

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
Apprentices and interns: 360
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.



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.



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.



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 2ND IN THE SPOTT GLOBAL RANKING.

ENVIRONMENT



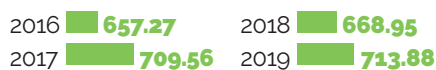
GHG EMISSIONS

6, 4 million issued and 11.1 million tons. CO₂eq is the total carbon stock and removal, **with a positive balance of 4.7 MILLION tons of CO₂eq.**

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 tCO₂eq*:



*SOURCE: GHG PROTOCOL



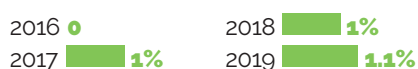
WATER RESOURCES AND EFFLUENTS

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

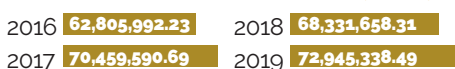
89.54% of the energy matrix consisting of clean and renewable sources – up 8% from 2018 –, as follows:



74% of energy self-sufficiency.

33.5% of energy sold (of total produced) or 3,282,673.68 G.J.

TOTAL ENERGY CONSUMPTION (IN G.J)



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.