

## **ASSURANCE STATEMENT**

Conecta Consultores carried out an independent verification of Klabin S.A.'s 2019 Sustainability Report. The report was prepared in accordance with the Global Reporting Initiative (GRI) Standards, self-declared Essential option.

The verification of the sustainability report aims to provide stakeholders an independent view of compliance with AA1000AP 2018 (Accountability Principles), by applying AA1000AS 2008 (2008 Assurance Standard), to confirm integration of the elements relevant to sustainability in defining strategy, management and reporting within the Company. The purpose of the independent verification process is to present conclusions on how the report was prepared, validating qualitative and quantitative information and enhancing the credibility of the reported information and indicators.

### **1. Skills and Independence**

Conecta Consultores is a consulting firm specialized in sustainability strategy, management and reporting. The independent verification was conducted by professionals with industry expertise, as well as knowledge on AccountAbility and GRI Standards. Conecta is licensed as an assurance provider by AccountAbility (AA1000 Licensed Assurance Provider – registration no. 000-234). Conecta Consultores warrants that it did not provide consulting services and that it does not hold any other commercial ties with Klabin S.A. The conclusions reported in this statement are impartial.

### **2. Responsibilities**

Klabin S.A. is responsible for the content included in the report as well as the processes related to the definition, collection, validation and dissemination of information. Conecta is responsible for checking non-financial information of the report, in accordance with the methodology and scope described in this statement, and is not liable for any decision related to investments based on this assurance statement.

### **3. Scope and Limitations**

The verification covered the contents of the 2019 Sustainability Report - January 1, 2019 to December 31, 2019. The process was carried out in accordance with the AA1000AS 2008 standard, Type 1 verification, providing a moderate level of assurance.

Type 1 assurance assesses the organization's nature and level of adherence to the four AA1000 AccountAbility Principles. A moderate level of assurance allows to increase the confidence level regarding information disclosed by an organization and the assurance statement is provided when a sufficient level of information is reached, wherein the margin for error is reduced, but not completely absent.

Financial information and that relating to greenhouse gas emissions was not included in the scope of this work. The material topics assessed during the works were: Water and Effluents (GRI 303), Supplier Assessment (GRI 308 and GRI 414), Sustainability, Diversity and Equal Opportunities Strategy and Governance (GRI 405), Indirect Economic Impact (GRI 203 ) and Occupational Health and Safety (GRI 403). The verification of evidence and interviews were carried out remotely due to the COVID-19 outbreak and comprised the company's headquarters in the city of São Paulo (SP) and the industrial and forestry units in Goiana (PE) and Puma I (PR) so as to keep the cycle of units involved in the process since 2018.

### **4. Methodology**

The independent verification process was conducted with Conecta Consultores' own methodology, using the AA1000AS 2008 standard and based on the four AA1000AP 2018 principles. The methodological approach included:

- Content evaluation of the 2019 Sustainability Report;
- Analysis of stakeholder engagement processes and definition of materiality;
- Public information search regarding the Company and its material topics;
- Interviews with leaders and managers to understand sustainability-related monitoring processes and decision-making flows;

- Analysis of documentary evidence, collection processes and data consolidation to confirm the consistency of the information reported in the material topics;
- Consultations with stakeholder representatives (sectoral organizations) related to material topics and/or sustainability commitments made by Klabin S.A.

Upon completion of the verification work, the four AA1000AP 2018 principles were classified on a maturity scale, which suggests the Company's level of compliance with the principles on 4 levels: Initial, Intermediate, Advanced and Full Compliance.

## 5. Conclusions in Relation to the AA1000AP 2018 Principles

### Inclusivity

The principle of Inclusivity involves integrating the stakeholders' perspective in the company's decision-making process, based on the existing dialogue channels and the integration of their legitimate expectations when defining strategy, management and reporting.

In our work, we seek to verify the application of the principle of Inclusivity at the corporate level and at relevant operational units. We found that Klabin S.A. has systematic stakeholder engagement initiatives, thus allowing the expectations of priority groups to influence the Company's decision-making process, as per GRI 102-43. In its operational, industrial and forestry units, it was possible to confirm the existence of channels with local stakeholders.

Another relevant fact associated with the principle refers to Klabin SA's engagement with national and global business and civil society movements, which bring the Company closer to relevant stakeholders on material sustainability topics, thus, directly or indirectly, influencing its actions. Reference to GRI 102-13.

We acknowledge the Company's effort to extend its engagement practices, carried out in its main operating units, to the other units, according to GRI 413-1. It should be stressed, however, that all operating units must ensure the inclusion of stakeholders, in a reasonable manner, based on corporate mapping, prioritization and inclusion standards.

The expansion of dialogue in other units, including new operations and/or acquisitions, can be understood as the maturity of the Inclusivity principle. Such understanding does not suggest the replication of existing practices in 100% of operations, but the application of standards and tools compatible with each local context.

Regarding the integration of dialogue results in the decision making, the local and corporate flows and processes that take this information to senior governance were found to be sufficient. Klabin S.A.'s level of compliance with the Inclusivity principal, according to the conclusions made from the verification work, was classified as **"Advanced"**.

### Materiality

Materiality relates to identifying and prioritizing the sustainability topics, taking into account their impact and relevance for the decision-making process, definition of actions, and the performance of the company and its stakeholders.

The materiality review, which had been flagged as a commitment in the previous report, was concluded and incorporated into the sustainability report, influencing the definition of its content. Monitoring of the topics was reported (GRI 102-42, 102-43, and 102-44) and confirmed during the verification work.

With regard to the integration of materiality in the definition of the Company's strategy, we highlight the advances in sustainability governance, with a further progress of the actions of the Sustainability Committee and the organizational restructuring, with the creation of the Governance and Sustainability area. Another observed aspect was the development of the KSDGs (Klabin Sustainable Development Goals), based on the commitment to the United Nations (UN)'s Sustainable Development Goals (SDGs), which are awaiting approval and should be presented in the next report.

In our view, the material topics are defined based on robust processes, with stakeholder involvement and in line with the Company's risks and opportunities. We believe that there has been progress on such principle in relation to the previous report, a fact associated with the materiality review and its integration

to the Company's strategic direction. Material topics, therefore, represent Klabin S.A.'s main impacts, challenges and opportunities. The level of compliance with the Materiality principal, according to the conclusions made from the verification work, was classified as **"Advanced"**.

### **Responsiveness**

Responsiveness is the company's relevant and concrete reaction to material topics and related impacts, represented through decisions, actions, performance and engagement (communication).

Klabin S.A. presents its management approach, aspects and indicators associated with material topics. It was possible to verify the existence of policies, monitoring systems and practices related to these topics. Ongoing initiatives and engagement mechanisms allow verifying that the Company acts in order to respond with relevant actions to its impacts and the demands of its priority stakeholders.

The work allowed identifying Klabin SA's active performance in 2019 in its communication, via social media and targeted channels, regarding its material topics, disclosing performance information and/or fostering discussions and engagement on issues that are relevant to society.

From the local perspective, evidence of initiatives that consider the expectations of stakeholders was identified, through plans for engagement and territorial development.

Two other points, previously observed in the principles of Materiality and Inclusivity, refer to the evolution of the commitments made with the Sustainable Development Goals (SDGs) and Klabin S.A.'s participation in sustainability sectoral pacts, contributing to the Company's seeking to adopt concrete measures to respond to the legitimate demands of its stakeholders.

Within the scope of the developments of the audit work, it is expected that efforts will be targeted to the publication deadlines and the quality of the next report, in line with the perceived evolution of the Company's management and performance. The sustainability report, therefore, must be understood as the main accountability tool for non-financial performance, recognized for its transparency and for its ability to respond to stakeholders, in an assertive manner, regarding the main issues related to material topics.

According to the conclusions made from the verification work, the compliance level with the Responsiveness principle was classified as **"Advanced"**.

### **Impact**

Impact is the effect of the company's action and performance on the environment, economy, society, stakeholders or the company itself. This impact can cover a range of environmental, social, economic, and governance aspects.

Klabin S.A.'s sustainability report presents its scope of material topics, aspects and sustainability indicators that allow understanding the Company's performance regarding the main positive and negative impacts. The assessment of Klabin S.A.'s impacts is supported by effective management processes, including a defined strategy and data monitoring. The company's main impacts are handled with the application of proper resources and skills.

It was noted that Klabin S.A. integrates its material topics in its management approach and seeks to act directly on its main impacts. The Company also seeks effective ways to enhance its performance in environmental and social aspects, by generating value in its actions with society and the environment. It was possible to confirm the evolution of the data collection process, in the reliability of the information, based on the development of monitoring systems.

The improvements implemented to represent the Company's impact may be stressed, such as: (1.) broadening the reporting forms of environmental indicators in order to monitor company performance in a context of increased production (intensity), such as the "intensity" of water use (m<sup>3</sup>/t) by Business (to supplement the information from indicator GRI 303-1); and (2.) reporting performance indicators by business and by region, allowing better comparability between the same segments of the sector.

However, the sustainability report should represent a bridge for the stakeholders' understanding of the performance achieved in its material topics and, in this sense, we point out opportunities for the Company's "impact" on sustainability to be better learnt, through: (1.) identifying the operating units in which the corporate practices are applied; (2.) reporting impact (not only performance/operational) indicators

related to socioeconomic programs; and (3.) contextualizing management and performance within the scope of the indicators.

The level of compliance with the Impact principal, according to the conclusions made from the verification work, was classified as **“Advanced”**.

#### **Stakeholder views on Klabin S.A.’s commitments**

The scope of the independent verification process involved consultations with Klabin S.A.’s stakeholder representatives for a better understanding, from an external view of organizational leaders, of the Company’s level of commitment and maturity with the commitments undertaken and actions related to material topics, especially regarding water, forests, climate change and relationship with the surrounding communities. Following the scope of organizations consulted in 2019 (Apremavi - Association for the Preservation of the Environment and Life and FSC - Forest Stewardship Council), three other organizations were comprised, based on GRI 102-13, in this verification cycle: CDP Latin America (Carbon Disclosure Project), IPEF (Forest Research and Studies Institute) and Global Compact Brazil.

In the opinion of the representatives of these organizations, Klabin S.A. was classified as a **“leading”** company in terms of its commitment to the material topics. This classification represents the highest level of 4 response options. However, it is expected that, precisely because of its leadership role, Klabin will enhance its communication actions on good practices and foster the market to incorporate sustainability. The classification was justified by respondents in view of: (1.) the Company’s continuity and commitment over time; and (2.) the company’s stance on a constant effort to have a pioneering attitude and exercising its leadership in these topics.

#### **Final Considerations**

Klabin S.A. displays maturity in the integration of its material topics with its strategy, management and accountability. According to Conecta Consultores, the Company is committed and has a strategic vision of the opportunities for stakeholder integration and sustainability in its business.

Based on the moderate assurance process performed, we declare that Klabin S.A. meets, at an advanced level of maturity, the requirements of AA1000AP 2018 in relation to the principles of: stakeholder inclusivity; materiality; responsiveness and impact.

During the independent verification work, nothing was identified that could compromise stakeholder understanding of the information provided in the 2019 Sustainability Report, or that was inconsistent with its demonstrated management approach and reported performance indicators.

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