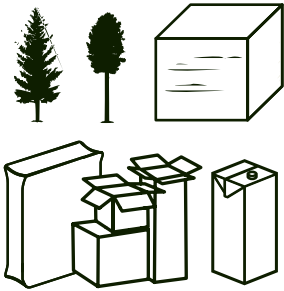


KLABIN ESG HIGHLIGHTS 2018



Solid financial results and evolution of socio-environmental indicators reinforce sustainability at Klabin, which makes new investments guided by innovation to continue offering recyclable, biodegradable, forest-based products for multiple uses. For more information, read our 2018 Sustainability Report (<http://rs.klabin.com.br/>)

PROFILE



1899 was the year Klabin, a publicly held company, was founded

Forest base

216 thousand ha. of native forests conserved
239 thousand ha. of planted forests
30 thousand ha. planted in 2018

17 industrial units in Brazil and one in Argentina

Employees

Direct: **14,270**
 Indirect: **5,341**

- The largest producer and exporter of packaging paper in Brazil
- The only company in Brazil to offer the market solutions in hardwood pulp, softwood pulp and *fluff*
- The leader in the national markets of corrugated cardboard packaging and industrial bags

ECONOMIC AND OPERATIONAL RESULTS

3,189 thousand tons of products sold (excluding timber)



BRL 10.016 billion net revenue (including timber)

BRL 4.024 billion operating cash generation (adjusted EBITDA) **47%** higher compared to 2017

CHAIN OF SUPPLIERS

100% of the strategic industrial suppliers are evaluated and contracted considering aspects such as environmental matters, labor practices and human rights



92% of the issues reported via Klabin's dialog channels in 2018 were settled; there were no complaints related to impacts caused by suppliers.

GOVERNANCE

Level 2 of Governance at B3, which guarantees equal economic rights and 100% tag-along



Decision opportunities

General Meeting of Shareholders, Board of Directors, Audit Committee and Management Board, supported by permanent commissions on Strategy and Market, People, Investments, Innovation, Risk Management and Sustainability

Klabin Sustainable Development Goals (KSDG)

Integration of the SDG agenda to Klabin's strategy.

Green Bonds

USD 1 billion issued in two transactions of USD 500 million

30 years maturity of the USD 500 million green bonds, issued in March 2019. Klabin was the first company in Brazil to get this term

The financed projects fall within **seven categories** forest management, restoration of native forests, renewable energy, clean transport, energy efficiency, waste management and eco-efficient products

Best Practice recognition



"A List" — leadership ranking — from the Carbon Disclosure Project (CDP) for Climate Change, Water and Supply Chain; "management" recognition for forests



B3 Corporate Sustainability Index (ISE) for the sixth consecutive year



78.9% in performance and transparency in sustainability management: second best in global ranking



81.6% in the Environmental Paper Company Index : Responsible Supply of Fiber, Clean Production and reports on the Environmental Management System



Included in the Carbon Efficient index list since 2013



Part of the Best Emerging Markets Performers

ENVIRONMENT

Responsible forest management



Mosaic-shaped planting:

It combines planted forests and native forest, forming ecological corridors for wildlife transit, and the conservation of water resources and biodiversity



100%

of company-owned forests certified by FSC® (FSC-C022516)

259

FSC®-certified suppliers in 2018, encouraged by Klabin

74.2

thousand hectares of certified producer areas

35 thousand hectares

of native forests restored by 2018

775

timber suppliers were visited and evaluated by Klabin's Controlled Timber Program, following the FSC® chain of custody certification methodology.

Atmospheric emissions



5.1 million

tons of CO₂ eq represents Klabin's positive carbon balance

2019

as of this year, the financial impacts associated with climate change are calculated in the company, based on the valuation of ecosystem services and the calculation of the carbon footprint



Scope 1 emissions, in a thousand tCO₂eq*



6% REDUCTION

PUMA UNIT OPERATION

*Source: GHG Protocol

Biodiversity monitoring

883

species of fauna identified**



1872

species of flora identified**

Puma, pygmy brocket and howler monkey are some of the endangered species, protected in areas owned by Klabin

43%

of native forests conserved

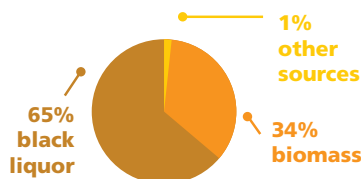
8,839 hectares

is the sum of Klabin's Private Natural Heritage Reserve (RPPN) areas in PR and SC; holding a High Conservation Value Area (HCVA) and a newly inaugurated Nature Interpretation Center

Energy

89%

of the energy deriving from clean and renewable sources:



77%

self-generated energy

32,5%

of energy sold (of the total energy produced)

Sold energy

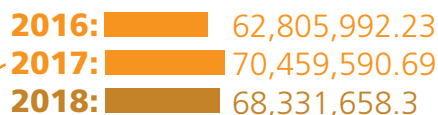
3,199,269.71
in GJ

ISO 50001

Puma Unit certification, demonstrating good practices in energy management



Total energy consumed, in GJ



3% REDUCTION

PUMA UNIT OPERATION

Water resources and wastewater

82.4%

Puma Unit's water utilization index, which follows the concept of a low-consumption circuit

100%

of industrial wastewater treated before returning to waterbodies

9%

reduction in wastewater disposal in surface waters

Water stressed areas

Percentage of water withdrawal in relation to the total volume of water used by the company



Solid waste



92%

reuse of solid waste in 2018

HUMAN RIGHTS



33%

of operations subjected to impact assessments or human rights analysis

100%

of Klabin's own operations are covered by trade union agreements and comply with the requirements set out by the Ministry of Labor

0

cases of violation of the rights of indigenous peoples and traditional communities

Compliance with the **Women's Empowerment Principles**, launched by the UN

Introduction of the **Diversity Policy**

It integrates the **Global Pact and the National Pact for the Eradication of Slave Labor**

** Among the mapped species, 24 species of fauna and 25 species of flora are included in the IUCN Red List of Threatened Species