECIES**



**270 BIRD SPECIES**



**150 MAMMAL SPECIES**

***found within natural areas on our investors' properties***

In 2017, we commissioned an external evaluation of the plants and animals present on the forests that RMS do Brazil manages for our investors. This evaluation was conducted to ensure that our efforts comply with the principles and criteria of FSC® national standards for Brazil. The researchers found that these forests support an impressive level of biodiversity. More than 360 plant species, 270 bird species, and 150 mammal species were found within natural areas on our investors' properties. Several of these species are threatened with extinction because of the continuing trend of forest loss in the Atlantic and Cerrado forest regions. The natural areas we protect provide critical habitat necessary for the continuation of these species.

In an effort to build upon the 2017 biodiversity findings, RMS do Brazil will be establishing a program of ongoing biodiversity monitoring. This effort will increase our understanding of the positive contribution made by managed and natural forests to Brazil's biodiversity and provide helpful information for continued improvement of our forest management activities.

# Community Outreach

In 2017, RMS do Brazil conducted a community survey to solicit local stakeholder feedback. A total of 52 distinct communities are directly impacted by our forest operations in Brazil. Interviews and other data collection efforts conducted as part of the survey helped identify the positive and negative impacts of our management and will serve as a foundation for plans to improve and reinforce key areas of interest in our social responsibility program.

RMS do Brazil employees participate annually in environmental and forestry education activities with neighboring communities and the broader forest industry. In July 2017, we hosted the Paraná Forest Companies Association and the Santa Catarina Association of Forest Enterprises at a joint annual meeting. The theme of the gathering was addressing the impact of cattle on the health of forest plantations in Brazil, a key environmental and social issue given the influence of both the forestry sector and the beef industry on the nation's economy. A total of 70 forestry professionals, researchers, government officials, and students attended the session.

## *Our commitment to local communities*

**In 2017, one example of our commitment to local communities came in the unusual form of diesel fuel and several loads of gravel. RMS employees were approached by local community leaders in the Canonihas district, the location of our investors' largest property in Brazil, with a request that we consider assisting them with their efforts to repair local roads that are used by residents to travel to work and school. The routes proposed for maintenance are also key routes for the log trucks heading from our investors' lands to local markets. Recognizing the synergies of the undertaking, RMS do Brazil partnered with the communities by providing the fuel and gravel required to repair approximately 30 kilometers of roads.**

RMS also supports local communities in Brazil by providing quality employment opportunities. In 2017, our forest management activities engaged 19 logging companies and 15 silvicultural service providers. RMS do Brazil's 2017 FSC® audit confirmed that workers employed by these entities are from local communities and have received appropriate, job specific safety training.

Finally, RMS do Brazil maintains appropriate mechanisms for solving disputes over tenure claims and rights of land use, including stakeholder engagement with indigenous peoples. In 2017, our FSC® audit did not identify any substantial land-related disputes. It also confirmed that RMS has operated in accordance with FSC's® principles with regard to land tenure and use rights as well as the rights of indigenous peoples.

# Cultural Resources

We currently protect four sites of historical and cultural interest on managed lands in Brazil through our "Special sites in the Forest" program. These sites include areas of interest to local communities, such as cemeteries and churches. All sites that are identified and maintained through the program are managed to preserve their unique qualities and values.



# Water

Water resources and water quality in Brazil are protected through required practices described in the Brazil Forest Code and associated regulations. RMS receives annual feedback on our water management efforts through our FSC® certification, which focuses on ensuring the protection of water resources during harvesting and silvicultural practices. Additionally, RMS do Brazil engages in water quality monitoring with outside partners to ensure diligent implementation of the current best practices.

## OUR WATER IMPACT FOR 2017 IN BRAZIL

**2,834**
KILOMETERS OF INTERNAL PROPERTY ROADS

**1,566**
KILOMETERS OF STREAMS RUNNING THROUGH RMS MANAGED LANDS[1]

**5,509**
KILOMETERS OF NATURAL AREA EDGE

# Carbon

RMS is studying various measurement methodologies for evaluating carbon stock of our managed lands in Brazil, drawing from the leading research to establish a rigorous, replicable technique that leverages our existing inventory.

# Research

In 2017, RMS spent more than $137,000 on internal and external research in Brazil. These funds were used to address a variety of subjects, including conservation of biological diversity, forest pest management, and water quality. Additionally, RMS has designated 117 hectares for internal and external research on the lands we manage in Brazil. In 2017, we also continued external partnerships with the following organizations:

## RESEARCH PARTNERS IN 2017

**INDUSTRY ASSOCIATIONS**

ABIMCI

FSC www.fsc.org FSC® C132196 The mark of responsible forestry

ACR Associação Catarinense de Empresas Florestais

ibá brazilian tree industry

Associação Paranaense de Empresas de Base Florestal

PCCF IPEF Forest Certification

Cooperative Program Forest Certification

**PUBLIC INSTITUTIONS**

Embrapa

# Safety

RMS do Brazil employs a multi-tiered safety program. Management teams at the larger properties we manage maintain a safety supervisor, who is responsible for monitoring employee and contractor safety practices. On smaller properties, RMS employees and supervisors are responsible for safety inspections of contractors during field operations visits. They discuss their findings with each contractor to encourage continual improvement of safety performance. Additionally, RMS do Brazil engages a consulting firm to assist with the training and certification of contractors in relation to safety practices, which is a requirement of our FSC® certification. In 2017, there were nine reportable safety incidences involving RMS' operations in Brazil. These included seven that involved our contractors. Based on workplace safety issues identified in 2017, RMS do Brazil will be conducting an initiative in 2018 to re-emphasize safety training for contractors and improve training for employees.

[1]Stream types considered in this measure include Intermittent, small, large stream, river, and primary and secondary drainage features




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