

# ESG 2019 HIGHLIGHTS



**KLABIN IS BRAZIL'S LARGEST MANUFACTURER AND EXPORTER OF PACKAGING PAPER.**

**NATIONAL LEADER** IN THE PRODUCTION OF PAPER AND PAPERBOARD, CORRUGATED BOARD PACKAGING AND INDUSTRIAL BAGS.

**ONLY COMPANY IN BRAZIL** TO OFFER SOLUTIONS IN HARDWOOD, SOFTWOOD AND FLUFF PULPS.

**3.32 MILLION TONS OF GOODS SOLD** IN 2019, UP 4% FROM 2018.

**BRL 4.32 BILLION** GENERATED IN OPERATING CASH.

**BRL 9.1 BILLION** APPROVED FOR THE PUMA II PROJECT, WITH BRL 1.3 BILLION SPENT IN 2019.



## SOCIAL



### EMPLOYEES, HUMAN RIGHTS AND DIVERSITY

**Direct employees: : 14,248**  
**Indirect employees: 6,951**

**PUMA II PROJECT:** 11,000 jobs during construction and 1,500 jobs upon completion (estimated for 2023).

**100%** of the company's own operations covered by trade union agreements and compliant with Ministry of Labor rules.

### COMMITMENTS

Adherence to the UN **WOMEN'S EMPOWERMENT PRINCIPLES.**

Signatory to the **UN GLOBAL COMPACT** and the **NATIONAL PACT FOR THE ERADICATION OF SLAVE LABOR.**

**No** cases of violation of the rights of indigenous peoples or traditional communities.



### OWN POLICIES

**Diversity and Employability Promotion Policy and Policy on Fundamental Rights in Labor Relations.**



### SUPPLIERS

**100%** of strategic industrial suppliers assessed and engaged based on environmental factors, labor practices and human rights compliance.

**79%** of tickets received through communication channels in 2019 were resolved; no complaints or concerns about impacts caused by suppliers.

## GOVERNANCE



### STRUCTURE

Board of Directors, Audit Committee and Executive Board, supported by permanent committees on Strategy and Market, People, Investments, Innovation, Risk Management, Sustainability, Integrity and Tax Planning.



### GREEN BONDS

**USD 1.2 BILLION** in 30-year bonds issued, including **USD 200 MILLION** of additional funding in January 2020.

Projects funded by green bonds in the following categories, all of which are aligned with sustainable development goals: Sustainable Forest Management; Restoration of Native Forests and Conservation of Biodiversity; Renewable Energy; Clean Transportation; Energy Efficiency; Waste Management; Sustainable Water Management; Eco-Efficient and Circular Economy Adapted Products, Production Technologies and Processes; Climate Change Adaptation.



### CODE AND VALUES

**100%** of leaders are informed and engaged.  
**99%** of business partners informed on the topic.

**Independent Integrity** and **Ombudsman Channel** launched.



### TRANSPARENCY

**LEVEL 2** Governance at B3, which ensures equal economic rights and 100% of tag along rights.

Klabin's Sustainable Development Goals serve as a link between the company's strategy and the UN SDG agenda.



### CYBER RISK

**350** corporate unit employees (which includes business units employees as well) participated in on-site training sessions on cybersecurity in 2019.

**50** corporate employees trained on the **Brazilian General Data Protection Law (LGPD)**, which regulates the processing of data and citizens' privacy. **12 cybersecurity-related topics** addressed in a campaign targeted at all employees.



KLABIN IS LISTED IN THE **B3 CORPORATE SUSTAINABILITY INDEX (ISE) SINCE 2014.**



**90.5% – A HISTORICAL HIGH FOR KLABIN** IN THE WWF'S ENVIRONMENTAL PAPER COMPANY INDEX (EPCI), FOR ITS RESPONSIBLE FIBER SUPPLY, CLEAN PRODUCTION AND ENVIRONMENTAL MANAGEMENT SYSTEM REPORTING.



IT IS IN THE "A LIST" OF THE CDP FOR ITS WATER MANAGEMENT, CLIMATE CHANGE AND SUPPLY CHAIN PROGRAMS, AND IN THE "A-" LIST FOR ITS FORESTRY PROGRAM.



**78.9%** IN PERFORMANCE AND TRANSPARENCY IN SUSTAINABILITY MANAGEMENT, RANKED 2<sup>ND</sup> IN THE SPOTT GLOBAL RANKING.



# ENVIRONMENT



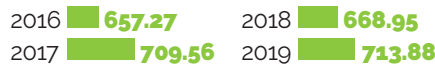
## GHG EMISSIONS

**4 MILLION** tons of CO<sub>2</sub> eq is Klabin's positive carbon balance.

We are gradually implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in order to provide secure and transparent information on climate risks and opportunities.

Klabin joined the UN's Business Ambition for 1.5°C – Our Only Future global campaign and made a Science Based Target (SBT) commitment to review and set new emission reduction targets.

### SCOPE 1 EMISSIONS, IN THOUSANDS OF tCO<sub>2</sub>eq\*:



\*SOURCE: GHG PROTOCOL



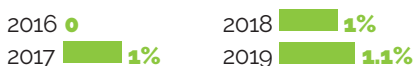
## WATER RESOURCES AND EFFLUENTS

**82.5%** of water from the Puma Unit is reused and only 17.5% of the total consumption is captured water.

**100%** of industrial effluents treated before returning to water bodies.

**2%** reduction in effluents discharged in surface waters.

### Percentage of water (out of total consumption) collected from areas with water stress:



## RESPONSIBLE MANAGEMENT

**Mosaic planting**, which intercalates **planted and native forests** and forms **ecological corridors**, contributing to the conservation of biodiversity.

**100%** of owned forests certified by the FSC® (FSC-C022516) - Forest Stewardship Council® standard for verification and certification.

**323** farmers certified by the FSC® in 2019, encouraged by Klabin.

**126,000** ha. of certified third-party rural properties.

**20,000** ha. of preserved areas and those in the process of restoration in third-party rural properties supported by Klabin's Matas Legais [Good Forests] and Matas Sociais [Social Forests] programs.

**1,151** wood suppliers visited and assessed by Klabin's Controlled Wood Program, in accordance with FSC® chain of custody certification methodology.



## ENERGY

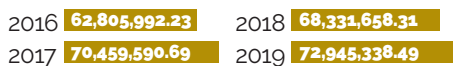
**89.54%** of the energy matrix consisting of clean and renewable sources – up 8% from 2018 –, as follows:



**74%** of energy self-sufficiency.

**33.5%** of energy sold (of total produced) or 3,282,673.68 GJ.

### TOTAL ENERGY CONSUMPTION (IN GJ)



## FORESTRY BASE

**43% OF FOREST** areas preserved: **258,000** ha. of planted forests. **240,000** ha. of preserved native forests. **90 TREES PLANTED PER MINUTE**, on average.



## SOLID WASTE

**96.7%** of solid waste reused in 2019. **335,000** ton. of trimmings used in fiber recycling.



## BIODIVERSITY

**844** animal species identified. **1,889** plant species identified.

Among the mapped species, 25 fauna and 25 flora species are considered endangered (CR, EN, VU) on the Red List of Threatened Species of the International Union for Conservation of Nature (IUCN).

Pumas, pygmy brockets and howler monkeys are some of the endangered species protected in Klabin areas.

**8,839 HECTARES OF** Natural Heritage Private Reserves (RPPN) owned by Klabin in the States of Paraná and Santa Catarina.

**18** High Conservation Value Areas (AAVCs) recognized by environmental and/or social attributes, located in the PR, SC and SP units.

**2** NATURE INTERPRETATION CENTERS focused on biodiversity studies in PR and SC.