

Veracel

Timber and pulp assessment

Total score:

62.5%

Latest update: July 2019

Next scheduled: July 2020

About this company: Veracel was established in 1991, and is headquartered in Brazil where it operates. It is engaged in timber and pulpwood production, primarily focusing on eucalyptus plantations.

Parent company: Suzano/Fibria (50%), Stora Enso (50%)

Landbank: 83,698 hectares

Thomson Reuters ticker: Private company

Bloomberg ticker: Private company

Activities: Timber production, pulpwood production

Locations: Brazil (Bahia, Minas Gerais)

Headquarters: Brazil

Parent website: <http://www.suzano.com.br/>;
<http://www.storaenso.com/en>

Website: <http://www.veracel.com.br/en/Sustainability-report-2018>

Total:

70 / 112

62.5%



> Sustainability policy and leadership

5 / 9 55.6%

1 media report

1. Sustainable forestry policy or commitment for all its operations?

The company only has a general Management Policy that covers some aspects of sustainability

P 0.5 / 1 [Source](#)

2. Sustainability policy or commitment applies to all sourcing?

✗ 0 / 1 [Source](#)

3. High-level position of responsibility for sustainability?

Sustainability Manager

✓ 1 / 1 [Source](#)

4. One or more board members have responsibility for sustainability?

This indicator is disabled as the company is not publicly listed

5. Percentage or number of women board members?

This indicator is disabled as the company is not publicly listed

6. Percentage or number of women in senior management team?

1 (9%) - The company reports that there is one woman out of 11 employees in the management category. However, the company mentions 12 executive employees. It is therefore unclear whether 1 / 11 covers the whole management team

P 0.5 / 1 [Source](#)

7. Sustainability report published within last two years?

2018 Sustainability Report available	✓	1 / 1	Source
8. Member of multiple industry schemes or other external initiatives to improve forest management or transparency? FSC, GRI	✓	1 / 1	Source
9. Activities with government, NGOs or academic institutions to improve the sustainability of forest products? WWF-Brazils' New Generation Plantations	✓	1 / 1	Source
10. Climate risks assessment available?	✗	0 / 1	Source
11. Natural capital assessment available?	✗	0 / 1	Source



> Landbank, mills and traceability

16 / 17 94.1%

3 media reports

12. Lists countries and operations? Brazil (plantations and production facilities)	✓	1 / 1	Source
13. Total area of natural forest designated for wood/wood fibre production (ha)? This indicator is disabled as the company has informed ZSL that it only produces wood/wood fibre from plantation forests			
14. Total area of forest plantation (ha)? 83,698 - Data as of 2017	✓	1 / 1	Source
15. Area of plantation/natural forest within outgrower schemes (ha)? 21,251 - Area within Forest Producer Program. Data as of 2017	✓	1 / 1	Source
16. Unplanted (areas designated for future development as plantation forest) (ha)? 4% - Company states 4% of its licenced area is available for plantation	✓	1 / 1	Source
17. Conservation set-aside and/or HCV area (ha)? 96,401 - Data as of 2017	✓	1 / 1	Source
18. Area of Intact Forest Landscape (ha)? This indicator is disabled as the company has informed ZSL that it doesn't have any intact forest landscapes within its landbank			
19. Number of Forest Management Units (FMUs)? 1	✓	1 / 1	Source

<p>20. Maps of forest management units (FMUs)?</p>	<p>✘ 0 / 1 Source</p>
<p>21. Forest management plans available for all FMUs?</p>	<p>✓ 1 / 1 Source</p>
<p>22. Monitoring of forest management plan implementation?</p>	<p>✓ 1 / 1 Source</p>
<p>23. Company has provided valid legal documents to Open Timber Portal on use rights (at the time of SPOTT assessments)? This indicator is disabled as the company's reporting broadly suggests that it doesn't operate in a geography currently covered by Open Timber Portal. Please note that ZSL has been unable to confirm this</p>	
<p>24. Company has provided valid legal documents to Open Timber Portal on forest management (at the time of SPOTT assessments)? This indicator is disabled as the company's reporting broadly suggests that it doesn't operate in a geography currently covered by Open Timber Portal. Please note that ZSL has been unable to confirm this</p>	
<p>25. Company has provided valid legal documents to Open Timber Portal on timber harvesting (at the time of SPOTT assessments)? This indicator is disabled as the company's reporting broadly suggests that it doesn't operate in a geography currently covered by Open Timber Portal. Please note that ZSL has been unable to confirm this</p>	
<p>26. Number of company owned pulp and paper mills? 1</p>	<p>✓ 1 / 1 Source</p>
<p>27. Maps or addresses of company owned pulp and paper mills?</p>	<p>✓ 1 / 1 Source</p>
<p>28. Number of company owned sawmills? This indicator is disabled as the company has informed ZSL that it doesn't own sawmills</p>	
<p>29. Maps or addresses of company owned sawmills? This indicator is disabled as the company has informed ZSL that it doesn't own sawmills</p>	
<p>30. Number of supplier mills? This indicator is disabled as the company has informed ZSL that it doesn't have mill suppliers</p>	
<p>31. Maps or addresses of supplier mills? This indicator is disabled as the company has informed ZSL that it doesn't have mill suppliers</p>	
<p>32. Procedures to trace raw materials to country of harvest? The company has FSC/Cerflor CoC certification and states to use the FSC/Cerflor due diligence system and controlled wood criteria for non-certified supply to trace all raw materials to origin</p>	<p>✓ 1 / 1 Source</p>
<p>33. Procedures to trace raw materials to FMU level? The company has FSC/Cerflor CoC certification and states to use the FSC/Cerflor due diligence system and controlled wood</p>	<p>✓ 1 / 1 Source</p>

criteria for non-certified supply to trace all raw materials to origin

✓ 2 / 2 [Source](#)

34. Percentage of supply traceable to country level (above 80%)?

100% - The company has FSC/Cerflor CoC certification and states to use the FSC/Cerflor due diligence system and controlled wood criteria for non-certified supply to trace all raw materials to origin

✓ 2 / 2 [Source](#)

35. Percentage of supply traceable to FMU level (above 75%)?

100% - The company has FSC/Cerflor CoC certification and states to use the FSC/Cerflor due diligence system and controlled wood criteria for non-certified supply to trace all raw materials to origin



> **Deforestation and biodiversity**

7 / 10 70%

⚠ 4 media reports

✗ 0 / 1 [Source](#)

36. Commitment to zero conversion of natural forest?

✓ 1 / 1 [Source](#)

37. Zero conversion commitment applies to all sourcing?

The company states in its Purchase Policy that no wood will be sourced from "natural forest that has been converted into non-forest use or plantation forests"

38. Commitment to minimise the impact of logging roads?

This indicator is disabled as the company has informed ZSL that it only produces wood/wood fibre from plantation forests

✗ 0 / 1 [Source](#)

39. Commitment to protect forest areas from illegal activities?

✓ 1 / 1 [Source](#)

40. Evidence of monitoring deforestation?

The company monitors vegetation cover and land use on its area via an initiative by The BioAtlântic Institute (IBIO) which is updated every three years. Monitoring includes satellite images and on-site verifications

✗ 0 / 1 [Source](#)

41. Amount of deforestation recorded?

The company reports that monitoring by the BioAtlantic Institute indicates an increase in native vegetation of 9,500 ha from 2007 and 2013 in Veracel controlled areas or those of their Forest Producer Program. No point awarded as the data is more than two years old

✓ 1 / 1 [Source](#)

42. Commitment to biodiversity conservation?

✓ 1 / 1 [Source](#)

43. Examples of species and/or habitat conservation management?

✓ 1 / 1 [Source](#)

44. Implementing a landscape-level approach to biodiversity conservation?

✓ 1 / 1 [Source](#)

45. Identified species of conservation concern referencing international or national system of species classification?

46. Commitment to sustainably manage the use of non-timber forest products (NTFPs)?

This indicator is disabled as the company has informed ZSL that it only produces wood/wood fibre from plantation forests

✓ 1 / 1 [Source](#)

47. Commitment not to use genetically modified organisms?

The company has committed to not be directly or indirectly involved in the introduction of genetically modified organisms in forestry operations. This commitment is made through the FSC Policy for Association (FSC-POL-01-004)



> **HCV, HCS and impact assessments**

25 / 8 31 3%

⚠ 1 media report

P 0.5 / 1 [Source](#)

48. Commitment to conduct High Conservation Value (HCV) assessments?

The company does not have a direct commitment to conduct HCV assessments across all of its operations. However, the company has committed to not be directly or indirectly involved in the destruction of high conservation values in forestry operations. This commitment is made through the FSC Policy for Association (FSC-POL-01-004). For this half points are awarded

✓ 1 / 1 [Source](#)

49. HCV commitment applies to all sourcing?

The company states in its Purchase Policy that no wood will be sourced from "forest areas where high conservation values are threatened by management activity"

50. Commitment to only use licensed High Conservation Value (HCV) assessors accredited by the HCV Resource Network's Assessor Licensing Scheme (ALS)?

This indicator is disabled until sufficient number of HCV ALS licensed assessors are available for the location where the company operates

✗ 0 / 1 [Source](#)

51. High Conservation Value (HCV) assessments available?

✗ 0 / 1 [Source](#)

52. High Conservation Value (HCV) management and monitoring plans available?

✗ 0 / 1 [Source](#)

53. Commitment to the High Carbon Stock (HCS) Approach?

✗ 0 / 1 [Source](#)

54. High Carbon Stock (HCS) assessments available?

✓ 1 / 1 [Source](#)

55. Commitment to conduct social and environmental impact assessments (SEIAs)?

✗ 0 / 1 [Source](#)

56. Social and environmental impact assessments (SEIAs) available?

57. Company has provided valid legal documents to Open Timber Portal on impact assessments (at the time of SPOTT assessments)?

This indicator is disabled as the company's reporting broadly suggests that it doesn't operate in a geography currently covered by Open Timber Portal. Please note that ZSL has been unable to confirm this



> Soils, fire and GHGs

4 / 10 40%

 1 media report

	✓	1 / 1 Source
58. Commitment to best management practices for soils and/or peat?		
59. Commitment to reduced impact logging? This indicator is disabled as the company has informed ZSL that it only produces wood/wood fibre from plantation forests		
60. Commitment to no planting on peat of any depth? This indicator is disabled as the company has informed ZSL that it doesn't have landbank on peat		
61. Commitment on peatland planting applies to all sourcing? This indicator is disabled as the company has informed ZSL that it doesn't have suppliers with landbank on peat		
62. Landbank or planted area on peat (ha)? This indicator is disabled as the company has informed ZSL that it doesn't have landbank on peat		
	✓	1 / 1 Source
63. Evidence of best management practices for soils and/or peat?		
	✓	1 / 1 Source
64. Commitment to zero burning?		
	✗	0 / 1 Source
65. Commitment to zero burning applies to all sourcing?		
	✓	1 / 1 Source
66. Evidence of management and monitoring fires?		
	✗	0 / 1 Source
67. Details/number of hotspots/fires in FMUs controlled by the company?		
	✗	0 / 1 Source
68. Time-bound commitment to reduce GHG emissions intensity?		
	✗	0 / 1 Source
69. Progress towards reducing GHG emission intensity?		
	✗	0 / 1 Source
70. Report GHG emissions from land use change?		
	✗	0 / 1 Source
71. Methodology used to calculate GHG emissions?		
	✗	0 / 1 Source



> Water, chemical and waste management

7 / 12 58.3%

 4 media reports

	P	0.5 / 1	Source
72. Time-bound commitment to improve water quality (BOD and COD)? The company states that "water quality had met the Conama's requirements (Conama Resolution 357, of March 17, 2005, Class II)". However as this resolution only refers to BOD and not to COD only partial points can be awarded			
	P	0.5 / 1	Source
73. Progress towards commitment on water quality (BOD and COD)? BOD5 (kg/adt): 0.18 (2014), 0.23 (2015), 0.20 (2016), 0.30 (2017). COD (kg/adt): 4.78 (2014), 5.00 (2015), 4.76 (2016), 4.40 (2017). The company does not report on what the target for COD is. BOD is covered by the Conama Resolution which the company meets			
	✓	1 / 1	Source
74. Commitment to protection of natural waterways through buffer zones?			
	✓	1 / 1	Source
75. Evidence of treatment of pulp and paper mill effluent?			
76. Evidence of sawmill run-off containment and wastewater treatment? This indicator is disabled as the company has informed ZSL that it doesn't own sawmills			
	✓	1 / 1	Source
77. Time-bound commitment to improve water use intensity? 23 - The company commits to reduce water use intensity to below 23 m3/t of pulp by 2020			
	P	0.5 / 1	Source
78. Progress towards commitment on water use intensity? 25 - The company reports water intensity figures			
	✗	0 / 1	Source
79. Commitment to eliminate chlorine and chlorine compounds for bleaching?			
	P	0.5 / 1	Source
80. Commitment to minimise the use of chemicals, including pesticides and chemical fertilisers? The company has a commitment to minimise the use of chemicals, but does not specify that it will limit the use of chemical pesticides or chemical fertilisers			
	✗	0 / 1	Source
81. No use of World Health Organisation (WHO) Class 1A and 1B pesticides?			
	✗	0 / 1	Source
82. No use of chemicals listed under the Stockholm Convention and Rotterdam Convention?			
	✓	1 / 1	Source
83. Integrated Pest Management (IPM) approach?			
	✓	1 / 1	Source
84. Chemical usage per ha or list of chemicals used?			



> Community, land and labour rights

14 / 21 66.7%

 7 media reports

<p>85. Commitment to human rights, referencing the UN Declaration on Human Rights or UN Guiding Principles on Business and Human Rights?</p>	<p>✓</p>	<p>1 / 1 Source</p>
<p>86. Commitment to human rights applies to all sourcing?</p>	<p>✓</p>	<p>1 / 1 Source</p>
<p>87. Commitment to respect indigenous and local communities' rights? The company has committed to not be directly or indirectly involved in the violation of human rights in forestry operations. This commitment is made through the FSC Policy for Association (FSC-POL-01-004), which encompasses the rights of Indigenous and Tribal Peoples as established by the ILO Convention 169</p>	<p>✓</p>	<p>1 / 1 Source</p>
<p>88. Commitment to respect legal and customary property rights? The company has committed to not be directly or indirectly involved in the violation of traditional rights in forestry operations. This commitment is made through the FSC Policy for Association (FSC-POL-01-004), which encompasses customary rights. This policy does not reference legal rights and no reference to legal rights could be found in company sources</p>	<p>P</p>	<p>0.5 / 1 Source</p>
<p>89. Commitment to free, prior and informed consent (FPIC)?</p>	<p>✗</p>	<p>0 / 1 Source</p>
<p>90. FPIC commitment applies to independent suppliers?</p>	<p>✗</p>	<p>0 / 1 Source</p>
<p>91. Details of free, prior and informed consent (FPIC) process available?</p>	<p>✗</p>	<p>0 / 1 Source</p>
<p>92. Examples of local stakeholder engagement to prevent conflicts?</p>	<p>✓</p>	<p>1 / 1 Source</p>
<p>93. Details of process for addressing land conflicts available?</p>	<p>✗</p>	<p>0 / 1 Source</p>
<p>94. Commitment to support the inclusion of women across forestry operations, including addressing barriers faced?</p>	<p>✗</p>	<p>0 / 1 Source</p>
<p>95. Commitment to provide essential community services and facilities?</p>	<p>✓</p>	<p>1 / 1 Source</p>
<p>96. Company has provided valid legal documents to Open Timber Portal on population rights (at the time of SPOTT assessments)? This indicator is disabled as the company's reporting broadly suggests that it doesn't operate in a geography currently covered by Open Timber Portal. Please note that ZSL has been unable to confirm this</p>		
<p>97. Commitment to respect all workers' rights?</p>	<p>✓</p>	<p>1 / 1 Source</p>
<p>98. Reference to Fundamental ILO Conventions? The company has committed to not be directly or indirectly involved in the violation of any of the ILO Core Conventions. This commitment is made through the FSC Policy for Association (FSC-POL-01-004)</p>	<p>✓</p>	<p>1 / 1 Source</p>

	✓ 1 / 1 Source
99. Commitment to eliminate gender related discrimination with regards to employment and occupation?	
100. Company has provided valid legal documents to Open Timber Portal on labour regulations (at the time of SPOTT assessments)? This indicator is disabled as the company's reporting broadly suggests that it doesn't operate in a geography currently covered by Open Timber Portal. Please note that ZSL has been unable to confirm this	
101. Percentage or number of temporary employees? This indicator is disabled as the company has informed ZSL that it doesn't have temporary employees	
	✓ 1 / 1 Source
102. Percentage or number of women employees? 208 (6%) - Data as of 2017	
	✓ 1 / 1 Source
103. Payment of minimum wage? The company reports the lowest wage paid by the company was BRL R\$ 1050.00 in 2017, 12.05% higher than the local minimum wage. 14.55% of the workforce is paid the company's entry-level wage	
	✗ 0 / 1 Source
104. Reporting of salary by gender?	
	P 0.5 / 1 Source
105. Commitment to address occupational health and safety, referencing the ILO Code of Practice on Safety and Health in Forestry Work? The company commit to ensuring health and safety. No reference to the ILO Code of Practice on Safety and Health in Forestry Work could be identified	
	✓ 1 / 1 Source
106. Time lost due to work-based injuries? 0.36 - Number of accidents per million hours worked (Veracel and partners). Data as of 2017	
	✓ 1 / 1 Source
107. Number of fatalities as a result of work-based accidents? 0 - Including partners. Data as of 2017	
	✓ 1 / 1 Source
108. Provision of personal protective equipment and related training?	



> Certification standards

6 / 11 12.9%

⚠ 1 media report

	✗ 0 / 1 Source
109. Time-bound plan for achieving 100% third-party legality verification of FMUs or achieved?	
	✗ 0 / 1 Source
110. Time-bound plan to source only wood/wood fibre that is in legal compliance verified by a third party? The company commits to only source wood that is either FSC or Cerflor certified or fulfil the FSC Controlled Wood however it is unclear if the non-FSC/PEFC certified part of the wood supply is FSC CW certified or the company checks the criteria itself, therefore not externally verified by a third party	
111. Percentage area (ha) verified as being in legal compliance by a third party?	

197,208 (86.8%) - 197,208 ha are FSC certified, out of a total reported landbank of 227,172 ha	✓	1 / 1	Source
112. Percentage of all wood/wood fibre supply traded/processed verified as being in legal compliance by a third party? 16.1% - 20% of the company's supply comes from outgrower scheme suppliers among which 80.6% are certified. It is unclear how much of the 80% remaining supply is certified	P	0 / 1	Source
113. Time-bound plan for achieving 100% FSC FM certification of FMUs or achieved 100% FSC-certification of FMUs?	✗	0 / 1	Source
114. Commitment to source only wood/wood fibre that meets FSC Controlled Wood requirements?	✓	1 / 1	Source
115. Percentage area (ha) FSC FM certified? 197,208 (86.8%) - 197,208 ha are FSC certified, out of a total reported landbank of 227,172 ha	✓	2 / 2	Source
116. Percentage of wood/wood fibre supply from outgrower scheme and/or independent suppliers that is FSC FM certified? 16,589 (80.6%) - The company has contracts with forest producers covering 20,585 ha, out of which 16,589 ha are FSC certified	✓	2 / 2	Source
117. Percentage of all wood/wood fibre supply traded/processed that are FSC certified (above 75%)?	✗	0 / 2	Source
118. Percentage area (ha) PEFC certified (excluding FSC certified area)? 190,726 - 190,726 ha are PEFC certified which also covered by FSC certification. Therefore no land is solely PEFC certified	✗	0 / 2	Source



> Smallholders and suppliers

5 / 5 100%

119. Programme to support outgrower scheme smallholders? Forest Producer Program	✓	1 / 1	Source
120. Percentage of outgrower scheme smallholders involved in programme? 96 - As of 2017, the company's Forest Producer Program comprised of 96 producers	✓	1 / 1	Source
121. Process used to prioritise, assess and/or engage suppliers on compliance with company's policy and/or legal requirements? The company audits its suppliers through an Integrated Monitoring Platform that reviews compliance with the company's Supplier Code of Conduct. The company also uses external consultancies to audit suppliers on health and safety	✓	1 / 1	Source
122. The company has a Due Diligence System (DDS)? This indicator is disabled as the company has informed ZSL that it does not trade wood/wood fibre			
123. Suspension or exclusion criteria for suppliers?	✓	1 / 1	Source

124. Percentage of suppliers assessed and/or engaged on compliance with company requirements?

✓ 1 / 1 [Source](#)

100%



> Governance and grievances

3 5 / 6 58 3%

⚠ 2 media reports

125. Commitment to ethical conduct and prohibition of corruption?

✓ 1 / 1 [Source](#)

126. Company has provided valid legal documents to Open Timber Portal on legal registration (at the time of SPOTT assessments)?

This indicator is disabled as the company's reporting broadly suggests that it doesn't operate in a geography currently covered by Open Timber Portal. Please note that ZSL has been unable to confirm this

127. Disclosure of the company's management approach to tax and payments to governments?

✗ 0 / 1 [Source](#)

128. Company has provided valid legal documents to Open Timber Portal on taxes, fees and royalties (at the time of SPOTT assessments)?

This indicator is disabled as the company's reporting broadly suggests that it doesn't operate in a geography currently covered by Open Timber Portal. Please note that ZSL has been unable to confirm this

129. Whistleblowing procedure?

✓ 1 / 1 [Source](#)

130. Own grievance or complaints system open to all stakeholders?

The company has an Anonymous Communication Channel

✓ 1 / 1 [Source](#)

131. Details of grievances disclosed?

The company only reports broad details of grievances received in relation to discrimination

P 0.5 / 2 [Source](#)