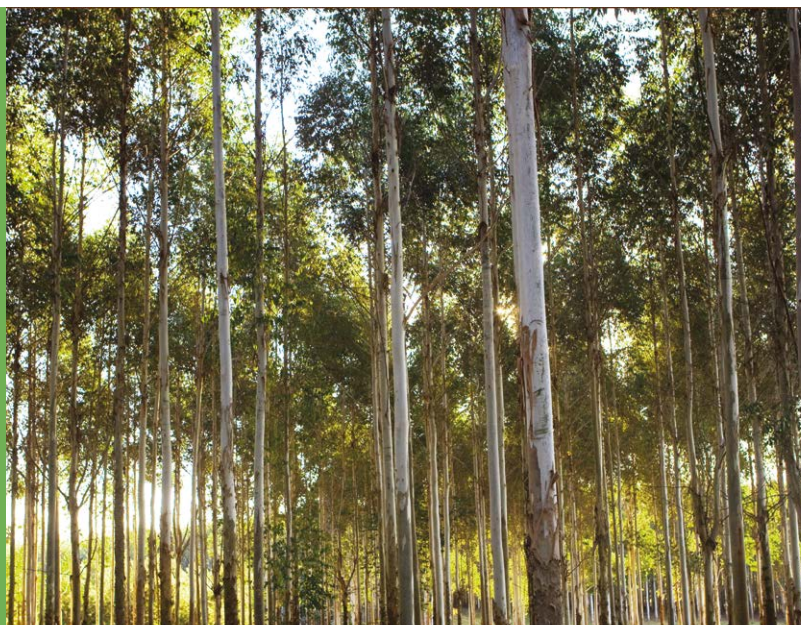


**"THE GREATEST THREAT TO OUR PLANET IS THE BELIEF THAT SOMEONE ELSE WILL SAVE IT."**

Robert Swan



### LUMIN Sustainability

The development of commercial plantations in Uruguay began in 1987 when the government adopted a law to incentivize commercial plantation areas for industrial purposes ("Forestry Priority Areas"). This motivated forest products companies to begin investing in Uruguayan commercial plantations and industrial development. Over the last decades Uruguay's commercial plantation area has grown to over 1 million HA in 2020, employing over 12,000 people, while native forest area has increased from 667,000 HA in 1990 to 850,000 HA in 2018.

The LUMIN business has been a significant part of this sustainable development, and today accounts for over 65,000 HA of total forest, 750 direct jobs and 270,000 m<sup>3</sup> of plywood capacity.

The UN has defined global priorities and aspirations for 2030, with governments worldwide having already agreed to these Sustainable Development Goals (SDGs), including Uruguay. The SDG Compass explains how the SDGs affect your business – offering you the tools and knowledge to put sustainability at the heart of your strategy business.

At LUMIN we are working on many of these goals and several initiatives are planned under this vision. Learn more about the Sustainable Development Goals at [www.sdgcompass.org](http://www.sdgcompass.org).

As a major part of our commitment to sustainability, the Sustainable Development Goals will be explored in much greater depth in a future dedicated bulletin.

### Sustainable forest management

Forests play an important role in the global carbon cycle and the maintenance of forests is a vital component of any efforts to mitigate climate change and also in the utilization of wood products for energy and in the displacement of energy intensive products.

Through sustainable forest management, LUMIN provides products that both meet a wide variety of human needs while preserving a healthy environment. The LUMIN forestlands in Uruguay were the model followed when developing the first national forestry standards in Uruguay. Our business is driven by a desire to ensure a reliable supply of products from responsible and sustainable sources to our global client base.

Our forests in Uruguay are based on 100% pine and eucalyptus plantations, and our mill in Uruguay uses only wood fibre from our own plantations and other plantations nearby. Our procurement policy precludes the purchase of wood products from forests at risk, which are defined in our procurement guidelines.

LUMIN supports third party certification of forest practices. Our approach relies on two types of standards: one for environmental management systems, the other for specific practices associated with growing and harvesting trees.

- We manage our operations to the internationally accepted standard for environmental management system known as ISO 14001.
- For forest certification we rely on national standards – primarily PEFC (Programme for the Endorsement of Forest Certification). PEFC is a Geneva (Switzerland) based international non-profit, non-governmental organization dedicated to promoting Sustainable Forest Management (SFM) through independent third-party certification. LUMIN is PEFC certified for Forest Management (UY11/20080087), and also has Chain of Custody certification (UY11/20080090). This certification provides external and third-party credibility for the sustainable management of our forests and products.



### Energy self-sufficient

LUMIN utilizes each part of the log, converting it not only to plywood, but using the residuals as fuel for bioenergy for the on-site boilers, supplying energy to industrial process. Our manufacturing mill in Uruguay has a dedicated 10MW Energy plant that produces steam and electricity to make our plant 100% energy self-sufficient. In fact, we produce a surplus of bioenergy that is sold to the National Grid in Uruguay.

### EUTR compliant (2013)

The EU Timber Regulation (EUTR) came into force on 3rd March 2013, making it illegal to place illegally harvested timber and timber products on the EU market. The legislation affects all those that first place timber on the EU market as well as traders further down the supply chain. After 3rd March 2013, it has become a crime to place illegal timber on EU markets and all organisations affected by the EUTR have to adopt practices to assure that the timber or timber products they trade and supply are legal.

### Fully compliant with the LACEY ACT (2008)

In May 2008 the U.S. passed the world's most punitive and far reaching "ban" on illegally harvested forest products; declaring this country would no longer traffic in "illegally logged wood". This landmark legislation was the world's first ban on trade in illegally sourced wood products and it placed the burden of compliance on the wood products supply chain, and made failure to comply a crime.

### Carbon balance

LUMIN is taking a very active role in the evaluation of the carbon balance of our forests and products. Commercial plantations can serve two valuable purposes simultaneously – providing raw material for a wide array of essential end products and generating significant environmental and social benefits.

Examples of the benefits commercial plantations can generate range from mitigating climate change through reduction of carbon dioxide emissions and combatting deforestation to creating jobs in rural communities, and ultimately helping to foster a cleaner, healthier planet.

LUMIN started a project in 2006, specifically evaluating GHG - the initial project comprised a total of 18,191 HA of land in Uruguay previously under extensive grazing by cattle that was converted into forest plantations. This project is ongoing, and the goal is to produce long-lived timber products, resulting in



### CARB exempt

Starting January 1, 2009, California began regulating the formaldehyde emissions from composite wood products (particleboard, MDF, and hardwood plywood) sold in the state or used to make finished goods offered for sale in the state of California. The Airborne Toxic Control Measure (ATCM) is known as the "CARB rule." All products including resins used in the manufacture of composite wood products (including plywood) must fulfil with the regulation to be CARB compliant. Lumin plywood is CARB exempt as it meets the US Department of Commerce Voluntary Product Standard PS1 Structural Plywood.

the sequestering of carbon dioxide from the atmosphere in different pools, reversing the existing soil degradation process that has occurred over several years. The results to date indicate that this will remove a total amount of 5,601,938 tCO<sub>2</sub>, equivalent to the emissions of crude oil imported in Uruguay in one year.

We are keen to work with clients in various markets around the world to establish how we can further evaluate and capitalize the very positive story we have regarding the role of our timberlands in mitigating climate change and reducing carbon emissions.

If you need further information on any of these issues, please get in touch directly with any of our global staff – details available through [www.lumin.com](http://www.lumin.com).

**Our next bulletin will look at the role LUMIN plays in ESG, with a particular focus on social and community activities in Uruguay.**