AGRO EMPRESA FORESTAL GROUP

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Note: Hereinafter, GRUPO AGRO EMPRESA FORESTAL S.A. will be referred as "AF GROUP."

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1. INTRODUCTION

1.1 Group Entity

At the Integrated Management System review meeting held on May 18, 2017, under item 13, Agro Empresa Forestal S.A. resolved to act as the **Legal Entity** with the authority to add or remove members from its group certification. The entry and exit criteria for members are set forth in Legal Entity Procedure No. 19, "Agro Empresa Forestal Group."

The current members are:

Financial Forestry Trust "Fideicomiso Forestal Financiero Bosques del Uruguay I" (BDU I)

Financial Forestry Trust "Fideicomiso Forestal Financiero Bosques del Uruguay II" (BDU II)

Financial Forestry Trust "Fideicomiso Forestal Financiero Bosques del Uruguay III" (BDU III)

Financial Forestry Trust "Fideicomiso Forestal Financiero Bosques del Uruguay IV" (BDU IV)

Bosques del Sarandí

1.2 Company Background

Agro Empresa Forestal is the first company to develop a forestry trust system and, to date, manages four investment funds.

The Trusts managed by AF S.A. include BDU I, BDU II, BDU III, BDU IV, and the Bosques del Sarandí Fund.

AF is responsible for managing 100% of their plantations and overseeing all necessary operations

The farms comprising **BDU I**, which are part of the AF GROUP, include: Mi Generala,Reboledo, Don Chico, El Cerco, Las Rengas, Las Rengas II, Puntas del Cordobés, LaYeguada, Caputti, Cañada Brava, Arévalo, Don Ramón, Sequeira and María Albina. These farms belong to a group of investors who have acquired the forests since 2012.

The certified farms comprising **BDU II**, which are part of the AF GROUP, include: Los Ceibos,La Cascada, La Yeguada, Las Vertientes, Flores, Silva Canosa, Santa Amalia, Doña Hilda, Piñeiro Settembri, El Estribo, Doña Silva, Godoy, El Nido, Zapican, Los Morochos, Vicentino, Santa Hildara, Heber, Fraile Muerto and La Yeguada 2. These farms belong to a group of investors who have acquired the forests since 2014.

The certified farms comprising **BDU III**, which are part of the AF GROUP, include: Los Mochos, Piopardo, Cerro Copetón, El Huemul, La Jangada, Las Grutas, Don Saturnino, Don Pancho, Casa Bonita, Las Mimadas, Las Flacas, Matador, Cruz Roja, Las Urracas, Italiano, La Loma, Taruman I and II, Manolete, El Principio and Los Paraisos. These farms belong to a group of investors who have acquired the forests since 2016.

The certified farms comprising **BDU IV**, which are part of the AF GROUP, include: Isla Patrulla, Azotea de Ramírez, Tupambae, Santa Sofía, Azotea Norte, Carballo, Marquez Nicader, Monteiro, Nora Mendez, Tupambae 2, Los Pindó, Paso de la Arena, El Aserradero, Macroplan, Quebracho I, Quebracho II, El Yugo, Wilkins, Mederos, Da Rosa, Iacovazzo, Ferrari, Burgos, Cordeiro, Frimosa, La Azotea, La Micaela, Luce, Meneses, El Gavilan, Paiva, Mendez, Ibarra, Zito, El Naranjo, Derley Gonzalez, Ramos, Casas, Barros, González Araujo, Echeverría, Barra de Ataques, Regis, Batoví, Las Canias, Achara, Techera, Itapel, Santa Genoveva, Caraguata, Paso Livindo, Pasa de las Carretas, Dellepiane, Tacuarí, Nueva Esperanza, Caraballo, Laureles I and II. These farms belong to a group of investors who have acquired the forests since 2019.

The certified farms comprising **BOSQUES DEL SARANDI**, which are part of the AF GROUP, include: La Cercana I, La Cercana II and La Cercana III. These farms have belonged to their current owner since 2012.

The purpose of the AF GROUP and all its members is to produce high-quality timber to supply various local sawmills, pulp mills, as well as international export markets. This production is conducted in an environmentally, socially, and economically responsible manner.

The forests managed by the company consist of forest plantations established between 2007 and 2021. Approximately 90% of the planted area is covered by *Eucalyptus* species, while the remaining 10% is planted with *Pinus* species. These species are classified at the national level as priority forestry species and are certified by the competent regulatory authorities under current legislation.

The total area of the Financial Forestry Trust Bosques del Uruguay I project is 9,544.29 hectares, with 5,344 hectares effectively planted. The entire area is incorporated into the AF GROUP under certification.

The total area of the Financial Forestry Trust Bosques del Uruguay II project is 14,703 hectares, with 9,304 hectares effectively planted. The entire area is incorporated into the AF GROUP under certification.

The total area of the Financial Forestry Trust Bosques del Uruguay III project is 45,229 hectares, with 27,739 hectares effectively planted. A total of 25,362.58 hectares, with 17,574 hectares effectively planted, have been incorporated into the AF GROUP under certification.

The total area of the Forestry Financial Trust Bosques del Uruguay IV project is 59,880, with 38,357 hectares effectively planted. A total of 54,764 hectares, with 31,118 hectares effectively planted, have been incorporated into the AF GROUP under certification.

The area of Bosques del Sarandí covers 184.96 hectares, with 78.59 hectares effectively planted, all of which have been incorporated into the certification.

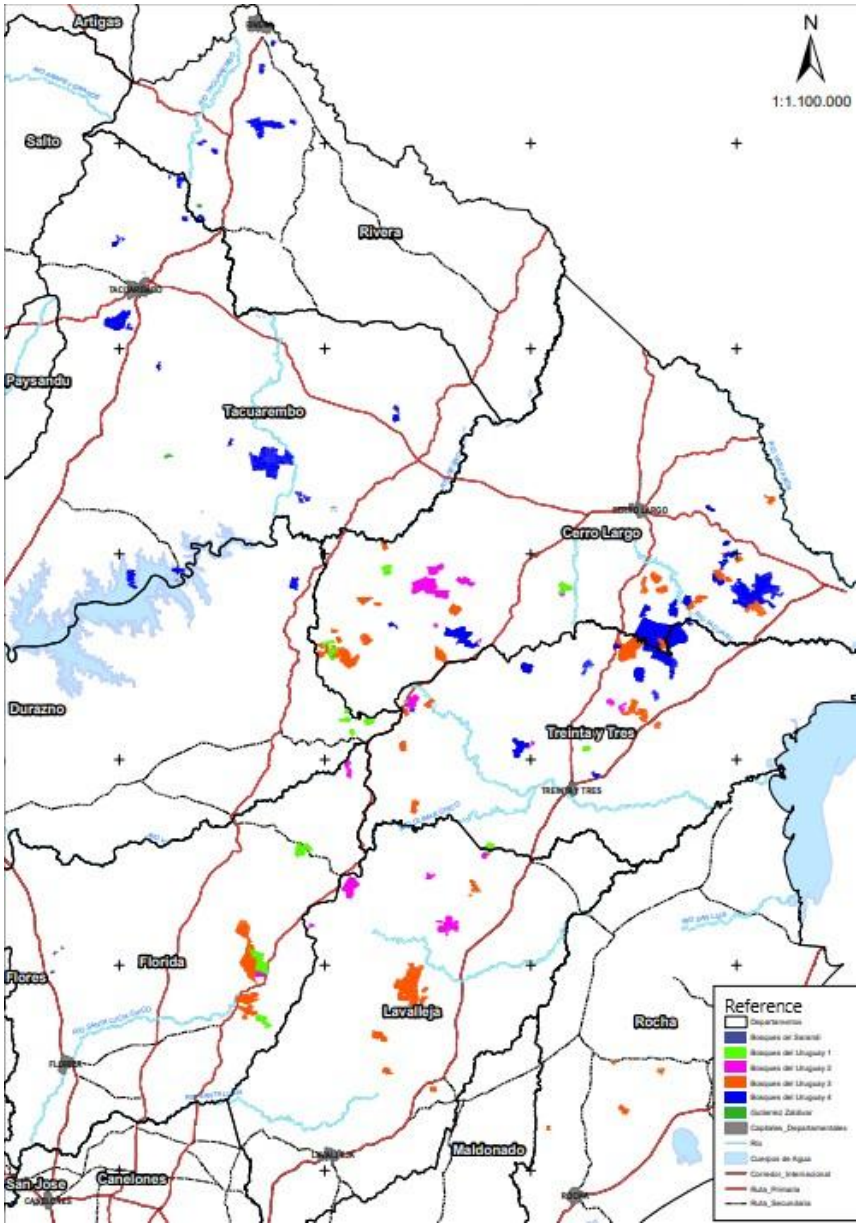
The total certified areas are outlined in the table below:

DESCRIPTION	OWNERSHIP	TOTAL AREA (ha)	LONGITUDE E/W	LATITUDE N/S
FFFBDU I	OWNER	9,544.29	55°16.409' W	32°47.835' S
FFFBDU II	OWNER	14,703	54°53.671' W	32°38.217' S
FFFBDU III	OWNER	25,362.58	55°25.148' W	34°42.940' S
FFFBDU IV	OWNER	54,764	54°00'31.3171°W	32°44'37.1801" S
BOSQUES DEL SARANDI	OWNER	184.96	56°15'26.36" W	33°46'55.93" S

The total certified area of all members 104,558.83 hectares, with 80,822.59 hectares effectively planted.

AGRO EMPRESA FORESTAL GROUP

The locations and boundaries of the farms comprising the AF GROUP are detailed below:



Light Green: BDU I

Pink: BDU II

Orange: BDU III

Light Blue: BDU IV

Dark Blue: Bosques del Sarandí

Table No. 1. Farms Belonging to Bosques del Uruguay I:

FARM	DEPARTAMENT	AREA (ha)
Caputti	Cerro Largo	516.83
Don Ramón	Cerro Largo	806.49
Arévalo	Cerro Largo	710.06
Cañada Brava	Cerro Largo	438.84
Sequeira	Treinta y Tres	239.84
María Albina	Treinta y Tres	588.45
Reboledo	Florida	837.52
Las Rengas I	Durazno	358.87
El Cerco	Durazno	203.59
Puntas del Cordobés	Durazno	670.86
Don Chico	Florida	1,565.36
La Yeguada	Treinta y Tres	110.53
Las Rengas II	Durazno	196.83
Mi Generala	Florida	2,319.81

Table No. 2. Farms Belonging to Bosques del Uruguay II:

FARM	DEPARTAMENT	AREA (ha)
Los Ceibos	Lavalleja	2.161.80
La Cascada	Lavalleja	248.96
La Yeguada 2	Treinta y Tres	1,059.51
Las Vertientes	Treinta y Tres	542.25
Flores	Treinta y Tres	48.09
Silva Canosa	Treinta y Tres	103.15
Santa Amalia	Cerro Largo	992.02
Doña Hilda	Cerro Largo	1,298.71
Piñeiro	Cerro Largo	802.80
Settembri	Cerro Largo	1,139.28
El Estribo	Lavalleja	1,996.89
Doña Silva	Cerro Largo	100.58
Godoy	Lavalleja	111.51
El Nido	Cerro Largo	109.54
Zapican	Lavalleja	310.28
Los Morochos	Florida	774.56
Vicentino	Treinta y Tres	131.9
Santa Hildara	Cerro Largo	2,155.45
Heber	Florida	426.04

Fraile Muerto	Cerro Largo	189.15
La Yeguada 2	Treinta y Tres	1,059.48

Table No. 3. Farms Belonging to Bosques del Uruguay III:

FARM	DEPARTMENT	AREA (ha)
Piopardo	Lavalleja	322.4
Los Mochos	Lavalleja	247.8
Cerro Copetón	Florida	6,222.2
Jangada	Cerro Largo	442.6
Las Grutas	Cerro Largo	577.9
Don Saturnino	Cerro Largo	145.9
Don Pancho	Lavalleja	6,716.2
Casa Bonita	Lavalleja	910.7
Las Urracas	Lavalleja	481.7
Cruz Roja	Florida	1,788
Las Mimadas	Treinta y Tres	274.77
Las Flacas	Treinta y Tres	496.8
Matador	Treinta y Tres	617.98
Italiano	Treinta y Tres	562.80
La Loma	Treinta y Tres	706.72
Taruman I and II	Lavalleja	1,057.04
Manolete	Cerro Largo	3,042.08
El Principio	Lavalleja	340.83
Los Paraisos	Lavalleja	150.91

Table 4. Farms Belonging to Bosques del Uruguay IV:

FARM	DEPARTMENT	AREA (ha)
Santa Sofía	Cerro Largo	4,690.3
Azotea de Ramírez	Cerro Largo	4,426.4
Tupambae	Cerro Largo	3,227.49
Isla Patrulla	Treinta y Tres	1,452.8
Azotea Norte	Cerro Largo	698.54
Carballo	Treinta y Tres	877.83
Marquez Nicader	Cerro Largo	403.46
Monteiro	Cerro Largo	154.23
Nora Mendez	Cerro Largo	168.31
Tupambae 2	Treinta y Tres	828.81
El Yugo	Treinta y Tres	4,243.76

Wilkins	Treinta y Tres	84.19
Mederos	Cerro Largo	662.53
Da Rosa	Cerro Largo	164.53
Los Pindo	Rivera	213.60
Paso de la Arena	Rivera	209,61
Quebracho	Tacuarembó	4,829.56
Macroplan	Tacuarembó	1,659.08
Iacovazzo	Treinta y Tres	259.76
Ferrari	Cerro Largo	378.69
Burgos	Treinta y Tres	200
Cordeiro	Cerro Largo	405.55
Frimosa	Tacuarembó	678.5
La Azotea	Tacuarembó	82.87
La Micaela	Cerro Largo	613.44
Meneses	Cerro Largo	118.33
El Gavilan	Treinta y Tres	288.63
Paiva	Treinta y Tres	71.36
Mendez	Durazno	835.1
Ibarra	Cerro Largo	256.38
Zito	Treinta y Tres	500.45
El Naranjo	Rivera	465
Derley Gonzalez	Cerro Largo	48.5
Ramos	Cerro Largo	165.64
Casas	Cerro Largo	404.17
Barros	Cerro Largo	194.07
Gonzalez Araujo	Cerro Largo	51.22
Echeverría	Cerro Largo	164.89
Barra de Ataques	Tacuarembó	351.05
Batovi	Tacuarembó	202.77
Regis	Cerro Largo	588.65
Las Cañias	Cerro Largo	7,224.42
Luce	Treinta y Tres	381.64
Achara	Treinta y Tres	1,290.33
Techera	Cerro Largo	59.48
Itapel	Rivera	339.57
Caraguata	Tacuarembó	408.83
Paso Livindo	Tacuarembó	279.63
Paso de las Carretas	Tacuarembó	316.05
Nueva Esperanza	Rivera	3,178.8
Caraballo	Treinta y Tres	156.85

Santa Genoveva	Tacuarembó	1,089.19
Dellepiane	Cerro Largo	699.00
Tacuarí	Cerro Largo	509.60
Caraballo	Treinta y Tres	156.85
Laureles I and II	Tacuarembó	683.68

Table No. 5. Farms Belonging to Bosques del Sarandí:

FARM	DEPARTMENT	AREA (ha)
La Cercana I	Florida	71.80
La Cercana II	Florida	76.64
La Cercana III	Florida	52.98

1.3 Sustainable Forest Management Policy

Managers and contractors conduct operations in accordance with the Sustainable Forest Management Policy of the Agro Empresa Forestal S.A. GROUP (AF GROUP), as outlined below:

SUSTAINABLE FOREST MANAGEMENT POLICY

The **Forests comprising "AGRO EMPRESA FORESTAL GROUP"** are committed to environmental stewardship. We prioritize the efficient and rational use of natural resources by minimizing pesticide use and strictly avoiding those that are prohibited. Respecting and protecting these resources is aligned with our commitment to continuous improvement.

We are committed to reducing the negative impacts of our operational processes on both our employees and on the environment, ensuring their health and safety. To this end, we comply with all the applicable regulations and requirements.

We strive to contribute to the economic and social development of local communities by creating and promoting forestry employment opportunities.

We ensure that our employees are trained to be environmentally responsible and committed to their daily work.

We provide our employees, neighboring communities and other stakeholders with relevant and accurate information on the environmental and the social standards under which our operations are conducted.

We also encourage the key suppliers of the **AF GROUP** to comply with our Sustainable Forest Management Policy.

At the **AF GROUP**, we operate in accordance with economic, social, and environmental principles that demonstrate our long-term commitment to Forest Management under responsible management standards. We comply with the Principles and Criteria of the Forest Stewardship Council ® (FSC – C 129543).

We seek to maximize the economic benefit of Bosques del Uruguay trusts while fully upholding the standards outlined in this policy

Francisco Bonino
CEO

1.4 Objectives of the Forests Integrated into the AF GROUP and their Management System on the Farms

The main objective of this project is to produce high-quality timber (free of knots) from forest plantations of exotic species (*Eucalyptus and Pinus*) to generate revenues for its shareholders. The company aims to achieve this goal by focusing on the following targets:

1.Protect the environment to develop a long-term sustainable project and preserve natural resources for future generations.

2.Produce high-quality forest products in sufficient volumes to meet and satisfy the expectations and requirements of our customers, using modern silvicultural techniques and production processes that add value to our plantations.

3.Maximize profitability for our shareholders to ensure the project's future financing.

4. Operate within a framework of ethics and respect, in compliance with current legislation.

5.Foster good relationships with suppliers and neighbors, considering them as key allies in the execution of this project.

6.Establish a strong presence in the region as a leading forestry company that, through its management practices, promotes the social development of local populations and communities by creating employment opportunities and training its personnel.

Additionally, all members of the AF GROUP certification scheme fully adhere to the principles of good forest management and are committed, in the medium-term, to socially, environmentally, and economically responsible forest management, in full compliance with current legislation.

The members of the AF GROUP certification scheme are committed to avoiding direct or indirect involvement in the following activities:

- Illegal logging or trade of wood or forest products.
- Violations of human or traditional rights in forestry operations.
- Destruction of high conservation values in forestry operations.
- Significant conversion of forests into plantations or non-forest land uses.
- Introduction of genetically modified organisms into forestry operations.
- Violation of any ILO Core Conventions, as defined in the ILO Declaration on Fundamental Principles and Rights at Work (1998).
- Engage in any corrupt practices or activities.

This policy is implemented, audited, reviewed and communicated to all stakeholders

of the company.

Francisco Bonino

CEO

AGRO EMPRESA FORESTAL GROUP

The following are the management objectives defined by the company:

MANAGEMENT OBJECTIVES

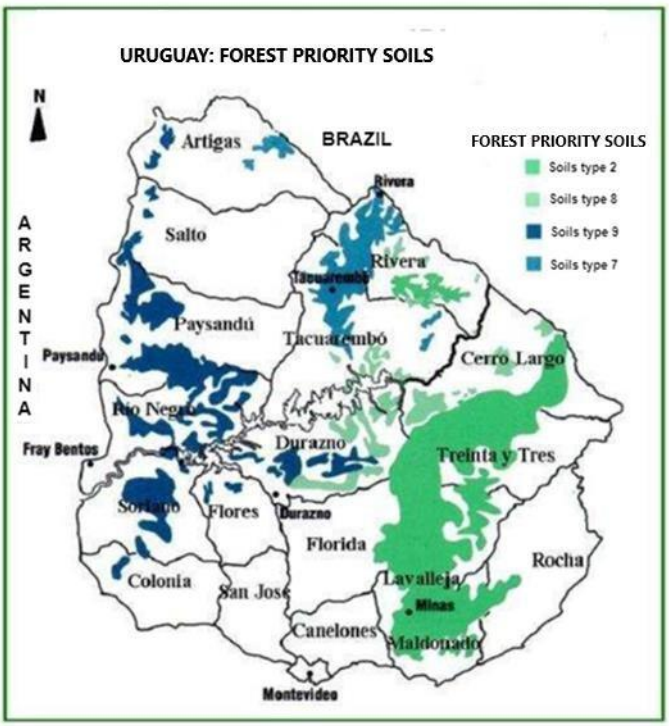
UNIT: BDUs Annual Strategic Planning and Monitoring					
	OBJECTIVE	**Indicator Parameter**	**Resources**	**Action Plan**	**TARGET**
BDU HARVEST	Comply with monthly supply volume	m^3 shipped / m^3 agreed x 100	1) Time 2) Economic	**1) Annual planning of activities 2) Weekly review with the client 3) Monthly follow-up and closure**	**SALES: 100% of m^3 agreed per month +/- 10%.**
	Comply with monthly production volume	Harvested volume / agreed volume x 100	1) Time 2) Economic	**1) Annual planning of activities 2) Weekly review with the client 3) Monthly follow-up and closure**	**PRODUCTION: 100% of m^3 agreed per month +/- 15%.**
	Comply with the seasonal planting area plan	Planted area / planned area * 100	1) Time 2) Economic	**1) Plantation planning**	**95%**
	Hold follow-up group meetings with contractors (contractor evaluation)	Number of meetings held / number of meetings planned * 100	1) Time 2) Economic	**1) Planning meetings with contractors and ongoing training**	**100%**
BDU SILVICULTURE	Review hectares (herbicide application, pruning)	(Number of hectares reviewed / number of hectares planted) * 100	1) Time 2) Economic	**Monthly monitoring of quality plots**	**< 5%**
	Improve product quality	Number of cases of phytotoxicity	1) Time 2) Economic	**Monthly monitoring of quality plots**	**3%**
	Comply with the seasonal planting area plan	Planted area / planned area * 100	1) Time 2) Economic	**1) Plantation planning**	**95%**
	Evaluate contractors monthly	Evaluations conducted and number of meetings held/ number of meetings planned * 100	1) Time 2) Economic	**1) Planning meetings with contractors and ongoing training ***	**100%**
BDU ENVIRONMENT AND COMMUNITY	Protect the environment	Number of complaints received	1) Time 2) Economic	**1) Contractor training on FSC and sustainable forest management policy**	**0 complaints**
	Act ethically and in compliance with current legislation	Ensure compliance with legal requirements at the national level	1) Time 2) Economic	**1) OVAL system checks, safety inspections and environment monitoring**	**0 deviations**
	Foster good relationships with suppliers and neighbors, recognizing them as key allies in the execution of this project	Number of claims and complaints received	1) Time 2) Economic	**1) Direct contact with suppliers, clarity in evaluations, monthly submission of obtained percentages 2) Engage with the community and respect for their customs**	**0 complaints**
	Establish a strong position as a leading forestry company that, through its management practices, promotes social development, creates employment opportunities, and provides employee training	Survey results	1) Time 2) Economic	**1) Engage with the community and relevant stakeholders 2) Provide training to the community on forestry sector-related issues**	**85% satisfaction**
BDU SOCIAL ASPECT	Clearly communicate our principles and values to stakeholders and communities, in alignment with sustainable development objectives and certification frameworks	Survey results	1) Time 2) Economic	**1) Engage with the community to understand their customs 2) Provide training to the community on forestry sector-related issues**	**85% satisfaction**
	Ensure transparency in the use of resources allocated to community development	100% of expenses, matching what was requested and delivered	1) Time 2) Economic	**Donations**	**100% of approved donations fulfilled**
	Promote a vision of co-responsibility in development processes, avoiding overlaps and fostering collaboration with existing public and private resources in each community	100% of requested expenses verified to ensure they do not overlap with other expenses	1) Time 2) Economic	**Donations, resource analysis**	**100% of approved donations fulfilled**
	Collaborate with other companies in the sector where common interests are identified, to optimize resources and maximize the impact of actions	Number of projects in collaboration with other companies	1) Time 2) Economic	**Donations, roads, air improvement, training, etc.**	**1 collaborative project per year with other companies**

2. ENVIRONMENTAL CONTEXT

2.1 Natural Resources

2.1.1 Soils and Topography

In Uruguay, forestry policy has designated certain soils as *Forest Priority Soils*. The figure below shows these areas, as defined under Law No. 15,939:



The predominant soils of the farms are outlined in the table below:

Table No. 1: Predominant Soils on the Farms

Brief Description of Predominant Soils:

Soils from Groups 2 and 8: These account for more than 80% and 90% of the surface area on the farms where they are present and have been classified by the Ministry of Livestock, Agriculture and Fisheries as *Forest Priority Soils*. The flattened rocky hills are the highest parts of the group, with a surface characterized by a high density of rock outcrops (40%).

- Soils 2.10: This soil type is characterized by the presence of very rocky, generally oriented SW-NE. The flattened rocky hills are the highest areas within the group, with a surface that exhibits a high density of rock outcrops (40%).

- Soils 2.11a: This soil type is characterized by rocky hills with strongly undulating landscapes and slopes ranging from 5% to 20%. The rocky areas can cover up to 10% of the surface.
- Soils 2.11b: This soil type is characterized by rocky hills undulating landscapes and slopes greater than 15%. Rocky areas can cover between 10% and 40% of the surface, with significant exposed rock.
- Soils 2.12: This soil type is characterized by non-rocky hills with undulating to strongly undulating relief and rock outcrops generally covering less than 5% of the area. Slopes vary between 5% and 15%. Vegetation is grassland with a predominantly summer growth cycle, sometimes accompanied by shrubland and hillside forest, generally found in gorges and concave areas.
- Soils 2.13: This soil type is characterized by flattened non-rocky hills associated with undulating non-rocky hills, featuring extended flattened or slightly undulating interfluves in the upper areas (slopes of 1–2%) and slopes of 4–8% on steeper sides.
- Soils 2.14: This soil type is characterized by non-rocky hills with strongly undulating, broken, or steep relief, featuring rocky outcrops and slopes ranging from 3% to 12%.
- Soils 2.20: This soil type is characterized by extensive hills with undulating to strongly undulating relief, generally with flat interfluves and sparse or absent rock outcrops, associated with narrow dissecting valleys along drainage ways.
- Soils 2.21: This soil type is characterized by hills with convex interfluves and slopes between 6% and 12%. Soils are classified as *Luvic Brunosols* (maximum Brown Grasslands), loamy, and *Melanic Abruptic Argiudolls*, loamy and sometimes moderately deep (Flatland Grasslands).

Soils from Group 3.2: This group comprises low floodplains that remain inundated for several months of the year, with pronounced mesorelief along the main drainage ways. The soils are of alluvial origin and are classified as *Melanic Heterotextural Fluvisols*, with sandy and loamy textures (*Alluvial Soils*).

Soils from Group G03.21: This group comprises medium and high plains, either adjacent or not to drainage ways. Slopes are nearly 0%, although mesorelief may be present.

- Soils 8.1: This soil type is characterized by steep, non-rocky sedimentary hills with slopes ranging from 5% to 10%. Associated soils are *Typical Ochric Luvisols* (*Sandy Grasslands*), moderately deep, dark brown, with a loamy texture, good drainage, and low fertility.
- Soils 8.14: This group is found in small areas in Rincón de Zamora and along Route 59, south of Arroyo Malo. It is characterized by steep hills with slopes between 4% and 6%. These soils are *Typical Sub-eutric Brunosols* (*Sandy Grasslands*), moderately deep, very dark grayish brown, with a sandy clay loam texture, well-drained, and of medium fertility.
- Soils 8.3: This soil type is characterized by somewhat rocky sedimentary hills with slopes ranging from 8% to 12%. The dominant soils are shallow *Ochric*

Inceptisols (*Regosols*), grayish brown, with a sandy loam texture, good drainage, and low fertility.

- Soils 8.8: This soil type is characterized by somewhat rocky sedimentary hills with slopes ranging from 5% to 10%.

The associated soils are *Abruptic Umbric/Ochric Luvisols* (maximum Brown Grasslands), deep and dark brown, with a sandy loam texture, well-drained, and of very low fertility. Additionally, there are *Typical Umbric/Ochric Acrisols* (Sandy Grasslands), deep, dark reddish-brown, with a sandy clay loam texture, well-drained, and of extremely low fertility.

2.1.2 Climate

Uruguay is located between 30° and 35° south latitude. According to the Köppen classification, it has a humid temperate climate (Cfa), with rainfall distributed throughout the year. This is an isohygrous regime, characterized by relatively uniform precipitation over the course of the year but with considerable interannual variation.

Atmospheric demand, however, fluctuates significantly, resulting in water deficits during the summer (January being the warmest month) and surpluses during the winter (July being the coldest month).

Frosts primarily occur between May and August, which restricts the establishment of *Eucalyptus* plantations outside this period, as the genus is poorly tolerant to frost.

The main climatic variables for the region, based on long-term records from the Rivera and Melo Meteorological Stations—the closest stations with extended datasets—are presented below:

Table No. 1. Average Temperature and Precipitation for the Department of **Treinta y Tres** (1991 to 2020):

	Average 1991-2020
Mean Annual Temperature (ºC)	16.8
Absolute Maximum Temperature (ºC)	38.5
Absolute Minimum Temperature (ºC)	-5.0
Mean Maximum Temperature (ºC)	22.9
Mean Minimum Temperature (ºC)	11.2
Cumulative Annual Precipitation (mm)	1,423
Days with Precipitation >1 mm	86

Source: National Directorate of Meteorology (official website)

Standardized Precipitation Index (SPI): 0.38

Table No. 2. Average Temperature and Precipitation for the Department of **Cerro Largo** (1991 to 2020):

	Average 1991-2020
Mean Annual Temperature (ºC)	17
Absolute Maximum Temperature (ºC)	40.4
Absolute Minimum Temperature (ºC)	-11
Mean Maximum Temperature (ºC)	23.4
Mean Minimum Temperature (ºC)	11
Cumulative Annual Precipitation (mm)	1,414
Days with Precipitation >1 mm	87

Source: National Directorate of Meteorology (official website)

Table No. 3. Average Temperature and Precipitation for the Department of **Florida** (1991 to 2020):

	Average 1991-2020
Mean Annual Temperature (ºC)	17
Absolute Maximum Temperature (ºC)	40.4
Absolute Minimum Temperature (ºC)	-11
Mean Maximum Temperature (ºC)	23.4
Mean Minimum Temperature (ºC)	11
Cumulative Annual Precipitation (mm)	1,259
Days with Precipitation >1 mm	85

Source: Web page of the National Directorate of Meteorology

SPI: 0.61

Table No. 4. Average Temperature and Precipitation for the Department of **Tacuarembó** (1991 to 2020):

	Average 1991-2020
Mean Annual Temperature (ºC)	19
Absolute Maximum Temperature (ºC)	42.0
Absolute Minimum Temperature (ºC)	-6
Mean Maximum Temperature (ºC)	26
Mean Minimum Temperature (ºC)	11
Cumulative Annual Precipitation (mm)	1,565
Days with Precipitation >1 mm	91

Source: Web page of the National Directorate of Meteorology

Table No 5. Average Temperature and Precipitation for the Department of **Rivera** (1991 to 2020):

	Average 1991-2020
Mean Annual Temperature (ºC)	18.1
Absolute Maximum Temperature (ºC)	41.5
Absolute Minimum Temperature (ºC)	-5.0
Mean Maximum Temperature (ºC)	23.4
Mean Minimum Temperature (ºC)	12.7
Cumulative Annual Precipitation (mm)	1,584
Days with Precipitation >1 mm	86

2.1.3 Water Resources

Due to the country's topography, there is little elevation difference between the headwaters and the mouths of watercourses, resulting in slow water flow and meandering channels.

These watercourses are fed primarily by rainfall, which leads to highly variable flow patterns, and are also replenished by groundwater. This dual input ensures that rivers and major streams do not dry up, even during periods of water deficit.

Smaller streams (*cañadas*) are more sensitive and subject to intermittent flow depending on climatic conditions.

The lengths of watercourses located in and around the farm areas are as follows:

MEMBERS	**HYDROGRAPHY (mt)**
BDU I	221,875.4
BDU II	30,375.8
BDU III	100,592
BDU IV	404,765
BOSQUES DEL SARANDI	ARTIFICIAL LAKE FOR IRRIGATION

The water resources in the area are preserved to prevent any type of pollution resulting from the operations conducted on the farms. To this end, the Work Instructions (WI) for each activity provide the necessary guidelines for the conservation of these resources (e.g., WI for agrochemical management, WI for road construction and maintenance, etc.).

Additionally, biological corridors and buffer zones are designated in proximity to these

water resources (see Section 3.8.3.1).

There are no Ramsar Sites located within or near the farms.

2.1.4. Flora and Fauna

The following **objectives** are established based on the environmental characterization of the Flora and Fauna on the **AF GROUP** farms:

Flora

a) Conduct a floristic characterization of the different areas comprising the farms.

b) Identify areas of significant conservation interest, whether due to species present, landscape, or other relevant characteristics.

c) Describe the different environments and, where appropriate, update the company's maps according to vegetation types.

d) Estimate floristic diversity in selected areas, focusing on woody vegetation and listing the dominant herbaceous species.

e) Collect basic data to enable future comparisons.

f) Identify species included in the listings of the National System of Protected Areas [SNAP, for its acronym in Spanish].

g) Establish management guidelines adapted to the different situations, prioritizing the conservation of flora and vegetation.

h) Detect potential threats or changes affecting the conservation status of the farms.

i) Comply with the 2015–2020 Strategic Plan of the National Directorate of Environment [DINAMA, for its acronym in Spanish].

j) Identify potential areas and forests with High Conservation Value (HCV).

k) Monitor the conservation status of sites already designated as HCV areas.

Fauna

a) Become familiar with the study area and identify its main environmental components.

b) Assess the degree of naturalness of the farms and evaluate their potential to harbor tetrapod fauna.

c) Detect the presence of tetrapod fauna species (amphibians, reptiles, birds and mammals) as a preliminary step toward the necessary surveys.

d) Monitor the implementation of management guidelines that prioritize the conservation of fauna and habitats in HCV areas.

e) Comply with the 2015–2020 Strategic Plan of the DINAMA.

f) Identify potential areas and forests with HCV.

g) Monitor the conservation status of sites already designated as HCV areas.

Main Contributions of the Fauna and Flora Study - Environmental Characterization of the Fauna and Flora on the BDUs and Bosques del Sarandí Farms:

The environmental characterizations of the farms integrated into the BDU I GROUP were conducted in 2015. Those for the farms integrated into BDU II GROUP were conducted in 2017, and for the properties integrated into the BDU III GROUP in 2018.

In 2019, the environmental characterizations began for the farms integrated into the BDU IV GROUP. Survey studies are also conducted for new properties to be incorporated into the certification of members BDU III and BDU IV, which are the groups that still have uncertified farms.

The following guidelines are established for monitoring FAUNA in farms containing HCV areas:

Monitoring of all farms

Monitoring consists of two visits per year, with each visit estimated to require two days per farm.

General aspects to be monitored across all farms:

1) Overall species richness (number of different species) for each zoological class studied (amphibians, reptiles, birds and mammals) at the farm level.

2) Specific richness by environment within each farm, determining the number of different species in each of the most relevant environments.

3) Proportion of resident and migratory bird species. The proportion of migratory species within the total number of species detected serves as an indicator of the environmental suitability for conservation.

4) Proportion of bird species classified by frequency of observation. The categories considered are Common, Fairly Common, Uncommon and Rare (Azpiroz, 2003).

5) Continued presence or absence of species listed under the International Union for Conservation of Nature (IUCN) threat categories, both on a global scale (across their full distribution) and specifically for the region.

6) Continued presence or absence of species included in the List of Priority Species for Conservation in Uruguay (Soutullo *et al*., 2013).

Note: These monitoring guidelines apply equally to all farms currently in the GROUP or that may be added to it in the future, unless otherwise instructed by a qualified expert.

FAUNA MONITORING IN CERRO COPETÓN

General aspects are monitored across all farms.

LOWESTON FARM- HCV 6 - MONITORING

Presence of weeds near the site (a 3-meter radius around the site must be free of any weeds).

Presence of machine tracks (a 10-meter radius around the site must be free of any tracks or machine passage).

Presence of invasive or exotic species (a minimum of 10 meters must be kept free of invasive or exotic species).

Distance to plantation (must be at least 10 meters).

Verification of signage indicating an area with HCV (specific signage must be installed at the site).

Guidelines for monitoring the FLORA of farms containing areas with HCVs:

FLORA MONITORING IN DON RAMÓN - AREAS WITH HCVs

Considering all priority areas as a whole, the following monitoring guidelines are established with the primary objective of assessing the conservation status of representative and high-value ecosystems.

In all cases, the species list will serve as a reference.

1) Annual Inspections:

Company operators carry out annual visual assessments, focusing on:

a) Presence of natural regeneration of woody species (*Eucalyptus, Pinus,* etc.) to unwanted areas.

b) Presence of invasive species populations within native forests.

c) Execution of extra-stand forestry practices encroaching into representative conservation areas.

d) Condition of natural grassland areas on the farm (pasture height, percentage of soil cover, erosion).

2) Specialist Surveys in Areas with HCVs:

Experts will conduct surveys in areas with HCVs using the following procedures:

a) Quantification of natural regeneration (number of specimens per species).

b) Number of vegetation strata present.

c) Number of different terrestrial and rupicolous species observed.

d) Condition of natural grassland areas on the farm (see below).

Grassland Condition Assessment

The balance between the botanical composition of the grassland and grazing is dynamic, resulting in different states depending on the environmental potential. These changes can be permanent or temporary, depending on the intensity of the intervention. Vegetation analysis is required to determine whether these changes correspond to degradation or regeneration processes.

Variables used to assess vegetation conditions:

1- Total number of species present compared to the potential number of species in the habitat.

2- Reduction or loss of species.

3- Presence of non-native species.

4- Replacement of dominant vegetation types within the communities.

5- Lack of soil cover.

FLORA MONITORING IN DON CHICO - AREAS WITH HCVs

The monitoring procedure involved assessing the following items:

1) Presence of species under the SNAP to assign a relative value of importance or significance to each area under study.

2) Possible fragmentation or discontinuity of areas and biological corridors.

3) Potential deterioration of buffer zones surrounding Representative Areas (RAs) and areas with HCVs.

4) Presence of natural regeneration of *Eucalyptus spp., Ligustrum lucidum* or populations of other invasive woody plant species within native forests or grassland areas.

5) Execution of extra-stand forestry practices encroaching into Conservation Areas (broadly defined).

6) Condition of natural grassland areas on the farm based on the management practices, including height of leaf horizon in pastures, percentage of soil covered, degree of erosion, presence of invasive herbaceous plants, dominant vegetation types, etc.

FLORA MONITORING IN MI GENERALA - AREAS WITH HCVs

The monitoring procedure involved assessing the following items:

a. Presence of species under the SNAP to assign a relative value of importance or significance to each area under study.

b. Possible fragmentation or discontinuity of areas and biological corridors.

c. Condition of buffer zones surrounding RAs and areas with HCVs.

d. Presence of natural regeneration of woody invasive species within both native forests and grassland areas.

e. Execution of extra-stand forestry practices encroaching into Conservation Areas (broadly defined).

f. Condition of natural grassland areas on the farm based on management practices,

including height of leaf horizon in pastures, percentage of soil covered, degree of erosion, presence of invasive herbaceous plants, dominant vegetation types, etc. (as detailed in the accompanying table).

FLORA MONITORING IN SILVA CONOSA AND FLORES - AREAS WITH HCVs

- Possible fragmentation or discontinuity of areas and biological corridors.
- Natural regeneration of cultivated forest species into unwanted areas.
- Presence of invasive species within areas with HCVs and RAs.
- Execution of extra-stand forestry practices.
- Condition of non-forest areas, fences and signage.
- Floristic surveys in RAs (frequency to be defined) are conducted to update the baseline, with emphasis on the visual assessment of:

a) Ground cover and vegetation description, including an extended species inventory to update the baseline.

b) Presence of species populations listed under the SNAP and the Convention on International Trade in Endangered Species of Wild Fauna and Flora [CITES, for is acronym in Spanish] within the different described environments.

FLORA / FAUNA MONITORING – FRAILE MUERTO

- Verification of the presence of species listed under the SNAP.
- Potential fragmentation or discontinuity of areas and biological corridors.
- Potential deterioration of buffer zones surrounding areas with HCVs.
- Presence of natural regeneration of *Eucalyptus* and *Pinus* species, or populations of other invasive woody plant species, within native forests or natural grassland areas.
- Execution of extra-stand forestry practices.
- Condition of natural grassland areas based on management practices, including height of leaf horizon in pastures, percentage of soil cover, degree of erosion, presence of invasive herbaceous plants, etc.

FLORA MONITORING IN LAS GRUTAS AND JANGADA AREAS WITH HCVs

- Verification of the presence of species under the SNAP.
- Possible fragmentation or discontinuity of areas and biological corridors.
- Possible deterioration of buffer zones surrounding HCVs and Ras.
- Presence of natural regeneration of Eucalyptus and Pinus species or populations of other woody invasive species within native forests or grassland areas.
- Execution of extra-stand forestry practices encroaching into Conservation Areas.

• Condition of natural grassland areas on the farm according to the management practices, including height of leaf horizon in pasture, percentage of soil covered, degree of erosion, presence of invasive herbaceous plants, etc.

• Verify whether the geo-referenced populations of *Austroblechnum divergeus* and *lomariocycas* are still present and if new locations have been added.

FLORA MONITORING IN LA CASCADA, EL YUGO AND TUPAMBAE - AREAS OF SPECIAL CONSERVATION INTEREST [APIC, for its acronym in Spanish]

a. Visual inspections are carried out every 5 years by company operators to assess:

i. Possible fragmentation or discontinuity of areas and corridors.

ii. Natural regeneration of cultivated forest species to unwanted areas.

iii. Population of invasive species within APICs and RAs.

iv. Extra-stand forestry practices.

v. Condition of non-forested areas, fences and signage.

b. Floristic surveys in APICs are carried out every 5 years to update the baseline with emphasis on the visual assessment of:

i. Ground cover (herbaceous strata) and vegetation description, including a species survey to extend the baseline.

ii. Vertical structure of the native forest, identifying the contribution of each understorey stratum: mulch + herbaceous plants + natural regeneration.

iii. Presence of populations of species listed under SNAP/CITES in the different environments described.

iv. Monitoring of geo-referenced cacti populations.

Note: The company has established that all farms containing APICs will be monitored every 5 years.

FLORA MONITORING IN SANTA SOFIA:

a. Visual inspections are carried out annually by company operators to assess:

i. Possible fragmentation or discontinuity of areas and corridors.

ii. Natural regeneration of cultivated forest species to unwanted areas.

iii. Population of invasive species within areas with HCVs and RAs.

iv. Extra-stand forestry practices.

v. Condition of non-forested areas, fences and signage.

b. Floristic surveys in areas with HCVs are carried out every 3 years to update the baseline, with emphasis on the visual assessment of:

i. Ground cover (herbaceous strata) and vegetation description, including a species survey to extend the baseline.

ii. Vertical structure of the native forest, identifying the contribution of each understorey stratum: mulch + herbaceous plants + natural regeneration.

iii. Presence of populations of species listed under SNAP/CITES in the different environments described.

iv. Monitoring of geo-referenced cacti populations.

FLORA MONITORING IN QUEBRACHO

a. Visual inspections are carried out annually by company operators to assess:

i. Possible fragmentation or discontinuity of areas and corridors.

ii. Natural regeneration of cultivated forest species to unwanted areas.

iii. Population of invasive species within areas with HCVs and RAs.

iv. Extra-stand forestry practices.

v. Condition of non-forested areas, fences and signage.

b. Floristic surveys in areas with HCVs are carried out every 3 years to update the baseline with emphasis on the visual assessment of:

i. Ground cover (herbaceous strata) and vegetation description, including a species survey to extend the baseline.

ii. Vertical structure of the native forest, identifying the contribution of each understorey stratum: mulch + herbaceous plants + natural regeneration.

iii. Presence of populations of species listed under SNAP/CITES in the different environments described.

iv. Monitoring of geo-referenced cacti populations.

FLORA MONITORING IN LAURELES I and II (HCV 1)

i. Possible fragmentation or discontinuity of areas and corridors.

ii. Natural regeneration of cultivated forest species to unwanted areas.

iii. Population of invasive species within areas with HCVs and RAs.

iv. Extra-stand forestry practices.

v. Condition of non-forested areas, fences and signage.

vi. Presence of populations of species listed under SNAP/CITES in the different environments described.

FAMILY CEMETERY (GRAVES) MONITORING – LAURELES I AND II HCV 6

Visual inspections are conducted to assess:

i. The presence of weeds near the graves.

ii. The presence of signage indicating the area with HCV.

iii. The conservation status.

iv. The absence of machine tracks.

v. The planting distance.

vi. The presence of natural regeneration.

Development of Flora and Fauna Monitoring:

MI GENERALA

It has been confirmed that this farm has an area with HCVs identified as HCV 1, in accordance with FSC Principle 9, from a floristic standpoint. Its main objective is to conserve specimens of *Grazielia brevipetiolata* and to promote its repopulation throughout the surrounding hilly area.

DON CHICO

It has been confirmed that this farm contains areas of rocky grasslands that justify its classification as HCV 1 from a floristic standpoint, given the diversity of species.

Based on the current degree of development, conservation, and continuity of ecosystems and habitats around the Molles del Pescado stream, this monitoring confirms the classification of the area with HCV as HCV 3.

DON RAMÓN AND FRAILE MUERTO - FLORA AND FAUNA:

It was concluded that the DON RAMÓN farm contains areas of rocky grasslands that justify its classification as **HCV 1** from a floristic standpoint, given the diversity of species.

The population of the tree fern ***Dicksonia sellowiana*** **(ferns)** is conserved in a sector of the ravine forest.

FRAILE MUERTO – FLORA

The same ecosystems hosting HCVs identified on the Don Ramón farm are also found on this farm. As these farms are closely connected within a single, uninterrupted biological corridor, it is proposed that they be considered as a single study unit with HCV 1.

The Fauna Monitoring conducted in 2020 concluded that **DON RAMÓN** is an area with HCV, overlapping with approximately 20% of the territory classified as a Priority for Conservation in Uruguay. On this farm, the Cañada de la Coronilla and Cañada Fiera stream, along with their associated secondary streams, form part of the Tacuarí River basin, which is recognized for its native fauna and flora. This basin is also connected to Bañado de Medina, another area of high biodiversity value. Together with the rocky

outcrops and cliffs, these environments give the farm significant value as a conservation area.

FRAILE MUERTO – FAUNA

In this update, the only area with HCV identified is located on the Fraile Muerto farm, forming a natural extension of the HCV already identified in Don Ramón farm. No additional measures are needed beyond incorporating it into the regular systematic monitoring already in place. The area with HCV covers 65.79 hectares.

SILVA CANOSA - FLORA

It was concluded that the **SILVA CANOSA** farm contains an area with HCVs identified as **HCV 1**, because it harbors important populations of several priority vascular plant species.

It was also concluded that the **FLORES** farm contains a RA of native ecosystems that can be restored to natural conditions.

SANTA AMALIA - **FAUNA**

It was concluded that the **SANTA AMALIA** farm contains an area with HCV, overlapping with 20% of the territory considered Priority for Conservation.

LA CASCADA - FLORA

It is possible to identify **APICs** within the farm. These areas contain priority vascular plant species, including two tiny *Cactaceae,* ***Frailea buenekeri and Frailea phaeodisca***.

EL YUGO – FLORA

No attributes indicating the presence of areas with HCVs were identified on the El Yugo farm. However, this farm has unique characteristics that justify its inclusion in the network of areas of interest for the conservation of the heritage managed by AF, under the category of APIC. This designation is based on the following factors: (i) the diversity of environments represented, (ii) their intra- and inter-farm connectivity, and (iii) the extensive areas of natural grassland on gently rolling hills not represented in other farms managed by AF. The proposed APIC, in this initial stage, covers approximately 890 hectares and includes more than 35 km of native forest and grassland corridors surrounding the Del Parao and De Otazo streams, as well as the natural grassland areas extending near the confluence of these streams.

LAS GRUTAS – FLORA

It has been confirmed that the **Las Grutas** farm contains an area with HCV classified as HCV 1.

This farm features three representative biomes: a) grassland associated with sandstone ledges, b) mid-slope and lowland areas surrounded by extensive native riparian forests and grasslands, and c) native forests connected to ravines and sandstone ledges.

In biomes (a) and (c), three highly significant fern species were recorded: ***Campyloneurum atlanticum, Austroblechnum divergens and Lomariocycas* aff. *exigua.***

CERRO COPETON – FLORA

It was concluded that the CERRO COPETON farm contains areas with HCV:

The unplanted areas contributing most to biodiversity conservation are those associated with the two main watercourses, particularly the section where the Arroyo del Tigre flows into the Arroyo Mansavillagra. This area overlaps the portion of the property falling within the 20% of the national territory designated as a Priority for Conservation, according to the SNAP-DINAMA.This area was identified as having High Conservation Value (HCV 1).

The historic area *Puesto de Lowestone* is considered as an area with HCV under the HCV 6 category.

JANGADA – FLORA

This area has been identified as containing High Conservation Value (HCV 1). It covers riparian forests with jungle-like characteristics and is home to populations of several vascular plant species of interest. Some of these species are considered as priority for conservation. The area also contains representative samples of ecosystems classified as threatened under the SNAP 2015–2020 Strategic Plan.

JANGADA – FAUNA

The values recorded, both in terms of specific richness and significance at the scale of largewatersheds, confirm that the Jangada farm contains an HCV area.

SANTA SOFIA - FLORA

This area has been identified as containing a High Conservation Value area (HCV 1) due to the presence of characteristic and representative *capones* (swamp forests) of the region. These complex ecosystems are composed of primary *capones* associated with humid forests considered rare in the country, found in patches that are relict areas of flora extending from Brazil. The designation is primarily based on the diversity of plant species present.

QUEBRACHO - FLORA

The riparian forest on the Quebracho farm has been identified as an area with HCV. It is part of an extensive area of natural forest, floodplains, and grasslands bordering the Río Tacuarembó. This is an area identified as HCV 1 as it hosts a notable abundance of species, including some areas of special conservation interest.

LAURELES I and II

In 2025, an environmental characterization survey was carried out to assess the current condition and verify whether the attributes indicated by TERENA for HCV 1 and HCV 6 are still present. The results are pending.

In the meantime, as a precautionary measure, the AF GROUP will conduct a Public Consultation with interested stakeholders, indicating that, under the precautionary principle, Laureles I and II are designated as containing an area with HCV 1 (51.97

ha) and another area with HCV 6 (0.03 ha).

The farms comprising the AF GROUP that have been identified as containing areas with HCVs are monitored annually by experts, who assess the indicators set out in the Monitoring Plan.

The AF GROUP has established the following sampling protocol for farms that do not have areas with HCV: the sample size is calculated as 0.5 times the square root of the total number of farms in the GROUP, and sampling is carried out over the certification cycle (5 years). This monitoring is conducted separately from farms that contain, or may in the future contain, HCV areas. The most representative farms are selected according to the established ranking.

Additionally, the Illegal and Biophysical Monitoring is conducted according to the schedule below:

- Once a year, the Farm Supervisor conducts an environmental survey.
- All relevant indicators are included in the Monitoring Plan.
- Surveillance reports are prepared for newly certified farms to verify compliance with the principles and criteria of the forest management standard.
- Random surveillance is also conducted on farms that are already certified.
- In the event of a complaint, the farm is visited at the time the complaint is received.

3. SOCIO-ECONOMIC CONTEXT

3.1 Development of Social Aspects - Relationship with the Community

Regarding community relations, Agro Empresa Forestal S.A. has established a specific section in charge of strategically managing the risks and opportunities arising from the operations carried out in the localities within each farm's area of influence.

Recognizing that building and strengthening these relationships requires time, the Company has integrated a long-term vision into all its actions, aimed at fostering community development while respecting local culture and traditions. At the same time, it engages with communities on medium- and short-term horizons, focusing primarily on the promotion, prevention, mitigation, and/or compensation of potential impacts related to its activities.

3.2 The Company and the Community – Objectives and Methodology

The Company engages with the community according to the Social Responsibility principles, assuming its role as a neighbor. By conducting sociocultural studies, possible connections are analyzed in different areas, for example:

a) Creating employment opportunities and using local services.

b) Collaborating on educational initiatives (talks, partnerships, etc.).

c) Delivering workshops on forest fire prevention and environmental protection in schools and high schools in both rural and urban areas of influence.

d) Installing signage as a communication tool for people in the Company's areas of influence and surrounding communities, including "slow down in populated areas," "do not litter," hazard warnings, points of interest, and informational signs.

e) Identifying occupational hazards and corresponding prevention measures for each activity, in order to maintain safe working conditions.

f) Training workers to prevent unsafe practices through safety plans developed jointly with each contractor.

g) each contractor to have a safety technician who reports to the AF Safety Department.

4. DESCRIPTION OF THE AGRO EMPRESA FORESTAL GROUP

4.1 Company Organization

AF is the business manager and legal entity of the GROUP. Founded in Uruguay in 2000, it is a market leader in forestry services and farmland management. The Company currently provides services to the Financial Forestry Trusts Bosques del Uruguay I, II, III, IV and Bosques del Sarandí.

AF oversees the development of the forests and the entire enterprise under a strict business plan, supported by a comprehensive results reporting system and continuous audits, ensuring investors a profitable stake in this productive project.

The Trustee of Bosques del Uruguay I, II, III, and IV is EF Asset Management, Administradora de Fondos de Inversión S.A. Established in 2003 by Ferrere Law Firm and CPA Ferrere in Uruguay, EF Asset Management, Administradora de Fondos de Inversión S.A. is the country's leading private trust manager, having issued the largest number of financial trusts in the Uruguayan market, including UTE 2004, Transporte Colectivo Urbano de Montevideo, CFP, NZFSU I, and Pronto!, among others.

Bosques del Sarandí operates as the sharecropper of the farms La Cercana I, II, and III under a sharecropping agreement with PREMISA, signed on May 31, 2012.

Bosques del Uruguay I, II, III, and IV are classified as HIGH-IMPACT members.

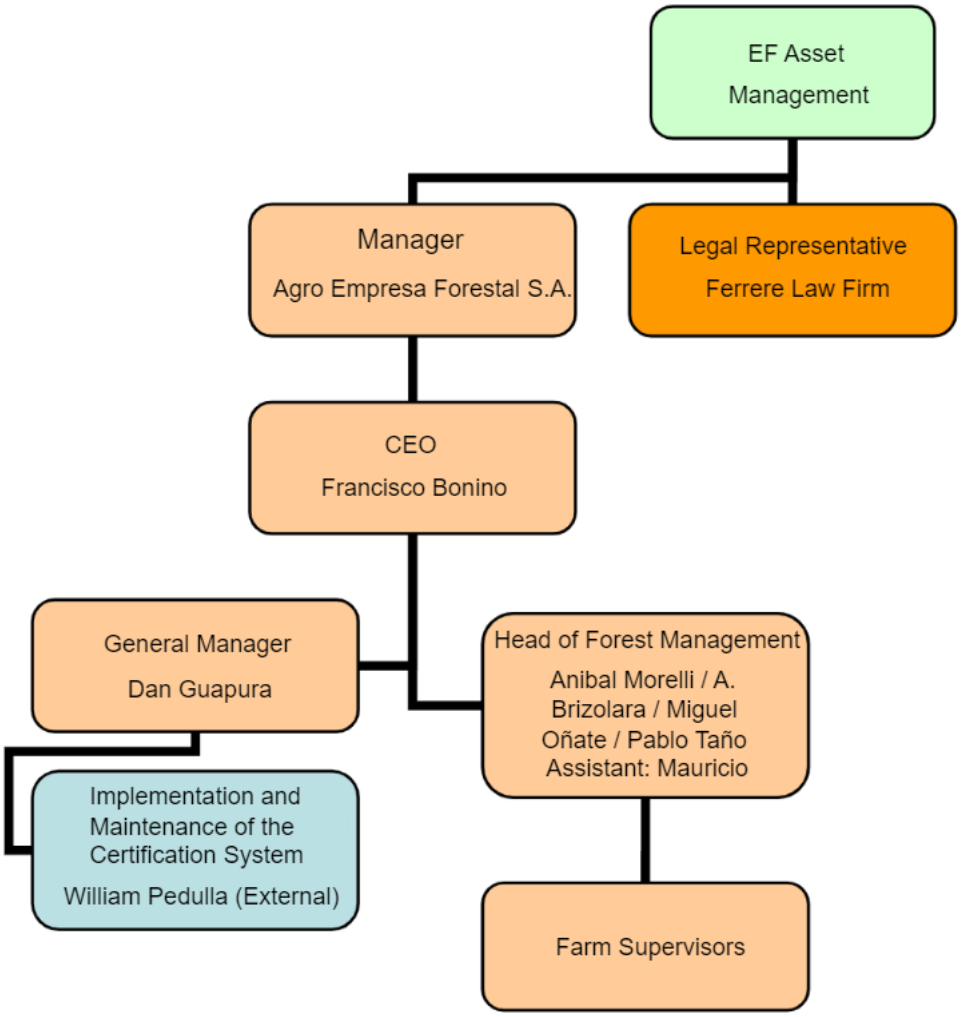
Bosques del Sarandí is classified as a LOW-IMPACT member.

Members are managed according to their scale, intensity and risk.

4.1.1 Responsibilities

The organization is presented in the following organizational chart:

AGRO EMPRESA FORESTAL GROUP



The responsibilities of the Managing Company related to the certification of farms are as follows:

Head of Forest Management: Responsible for operational management, resource monitoring, coordination and control of activities, selection and oversight of contractors, and supervision of Agro Empresa Forestal staff across the different farms. Also, responsible for approving all system documentation

External Consultant: Responsible for maintaining and coordinating the Forest Management System under the forest management certification standards, including the proper use of the certification label under the applicable certified forest management system.

4.1.2 Service Companies

Agro Empresa Forestal S.A. subcontracts service companies from the areas near the farms to perform most of the operational activities on all the farms managed by the AF GROUP.

Essential services include planting and related tasks, as well as pruning, thinning, and harvesting. Agro Empresa oversees both the operators, and the operations conducted by these service companies. Additionally, the company aims to provide training and create good opportunities to foster a mutually cooperative relationship.

4.2 Land Use

The members of the Agro Empresa Forestal GROUP are the owners of all the farms comprising the GROUP.

Current land use on the farms belonging to Bosques del Uruguay I, II, III, IV, and Bosques del Sarandí.

The table below presents the farms that have attributes qualifying them as areas with HCVs, along with their respective conservation zones.

In the mapping for each farm, land use is classified into the following categories: Conservation Areas, High Conservation Value areas (HCVs), Areas of Special Conservation Interest (APICs), lowlands, rocky outcrops, roads, firebreaks, buildings, shelterbelts, native forest, plantation, and reforestation areas.

The following farms have been identified as containing HCV areas: DON CHICO, DON RAMÓN, FRAILE MUERTO, MI GENERALA, SANTA AMALIA, SILVA CANOSA, FLORES, CERRO COPETÓN, LAS GRUTAS, JANGADA, SANTA SOFIA, QUEBRACHO, LOS LAURELES I and II. These areas are shown on the corresponding maps.

The maps illustrating land use and HCV areas for each farm are available on the website together with this document.

Summary of Farms with Conservation Areas (CAs), Areas with High Conservation Values (HCVs) and Areas of Special Conservation Interest (APICs)

Farms	Conservation Area	Area with HCV (ha)	Total (ha)
Don Chico	108.1	405.6	513.7
Don Ramón	107.4	226.7	334.1
Fraile Muerto	9.06	65.79	74.85
Mi Generala	185.3	73.3	258.6
Santa Amalia	97	61.8	158.8
Silva Canosa	6.1	24.7	30.8
Flores	0	4.2	4.2
Cerro Copetón	31.6	141.8	173.4
Las Grutas	0	65.1	65.1
La Yangada	27.7	99.7	127.4
Santa Sofía	215	186.9	401.9
Quebracho	0	405.6	405.6
Laureles I and II	0	52	52
Total	787.26	1813.19	2600.45

Areas of Special Conservation Interest Detected

Farms	Conservation Area	Area with HCV (ha)	Total (ha)
Tupambae II	132.02	80.16	212.18
La Cascada	-	55	55
El Yugo	-	320	320
Total	132.02	455.16	587.18

A map showing land use in the different farms, including areas with HCVs, is attached to this plan. The maps also include a description of the forest plantations by species and age, which are updated annually.

5. PLANNING OF SILVICULTURAL ACTIVITIES

The planning of activities is conducted in accordance with the **Annual Budget**, which is prepared considering the silvicultural and financial needs of the project, as well as the long-term Management Plan.

The main silvicultural activities include:

- Planning
- Purchase of seedlings

- Land preparation
- Preparation of project documentation for submission to the Forestry Department
- Planting
- Weed control
- Pruning
- Thinning and harvesting
- Road design and maintenance
- Fence installation and maintenance
- Plant health protection
- Fire prevention and firefighting

A portion of the budget is also allocated to anticipate potential environmental and social costs resulting from the activities to be undertaken, such as repairs to local roads due to transportation, contributions to the community, donations, and similar expenses.

5.1 Forest Plantations

5.1.1 Justification for the Use of *Eucalyptus* and *Pinus* as Productive Genera in Plantations Managed by the AF GROUP – Environmental Sustainability

Uruguay has significant natural advantages for the development of the forestry sector. Key factors include the rapid growth rates of forest plantations, the availability of land (outside areas competing with other crops), flat topography, and mild climatic conditions — all of which enable the economical production and harvesting of timber. In addition, the country's legal and institutional framework actively promotes afforestation while protecting native forests, as reflected in the Regional Forestry Investment Alternatives Project of the Ministry of Agriculture, Livestock and Fisheries [MGAP, for its acronym in Spanish].

Analytical data collected indicate that the Northern Region offers particularly favorable conditions for forest productivity, due to higher and better-distributed rainfall, greater solar radiation, and light-textured, well-drained, and deep soils.

Studies commissioned by the Forestry Department on Site Index 7 provide preliminary information regarding the adaptation of *Pinus* and *Eucalyptus* species to the environments in which they are planted. Table No. 1 summarizes the data from this study, categorizing priority soil groups according to the most widely used genera and species: *Eucalyptus grandis*, *Eucalyptus dunnii*, *Pinus elliottii,* and *Pinus taeda*. The data are based on the heights achieved by *Eucalyptus grandis* and *Eucalyptus dunnii* at 10 and 16 years of age, and by the *Pinus* species at 24 years of age.

Table No. 1. Site Categories by Species and Average Height of Dominant and Codominant Trees (meters) at Key Ages according to CONEAT classification (Spanish acronym for *Comisión Nacional de Estudio Agroeconómico de la Tierra* – National Commission for the Agronomic Evaluation of Land).

Eucalyptus grandis and Eucalyptus dunnii

ZONE	SITE	CLASS	AGE (years)	HEIGHT (meters)	AGE (years)	HEIGHT (meters)
NORTH REGION (CONEAT GROUP 7)	I	A	10	27.5	16	35.06
	II	A	10	25.0	16	32.56
	III	A	10	22.5	16	30.06
COASTAL AND COASTAL-CENTRAL REGIONS (CONEAT GROUPS 8 AND 9)	III	B	10	22.5	16	30.06
	IV	B	10	20	16	27.56
	V	B	10	17.5	16	25.06

Pinus elliottii

ZONE	SITE	CLASS	AGE (years)	HEIGHT (meters)
NORTH REGION (CONEAT GROUPS 7-8 AND 9.3)	I	A	24	25.59
	II	A	24	22.18
COASTAL AND COASTAL-CENTRAL REGIONS (GROUP 9 EXCEPT 9.3)	I	A	24	25.59
	II	A	24	22.18
	III	B	24	19.62

Pinus taeda

ZONE	SITE	CLASS	AGE (years)	HEIGHT (meters)
NORTH AND COASTAL REGIONS (GROUPS 7 AND 8 EXCEPT 8.02a and 9.3)	I	A	24	24.94
	II	A	24	22.44
COASTAL-CENTRAL REGION (CONEAT GROUP 9 EXCEPT 9.3)	III	B	24	19.94

Source: Preliminary Site Index for the Main Cultivated Forest Species in Uruguay Sorrentino A. Report to the Forestry Directorate - MGAP - Prepared by: PRAIF Technical Team.

The design of the plantations is primarily determined by site conditions, particularly topography. *Eucalyptus* trees strategically planted in elevated, convex, and well-drained areas to reduce the risk of frost and waterlogging, which this genus cannot tolerate. *Pinus* trees, on the other hand, are planted in concave or lower areas, as they can better withstand temporary waterlogging and frost.

Because some forests were acquired as already established, this criterion is not applied uniformly across all farms managed by the AF GROUP. However, it is consistently applied to new plantations on farms that are currently, or will become, part of the AF GROUP.

The farm layout assigns specific zones to the different *Pinus* and *Eucalyptus* stands, while setting aside areas for roads, buffer zones, riparian areas, wetlands, and other protected zones.

Road design is incorporated into plantation planning and follows the guidelines of the National Code of Good Forestry Practices. Although the roads built at the time of planting may be relatively basic, their layout is carefully planned and will be the same as the one used during harvesting.

Safety standards are detailed in the relevant Work Instructions, and their compliance is verified through regular on-site safety inspections.

5.1.2 Purchase of Seedlings

The company hires reputable nurseries, recognized for the quality of their plant production. Seedling production must be pre-ordered.

Seeds for seedling production are selected based on evaluations conducted by local institutions or companies that can guarantee their suitability and performance in the region. Evaluation criteria for genetic origins consider desirable characteristics for solid wood production, such as straightness, density, yield per hectare, and overall

plant health.

5.1.3 Soil Preparation

The purpose of soil preparation is to create favorable conditions for the establishment and early development of seedlings. This involves enhancing aeration, improving water infiltration, increasing nutrient availability, ensuring effective soil-seedling contact, and facilitating subsequent weed control.

Tillage must be conducted with care to prevent erosion and retain as much water as possible, avoiding surface runoff and water stagnation along planting lines, as these can adversely affect the plants' root systems.

The physicochemical properties of the soil are regularly monitored on the most representative farm of each member.

5.1.4 Planting

All planting operations are outsourced to specialized contractors hired by the AF GROUP.

For *Pinus* species, planting is performed manually or mechanically between March and July, at a density of 1,000 to 1,250 plants/hectares.

For *Eucalyptus* species, planting is carried out either from March to May or from September to October, at a density of 1,100 plants/ha for *Eucalyptus grandis,* and 1,300 plants/hectares for *Eucalyptus dunnii*.

The maximum size of any single stand is set at 50 hectares. Stands are separated by internal roads, natural and/or artificial firebreaks, and other natural barriers.

For *Eucalyptus grandis* and *Eucalyptus dunnii* species, the maximum harvestable volume is 1,000,000 cubic meters per year, corresponding to the expected annual growth of the company's plantations. The maximum harvestable area is 1,200 hectares per work front. Our projections estimate an average extraction of 10,000,000 cubic meters over the next 10 years.

For the *Pinus elliottii* and *Pinus taeda* species, the harvestable area is 600 hectares per harvest front.

The maximum allowable area for continuous clear-cutting is 300 hectares. This represents the largest area that can be harvested by a single work front within a given period and is consistent with our planning guidelines and the scale of the forests.

5.1.5 Fertilization

Fertilization is conducted to supply phosphorus (P) and nitrogen (N) to soils in the company's operating areas, as these soils are deficient in these essential nutrients.

Research conducted in Uruguay indicates that *Eucalyptus* responds most positively to this type of fertilization. Consequently, only this genus is fertilized, generally at a rate of 11 kg/hectares, with adjustments made on a case-by-case basis according to soil

analysis results.

Controlled-release NPK fertilizers (Nitrogen, Phosphorus, Potassium) are applied over a period of 4-5 months.

The amount of fertilizer applied per hectare depends on the species, with the following rates being among the most commonly used:

Species	Unit	10 gr/plant	30 gr/plant
E. grandis	Kg/ha	11.0	33.0
E. dunnii	Kg/ha	13.3	40.0
E. smithii	Kg/ha	16.7	50.0

5.1.6 Weed Control

Local data indicates that weed control in *Eucalyptus* plantations can result in growth increases ranging from 300% to 600%. Additionally, in situations of severe weed infestation, seedlings may die due to competition. In cases of severe weed infestation, seedlings may die due to competition. For this reason, both pre- and post-planting weed control measures are carried out for this genus, determined at the appropriate time and based on the company's technical expertise and operational experience.

The personal protective equipment (PPE) required for agrochemical operations is outlined in the document "6.3 Management of AF Agrochemicals." This document sets out all necessary measures to prevent contamination of watercourses and soils by chemicals and operational waste. It also establishes procedures for operators to ensure their health and safety and to guarantee compliance with the Environmental Policy.

5.1.7 Externalities

The company has identified two types of externalities: negative and positive.

Negative externalities include events such as fire, frost, strong winds, heavy rainfall, droughts, market fluctuations, and changes in regulations. These may lead to longer replanting periods and deviations from the projected plan. However, with the exception of fires, some of these factors may also promote the natural restoration of forest cover.

Positive externalities include favorable currency fluctuations, acquisition of new customers, opening of new markets, construction of new pulp mills, and other developments that support the continuity of the forestry cycle.

5.1.8 Ecosystem Services

Within its management units, the company has identified the following ecosystem services available to local communities:

- Grazing

- Mushroom harvesting
- Pinecone and firewood collection
- Beekeeping
- Hunting of animals considered pests (e.g., Capybara)
- Sport fishing
- Use of waste wood left in the forest

Grazing and beekeeping are conducted under formal agreements with herders and beekeepers, respectively, and these activities never take place during active forest operations.

For the other ecosystem services, the company has established an authorization and evaluation procedure that sets out the requirements for each activity, depending on its nature.

6. SILVICULTURAL MANAGEMENT

6.1 Pruning

The main objective of pruning is to produce high-quality timber, as knots are one of the most important factors in determining wood quality. To achieve this, a systematic pruning schedule is implemented throughout the life cycle of trees.

Green and dead branches, as well as epicormic shoots along the stem, are removed using cutting tools such as hand saws, pruning shears, or chainsaws. In each pruning operation, the goal is to reach the maximum possible height while maintaining at least 50% of the live crown, until the desired final pruning height is achieved.

Removing these branches produces wood outside the knotty core that is considered knot-free. An additional benefit of this practice is the interruption of the vertical fuel continuity in case of fire, thereby reducing fire risk.

In silvopasture systems, pruning also allows more sunlight to reach the ground, encouraging the growth of herbaceous species and potentially increasing the livestock carrying capacity per hectare.

The following table presents the Silvicultural Management Plan, specifying the frequency and intensity of thinning operations, as well as the frequency and height criteria for pruning the planted species across all farms within the AF GROUP.

Table No. 1. Management Plan for *Eucalyptus*

Operation	Age (years)	Pruning Height	Trees to Prune (No./ha)	Stand Density (No./ha)	
				Pre-Thinning	Post-Thinning
First pre-commercial thinning **	1.5-2.0	-	-	1,100 (seeds) 650 (clones)	500-550 650
First pruning	1.5-2.0	3.0	500-550	-	
Second Pruning	3.0-3.5	6.0	350	-	-
Third Pruning	3.5-4.0	9.0	250		-
Fourth Pruning	4.0-5.0	11	250	-	-
First Commercial Thinning	7.0-8.0	-	-	500-550	350
Second Commercial Thinning	12-13	-	-	350	250
Third Commercial Thinning *	15-16	-	-	250	200
Final Clearcutting	18	-	-	200	-

* Not always performed.

** Applies to plantations established from seed, not to clonal plantations.

Table No. 2. Management Plan for *Pinus*

Operation	Age (years)	Pruning Height	Trees to Prune (No./ha)	Stand Density (No./ha)	
				Pre-Thinning	Post-Thinning
First pre-commercial thinning	4.0	-	-	1,100	575
First pruning	4.0	2.60	575	-	-
Second Pruning	5.0-6.0	3.75	500	-	-
Third Pruning	7.0-8.0	4.75	450	-	
Fourth Pruning	9.0-10.0	6.00	350	-	-

First Commercial Thinning	12-13	-	-	575	350
Final Clearcutting	21	-	-	350	-

6.2 Harvest

6.2.1 Planning

The harvesting system involves a set of coordinated activities organized to carry out forest utilization. Each system is characterized by a defined sequence, location, and operational objective.

It encompasses the entire process—from felling the trees to transporting them to the processing or log yard.

Harvesting is one of the most hazardous forestry operations, accounting for the highest number of work-related accidents and significant potential environmental impacts.

A dedicated harvest planning phase is therefore essential to:

- Determine the conditions and timing for thinning and/or harvesting operations.
- Plan and allocate the necessary resources, in line with the following objectives:
    - *Maximize forest utilization by identifying product alternatives that achieve the greatest value from each tree while minimizing the generation of harvest residues.*
    - *Minimize impacts on other resources, recognizing that future forest productivity depends on the quality of farm care and operational practices.*
    - *Ensure safety for all personnel involved in harvesting operations.*

Once updated data from the relevant forest inventory is available, a Harvest Plan is prepared for each management unit (stand or plot) where such operations are projected.

Planning is carried out by a designated forestry technician before operations begin. The optimal harvest period is determined based on site characteristics, species, product market conditions (supply and commercialization), and with the aim of reducing seasonal fluctuations in harvesting activities.

The following aspects are addressed during harvest planning:

1. Identification of the intervention area (designation/name) and supporting cartography.

2. Inventory data: species, stand age, and projected harvest volumes.

3. Silvicultural information: type of intervention or technique to be applied (e.g., clear-cutting/thinning with specifications such as whether the thinning will be selective and/or systematic).

4. Harvest information: specific equipment, work method and expected production rates (with estimated execution timelines).

5. Responsible party: the contracted service company carrying out the operations.

The primary goal of harvest planning is to avoid large, continuous clearcut areas, thereby reducing the risk of erosion and soil degradation caused by full exposure after years under forest cover. This approach also helps mitigate the negative visual impact on the landscape associated with large-scale clearcutting.

The harvest system is designed to minimize unnecessary nutrient removal and the accumulation of residues outside the forest, balancing the objective of maximizing timber production with that of minimizing forest residues. In situ processing of stems—preferably within the planting area—is prioritized. Additionally, the movement of forestry machinery (harvesters, forwarders, skidders, tractors) is routed over harvest residues whenever possible, to protect the soil from direct contact with tracks and wheels.

Once harvesting operations begin, supervisors conduct on-site inspections in the intervention areas, focusing on:

a) Visual inspection of felled trees against prior marking.

b) Assessment of felling quality (both quantitative and qualitative) within the stand.

c) Quality control of timber in stockpiles.

Supervisors compile their observations in a "Farm Harvest Report" (Excel format) and submit it to the Harvest Manager, who verifies compliance with the harvest plan. If deviations or issues are identified, corrective actions are determined and implemented.

Inspection frequency is not fixed; it is determined by the size of the intervention area and the estimated work period of the contracted service company.

Sampling for felling quality must cover a minimum of 10% of the daily log production.

After harvesting, the condition of natural resources in the intervention area is recorded in the "Harvest Environmental Monitoring" form (available at SHAREPOINT/AGRO EMPRESA FORESTAL GROUP/MONITORING AND EVALUATION FORMS FOR HARVESTING). This record also documents any corrective measures required in cases of non-conformance, along with deadlines for their implementation (see Chapter 11 of this Management Plan for detailed procedures).

The selection of the forest harvesting system and operational procedures is based on an analysis of several variables such as:

1) Standing volume per hectare and total area

2) Tree characteristics

3) Topography

4) Soil type

5) Road network

6) Average extraction distance

7) Product diversity

8) Number of working hours per year

Additional, less easily quantifiable variables are also considered, such as soil erodibility, quality and availability of labor and risk of soil compaction.

The most suitable harvesting system is selected based on the analysis of these factors. Two main systems are used:

a) Shaft system: The tree is felled, delimbed, and the stem is transported to a processing yard, where it is cut to the lengths required for the intended products. Once processed, the timber is ready for commercialization.

b) Log system: The tree is felled, delimbed and cut into logs (and debarked, if required) directly in the forest. The logs are then ready for commercialization and are transported either directly to trucks or to log storage yards.

The procedures for forest harvesting refer to the production methods employed and are classified as follows:

a) Semi-mechanized harvesting:

- Operations: Felling, delimbing, and bucking are carried out using chainsaws. Extraction is performed with a tractor or grapple, and loading is done with a grapple.
- Working method: Crews are composed of up to 10 chainsaw operators, supervised by a foreman. Each chainsaw operator works in a three-person team: chainsaw operator+ *picanero* (tree propper) + branch handler.
- Specific functions:
    - The chainsaw operator selects a tree previously marked for harvest and determines the felling direction.
    - The *picanero* props the tree to control its fall.
    - Once felled, the chainsaw operator removes branches from the stem.
    - The *picanero* marks the log lengths, and the chainsaw operator bucks the stem accordingly.
    - The branch handler assists in removing and arranging branches to facilitate bucking and extraction.

b) Mechanized harvesting:

- Operations: Felling, delimbing, and bucking are performed using a harvester. Extraction is done with a forwarder or grapple and loading with a forwarder or grapple.
- Working method: The harvester is operated from the cab by a trained operator. The team consists of the operator, a foreman, and a mechanic. The operator selects and processes the trees previously marked for harvest.

c) Mechanized harvesting – Full Tree system:

- Operations: Felling is done with a harvester, trees are skidded to a landing using a skidder, and delimbing is performed at the landing with a harvester. Extraction and loading are carried out with a forwarder.

In all cases, logs must be stacked and arranged in a manner that facilitates subsequent extraction and loading operations.

The necessary precautions for the operation are described in the Farm Manual, specifically in the Work Instructions (WI): Harvesting WI, Road Construction and Maintenance WI, Extraction and Loading WI, and Timber Transport Procedure (Chain of Custody).

The forest harvesting planning process must also define:

- Wood processing yards and log storage areas
- Fuel storage areas
- Camping areas
- Appropriate signage

Wood Processing Yards and Log Storage Areas

Processing yards are designated areas where trees are processed (delimbing, cutting into logs). Log storage areas are where logs are kept before final transport. These areas must meet the following basic requirements:

a) Be located in well-drained areas (2 to 5% slope).

b) Be located away from protection areas, buffer zones and watercourse.

c) Have granular material added if used during wet periods.

Once harvesting is completed, processing yards and storage areas must be closed, removing both forest and non-forest residues and cleaning up any possible fuel spills. Any soil compaction damage must also be repaired.

For *Eucalyptus grandis and Eucalyptus dunnii*, the maximum harvestable volume is 1,000,000 cubic meters per year, corresponding to the company's expected annual growth. The maximum harvestable area is 1,200 hectares per harvesting front. Our projections estimate an average extraction of 10,000,000 cubic meters over the next 10 years.

For *Pinus elliottii* and *Pinus taeda*, the maximum harvestable area is 600 hectares per harvest front

The maximum continuous clearcutting area is 300 hectares.

During the pest sampling period, the forests were found to be in excellent health, with no risk of disease or pest infestations, and to be well managed. It was therefore concluded that no pests were present during the year.

Fuel Storage Areas

These are designated areas for storing fuel used by machinery in forestry operations. They must comply with the requirements established in the Machinery Maintenance Work Instructions.

Camping Areas

These are designated rest areas for operators, to be defined during the harvest planning process. They must comply with all applicable legal requirements.

Special Precautions During Harvesting Operations

- Perform all operations in compliance with established safety requirements.
- Maximize product quality (length, diameter, curvatures).
- Minimize damage to remaining trees.
- Avoid soil compaction.
- Maintain the road network in accordance with clearly defined technical construction parameters.
- Respect watercourses.
- Respect conservation areas.
- Properly manage forest residues.

6.2.2 Harvest Operations

The criteria for establishing the thinning schedule are based on local data developed by the National Agriculture Research Institute [INIA, for its acronym in Spanish] and other companies in the region.

The table below presents the schedule for *Eucalyptus* plantations, detailing the intensity of each operation and the expected timber yield:

Table No. 3. Thinning Plan for *Eucalyptus*

			MAI (m^3/ha/year)	**25.0**		
Operation	**Age (years)**	**Accumulated Volume (m^3)**	**Thinning (trees/ha)**	**Volume per Thinned Tree (m^3/tree)**	**Thinning Volume (m^3/ha)**	**Harvest Volume (m^3/ha)**
	1	30				
1st Thinning (pre-commercial)	2	60				

	3	60				
	4	90				
	5	120				
	6	150				
2nd Thinning	7	180	125	0.25	37.5	
	8	210				
	9	240		0.4	90	
	10	180				
3rd Thinning	11	210	150	0.4	60	
	12	240				
	13	270				
	14	330				
	15	360				
Harvest	18	390	200	1.61		322

Total Timber Harvested (m^3/ha)	**400**

To calculate the figures in this table, the Mean Annual Increment (MAI) in volume of the current plantations of the farms, as well as that of other companies, was considered, using commercial volume as the reference criterion.

The company has developed tables to estimate tree growth based on inventory data from other companies in both the northern and southern regions. All acquired farms started with an initial planting density of 1,100 plants per hectare, which allowed for the planned management practices to be implemented effectively. The objective is for all plantations to be progressively managed in accordance with the silvicultural guidelines defined in this plan, aligned with the growth patterns and dynamics of current forest resources.

For *Eucalyptus* species, pre-commercial thinning is carried out at a loss due to the current lack of a clear market for such small-diameter timber. The focus is on ensuring the healthy development of the forest and the growth of vigorous trees; therefore, the economic cost of thinning at a loss is lower than the long-term environmental and economic costs of not performing it. This situation could change once pulp mills capable of processing this type of timber start operating, which would improve the overall utilization of the forest.

In both thinning and harvesting operations for *Eucalyptus*, whenever economically viable, firewood is sold as a by-product.

The project estimates the Mean Annual Increment (MAI) for Eucalyptus species at 25 m³/ha/year.

			MAI (m³/ha /year)	**20.0**					
Operation	**Age (years)**	**Accumulated Volume (m³/ ha)**	**Thinning (trees/ha)**	**Volume per Thinned Tree (m³/tree)**	**Thinning Volume (m³/ha)**	**Harvest Volume (m³/ha)**	**Remaining Volume (m³/ha)**	**Pre-Thinning Stand Density (trees/ha)**	**Post-Thinning Stand Density (trees/ha)**
	1	20					20	1,100	
	2	40					40		
	3	60					60		
1st Thinning (pre-commercial)	4	80					40	1,100	575
	5	60					60		
	6	80					80		
	7	100					100		
	8	120					120		
	9	140					140		
	10	160					160		
	11	180					180		
2nd Thinning (Commercial)	12	200	225	0.31	70		130	575	350
	13	150					150		
	14	170					170		
	15	190					190		
	16	210					210		
3rd Thinning (Commercial)	17	230	100	0.6	60		170	350	250
	18	190					190		
	19	210					210		
	20	230					230		
Harvest	21	250	250	1		250	0	250	0

Total Timber Harvested (m^3/ha)	**250**

In both genera, thinning is expected to occur at a loss due to the current lack of a clear market for these trees, which typically have very fine diameters. Therefore, priority is given to the healthy development of the forest and the growth of vigorous trees. Consequently, the economic cost of thinning at a loss is lower than the subsequent environmental and economic costs of not implementing it. This situation may change when pulp mills that consume this type of product begin operations, thereby improving the overall profitability of forest exploitation.

In both thinning and harvesting operations for *Eucalyptus*, whenever economically viable, firewood is sold as a by-product.

In the case of *Pinus*, the project estimates a Mean Annual Increment (MAI) of 20 m^3/ha/year.

7. HEALTH MANAGEMENT

Forest health is a fundamental component of the sustainable development of plantations. Considering that forest health is a cross-cutting issue among different producers, achieving effective results requires addressing health concerns at a national or regional level in collaboration with various forest producers.

To this end, the AF GROUP channels its efforts through the Health Commission of the Society of Forest Producers [CS-SPF, for its acronym in Spanish], actively participating in and contributing to its initiatives. The CS-SPF, as the representative body for producers on forest health issues, coordinates efforts among private and public stakeholders to preserve the health of current and future forest resources.

The CS-SPF has a short- and medium-term work plan that includes activities in monitoring, control, research, and training/dissemination related to priority pests. The prioritization of forest health issues draws on inputs such as the annual vulnerability survey conducted among members, biannual monitoring and prospecting activities, among others. Activities carried out by the CS-SPF are financed through members' contributions and funding from institutions (e.g., the National Agency for Research and Innovation [ANII, for its acronym in Spanish] and the Sectoral Commission of Scientific Research [CSIC, for its acronym in Spanish], among others).

At the national level, forest health issues are coordinated by the Executive Coordination Council on Forest Pests and Diseases [CECOPE, for its acronym in Spanish], composed of representatives of the MGAP - General Forestry Directorate and the General Directorate of Agricultural Services, the National Agriculture Research Institute [INIA, for its acronym in Spanish] and the Society of Forest Producers [SPF, for its acronym in Spanish].

Within this framework, the activities of the AF GROUP's Health Management Plan are

either part of, or aligned with, the CS-SPF's initiatives. The main areas of the plan are described below:

Preventive actions	Monitoring	Control
• Material selection • Health control of seedlings at entry • Silvicultural management (including seasons, procedures)	• Systematic prospecting (Otoprim) SPF-AF • Survey of specific events • Sirex	• Biological methods (natural enemies, entomopathogens) • Silvicultural methods (sanitary thinning) • Chemical (Environmental & Social Risk Analysis [ESRA])

Genetic resistance is an efficient management strategy for addressing many forest health issues, particularly diseases. Although the AF GROUP does not have its own genetic improvement program, the health status of the materials is a key factor considered when selecting them.

Monitoring the health of plantations is crucial to promptly detect and quantify problems, enabling timely implementation of management measures to minimize their impact. This monitoring should encompass all stages of production, from the inspection of seedlings in the nursery to the commercialization of the timber.

Considering Integrated Pest Management, if corrective measures are required, biological and silvicultural control methods will be prioritized over chemical measures. If the use of chemical pesticides becomes necessary, an Environmental and Social Risk Analysis (ESRA) will be carried out to identify potential risks and to define the corresponding mitigation and monitoring measures for the different chemical alternatives.

Sanitary thinning as a control measure involves removing infected trees from the plantation. The destination of the removed trees will depend on their condition (dead or alive), and the availability of suitable end uses.

Steps:

1- Identify and mark the infected trees.

2- Remove the infected trees, whether dead or alive.

- Living trees: Processed to obtain timber, seeking a balance between the economic viability of the resource (maximizing the yield of marketable products) and maintaining the health of the forest. Residues from these trees are treated as waste.
- Dead or severely damaged trees (whether dry or green): As they are not accepted by the industry or market, these trees are removed following the technical guidelines set out for each specific issue.

7.1 Leafcutter Ants

In Uruguay, leafcutter ants are a widely distributed agricultural pest, occurring throughout the country. They include several species of the genera *Atta* (*Atta sexdens and A. vollendweideri*) and *Acromyrmex* (*Acromyrmex lundi, A.heyeri, A.crassispinus, A.lobicornis, A.ambiguus, A.striatus, A.balzani and A.laticeps*). Depending on the species, nests may be located either above or below ground.

Within the framework of CS-SPF, numerous studies have been carried out on the management of leafcutter ants in forest plantations, in collaboration with researchers from the Schools of Agronomy and Engineering. New management alternatives are also continuously evaluated.

7.1.1 Leafcutter Ants Control Measures

Two main methods are implemented:

1) Systematic distribution of bait

2) Localized control

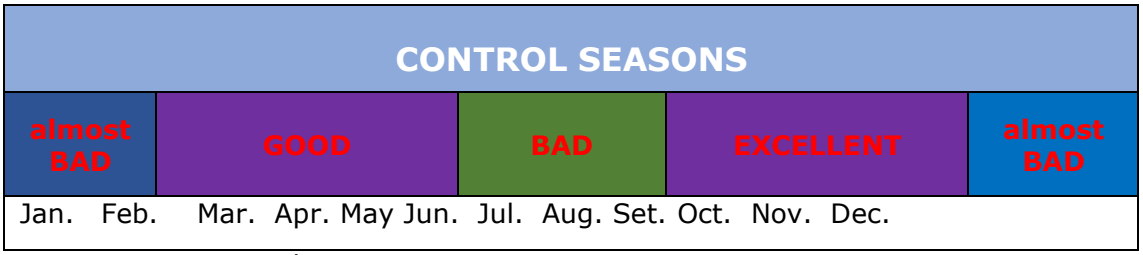
Systematic distribution of bait: This method consists of applying bait uniformly across the plantation following a pre-established grid of points, ensuring complete coverage of the area, including field edges and drainage paths, as ants from outside the planting zone can also affect the crop.

Systematic distribution can be performed:

- Manually: A group of 5 to 10 workers walk at a fixed distance from each other, applying a measured amount of product on the ground at regular intervals.
- Mechanically: Application is performed using specialized equipment to ensure even distribution. This method also increases operator safety by reducing direct contact with the product.

The dose depends on field condition, whether it is natural grassland or reforested area, and will be determined by the supervising technician. As a general guideline, the recommended dosage is 3.0 kg/ha in natural grasslands and 5.0 kg/ha in reforestation areas.

Systematic application is conducted in fall and spring, as these are the optimal seasons for effective control.



Source: SPF Project – Martín Bollazzi

Localized Ant Control:

In localized control, operators must identify all anthills within the stand and apply the ant killer directly. Each anthill must be marked with a flag to allow verification of treatment effectiveness 15 days after application.

For post-planting control over a six-month period, the reference rate is 1.0 kg/ha, applying 5.0 grams of product per anthill.

In both systematic and localized control methods, the active ingredient used is Fipronil.

7.1.2 Woodwasp (*Sirex noctilio*)

The presence of the "Woodwasp" (*Sirex noctilio; Hymenoptera Siricidae*) in *Pinus* plantations is a serious phytosanitary problem and poses a threat to other areas that are either unaffected or have low infestation levels.

Sirex noctilio Fabricius (*Hymenoptera: Siricidae*), commonly known as the woodwasp, is an insect native to Europe that was accidentally introduced to Uruguay. Its presence was first detected in Cerro Largo Department in 1980 on *Pinus taeda* (M. Bianchi, S. Rebuffo). By 1984, it had caused severe damage in the northwest of the country.

Since then, it has become the most significant pest affecting *Pinus* species and is now present throughout the country.

As a primary measure, a plantation management system has been established to ensure that each species is located in the most suitable site. Once the plantation is established, preventive forestry practices are implemented at specific intervals and during appropriate intervention periods. These practices aim to improve forest resources and maintain the vigor and development of healthy trees.

These techniques are complemented by systematic monitoring and targeted control actions.

All measures related to the detection and control of *Sirex noctilio* must be planned according to its biological cycle and should not be carried out in isolation. An annual surveillance and control plan for this pest must be implemented.

7.1.2.1 Biological Control of Sirex

The nematode *B. siricidicola* has proven to be the most efficient control agent against

the *woodwasp (Sirex noctilio).* It can be found naturally inside the pest's eggs, larvae, pupae, and adults, as well as in wood containing the symbiotic fungus *Amylostereum areolatum*. (*Control biológico de plagas forestales de importancia económica en Chile*; *Baldini*, A. *et al.*, CONAF, first edition, 2005, p. 205).

Currently, this nematode is not produced domestically and must be imported from Chile, with prior authorization from MGAP/DGSA, based on the corresponding risk analysis. International protocols (from Brazil, Argentina, Chile, South Africa) endorse the use of this technique without considering it an environmental threat, in accordance with Decree No. 23 of 2005.

In 2018, AF carried out the first nematode inoculation with nematodes in *Pinus* plantations in the northeast region. Based on this experience and considering the low parasitism levels recorded in the area, CS-SPF decided to prioritize inoculations in that region. In recent years, CS-SPF has coordinated the import of nematodes, the selection of inoculation sites, and the evaluation of parasitism rates. This coordinated effort aims to achieve more robust and long-term control of the pest.

Inoculation Procedure with *Beddingia siricidicola*

Beddingia siricidicola is a nematode that induces sterility in *Sirex noctilio* females without affecting their sexual competitiveness or oviposition ability. The nematodes disperse from inoculations artificially applied to trees recently killed by *S. noctilio*, or from parasitized eggs laid by infected females together with the fungus and mucus. Then, using the same food source (the fungus *Amylostereum areolatum*), they can reach and infect healthy larvae.

Inoculations with *B. siricidicola* are carried out by a specialized company, with the assistance of AF personnel. They should preferably be carried out between May and July, when ambient temperatures range from 7°C to 20°C, and on days without rainfall.

Nematode Application

- Trees attacked by the woodwasp and showing the following characteristics are selected: crown with brownish needles, presence of resin specks and/or resin droplets on the trunk, and absence of adult emergence holes of *S. noctilio*.
- The selected trees are felled and delimbed to facilitate access to the trunk.
- Cross-sections ("cookies") are extracted from these trees to confirm the presence of larvae inside the trunk. If no larvae are detected, the trees are not inoculated.

After the inoculation stage, and prior to monitoring plantations at risk of *Sirex noctilio* infestation, an evaluation is carried out to determine the parasitism rate of *Beddingia siricidicola* in *Sirex noctilio* wasps.

7.1.2.2 Sanitary Thinning

Sanitary thinning as a control measure of *S.noctilio* follows the same guidelines outlined previously (7.1. 2). Specific considerations for this insect include:

- If logs resulting from thinning operations remain on the farm, it is recommended that they are chipped or cut into lengths of less than 20-25 cm.

Logs of 20-25 cm should be rotated so that they are misaligned with each other, thus facilitating drying. This practice prevents or reduces the number of individuals completing their development, thereby lowering the pest population and the likelihood of future attacks.

- Thinning should be conducted during winter to prevent larvae from pupating and completing their life cycle. August is considered the latest acceptable month for carrying out this activity.

8. WASTE MANAGEMENT

8.1 Forest Residues

Forest residues are generated during tree processing to produce products that meet customer specifications. These residues include branches, bark, and tree crowns from the processed trees.

Other residues include:

- Parts of the tree that are unsuitable for use due to their dimensions (e.g., trimmings).
- Logs which are not appropriate for commercialization due to phytosanitary issues or failure to meet customer specifications (defective logs).
- Portions of the tree that cannot be commercialized for economic reasons (market conditions and transportation constraints), such as loss-making thinnings.
- Branches resulting from pruning operations.

Our aim is to minimize tree residues resulting from silvicultural management practices and forest harvesting, mainly woody products. Forest harvesting is planned to maximize the commercial yield of the forest.

Tree crowns, branches, leaves, resprouts, and natural regeneration plants (removed in this operation), as well as bark, remain entirely within the original forest perimeter.

For *Eucalyptus* sold debarked, the bark remains in the logging yards located along the plot edges, near the roads where the wood is stacked for subsequent loading. Wood residues with diameters greater than the minimum commercial diameter (e.g., twisted stems, dead wood) are cut into lengths no greater than 1 meter to accelerate decomposition and remain within the forest.

When feasible and economically viable, *Eucalyptus* is sold as firewood.

The AF GROUP has decided to prioritize leaving residues scattered throughout the forest to ensure progressive, effective, and uniform decomposition on site, while preventing vertical fuel continuity that could lead to crown fires.

Provisions of Decree No. 188/02 are abided by in terms of adjacent safety strips: clearing branches from the first 8 meters of the stand in the case of perimeter firebreaks, and from the first 4 meters in the case of internal firebreaks.

The distribution of forest residues in the form of *"rameros"* (branch piles) is carried out when required to facilitate timber extraction and the movement of personnel and machinery.

8.1.1 Use of Fire for Forest Residue Disposal

Burning residues is **not** a common practice.

If fire is used under exceptional circumstances, it will only be for harvest residues with diameters of less than 6 cm. This measure ensures that, due to their small diameter, residues remain burning for a short time, thereby preventing excessive temperature increases and avoiding or minimizing negative impacts on soil properties (e.g., consumption of the mulch layer and part of the organic soil horizon).

This activity can only be performed from April to September, and both the Safety Manager and the General Manager must be notified prior to its execution.

8.1.2 Non-Forest Residues

8.1.2.1 Chemical Containers

Guidelines have been set out to ensure the organized and responsible management of agrochemicals used by the company, in order to reduce health risks to operators, minimize environmental contamination, and lower costs through the rational and technically consistent application of these products.

The application, handling, transportation and disposal of agrochemicals must comply with the legal provisions set forth in Decree No. 372/99, as well as with the FSC® Principles and Criteria.

The guidelines for agrochemical management are described in greater detail in the document: "6.3 Management of Agrochemicals," which serves as an instructional manual for operators assigned to agrochemical application tasks.

Chemical containers undergo a **triple-rinsing process** before being delivered to authorized collection centers for reception. This internationally recognized technique helps prevent economic losses by removing up to 99.99% of the product residues from the container.

8.2.2 Other Non-Forest Residues

A proactive approach has been adopted to reduce the generation of residues resulting from forestry activities. Within the managed area, a classification system has been implemented to facilitate the recycling of residues whenever possible, thereby minimizing the risk of environmental contamination.

For these purposes, residues are understood as elements generated as a result of different processes or activities that have no further use.

Non-forest residues generated from activities can be classified as: organic waste, plastics (bottles, funnels, containers), metals (obsolete workshop parts, fencing wire), glass, batteries (from vehicles and machinery), expired agrochemicals, agrochemical

containers, used lubricants, and lubricant containers.

Non-forest residues are disposed of in containers labeled as "organic" (food scraps) and "inorganic" (plastics and bottles).

On the farms, **batteries** are not replaced; this activity is carried out in the city, in accordance with the provisions of Decree No. 373/2003.

Tire replacements are performed in compliance with Decree No. 358/2015, with tires delivered to authorized collection centers.

Fuel waste is disposed of in containers, within a designated, signposted area, placed on a ground cover or tray to prevent possible spills. From there, it is returned to the respective suppliers. Lubricant waste originates in the city and is transported to the farms in drums for later use on chainsaw chains.

Residues generated by forestry service companies are managed under the same guidelines and at their own expense. They are removed from the worksite and taken to the appropriate landfill.

Waste from camps is managed by contractors and disposed of in the city, following the guidelines established in this Management Plan and in field procedures.

The use of batteries is minimal; in the event they are used, the user is responsible for taking them to the city for disposal.

Old **wires and stakes** are stored in designated areas on the farm prepared for this purpose and are later delivered to a scrap dealer.

9. NATURAL RESOURCE MANAGEMENT

As previously mentioned in this Monitoring Plan, an initial survey of fauna and flora was carried out (*Environmental Characterization of Habitats, Flora and Fauna on All Farms Belonging to the Agro Empresa Forestal GROUP*) and their subsequent monitoring, once their conservation attributes had been identified.

These studies have provided an in-depth understanding of the natural resources, enabling the establishment of management and conservation measures, as well as the protection and maintenance of areas with HCV.

9.1 Native Fauna

As a first step, and in order to establish criteria for evaluating and implementing the necessary measures for the conservation of native fauna in the area, emphasis has been placed on controlling species identified as pests or potential pests. The objective is to prevent damage to the resources managed by the company and to avoid conflicts with neighbors or other members of the community.

Hunting is prohibited on all farms belonging to AF GROUP, with the exception of hunting "Wild Boar" (*Sus scrofa*) and certain species listed below. Exceptions will only be granted if prior authorization is requested from the Group's Legal Entity, Agro Empresa Forestal S.A., manager of the Financial Forestry Trusts Bosques del Uruguay I, II, III, and IV and the client Bosques del Sarandí. Authorization will only be granted

within the framework of current legislation and internal procedures.

At the national level (Source: MGAP – National Directorate of Renewable Natural Resources), the following animal species have been identified for which control is either exempt from authorization or, in some cases, mandatory (e.g., Wild Boar):

"Monk Parakeet"	(*Myiopsitta monachus)*
"Wild Boar"	(*Sus scrofa)*
"Chestnut-capped Blackbird"	(*Agelaius ruficapillus)*
"Crucera snake"	(*Bothrops alternatus)*
"Yarará snake"	(*Bothrops neuwiedi)*
"Southern Coral snake"	(*Micrurus frontalis)*

If hunting authorization is granted, full details of the hunter must be recorded, a time limit for the activity must be set, and actions must be carried out in accordance with the established procedure.

In accordance with the International Union for Conservation of Nature (IUCN), the following categories are recognized:

Extinct: A species that has not been found in its habitat in the last 50 years.

Threatened: Any species that may become endangered in the foreseeable future, throughout all or part of its range. Three categories of threatened species are distinguished: *Critically Endangered, Endangered,* or *Vulnerable*. When a species faces an extremely high risk of extinction in the wild, it is classified as *Critically Endangered*; if the risk is very high, it is considered *Endangered*; and if the risk is high, it is considered *Vulnerable*.

Rare: A species with small populations that is not yet vulnerable or threatened but currently faces risks.

Below is a list of species identified at the national level (Source: Decree No. 514/01) as rare, threatened, or endangered, for the purpose of determining whether or not they are present in the area:

Species considered threatened

"Pampas Deer"	(*Ozotoceros bezoarticus)*
"Southern Gray Brocket Deer"	(*Mazama gouazoubira)*
"Neotropical River Otter"	(*Lontra longicaudis)*
"Pampas Cat"	(*Leopardus colocolo)*
"Gray Fox"	(*Lycalopex gymocercus*)
"Manned Wolf"	(*Chrysocyon bruchyurus)*
"Jacare Caiman"	(*Caiman latirostris*)
"Argentine Black and White Tegu"	(*Salvator merianae)*

Species considered rare

"Muscovy Duck"	(*Cairina moschata)*
"Red-legged Seriema"	(*Cariama cristata)*
"Greater Rhea"	(*Rhea americana, in the wild)*
"Black-necked Swan"	(*Cygnus melancoryphus)*
"Coscoroba Swan"	(*Coscoroba coscoroba)*
"Dusky-legged Guan"	(*Penelope oscura)*
"Ducks"	(*Anas, Netta, Cairina, Oxyura)*
"Spotted Nothura"	(*Nothura maculosa, subject to annual hunting seasons)*
"Red-winged Tinamou"	(*Rhynhotus rufescens)*

9.2 Native Flora

No management of native forest is carried out, and its logging is prohibited in accordance with current legislation.

At no time, and in no area, has native forest been replaced by forestry plantations. Removing native plants is prohibited.

9.3 Non-Forested Areas

9.3.1 HCV Areas / Conservation Areas / Buffer Zones / Biological Corridors / Area of Special Conservation Interest (APIC)

According to the aforementioned flora and fauna studies, the following High Conservation Value (HCV) areas were identified:

DON CHICO (FLORA)

The unplanted areas of the farm (47%), totaling 405.6 ha, are considered areas with HCV representative of a set of environments characteristic of the Bosques del Uruguay I (BDU) farms, located further south.

DON RAMÓN (FLORA)

Including lowlands, native forests, rocky outcrops, and predefined conservation areas, a total of 225.84 ha was identified within the farm (considering Don Ramón and Don Ramón III), whose total area is just over 800 ha.

FRAILE MUERTO (FLORA AND FAUNA)

As the biological corridor of Don Ramón is interconnected with that of Fraile Muerto, this farm is considered to contain an HCV 1, expanding the HCV area defined for Don Ramón, with a total of 65.79 ha.

MI GENERALA (FLORA)

Flora studies conducted in 2016 resulted in the identification of areas MG 4 and MG 5 (Mi Generala Flora Monitoring Report, 2016) as areas with HCVs. In the 2017 monitoring, the declared area was expanded from 0.17 ha to 74.4 ha based on the following conclusions by the specialist:

The surveys conducted at this stage recorded 280 vascular plantstaxa, including 15 priority taxa for conservation in accordance with the current lists of the SNAP, whose presence was again confirmed.

Ten of the SNAP species are endemic to the Uruguay region and have a restricted natural distribution within it. This underscores the importance of conserving these environments and designating them as HCV areas in a broad sense. These areas should be restored through selective management to reduce signs of anthropogenic disturbance.

One of these species, ***Grazielia brevipetiolata***, is endemic to southeastern Uruguay and has not been reported in any other flora of the region. Therefore, its presence in Mi Generala constitutes, to date, the only known record for the Florida Department.

The different types of native forests showed acceptable levels of natural regeneration. All endemic species were found in hillside forests, scrublands and rocky areas.

The total area where the species were found is 74.4 Ha.

SANTA AMALIA (FAUNA)

According to the environmental characterization and monitoring of Santa Amalia farm, this area has been classified as HCV 1, based on the following attributes.

Santa Amalia contains areas with HCVs, which partially coincide with 20% of the territory considered Priority for Conservation. The areas that do not coincide are primarily medium and tall grasslands, mainly located between the two main streams within the farm, as the Arroyo Tupambaé forms the eastern boundary. These grassland areas have been under cultivation for approximately seven years. The layout of these cultivated areas respects setback distances from lowlands, watercourses, and native forests, and does not disrupt their connectivity with the Arroyo Tupambaé, thus functioning as key biological corridors and connection zones between the remaining natural habitats.

The corridor associated with the Arroyo Tupambaé is also well preserved compared to the rest of the basin, maintaining connectivity with the Río Negro through a diversity of environments dominated by well-conserved riparian forests, low scrublands, grasslands, and lentic wetlands (both temporary and permanent) outside the farm.

The company identified 365 ha as an HCV area, representing 20% of the area recommended by experts. These HCV areas include 0.7 ha of water bodies, 85.8 ha of designated conservation area, 207.2 ha of lowlands, 41.9 ha of native forest, and 29.3 ha of rocky outcrops, totaling approximately 365 ha that are well connected and integrated within the basin.

SILVA CANOSA and FLORES (FLORA)

According to the environmental characterization and monitoring of SILVA CANOSA and FLORES farms, areas with HCVs categorized as HCV 1, have been identified.

The survey and characterization of flora and vegetation on these farms identified them as representative of the ecoregion. Both contain representative areas of characteristic ecosystems that have been preserved in the planning and execution of the forestry projects, as confirmed by on-site analysis.

An area with High Conservation Value (HCV 1) was identified within the Silva Canosa farm.

In the Flores farm, there is also a Representative Area of native ecosystems that can be restored to more natural conditions according to recent farm surveys.

In the rocky fields of the Silva Canosa farm, all SNAP priority vascular plant species recorded in recent surveys were found, along with a cactus species endemic to Uruguay, *Parodia scopa* ssp. *marchesii*. Another cactus species, *Frailea phaeodisca*, not previously recorded in the published flora of Uruguay, was also identified.

The company has designated 28.9 ha as HCV areas, corresponding to the area recommended by the experts.

LAS GRUTAS (FLORA)

In the case of the Las Grutas farm, two of the identified areas have been classified as HCV 1, while the remaining conservation areas are considered Representative Areas. Within the biomes, three fern species of high conservation significance were recorded: ***Campyloneurum atlanticum*, *Austroblechnum divergens*, and *Lomariocycas af. exigua***. Targeted monitoring of the latter two species has been undertaken, leading to the identification of new locations and evidence of abundant natural regeneration.

The rocky outcrop areas within sensitive zones host a rich assemblage of Cactaceae species and require continued active management to maintain their conservation status. Likewise, the fern flora associated with sandstone ledges warrants special attention, both for its diversity and for its marked sensitivity to environmental changes within its habitat.

Based on these findings, AF GROUP has designated 65.1 ha within the Las Grutas farm as an HCV area, in accordance with the recommendations of experts.

JANGADA (FLORA)

The flora and vegetation survey of the La Jangada farm identified Representative Areas of ecosystems characteristic of the region.

An area with HCV categorized as HCV 1 was identified, encompassing the entire riparian forests along the Río Negro. This area fully coincides with ecosystems classified as threatened within the property, according to the SNAP 2015–2020 Strategic Plan. The company's commitment to conserving this area represents a significant contribution to the preservation of the region's natural biodiversity.

JANGADA (FAUNA)

Key ecological features of the farm include: its location overlapping with the restricted distribution range of several tetrapod species—many of which are of conservation concern; the presence of extensive environments with a medium to high degree of naturalness along the banks of the Río Negro; and its proximity to the mouth of the Río Tacuarembó, another major biodiversity corridor in Uruguay, connected to the farm through well-preserved habitats.

Based on these findings, AF GROUP has designated 99.7 ha within the La Jangada farm as an HCV area, in line with the recommendations of experts.

CERRO COPETÓN (FAUNA)

Puesto de Lowestone (Outpost) – HCV 6, 0.2 ha

Located on the Cerro Copetón farm, Florida Department, at UTM coordinates 6,264,178 S – 633,452 W, *Puesto de Lowestone* is a dwelling constructed in 1935 on the foundations of the original outpost occupied by Enrique Lowestone in 1862. It has been designated as HCV 6 for its historical significance to the local community. The designated area includes the building and a surrounding 25-meter radius, covering approximately 0.2 hectares.

Riparian Confluence Area – HCV 1, 141.8 ha

An additional HCV 1 area was identified in the unplanted zones with the highest biodiversity value, specifically those associated with the two main watercourses. This designation is concentrated in the sector where the Arroyo del Tigre flows into the Arroyo Mansavillagra. The area is located within the 20% of Uruguay's National Priority Territory for Conservation, as designated by SNAP–DINAMA, and is classified as an HCV area.

AF GROUP has designated 0.2 hectares within the farm as HCV 6 and 141.8 hectares as HCV 1, in accordance with expert recommendations.

SANTA SOFIA (FLORA)

On the Santa Sofía farm (Cerro Largo Department), complex ecosystems have been identified, consisting of primary swamp forests, locally known as *capones*, associated with humid forests considered rare in Uruguay. These ecosystems occur in scattered patches totaling 186.9 hectares.

Since late 2013, this area has been recognized as having HCV due to its status as a relict habitat of flora originating from Brazil and, above all, for its high diversity of plant species. The *capones* present are characteristic and representative of the region and have been classified as HCV 1 for flora species diversity.

Seven of the plant species listed under the SNAP have a very restricted natural distribution in Uruguay, underscoring the importance of conserving these habitats and justifying their designation as an HCV area.

AF GROUP has designated 186.9 hectares within the farm as HCV 1.

QUEBRACHO (FLORA)

In 2020, the Quebracho farm, part of Bosques del Uruguay IV trust and containing a previously declared area with HCV, was incorporated into the AF GROUP. This designation, established by the former owner in the 2013 Public Summary of the Management and Monitoring Plan, includes the following description for the Quebracho farm (Quebracho II):

"The conservation area is characterized by riparian forests with flooded zones where the dominant species are the Cockspur Coral Tree (*Erythrina crista-galli*) and Sarandí (*Phyllanthus sellowianus* and *Cephalanthus glabratus*). There are also extensive areas of grasslands and broad ecotones that form park-like forests in certain locations."

Monitoring conducted in December 2020 confirmed the persistence of these attributes and reaffirmed the HCV designation for this area.

LAURELES I AND II (FAUNA)

Due to their forest areas containing significant global, regional, or national concentrations of biodiversity values—such as endemism, endangered species, and refugia—these areas have been designated as HCV areas under Principle 1 (HCV 1), totaling 51.97 hectares (2025)

In 2019, a study conducted by experts concluded that some farms previously identified as potential HCV areas should be reclassified as conservation areas or Areas of Special Conservation Interest (APIC). The proposed category changes were as follows:

- **LA CASCADA:** Reclassified based on flora, as an APIC. Expert monitoring will be carried out every five years.
- **TUPAMABE II**: Reclassified, based on flora, as an APIC. Expert monitoring will be carried out every five years.

According to their FAUNA, the following farms were redefined as conservation areas: **LAS VERTIENTES, LA YEGUADA, DON CHICO, LAS GRUTAS and PUNTA DEL CORDOBES**.

NOTE: The farms Las Grutas and Don Chico retain their HCV designation for flora. These areas will be monitored annually and managed according to expert recommendations.

On October 20, 2020, **AGRO EMPRESA FORESTAL GROUP** held a public consultation to present the comments and recommendations from flora and fauna specialists regarding the criteria applied to HCV areas.

A subsequent review of the 2020 AF Site Redefinition Document was undertaken, during which independent experts were engaged to validate the reclassification decisions made in October and November 2020. Based on the reports received, the experts agreed that the aforementioned farms should be designated as conservation areas.

THEREFORE, THE AF GROUP STATED:

- **HCV 1:** Don Ramón, Don Chico, Fraile Muerto, Mi Generala, Laureles I and

II, Silva Canosa, Santa Amalia, Las Grutas, Jangada, and Cerro Copetón.

- **HCV 6 and HCV 3:** Mi Generala.
- **HCV 6:** Cerro Copetón.
- **HCV 1:** Santa Sofía and Quebracho.

AREAS OF SPECIAL CONSERVATION INTEREST (APICs)

LA CASCADA (FLORA)

It was concluded that the current forestry plan has thoroughly incorporated the representative natural ecosystems of the region, ensuring that their structure and interconnectivity are maintained. These ecosystems exhibit a very good overall conservation status, which supports their long-term representativeness while coexisting with productive activities.

Based on this updated report, it is proposed to designate them as APICs, a new conservation strategy that integrates the former HCV areas and RAs, covering 26% of the farm's total area.

The 38.7 hectares previously classified as HCV have been reclassified as an **APIC**.

TUPAMBAE II (FLORA)

This farm was selected by AF from a group of properties incorporated into certification in 2020. The selection was based on four factors:

1. It is located within an Important Bird and Biodiversity Area (IBA).

2. It lies near the Quebrada de los Cuervos Protected Landscape.

3. It is situated within the buffer zone of this protected landscape, classified as Class 1 priority under the SNAP.

4. Several sectors of the farm are part of the 20% of the territory prioritized for conservation under SNAP.

The company has designated 95 hectares of the farm as an **APIC**.

EL YUGO (FLORA)

No attributes indicating the presence of HCV areas were identified on the El Yugo farm. However, the property has unique characteristics that justify its inclusion in AF's network of conservation areas under the category of APIC. This designation is based on the diversity of environments represented, their intra- and inter-farm connectivity, and the presence of extensive areas of natural, gently rolling hills not found on other farms managed by AF.

The APIC proposed in this initial stage covers approximately 890 hectares and includes more than 35 km of native forest and grassland corridors along the Del Parao and De Otazo streams, as well as the natural grassland areas extending near the confluence of these streams.

FAUNA

FAUNA OF HCV AREAS MANAGEMENT PLAN - (Generic Guidelines)

Several management practices are common to the unplanted areas across all farms, particularly those designated as HCV areas, from the perspective of tetrapod fauna conservation.

- Restricted access: Limit the presence of people to the minimum necessary, particularly company personnel and contractors.
- Surveillance: Ensure effective monitoring of these areas by Farm Supervisors.
- Access control and signage: Implement access control measures and install dissuasive signage. Prohibit, and enforce the prohibition, on entry by unauthorized individuals, including but not limited to hunters, fishers, campers, and bird watchers.
- Dog management: Prohibit, or otherwise reduce to the minimum necessary, the presence of dogs used for livestock handling, near residences, or accompanying visitors. Dogs in residential areas must be tethered or confined, preventing entry into conservation areas, especially HCV areas.
- Feral exotic species control: Monitor for feral exotic species—primarily dogs, wild boar (*Sus scrofa*), axis deer (*Axis*), and European hare (*Lepus europaeus*)—and take action in response to any significant population increases.
- Invasive exotic plant species control: Monitor and control the presence of invasive exotic plant species within HCV areas, as these species degrade habitats and reduce their suitability for tetrapod fauna.
- Livestock management: Adjust stocking rates, species, and categories in response to vegetation impacts, maintaining good ground cover, refuges (tall grass, accumulated plant material), and food sources (seeds, leaves) for wildlife. In HCV areas, livestock should be managed primarily as a vegetation control tool rather than for production purposes.
- Fire prevention: Reduce fire risk by establishing perimeter firebreaks, maintaining green zones, ensuring surveillance, prohibiting open fires, and controlling access.
- Habitat connectivity: Avoid interdigitation between crops and natural areas, minimizing edge contact and preventing the narrowing or cutting of biological corridors and connections.
- Signage timing: Install conservation or HCV signage only after control and surveillance measures are in place, to avoid unintentionally attracting illegal access.

SPECIFIC CONSIDERATIONS

DON RAMÓN (FLORA and FAUNA)

The location of the farms (representative of unique environments in the northeast of the national territory, with distinctive fauna and flora) and their connection to areas of recognized biological value **make it essential to protect the biological corridors,** which facilitate the movement of wildlife in both directions.

The Río Tacuarí basin (including its tributaries within the farms, such as Cañada de la Coronilla and Cañada Fiera) and the area known as "Bañados de Medina" host rich biological diversity that has not yet been fully surveyed. Preliminary indications suggest that its ecological significance may be even greater than currently recognized. The primary environments requiring protection include sandstone cornices, rocky outcrops, riverbeds, and associated native forests. Secondary priorities include adjacent lowlands and unplanted grasslands and pastures.

In addition to the general management practices, particular emphasis must be placed on maintaining the integrity of the biological corridors, avoiding any interdigitation with cultivated areas that could interrupt or significantly narrow these connections.

SANTA AMALIA (FAUNA)

Santa Amalia contains HCV areas which partially overlap with 20% of the territory identified as Priority for Conservation. The non-overlapping portions correspond mainly to medium and high grasslands, particularly those located between the two main streams of the farm, with Arroyo Tupambaé forming the eastern boundary. These grasslands have been under cultivation for approximately six years. The layout of cultivated areas respects buffer distances from lowlands, watercourses, and native forests, ensuring that connectivity with Arroyo Tupambaé is maintained. As a result, these remain the principal biological corridors and connection zones between the remaining natural environments.

The corridor associated with Arroyo Tupambaé is also in good condition relative to the rest of the basin, linking the area to the Río Negro through a variety of well-preserved environments, including riparian forests, low scrublands, grasslands, and lentic wetlands (both temporary and permanent) outside the farm boundaries.

Grazing must be excluded from the most extensive scrublands and native forests to preserve their ecological integrity.

CERRO COPETÓN (FAUNA)

It is currently recommended to control the access of unauthorized people (particularly hunters and bird watchers) and to restrict, as far as possible, the presence of dogs and campsites.

In certain locations, the planted forest lies only a few meters from native forests, grasslands, and low-lying wetlands adjacent to internal streams. This proximity is especially evident near the main watercourse, Arroyo Mansavillagra, and, to a lesser extent, Arroyo del Tigre.

This situation should be addressed at the time of harvesting and prior to replanting. The post-harvest plan should be designed to increase, as much as possible, the buffer distance between forest plantations and the native forests, grasslands, and wetlands associated with these streams, as they form part of an HCV area.

Invasive species should be monitored and controlled when necessary.

HISTORIC RESOURCES MANAGEMENT PLAN

The CERRO COPETÓN farm contains an HCV area associated with Enrique Lewostone. The following management plan has been established for its care and

preservation:

- Conduct an annual visual inspection of the site.
- Remove weeds within a 3-meter radius of the site.
- Install signage indicating the presence of an HCV area.
- Prohibit visitors from removing or altering any elements in the area.
- Prohibit the movement of machinery in the surrounding area.
- Prohibit planting near the Puesto de Lewostone.
- Remove any natural regeneration of exotic species.
- Prohibit hunting, fishing, and camping, as these activities are considered illegal.
- Prohibit activities such as lighting fires, gathering firewood, cutting branches, or felling trees on the farm.

JANGADA

- Control and remove exotic species, particularly those spreading from cultivated areas, and monitor the presence of other invasive exotic woody species.
- Restrict access to unauthorized individuals, particularly hunters and bird watchers.

DON RAMON - FLORA MANAGEMENT PLAN (HCV AREAS)

GENERAL RECOMMENDATIONS FOR THE MANAGEMENT PLAN

1- Livestock management: Implement a livestock management program across the entire farm, applying specific limits and restrictions within priority areas.

2- Exotic woody species control: Begin removal activities for exotic woody species throughout the farm, with emphasis on priority areas.

3- Good conservation practices: Implement the following guidelines:

a. During harvesting

- **Tree cutting:** Use cutting methods that best ensure the protection of adjacent areas identified as HCVs and Representative Areas. Pay special attention to adjacent zones to priority areas for conservation and lowlands.
- **Machinery traffic:** Avoid machinery movement within HCV and Representative Areas, and in adjacent zones. Where access is unavoidable, clearly mark the areas to be protected.
- **Access restrictions:** Prohibit entry into "priority areas for conservation."
- **Plant residue management:** Keep plant residues at least 20 meters away from priority conservation areas, watercourses, buffer zones, and ecotones.
- **Roads and stockpiling areas:** Design roads and stockpiling areas to avoid impacting conservation areas, lowlands, watercourses, and, in particular

priority areas for conservation within the farm.

b. Priority areas for conservation (HCV Areas and Representative Areas)

Two priority areas for conservation have been identified. Management in these areas will aim to protect representative native ecosystems and restore them to more natural conditions. The goal is to conserve and enhance current ecosystem health through livestock exclusion and/or rational grazing management, while establishing biological corridors.

- **Access restrictions**: Entry is prohibited**,** except in specific cases detailed below.
- **Invasive exotic species control**: Remove *Eucalyptus* and any other exotic species from priority areas. Ensure no regeneration occurs post-harvest by applying chemical controls with the appropriate safety measures.
- **Fencing and livestock exclusion:** After harvest, assess the condition of perimeter fencing. Fence off the two priority areas and exclude them from the rest of the farm. These areas must remain free of livestock of any kind (sheep, cattle, etc.), with adjustments to stocking rates based on monitoring results.
- **Monitoring:** Conduct annual monitoring by qualified experts following established guidelines. Monitoring results will inform future management measures and the appropriate categorization of these areas.

c. After harvesting

- Verify that the 25-meter buffer zones are clearly identified with respect to the firebreak on the southern side of the plantations and the 12 other sides.
- Verify that no specimens of *Eucalyptus* (or other invasive exotic species) remain in priority areas for conservation or other sensitive zones.

d. Grazing

- In permitted areas, manage cattle year-round to promote the seeding of pastures with native forage value.
- Monitor the condition of grasses—particularly in lowlands—using the average height of the leaf horizon as a reference.
- Consider subdividing the farm into paddocks to improve cattle management under different seasonal or operational conditions.

4 - Resprouting or replanting management

- Plan the layout of stands and related management activities to ensure no impact on priority areas for conservation.
- In planted lowland areas, remove existing stands before replanting.

MI GENERALA - FLORA MANAGEMENT PLAN (HCV AREAS)

- **Access Restrictions:** Entry into these areas is prohibited, except for the

specific exceptions outlined below.

- **Invasive exotic species control**: Remove *Eucalyptus* and any other possible exotic species within the HCV areas.
- **Fencing and livestock exclusion:** Fence the areas to prevent livestock from entering the HCV areas.
- **Signage**: Install signs indicating that the farm is adjacent to an area with HCVs.
- **Monitoring:** Conduct annual monitoring by experts following specific guidelines. Based on these monitoring results, determine future management measures and appropriate categorization for these areas.

HISTORIC RESOURCES MANAGEMENT PLAN

Two HCV areas were identified within the MI GENERALA farm: the graves of Geronimo Farías and Cirilo Vera. Therefore, the following Management Plan has been established to ensure their care and preservation:

- Conduct a visual inspection of each grave once a year, whether or not visits have taken place.
- Remove weeds within the immediate surroundings of the graves.
- Install signage indicating the presence of an HCV area.
- Prohibit visitors from removing or altering any elements of the graves (e.g., plaques).
- Prohibit machinery movement near the graves.
- Prohibit planting near the graves.
- Remove any natural regeneration of exotic species.
- Prohibit visitors from engaging in hunting, fishing, camping, or any other illegal activity.
- Prohibit barbecuing, gathering firewood, cutting branches, or felling trees on the property.

Monitoring will follow these management guidelines and comply with Procedure 18 – "Authorization of Visits, Gravesite Management and Monitoring" (see Chapter 11 – Monitoring). Evidence of monitoring must be recorded on the "Gravesite Monitoring" form, and these records will be kept for five years, in accordance with Procedure PR 18.

DON CHICO - FLORA MANAGEMENT PLAN (HCV AREAS)

- Ensure that the required distances between the stands and the remaining native forests are maintained in accordance with regulations.
- Continue conducting rational livestock and forestry management to support the healthy development and restoration of herbaceous vegetation in the countryside, as well as populations of cacti.
- Verify the continuity of biological corridors, which should be properly

interconnected within the farm and with neighboring farms.

- Verify the continuity of the SNAP species ***Hypericum piriai*** identified and herborized. This is the first record for Florida Department and the westernmost known location for the species in the world.
- Monitor farm entrances and strictly enforce measures to control poaching and the illegal commercialization of cacti.
- Restrict the movement of heavy machinery in conservation zones and areas.
- **Signage**: Install signage indicating that the farm contains an HCV area.
- **Control of invasive exotic species**: Remove *Eucalyptus* and any other possible exotic species within the HCV areas.
- **Plant residue management:** Keep plant residues at least 20 meters away from priority conservation areas, watercourses, buffer zones, and ecotones.
- **Roads and stockpiling areas:** Design roads and stockpiling areas to avoid impacting conservation areas, lowlands, watercourses, and, in particular priority areas for conservation on the farm.

After harvesting

- Verify that the 20-meter buffer zones are clearly identified with respect to the firebreak on the southern side of the plantations and the 12 other sides.
- Verify that no specimens of *Eucalyptus* (or other invasive exotic species) remain in priority areas for conservation or other sensitive zones.

Grazing

- In permitted areas, manage cattle year-round to promote the seeding of pastures with native forage value.
- Monitor the condition of grasses—particularly in lowlands—using the average height of the leaf horizon as a reference.
- Consider subdividing the farm into paddocks to improve cattle management under different seasonal or operational conditions.

Resprouting or replanting management

- Plan the layout of stands and related management activities to ensure no impact on priority areas for conservation.
- In forested lowland areas, remove existing stands before replanting.

SILVA CANOSA AND FLORES - FLORA MANAGEMENT PLAN (HCV AREAS)

- Prevent possible fragmentation or discontinuity of conservation areas and biological corridors.
- Monitor natural regeneration of planted forest species into unwanted areas.
- Remove populations of invasive species within HCV areas and Representative

Areas.

- Verify that no extra-stand forestry practices are carried out.
- Verify the condition of non-forested areas, fences and signage.
- Verify ground cover and accordingly adjust livestock stocking rates.
- Restrict heavy machinery traffic in conservation zones and areas.
- **Plant residue management:** Keep plant residues at least 20 meters away from priority conservation areas, watercourses, buffer zones, and ecotones.
- **Roads and stockpiling areas:** Design roads and stockpiling areas to avoid impacting conservation areas, lowlands, watercourses, and, in particular priority areas for conservation on the farm.

After harvesting

- Verify that the 20-meter buffer zones are clearly identified with respect to the firebreak on the southern side of the plantations and the 12 other sides.
- Verify that no specimens of *Eucalyptus* (or other invasive exotic species) remain in priority areas for conservation or other sensitive zones.

LAS GRUTAS - FLORA MANAGEMENT PLAN (HCV AREAS)

- Restrict the area where the following species have been identified: ***Campyloneurum atlanticum, Austroblechnum divergens*** and ***Lomariocycas aff. exigua.***
- Manage the rocky outcrop areas on the Las Grutas farm, particularly in sensitive zones, with special attention to the annual control of regeneration of *Pinus* and *Eucalyptus* in order to conserve the rich Cactaceae flora.
- Give special attention to the fern flora associated with sandstone ledges on this farm due to both its diversity and its high sensitivity to changes in its natural environment.
- Maintain the integrity of lowland networks, control the regeneration of invasive exotic species, and prohibit machinery traffic in these areas.
- Remove any invasive specimens from within the invaded area, regardless of their size, once they have been cut down.
- Preserve biological corridors both in land use planning for forestry projects and in the management of existing or planned plantations, including herbicide application and machinery movement.

JANGADA - FLORA MANAGEMENT PLAN (HCV AREAS)

- Consider natural areas on the farm and adjust plans to align with current conservation priorities at both the company and national level when planning future plantations.

- Prohibit machinery traffic in sensitive zones of natural areas on the farm.
- Avoid soil compaction in low-lying areas.
- Ensure new plantations comply with current regulations regarding minimum distances to native forests and biological corridors.

Other measures implemented to ensure the continuity of the areas for conservation include:

- Avoid traffic in lowland areas.
- Redesign planting layouts to respect biological corridors.
- Take precautions in the use of agrochemicals, especially herbicides.
- Strictly control potential natural regeneration outside of stands.

Grazing

- In permitted areas, manage cattle year-round to promote the seeding of pastures with native forage value.
- Monitor the condition of grasses—particularly in lowlands—using the average height of the leaf horizon as a reference.
- Consider subdividing the farm into paddocks to improve cattle management under different seasonal or operational conditions.

Resprouting or replanting management

- Plan the layout of stands and related management activities to ensure no impact on priority areas for conservation.
- In forested lowland areas, remove existing stands before replanting.

SANTA SOFIA - FLORA MANAGEMENT PLAN (HCV AREAS)

- Prevent fragmentation or discontinuity of areas and corridors.
- Control natural regeneration of cultivated forest species into unwanted areas
- Remove invasive species populations within HCV areas and Representative Areas.
- Verify that no extra-stand forestry practices are carried out.
- Verify the condition of non-forested areas, fences and signage.
- Verify ground cover and adjust livestock stocking rates accordingly.
- Restrict heavy machinery traffic in conservation zones and areas.

QUEBRACHO - FLORA MANAGEMENT PLAN (HCV AREAS)

- Prevent fragmentation or discontinuity of areas and corridors.

- Control natural regeneration of cultivated forest species into unwanted areas
- Remove invasive species populations within HCV areas and Representative Areas.
- Verify that no extra-stand forestry practices are carried out.
- Verify the condition of non-forested areas, fences and signage.
- Verify ground cover and adjust livestock stocking rates accordingly.
- Restrict heavy machinery traffic in conservation zones and areas.
- Collect and remove the waste from the garbage cans located on the banks of the Río Tacuarembó on a monthly basis.

LAURELES I and II - FLORA MANAGEMENT PLAN (HCV 1)

- Prevent fragmentation or discontinuity of areas and corridors.
- Control natural regeneration of cultivated forest species into unwanted areas
- Remove invasive species populations within HCV areas and Representative Areas.
- Verify that no extra-stand forestry practices are carried out.
- Verify the condition of non-forested areas, fences and signage.
- Verify ground cover and adjust livestock stocking rates accordingly.
- Restrict heavy machinery traffic in conservation zones and areas.

LAURELES I and II - FAMILY CEMETERY MANAGEMENT PLAN (GRAVES) HCV 6

- Remove weeds within the immediate surroundings of the graves.
- Install signage indicating the presence of an HCV area.
- Prohibit visitors from removing or altering any elements of the graves (e.g., plaques).
- Prohibit machinery traffic near the graves.
- Prohibit planting near the graves.
- Remove any natural regeneration of exotic species.
- Prohibit visitors from engaging in hunting, fishing, camping, or any other illegal activity.
- Prohibit barbecuing, gathering firewood, cutting branches, or felling trees on the property.

Monitoring will follow these management guidelines and comply with Procedure 18 – "Authorization of Visits, Gravesite Management and Monitoring" (see Chapter 11 – Monitoring). Evidence of monitoring must be recorded on the "Gravesite Monitoring" form, and these records will be kept for five years, in accordance with Procedure PR 18.

CONSERVATION AREAS AND BIOLOGICAL CORRIDORS

According to the National Code of Good Forestry Practices, a biological corridor is defined as an unharvested forest strip of variable width, or an area with suitable vegetation, that facilitates the movement of wildlife through plantations.

Connectivity among remnants of environments in conditions close to their natural state—grouped into three categories: (a) open fields associated with sandstone escarpments; (b) lowland fields with extensive native riparian forests and grasslands; and (c) native forests linked to ravines and sandstone escarpments—both within the farm and connected to similar habitats beyond its boundaries, is considered the primary measure for supporting the conservation of tetrapod diversity within the farm.

As a conservation measure, these areas remain unplanted and preserved in their natural state, contributing to the protection of landscape units. When establishing new plantations, a minimum setback of 20 meters from native forest stands is applied. If this distance is respected but the planted stands cast shade on native forest for more than two to three hours per day, the setback is further increased.

A regulatory buffer of 15 meters is maintained between plantations and any existing watercourse.

The measures suggested by the experts related to the control of the natural invasion of *Eucalyptus* in the areas included in the report will be addressed. Additionally, the presence of invasive species and the natural regeneration of forest crops, as noted in the report, must be managed. A plan has been developed to address these issues, titled the "Invasive Species Removal Plan - ELEI 2020 – 2025."

The use of heavy machinery is restricted in designated conservation areas.

AREA OF SPECIAL CONSERVATION INTEREST (APIC)

Based on the studies conducted, AREAS OF SPECIAL CONSERVATION INTEREST have been identified due to their distinctive environmental features.

LA CASCADA, TUPAMBAE AND EL YUGO - FLORA MANAGEMENT PLAN (APIC)

- Prevent fragmentation or discontinuity of areas and corridors.
- Control natural regeneration of cultivated forest species into unwanted areas
- Remove invasive species populations within APICS areas and RA.
- Verify that no extra-stand forestry practices are carried out.
- Verify the condition of non-forested areas, fences and signage.
- Verify ground cover and adjust livestock stocking rates accordingly.
- Restrict heavy machinery traffic in conservation zones and areas.
- Annual monitoring is conducted by the Farm Supervisors, with environmental conditions verified by an expert every five years.

REPRESENTATIVE AREAS (RA)

Additionally, REPRESENTATIVE AREAS are identified for exhibiting typical characteristics that reflect the diversity of different ecological zones.

9.3.2 Roads, Quarries and Constructions

Road construction follows the company's Work Instructions for Road Building, which detail procedures to ensure maximum safety for operators and full compliance with environmental protection measures, in line with the design and layout standards set forth in the National Code of Good Forestry Practices.

Currently, all approved and pending-approval quarries are identified, and extraction is permitted exclusively from authorized quarries.

Constructions

No new constructions are planned. Existing facilities are maintained in good condition, in accordance with the provisions of Decree No. 372/99 regarding facilities and fixed, permanent premises

9.3.3 Firebreaks

All farms have a Forest Fire Prevention Plan prepared by experts.

Unplanted strips designated as firebreaks are defined in this Management Plan, which has been developed in compliance with current regulations (Decree No. 188/02).

The purpose of firebreaks is to maintain a grassy strip of short, green vegetation, preventing fire ignition and spread. Perimeter firebreaks are particularly important, though they may be considered "high-risk" when located along local roads, busy routes, or adjacent to neighbors who use burning as a land management tool.

Creating firebreaks with off-center alignments or plowing near watercourses is prohibited to prevent soil erosion.

Bosques del Uruguay does not use field burning as a method of fuel reduction.

The burning of forestry residues is permitted only under the conditions specified in Section 8.1.1 of this Management Plan.

9.3.4 Other Plantation Uses

9.3.4.1 Grazing

The company offers grazing opportunities to neighboring cattle owners to help reduce fuel loads in firebreak areas and thereby lower wildfire risk. Grazing also serves as a means of integrating local livestock producers into the project and engaging them in fire prevention efforts.

This activity is regulated through grazing contracts ranging from 1 to 11 months, renewable upon expiration. Each contract provides the conditions under which grazing is conducted, including the permitted stocking rate. The company authorizes a

maximum of 0.5 LSU/ha (Livestock Units per hectare).

9.3.4.2 Others

Beehives may be installed to promote the production of non-timber forest products from the farms. Local beekeepers are generally engaged for this activity.

Beekeeping is regulated through contracts ranging from three to six months.

9.4 Human Capital

9.4.1 Training

Training both in-house and subcontracted operators is considered a priority to ensure that tasks are carried out effectively and safely, safeguarding both personnel and the environment.

When recruiting new operators, the company evaluates their previous work experience as well as their professional and personal references. Given the physically demanding nature of operational work, candidates must undergo a medical assessment to confirm their physical capability to perform assigned tasks.

Each time a new operator is hired, they receive an explanation of their assigned tasks and are given access to the relevant Work Instructions. They are also informed of the company's Environmental Policy.

All operators attend a Safety briefing, and any additional training deemed necessary is determined by the AF GROUP.

All training sessions are recorded, including the date, topic, participants, and trainer. Attendance is recorded with participant signatures, and each training session is subject to evaluation.

9.4.2 Contracted Services

Subcontracted operators engaged in essential services are treated as equivalent to in-house personnel and receive the same training program described above.

The General Operating Guide of Agro Empresa Forestal S.A. outlines the procedures for the selection and evaluation of service providers.

9.4.3 Profile of Service Providers

Most service providers are local entrepreneurs who have entered the forestry sector in response to growing demand. These businesses are typically small, employing between five and thirty people. There is a well-developed service market, with many providers also working for other forestry companies.

The entrepreneurs leading these companies have demonstrated the ability to adapt to increasingly stringent client requirements, including certifying their management

systems under various standards.

Beekeepers, herders and contractors are encouraged to hire local labor force.

Contact details for Agro Empresa Forestal S.A. are available in nearby towns—at public facilities (such as police stations and schools) and local businesses—for those interested in registering to carry out grazing or beekeeping activities on Bosques del Sur farms. The Farm Supervisor is responsible for selecting applicants who meet the necessary criteria to undertake these activities.

All contracted forestry service providers, whether companies or individuals, must comply with all applicable legislation (particularly Decree No. 372/99), adhere to the Principles and Criteria of Good Forest Management, and meet all requirements set by the AF GROUP.

The AF GROUP supports the initiative of all employees to join unions, as they deem appropriate.

9.4.4 Communication

To ensure fast communication in case of an emergency, the following requirements are established:

- A fully functional communication system must be available both in work camps and at active worksites.
- Emergency contact numbers must be clearly posted and easily accessible.
- A sufficient number of workers must be trained in the use of communication equipment.
- A vehicle must be readily available.
- All personnel must be familiar with designated emergency exit routes and access roads.

9.4.5 Safety

The Work Instructions for each activity specify the required Personal Protective Equipment (PPE).

For all silvicultural activities, operators must have access to a first aid kit, as outlined in the relevant Work Instructions for each operation. All first aid kits must meet the standards required by Agro Empresa Forestal S.A.

In the event of an occupational incident or accident, the supervisor and the AF Safety Officer must be notified immediately. The Safety Officer will inform the Director and the General Manager.

Subsequently, a formal investigation report will be prepared to determine the causes of the incident and define corrective actions.

In compliance with Decrees No. 127/2014 and No. 52/2023, all contracting companies with more than four employees must have a certified safety technician who reports

directly to AF's Safety Officer. AF has enforced this requirement as a client condition since January 2021.

Contracting companies must submit an Occupational Risk Prevention Plan (Safety Plan) that includes a risk analysis. AF provides contractors annually with a matrix of safety requirements and requires monthly reports to AF's Health and Safety Manager, who verifies compliance and evaluates contractor performance. AF also conducts regular audits and inspections to ensure adherence to applicable requirements.

Contracting companies must have safety committees, as defined in Decree No. 291/07.

10. ENVIRONMENTAL MANAGEMENT

Based on technical surveys conducted by Flora and Fauna experts, an environmental characterization is carried out to identify the different habitat types and their associated environmental values. This includes evaluating their biological diversity, water resources, soil quality, landscape values (cultural, religious and spiritual), carbon sequestration and storage capacity within or near each Forest Management Unit.

As a guiding criterion, the principle of "complementarity and representativeness" of the ecosystems present on the farms—and their potential interconnections—is applied.

The combination of previous studies, the expertise and knowledge of the technical team, and the environmental planning undertaken at the project proposal stage enables a preliminary evaluation of new farms entering FSC® certification. This process allows for the preparation of a prioritization ranking that reflects the relative importance or potential of each farm in terms of areas of interest for conservation.

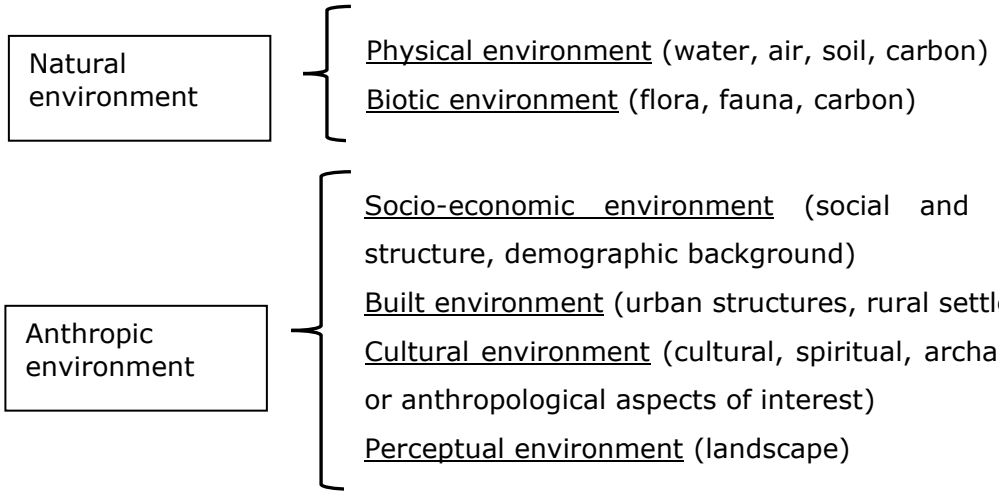
This ranking serves as a preliminary step before applying the methodology for full environmental characterization and subsequent monitoring. The basic territorial analysis unit for determining farms of highest conservation value is the Level 2 watershed (sub-watershed).

10.1 Environmental Impact Assessment

The purpose of assessing the environment where forest plantations are established is to:

1) Identify and evaluate the status of environmental values that may be affected by future operations conducted on all the farms comprising the AF GROUP.
2) Establish production procedures and practices to prevent or minimize potential negative environmental impacts if their occurrence is detected.

The analysis considers different parameters related to the receiving environment in order to assess the potential impacts of forestry activities:



10.2 Environmental Impacts

The potential environmental impacts, classified according to the receiving environment, the operational phase, and their impact category, are presented below. This assessment considers the company's established production procedures and practices, which are designed to prevent or minimize negative environmental effects.

For the purpose of this evaluation, the following operational phases are considered:

- Planting: Involves site preparation, planting, and establishment stage.
- Development: Involves the growth and development stage of the plantation from establishment until the final harvest.
- Harvesting: Involves clear-felling and timber extraction stage.
- Transportation: Involves the transportation of timber from the farm.

Table: Environmental Values Assessment: Potential Impacts

Phase	Environment		Potential Effects		Significance
			Description	Impact Type	
Plantation	Physical	Soil	Risk of erosion because of soil tillage	N	Low significance
			Chemical spill Chemical drift from aerial applications	N	Low significance
		Water	Sedimentation of watercourses and water bodies	N	Low significance
			Herbicide contamination	N	Very low significance
			Solid waste from agrochemical containers	N	Very low significance
	Biotic	Flora	Conservation	P	Very significant
			Fragmentation or loss of natural ecosystems	N	Low significance
		Fauna	Habitat alteration	N	Very significant
	Anthropic	Community and Population	Job creation	P	Very significant
			Settlement of families in the area	P	Very significant
		Economy	Multiplier and driving effect	P	Significant

		Landscape	Modification	N	Low significance
Development	Physical	Soil	Soil compaction risk from machinery traffic	N	Low significance
			Increase in organic matter, enhancing soil stability	P	Significant
			Protection through interception of rainfall	P	Significant
		Water		P	Significant
	Biotic	Flora	Conservation	P	Very significant
		Fauna	Conservation and biological corridors	P	Significant
			Livestock protection	P	Significant
	Anthropic	Community and Population	Employment generation	P	Very significant
			Families settling in the area	P	Very significant
		Economy	Multiplier and dynamizing effect	P	Significant
		Landscape	Modification	P	Low significance
Harvest	Physical	Soil	Soil compaction risk from machinery traffic	N	Significant
			Soil erosion risk	N	Significant
		Water	Sedimentation of watercourses and water bodies	N	Low significance
	Biotic	Flora	Affectation	N	Low significance
		Fauna	Habitat alteration	N	Low significance
	Anthropic	Community and Population	Job creation	P	Very significant
			Settlement of families in the area	P	Very significant
		Landscape	Multiplier and driving effect	P	Very significant
		Infrastructure	Effects on roads or routes	N	Significant
		Landscape	Modification for harvesting and traffic frequency	N	Low significance
Transport	Physical	Soil	Soil compaction risk from machinery traffic	N	Significant
			Soil erosion risk	N	Significant
		Water	Water risk contamination	N	Low significance
	Biotic	Flora	Affectation	N	Low significance
		Fauna	Habitat alteration	N	Low significance
	Anthropic	Community and Population	Job creation	P	Very significant
			Settlement of families in the area	P	Very significant
		Economy	Multiplier and dynamizing effect	P	Very significant
		Landscape	Modification	N	Low significance

11. MONITORING SYSTEM

11.1 Natural Resources Monitoring

All farms operate under a Forest Management Plan approved by the competent regulatory agency (Ministry of Livestock, Agriculture and Fisheries).

In farms managed under FSC® standards, an Environmental Impact Assessment (EIA) is required, consistent with the magnitude and intensity of forestry operations and the sensitivity of the resources affected.

Some forest plantations were already established when the Forest Management System was implemented, i.e., the project was already underway. In these cases, the environmental impact assessment is carried out with reference to future operations. For projects initiated from the outset, a full environmental impact assessment was conducted at the planning stage.

The environmental conditions subject to monitoring include:

- Gullies: If major gullies are present, their area is measured and monitored to ensure no further expansion occurs. Should expansion be detected, appropriate measures—such as grassing or tree planting—will be applied, selected according to site-specific conditions.
- Erosion: Planting rows should preferably be aligned perpendicular to the slope. Where longitudinal and transversal slopes occur, drainage channels or roads should be established to break the contour and prevent continuous downhill furrows. Ideally, furrows should maintain a slight slope (around 2%) to avoid waterlogging, which could hinder tree growth. Roads should be avoided when wet, wherever possible, to preserve their condition.
- Water wells: Physical and chemical analysis are carried out on water wells, and the groundwater table is measured every two years.
- Soil analysis: From 2022, AF Group has participated in the soil physicochemical monitoring program coordinated by the Society of Forest Producers.
- Harvesting: Given that harvesting is the activity with potentially the greatest environmental impact, specific aspects to be evaluated post-harvest are recorded in the "**Harvest Environmental Monitoring"** form.
- Roads: For the same reason, road conditions are evaluated post-harvest and recorded in the "**Road Monitoring"** form.

To evaluate both the natural and social resources involved in the Forest Management System developed based on the AF Group farms, annual monitoring and controls are conducted.

Based on the characterization studies of representative farms, a series of environmental monitoring protocols were established. These protocols assess the impact of forestry activities on the following resources:

- **Soil:** Monitor for skid trails, signs of erosion, drainage conditions, flood risk, presence and evolution of major gullies.
- **Watercourses:** Compliance with setback distances, maintain watercourse cleanliness, and locate operational areas at a safe distance (minimum 6 meters) to prevent impacts.
- **Conservation Areas, HCV Areas, and Native Forest:** Ensure circulation setbacks are respected and detect natural regeneration of exotic species encroaching on native forests.
- **Fauna:** Monitor the presence of pests and observe rare or endangered species.
- **Forest Residues:** Ensure their proper arrangement and distribution in line with the Management Plan and prevent residues from increasing fire risk.
- **Non-forest Residues:** Ensure compliance with the Management Plan regarding disposal, containment, and identification.

This monitoring is prioritized on farms undergoing harvesting, given that harvesting

activities generate the most significant impacts. Results are recorded in the forms: "Monitoring and Evaluation of the Thinned/Harvested Area and its Natural Environment" and "Roads Monitoring Plan."

In addition, monitoring is also conducted on those farms where other types of operations are conducted or even on farms without operations. Examples include "Analysis of Water Well" and "Illegal or Biophysical Issues," where the general environmental conditions are verified.

11.2 Soil Resource Monitoring

Evaluation of Changes in Structure (Erosion and Degradation)

The evaluation of soil damage must consider the following factors which interact and determine the extent of the potential damage:

- Topography: Flat, rolling, hilly
- Slope: Steep, moderate, gentle
- Predominant soil type: Sandy, silty loam, silty, clay loam, clay
- Percentage of moisture: Dry, medium, high, waterlogged
- Compaction: None, moderate, high
- Presence of Footprints: Yes, no
- Erosion: Sheet, rill, gully (Yes, No)

This evaluation is carried out using the "**Monitoring and Evaluation of the Thinned/Harvested Area and its Natural Environment"** form. The Farm Supervisor is responsible for filling in this form and submitting it to the Engineer in charge of the harvest.

If soil compaction is classified as high (the evaluation being subjective, considering factors such as water accumulation) and ruts are present, the Engineer must provide a detailed report, including an analysis of the following items:

- Rainfall accumulation
- Machinery used
- Number of machines operating
- Corrective measures taken during the activity, such as suspending traffic on certain roads or extraction routes, or halting harvesting activities due to excessive moisture.

The report must also quantify the affected surface area and calculate it as a percentage of the total harvested area.

Finally, corrective and preventive measures should be put forward to reduce, prevent or reverse the process of soil degradation.

11.3 Water Wells Monitoring

Microbiological analysis of well water is performed every two years to assess its drinking quality, in accordance with the provisions set out in Decree No. 273/79.

11.4 Conservation Areas and HCV Areas

The conservation areas within the Farms include:

- Native forests
- Lowland areas
- Plant communities adjacent to rocky outcrops

These areas are monitored by Farm Supervisors and experts in Flora and Fauna.

Based on baseline studies, the Invasive Species Elimination Plan - ELEI 2020 -2025 was developed.

The Monitoring Plan for areas affected by invasive species requires Farm Supervisors to conduct visual inspections to verify the control of invasive species. These inspections track both affected areas and in those not yet impacted. This monitoring is documented in the "Illegal and Biophysical Issues Reports." Additional monitoring is also carried out by Flora and Fauna experts during field surveys, particularly when new groups of farms are integrated into the GROUP. Representative farms are ranked and selected for detailed surveys.

In accordance with the Management Plan, all native forests and sensitive zones are subject to special treatment regarding the types of operations and activities that can be conducted there. For instance, hunting, fishing, and the removal of native flora specimens (including clearcutting or selective logging of native forests) are prohibited.

Additionally, machinery traffic and other forestry activities, such as wood stacking, are restricted in these areas.

11.5 High Conservation Value (HCV) Areas

All HCV areas are monitored once a year in two field visits. One is done in fall and the other one in spring. The relevant monitoring report is issued based on the results of these visits.

11.6 Forest Resource Monitoring

11.6.1 Monitoring During Forest Establishment

Forest plantations are monitored from the time of planting until the end of their first year. The main objective is to collect data to monitor the good establishment of seedlings and their survival and early growth. Monitoring also evaluates the execution of planting activities to ensure the development of a uniform, healthy, and fast-growing stand.

Ant control: The absence of ant nests is verified by surveying the area for signs of activity. Once the plantation is established, technicians visually inspect the trees for damage as they walk through the fields.

Tillage: The area is inspected to verify compliance with the Management Plan and site-specific technical recommendations. Before tillage begins, stands and road layouts are reviewed and corrected if necessary. During operations, slope conditions are controlled to ensure that tilled strips do not exceed the recommended gradient (ideally ≤ 2%) to prevent erosion. The spacing between strips is also verified to match the planned design (generally 4 m).

Plantation: To monitor plantation establishment, the "Plantation Quality Control" form was developed. Sampling intensity is set according to the number of hectares planted per day, based on the "Planting Sampling Intensity" form.

The following aspects are evaluated in the "Plantation Quality Control" form:

1- Planting density – verifying the distance between rows and plants in the row

2- Crooked plants

3- Correct planting depth

4- Fertilizer applied in the wrong location

5- Plants correctly aligned in the center of the furrow

6- Number of plants missing

This Quality assessment is carried out by the Farm Supervisor on behalf of the Farm Manager.

Post-planting weed control: Weed control effectiveness and potential phytotoxicity are assessed using the "Application Quality Control" form. The criteria for the frequency control of the sprayer inspections (application rates) and for assessing phytotoxicity are provided in the spreadsheets, according to the control tables.

11.6.1.1 Monitoring During Harvest

The yield of all forest products is recorded according to the harvest volume records for each harvested area during the year. Harvest reports are then prepared, and the Technician in charge analyzes that the harvest yield is in line with the projections, considering the forest age and condition.

11.6.1.2 Inventory of Mature Plantations

The forest inventory is carried out with the company's forest resource monitoring activities.

Its objective is to record and keep quantitative and qualitative data to evaluate the productive assets, conducting a reasonable estimation of the quantity and condition of the forest resources. The data collected supports decision-making processes.

Inventory Type	Age (years)	MU Type	Size (m^2) (4)	Radius (m)	Sampling	Intensity (plot/ha)	Management
Quality of Plantation (1)	0.0	Rectangular	Variable	Variable	Random	1st-Oct.	Pulp - Knot-free wood
Planting Survival and Early Growth// Evolution of Resprouting	0.3		300	9.77		1st-Apr.	Pulp - Knot-free wood
Intermediate (2)	5.0		300	9.77		1st-Apr.	Pulp
Quality of Pruning 1	1.5-2.0		300	9.77		1st-Oct.	Knot- free wood
Quality of Pruning 2 - 3 - 4	3.0-5.0		500	12.62		1st-Oct.	Knot- free wood
Pre-thinning 1	7.0-8.0		500	12.62		1st-Apr.	Knot- free wood
Post-thinning 1	7.0-8.0		500	12.62		1st-Apr.	Knot- free wood
Pre-thinning 2	12.0-13.0		1	17.84		1st-Apr.	Knot- free wood
Post-thinning 2	12.0-13.0		1	17.84		1st-Apr.	Knot- free wood
Pre-Harvest Pulp	10.0		500	12.62		1st-Apr.	Pulp
Pre-Harvest Knot-free wood	18.0		1	17.84		1st-Apr.	Knot- free wood
Resprouting Management	2.0		300	9.77		1st-Apr.	Pulp
		Circular	300	9.77	Systematic	30th- Jan.	Pulp
			500	12.62		30th- Jan.	Pulp
Permanent Plots (3)	3.0		800	15.96		30th- Jan.	Knot- free wood
			1	17.84		30th- Jan.	Knot- free wood

(1) Conducted simultaneously with planting to verify planting density.

(2) Applies to high-density, short-rotation (10 years) pulpwood plantations (*E. dunnii* and *E. smithii*).

(3) Permanent plot size is fixed and cannot be modified under any circumstances. Newly established permanent plots will measure 800 m² for knot-free wood and 300 m² for pulpwood.

(4) Suggested plot size according to inventory type. However, it can be adjusted according to the density of the forest to ensure that each plot has no less than 15 trees.

11.6.1.3 Sanitary Monitoring

As the Executive Committee of Pests and Diseases Affecting Tree Plantations [CECOPE, for its acronym in Spanish] develops the National Forest Phytosanitary Surveillance System [SINAVIFF, for its acronym in Spanish], CS-SPF is conducting

Prospective Sanitary Monitoring of commercial plantations. Its objective is to gather baseline information on the phytosanitary condition of commercial plantations. Its implementation started with a pilot plan in 2019.

Repeating the monitoring in 2020 and 2021 enabled adjustments in different aspects, such as the sample size, logistics, age range, data sheets, etc. The monitoring conducted in fall 2021 involved a transect survey (30 trees/transect) in *Eucalyptus* and *Pinus* plantations across different forest regions in the country. The survey involved examining each tree individually, recording symptoms or damage, identifying causal agents and assessing severity levels. Evaluations are carried out in fall (April/May) and spring (September/October) by external experts.

	Spr-2020					**Fall-2021**				
	Total	Center	North	South	Coastal	Total	Center	North	South	Coastal
Total SPF	**178**	**50**	**34**	**25**	**69**	**204**	**59**	**41**	**29**	**75**
Eucalyptus SPF	151	32	25	25	69	177	41	32	29	75
Pinus SPF	27	18	9	0	0	27	18	9	0	0
Total AF	**24**	**14**	**4**	**6**	**0**	**29**	**17**	**4**	**8**	**0**
Eucalyptus AF	10	4	0	6	0	15	7	0	8	0
Pinus AF	14	10	4	0	0	14	10	4	0	0

Areas monitored on AF Group farms- Fall -2021

Region	**E. dunnii**	**E. grandis**	**E.gr x c.**	**E.gr x t.**	**P. taeda**	**Overall Total**
CENTER		6		1	10	17
NORTH					4	4
SOUTH	1	6	1			8
Overall Total	**1**	**12**	**1**	**1**	**14**	**29**

In addition to the systematic prospecting, AF conducts ongoing visual inspections during their operational control rounds. As a result, it is possible to conduct evaluations aimed at assessing particular situations. In these cases, as far as possible, the same methodology of the CS-SPF surveys is applied.

Specialized experts in plant health are also available and consulted when needed.

***Sirex noctilio* Monitoring**

Monitoring of *Sirex noctilio* populations and the decision-making process regarding control measures involve:

a- Identify those areas where the presence of *Sirex noctilio* is detected. For this purpose, the operators are familiar with the pest and the symptoms it may cause on trees. Therefore, they are trained to detect it. When detecting *Sirex*, priority is given to plantations with the highest risk of attack: more than 6 years old and high stand density.

b- Once the pest is detected, monitoring is carried out to assess its population level. Based on the results, it is established whether it is necessary to carry out sanitary thinning (timing/intensity) or inoculations with the parasitoid nematode (*Beddingia siricidicola*). Inoculations are carried out jointly by contracted experts and in-house staff.

c- Another aspect to consider in managing the woodwasp is the degree of natural parasitism present in different plantations. In the northern region (Rivera, Tacuarembó), nematode inoculations have been performed for many years, resulting in relatively high levels of natural parasitism. In contrast, pine plantations in the northeastern region (Cerro Largo, Treinta y Tres) are younger and have a shorter history of inoculations, leading to lower or negligible levels of natural parasitism. For this reason, parasitism rates in both inoculated and non-inoculated logs are periodically evaluated.

11.7 Monitoring of Social Aspects

Social Diagnosis of Communities of Influence

Objectives

The AF GROUP considers it essential to build a responsible and committed relationship with the communities. To this end, we understand as key:

1) Clearly communicate our principles and values to stakeholders and communities, aligning with the Sustainable Development Goals and our certification frameworks.

2) Ensuring transparency in the use of all resources allocated to community development.

3) Fostering a vision of shared responsibility in development processes, avoiding overlaps, and promoting collaboration with public and private resources within each community.

4) Collaborating with other companies in the sector to optimize resources and maximize the impact of initiatives where common interests are identified.

The management of this area is structured around four pillars:

a) process standardization,

b) evaluation and monitoring of activities,

c) strategic planning, involving all the areas of the company,

d) shared decision-making with the company’s management and territorial supervisors.

Methodology

An "Affectation Index" [IAF, for its acronym in Spanish] is used to rank the priority of localities. This index considers the extent of forest cover affecting each locality, its size and the proximity of the farms. In turn, it is complemented with the productive planning of each farm to promptly manage some risks that may arise at different stages of the operation (harvesting, thinning, etc.).

The IAF enables monitoring of the territorial distribution of actions, the development of schedules, and the prioritization of budgets according to the scale, risk, and intensity of the activities within each management unit.

Complaint and Claims Register

Complaints received from operators or third parties (e.g., neighbors, contractors) are registered as part of the social impact monitoring process.

The External Consultant in charge of the Agro Empresa Forestal Management System is notified of any complaints (which may be submitted by email) and records them in the relevant form.

Once a complaint has been recorded, the procedure for addressing it and the applicable deadlines are defined. The complainant is then informed of the resolution process. Upon completion, the complainant is contacted to confirm satisfaction with the outcome. If the complaint is resolved, the case is closed; otherwise, the procedure is repeated until the issue is satisfactorily addressed.

Accident Statistics and Reports

The company keeps a record of accidents (Accident Statistics – Farm Manual, including frequency and severity graphs) and accident reports (Accident Report - Farm Manual). The objective is to reduce accidents by thoroughly analyzing their root causes and implementing corrective measures to prevent recurrence.

This monitoring contributes directly to improving employee well-being.

Service Development

The performance of contractors working on farms managed by the AF GROUP is evaluated once a month. Additionally, the performance of key suppliers is assessed annually.

Compliance with Legal Aspects / Decree No. 372/99

Management conducts monthly reviews of the legal information provided by contractors. All data is stored in the company’s system managed by OVAL, the firm responsible for overseeing legal compliance.

In addition, on-site audits are conducted to verify compliance. The company has also introduced a new requirement: monthly field inspections must be carried out by each contractor’s occupational safety technician, who reports findings to the AF Safety Manager.

Donations and Contributions to Society

Agro Empresa Forestal S.A. (AF GROUP) is committed to Corporate Social

Responsibility (CSR) and consistently willing to support the community. Requests are received by technicians and Farm Supervisors, who forward them to the Sociologist and the General Manager for approval. All donations and contributions are formally recorded.

Activities in Schools near the Farms

Every year, activities are carried out in the schools near the farms bringing together the entire community. These activities include talks on various topics related to forestry and its impact on the community, as well as integration events with parents, children, teachers, and local residents.

Fire Prevention

The company is a member of the Fire Prevention Consortium, which comprises all the farms.

11.8 Monitoring of Economic Aspects

Financial results: Measured in the Balance Sheet and annual Budgets.

Movement of forest products outside of the forests: Monitored through the Chain of Custody, which requires the issuance of shipment documents that include certificate number of the Forest Management Standard. The procedure is detailed in the Chain of Custody (CoC) Procedure. This monitoring is supported by a daily log of timber movements, recording all shipment data and corresponding weights.

Commercial utilization: An Annual Sales Report is prepared, identifying the farm, client, and product. The procedure for preparing this report is set out in the Operating Documents / Annual Sales Report.

The Monitoring Plan provides the results of the indicators and is updated annually.

12. GOVERNING LAW

The governing laws in Uruguay regarding forestry are as follows:

12.1 Laws and Environmental Legal Framework

- Law No. 15,939, dated November 11, 1987, under the Forestry Law
- Article 45 of Law No. 16,002, dated November 27, 1988
- Articles 251, 267 to 275 and 280 of Law No. 16,170
- Articles 183 to 185 of Law No. 16,226, dated October 29, 1991
- Articles 195 and 211 of Law No. 16,320, dated November 1, 1992
- Article 28 of Law No. 16,906, dated January 7, 1998
- Law No. 17,228, dated March 7, 2000, on pledges (see Article 18, Paragraph 2)
- Law No. 17,296

- Article 43 of Law No. 17,453, dated February 29, 2002
- Law No. 17,555, dated September 18, 2002, Articles 75, 76 and 77. Article 75 refers to the maximum term for lease contracts, which for non-forest purposes is 15 years. Article 76 exempts forestry contracts from the provisions of laws on rural leases. Article 77 provides a registry for such contracts.
- Law No. 17,843, dated October 21, 2004
- Law No. 16,466 Environmental Impact Assessment (competent authority: Ministry of Housing, Territorial Development and Environment)
- Law for the Creation of Protected Areas 2000 (competent authority: Ministry of Housing, Territorial Development and Environment).
- Law No. 16,408 Conservation and Biological Diversity
- Law No. 15,239 Soil and Water Conservation (Soil Division of MGAP)
- Law on Fauna and Hunting Regulations of the Natural Resources Division of MGAP
- Decree No. 14,859 Water Codes and its Executive Decree
- Rural Code
- Law No. 15,242 Mining Code
- Law No. 18,099 Outsourcing
- Law No. 18,251 Outsourcing
- Law No. 18,360 Defibrillators
- Law No. 16,074 Work Accidents
- Law No. 19,161 Corporate Criminal Liability
- Law No. 18,083 Tax Reform, dated December 27, 2006
- Law No. 18,245 Rural Real Estate Tax, dated December 27, 2007
- Article 162 of Decree No. 150/007, IRAE [Revenues Tax on Economic Activities] Regulation
- Law No. 17,283 General Law for the Protection of the Environment
- Law No. 17,234 National System of Protected Areas
- Constitution of the Eastern Republic of Uruguay, Articles 7 ; 53; 54; 56 and 57

12.2 Decrees

1. Decrees No. 450 to 452/988, regulating Law No. 15,9392
2. Decree No. 849/988, providing rules on fire prevention
3. Decree No. 931/988 Tasks of the Forestry Fund Administrative Commission

4. Decree No. 247/989, regulating and ensuring compliance with Law 15,939 Tax Benefits
5. Decree No. 457/989 Exemption of Import Taxes for Forestry
6. Decree No. 23/990, regulating and ensuring compliance with the extraction of products from the indigenous forest
7. Decree No. 333/990 Forest Priority Soils
8. Decree No. 50/991 Extends Decree No. 457/989
9. Decree No. 24/993 Cutting Indigenous Forest
10. Decree No. 330/993 Cutting Indigenous Forests
11. Decree No. 296/994, amending Decree No. 457/989
12. Decree No. 212/997, amending Decree No. 931/988
13. Decree No. 372/999, regulating and ensuring compliance with working conditions in the forestry sector
14. Decree dated May 23, 2002, under the Forestry Law. Sections 7; 8; 9 and 10 of Decree No. 849/88 dated December 14, 1988, are replaced.
15. Decree No. 209/003 provides the concept of forest exploitation to regulate tax exemptions
16. Decree No. 504/005 Forest Fire Prevention, dated December 2005 and April 2006
17. Decree No. 188/02 Protection against Forest Fires
18. Decree No. 349/05, governed by Law of Impact Assessment
19. Decree No. 307-2009 Protection of Workers' Health and Safety against Risks Related to Chemical Agents
20. Decree No. 294-2004 Labeling of Phytosanitary Products
21. General Directorate of Agricultural Services Resolution No. 53 on Applicator training (2009)
22. Decree No. 152/13 Solid Waste Management Plan [PGR, for its acronym in Spanish], and its Ministerial Resolution No. 1708-2013
23. Decree No. 291/2007 Safety Commission (Accident Prevention)
24. Decree No. 143/12 Noise, (after 80 Db mandatory use of PPE)
25. Decree No. 128/16 Alcohol, Drugs and Cannabis
26. Decree No. 244/16 Amendment to Decree No. 291/2007
27. Decree No. 651/90 Mandatory Health Card
28. Decree No. 127/14 Health and Prevention Services
29. Decree No. 307/09 Mandatory provisions Chemical Agents

30. Decree No. 103/95 Homologation of the Uruguayan Institute of Technical Standards [UNIT, for its acronym in Spanish] standards in PEE
31. Decree No. 273/79 Water contamination
32. Decree No. 232/88 Water Pollution
33. Decree No. 698/89 Water Pollution
34. Decree No. 195/91 Water Pollution
35. Decree No. 435/94 Environmental Impact
36. Decree No. 210/12 List of Occupational Diseases
37. Decree No. 852/71, Minimum Working Age of Underage Workers
38. Decree No. 680/77, Regulation of Agreements 81 and 129, outlining the competences of the General Inspection of Labor and Social Security [IGTSS, for its acronym in Spanish] regarding protection of life
39. Decree No. 83/96 National Council of Health at Work
40. Decree No. 346/11, Amendment to Decree No. 307/09, Globally Harmonized System of Classification and Labeling of Chemicals
41. Decree No. 43/007 Fire Protection - Prohibition of Open Fires from December to the end of April
42. Decree No. 125/14 Construction
43. Decree 406/88 Industry, Commerce and Services
44. Decree 038/22 Adverse Effects of Storms and Heavy Rains
45. Decree 52/23 Health and Safety Services
46. Decree 358/2015 Final disposal of Tires
47. Ordinance 145/2009 Health Monitoring
48. Ordinance 324/24, Registration of Security and Health Services with the MSP

12.3 Specific Labor Standards for Rural and Forestry Workers

1. Decree Law No. 14,785, dated May 19, 1978
2. Decree No. 647/978, dated November 21, 1978
3. Law No. 13,619, dated November 10, 1967
4. Law No. 10,471, dated March 3, 1944 (refers to the Working Hours' Limit, Law No. 5,350, and to the Minimum Rural Salary Law No. 7,550, not applicable today)
5. Decree No. 372/999 Working Conditions in the Forestry Sector. This Decree was also included in the compilation of forestry regulations.
6. Law No. 18,251 Outsourcing Law, dated 01/2008

7. Law No. 18,099 Outsourcing Law, dated 01/2008
8. Law No. 5032/1914 Prevention of Occupational Accidents
9. Law No. 14,976, homologation of ILO Convention 139 – Carcinogenic
10. Law No. 15,896 Fire and Disaster Prevention and Control
11. Law No. 17,852 Noise Pollution
12. Law No. 18,191 Traffic and Road Safety
13. Law No. 18,360 Defibrillators
14. Law No. 19,196 Corporate Criminal Liability
15. Law No. 14,785, dated May 9, 1978, Executive Decree No. 647/78 Rural Environment
16. Law No. 10,471 Forests, Woodlands, and Peatlands
17. Ministerial Resolution, Registry of Forestry Contractors and Subcontractors, dated November 21, 2000, under Decree No. 372/99
18. Law No. 16,122 Water Pollution, dated 1990
19. Law No. 16,170 Water Pollution, dated 1990
20. Law No. 15,896 Competence, Prevention, Firefighting and Disasters, dated 1987
21. Law No. 11,577 Prohibition of Dismissal of Pregnant Workers or New Mothers, dated 1950
22. Law No. 15,084 Maternity Leave and Salary
23. Law No. 16,104 Breastfeeding, dated 1990
24. Law No. 17,215 Pregnancy and Change of Duties
25. Law No. 17,242 Prevention of Breast and Breast Cancer, dated 2000

12.4 International Conventions and Treaties Ratified by Uruguay

1. Law No. 13,776 Convention on Nature Protection and Wildlife Preservation of America
2. Law No. 14,113 Convention No. 110 (ILO) Concerning Conditions of Employment of Plantation Workers
3. Law No. 17,279 Approving the Kyoto Protocol to the United Nations Framework Convention on Climate Change executed in Kyoto
4. Law No. 17,026 UN United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification
5. Law No. 16,408 Biological Diversity Convention Held in the City of Rio De Janeiro, Federative Republic of Brazil

6. Law No. 15,337 Approval of the Wetlands of International Importance (Ramsar), Especially as Habitat for Ornithological Fauna
7. Law No. 14,205 Approval of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

12.4.1 ILO Conventions Ratified by Uruguay

1. C. 29 On Forced Labor (ratified in 1995)
2. C. 87 On Freedom of Association and Protection of the Right to Organize (ratified in 1954)
3. C. 98 Right to Organize and Collective Bargaining (1954)
4. C. 100 Equal Remuneration (1989)
5. C. 105 On the Abolition of Forced Labor (1968)
6. C. 111 On Discrimination (Employment and Occupation) (1989)
7. C. 138 On Minimum Age (1977)
8. C. 155 Safety and Health of Workers
9. C. 161 Occupational Safety and Health Service (2001)
10. C. 182 Worst Forms of Child Labor (2001)
11. ILO Code 450 Use of Agrochemicals, Guidelines and Safety in the Use of Chemicals at Work
12. National Code of Good Practices
13. ILO Code on Health and Safety in Forestry Work
14. C. 3 Maternity
15. C. 24 and C. 25 Health insurance
16. C. 12, C. 17, C. 18, C. 19 and C. 42 Occupational Accidents and Occupational Diseases
17. C. 88 and C. 89 Employment
18. C. 103 Maternity Protection
19. C. 128 Disability Benefits
20. C. 130 Medical Assistance
21. C. 121 Unemployment Insurance

12.5 Specific Labor Regulations for Workers and Control of Timber Transport and Related Activities

1. Law No. 18,113 – National Road Safety Unit [UNASEV, for its acronym in

Spanish]

2. Law No. 18,412 – Mandatory Insurance [SOA, for its acronym in Spanish]
3. Law No. 9,697 – Regulation of Mandatory Health Certificate
4. Law No. 17,283 – Environmental Protection
5. Law No. 17,242 – Protection of Breast and Genital Cancers
6. Law No. 15,965 – Approval of International Conventions on Safety
7. Law No. 18,191 – National Traffic and Road Safety
8. Law No. 19,061 – Traffic and Road Safety – Supplementary provisions to Law No. 18,191
9. Law No. 19,196 – Corporate Criminal Liability
10. Law No. 19,120 – Amendment to the Criminal Code, Article 6
11. Law No. 19,172 – Regulation of Cannabis Production and Use
12. Law No. 19,313 – Regulation of Night Work

12.6 Specific Decrees Applicable to Timber Transport and Related Activities

1. Decree No. 206/010 – Regulation Mandatory Seat Belt Use (Traffic and Road Safety Law).
2. Decree No. 285/010 – Regulation of the right of individuals who test positive in a breathalyzer to request a confirmatory blood test through the National Integrated Health System, allowing confirmation or rectification of the initial result (September 12, 2016).
3. Decree No. 366/013 – Electronic Cargo Transport Guide and Land Cargo Transport Information System [SICTT, for its acronym in Spanish].
4. Decree No. 049/009 – Regulation on Vehicle Technical Inspections.
5. Decree No. 381/009 – Mandatory Vehicle Insurance.
6. Decree No. 427/010 – Additional Provisions on Seat Belt Use.
7. Decree No. 210/011 – List of Occupational Diseases.
8. Decree No. 547/009 – Training and instruction in the use of fire prevention and firefighting equipment.
9. Decree No. 259/017 – Amendment to the Regulation on Transport of Forest Products on National Roads.
10. Decree No. 020/1990 – Certificate of Technical Fitness and its amendment, Decree No. 107/017.
11. Decree No. 118/984 – Road Traffic Regulations.
12. Decree No. 553/008 – Requirements for Trailer and Semi-Trailer Vehicles.

13. Decree No. 081/014 – Regulation of Law No. 19,061. Miscellaneous Provisions.

12.7 Standards and Conventions

1. UNIT Standard 607:2017 Inspection and Maintenance of Fire Extinguishers
2. Convention C087 Forced Labor
3. Convention C098 Freedom of Association and Protection of the Right to Organize
4. Convention C100 Right to Organize and Collective Bargaining
5. Convention C105 Equal Remuneration
6. Convention C111 Abolition of Forced Labor
7. Convention C138 Discrimination
8. Convention C154 Minimum Age
9. Convention C182 Collective Agreements
10. Ordinance No. 145/2009 – Occupational Health
11. Ordinance No. 324/24 – Registration of the Occupational Health and Safety Service at the Ministry of Public Health

12.8 Municipal Resolutions

Cerro Largo

- Decree No. 08/2011 – Final approval by Decree No. 12/2011
- Fines for road, street, and sidewalk damage
- Paid Parking – Article 75
- Decree No. 07/991 General Traffic Regulation
- Municipal Resolution No. 198/2016 establishes a 24-hour ban on heavy vehicle traffic when rainfall reaches 5 mm in one hour or a total accumulation of 40 mm.
- A 48-hour traffic restriction applies if rainfall exceeds 20 mm in one hour or if the total accumulation reaches 60 mm.
- Decree No. 13/2016 (final enactment) establishes sanctions for damage to rural roads, further to Decree No. 10/2016 of May 5, 2016.

Treinta y Tres

- Decree No. 43/2018 Local Plan
- Departmental guidelines and sustainable development – Law No. 18,308

- Resolution No. 0683 Restriction on truck traffic in the city
- Resolution No. 1,570 Ban on truck traffic on Tomás Gómez Street
- Departmental Decree No. 14/982 Regulation on truck traffic
- Resolution No. 505-001 Control of disturbing noise
- Departmental Decree No. 10/000 Disturbing noise

Lavalleja

- Decree No. 3571/2019 Departmental Council of Lavalleja, under Law No. 18,308 on Land-Use Planning and Sustainable Development
- Noise Control 2023

Rivera

- Decree No. 1771/017 Development and Territorial Planning Plan – Article 22: Heritage and Environmental Protection/Enhancement Zones; Forest Exclusion Area.
- Departmental Decree No. 3888/2001 Disturbing noise
- Noise Control 2023

Tacuarembó

- Departmental Decree No. 002/2007 Ordinance for the Control of Noise Pollution under Law No. 17,852
- Noise Control 2023
- Law No. 1,8191 Traffic Regulations, Regulatory Decree No. 118/984 and amendments (Decrees No. 329/021; 120/999; 156/009; 134/998; 303/023; 176/024; 560/003; 359/999; 432/022)

Florida

- Departmental Decree No. 34/2023 Forestry Regulation
- Noise Control 2023
- Decree No. 1996-0016 Disturbing noise
- Road Traffic Regulations of Florida, enacted on April 26, 1984

Note: In addition to this list of legal requirements, AF GROUP takes into account all requirements set forth in Annex 8 of the National Standard for Responsible Forest Management in Uruguay.

12.9 Legal Compliance Monitoring Mechanisms

12.9.1 Procedure

The list of applicable labor laws is updated based on information provided on the

official government website.

Regarding laws in general and/or international treaties affecting the forestry sector, updates are based on the communications issued by the Society of Forest Producers to all its members whenever new laws, decrees, or amendments are enacted.

Likewise, certifying bodies provide information on legal requirements in their country-adapted standards, which are regularly reviewed. Regarding occupational safety regulations, the Prevention Technician plays a key role in informing all relevant staff about new rules or amendments to existing ones.

The methodology established is to review the list annually, consulting reliable sources to identify newly approved laws, decrees, resolutions, conventions, etc. The list is then updated to ensure analysis and compliance with these new requirements.

12.9.2 Responsible Party

The External Consultant for the Management System and Occupational Health and Safety is responsible for updating and communicating the results of the mechanism described above to ensure legal compliance.

The consultant reviews all communications from the designated sources, updates the Management Plan as required, and ensures that the information is available to all staff through the system.

13. CONCLUSIONS

The Management Plan is a dynamic document, subject to annual reviews. The Forest Management Head and the External Consultant are responsible for reviewing the Management Plan.

This document is managed in accordance with the Documentation Control Procedure of Agro Empresa Forestal S.A. and is listed in the "List of Documents in Use," together with all related reports and annexes. Likewise, the records referred to are listed in the "List of Records in Use."

This Plan provides a description of the methodology for sustainable forest management in accordance with the Principles and Criteria of the Standard.

This Plan was developed in accordance with the requirements of the National Standard for Forest Management in Uruguay (Plantations). The Monitoring Plan, which covers the silvicultural/productive, environmental, social, and economic aspects of farm management, was prepared in line with Principle 8.

A public summary of this Management Plan is available on the website of Bosques del Uruguay (www.bosquesdeluruguay.com) and on the website of Agro Empresa Forestal S.A. (www.af.com.uy).