

# Fibra Celulose S.A.

ISIN CODE: BRFIBRACNOR9

Overall score 47/100

Sector: Forest Products & Paper  
Emerging Market

Companies in sector panel: 9

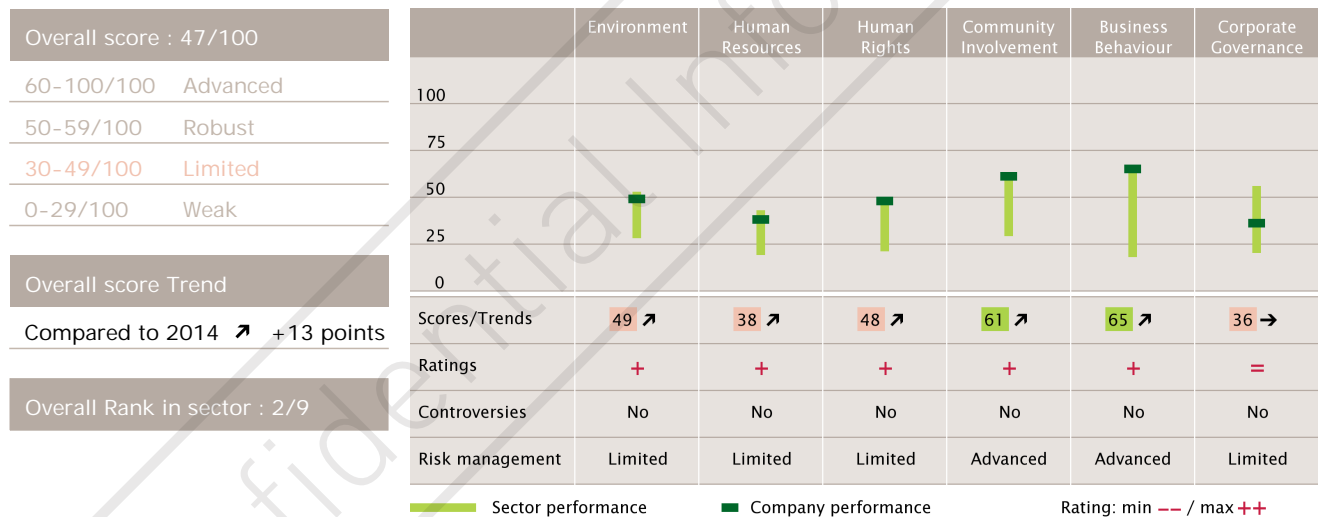
Information rate: 76% (Sector average: 67%)  
Company cooperation level: Not responsive \*

## General information

Based in Sao Paulo, Fibria Celulose S.A. (Fibria) is a Brazilian Company producing eucalyptus pulp. Fibria focuses its operation on forest plantations in the states of Bahia, Espírito Santo, Mato Grosso do Sul, Minas Gerais, Rio de Janeiro, Rio Grande do Sul, and São Paulo. With over 846,000 hectares of forests, Fibria has a production capacity of 5.3 million tons of pulp per year. Besides its own forests, the Company uses wood supplied by 2,148 contracts, corresponding to 71,272 hectares of eucalyptus plantations. Its industrial mills are strategically located in Três Lagoas, Aracruz, Jacaré, and Eunápolis. The Company exports to over 40 countries through distribution, commercial and representative offices.

Main Economic Segment**	Turnover 2015
Pulp	100 %

## Overall CSR performance & trends



- Fibria 's overall score (47/100) illustrates the limited absolute performance relating to the integration of main CSR issues analysed by Vigeo, and it has increased by 13 points compared to our previous review. All in all, the performance of Fibria has improved in 5 out of the 6 sustainability domains analysed.
- Fibria appears to have a heterogeneous approach to tackle its ESG impacts as it seems to focus on the Social pillar, where it shows a robust performance. Whereas, its performance on the Environmental and Governance pillars is limited in absolute terms.
- As of 23/02/2016, Fibria was not involved in any controversies within Vigeo's analysis scope.

Company inclusion in Vigeo Indices\*\*\* : NO

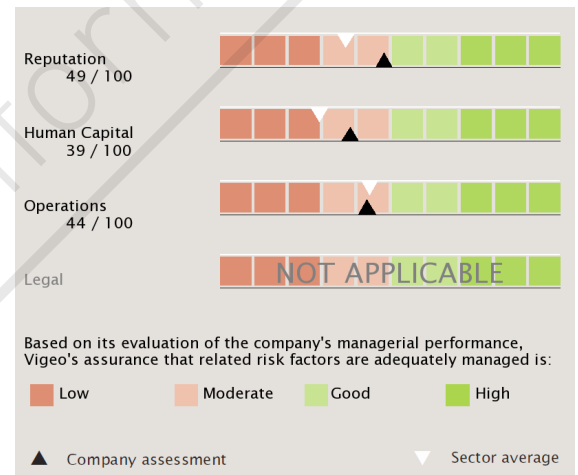
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\* On a 4-level scale: proactive, responsive, partially responsive, not responsive  
 \*\* See detailed economic indicators in Selected financial data section  
 \*\*\* Based on the most recent Index at the date of publication

## Management of Risks and Opportunities

Weight of the Sustainability drivers	Weaknesses		Strengths	
	3	<ul style="list-style-type: none"> <li>Local pollution</li> <li>Water</li> </ul>		<ul style="list-style-type: none"> <li>Health and safety</li> <li>Fundamental labour rights</li> <li>Board of Directors</li> </ul>
2	<ul style="list-style-type: none"> <li>Energy</li> <li>Reorganisation</li> <li>Executive remuneration</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders</li> <li>Audit &amp; Internal Controls</li> <li>Fundamental human rights</li> </ul>		<ul style="list-style-type: none"> <li>Environmental strategy</li> <li>Corruption</li> <li>Social standards in the supply chain</li> </ul>
1		<ul style="list-style-type: none"> <li>Non-discrimination and diversity</li> <li>General interest causes</li> <li>Career management</li> </ul>		
	<b>Weak</b> 0 to 29 points	<b>Limited</b> 30 to 49 points	<b>Robust</b> 50 to 59 points	<b>Advanced</b> 60 to 100 points

- Environmental strategy** is an area of strength for Fibria illustrated by its advanced performance in absolute terms. Indeed, in addition to being ISO 14001 certified, the Company has a Sustainability Committee responsible for environmental protection. However, Fibria appears to have a heterogeneous approach to tackle its environmental impacts as it seems to focus on some sustainability drivers more than the others. On one hand, the performance of Fibria in **biodiversity** protection is in line with its environmental commitment, which provides Vigeo with a good assurance on its ability to manage the related legal and reputational risks. Among the measures allocated in this regard we find inventory of endangered species, preservation of identified critical habitat and verification of the legality of all wood bought from third party suppliers. On the other hand, the Company's performance in **water, energy and local pollution** is weak in absolute terms due mostly to the lack of information disclosure about measures in place in this regard as well as the negative trend over time of the quantitative data disclosed. This is likely to raise concerns among stakeholders as the Forest Products and Papers sector is known to be **water** intensive and a main source of **local pollution**.



- Social and economic development** is another area of strength for Fibria. Forestry operations can lead to a lot of disputes among stakeholders. As a result, it is important to assess the kind and scope of community development initiatives that companies have developed in order to promote the social and economic development of their surrounding communities, as well as to mitigate the impacts of their operations on these communities. In this regard, Fibria provides Vigeo with a good assurance on its ability to mitigate the legal and operational risks associated with **social and economic development** of local communities. The Company has launched social development initiatives focusing on education and health as well as prioritizing local suppliers and personnel. Besides, Fibria has established a comprehensive community engagement plan for its production sites, including grievance mechanisms.
- Health and Safety** is another area of strength for the Company. Actually, the scope of Fibria's industrial operations makes it necessary to address the challenge of reducing work accidents and protecting the life and health of workers, as many of them operate complex productive processes. Overall, the Company provides a robust assurance on its ability to mitigate the legal, operational and human capital risks associated with health and safety of its employees. Fibria has formed joint health and safety committees involving leadership and employees and has set up a OHSAS 18001 certified health and safety system and remuneration to its personnel based on health and safety performance.
- Corruption** is an area of risk for Fibria. In fact, taking into account the ongoing corruption scandal in Brazil that is considered to be the worst in the country's modern history, it is expected of companies operating within such a high-risk country to have systems in place to prevent **corruption**. Indeed, failing to effectively manage the legal, operational and reputational risks associated with **corruption** would lead to irreversible damages to the Company, especially with nowadays enormous media coverage. Overall, Fibria provides a good assurance on its ability to manage the related risks as it has set up internal and external controls to prevent **corruption**.

\* We consider legal security as an element of a company's tangible or intangible assets. We define legal risk as the potential impact - negative or positive - on these assets, considering the management of CSR issues possibly involving the company's legal responsibility. Under no circumstances should our opinion be construed as a due diligence or an assurance in the meaning of regulations such as, for instance, the Sarbanes-Oxley Act in the USA or the Loi de Sécurité Financière in France

## Company performance in all the Sustainability Drivers

**Overall score 47/100**

Weight of the Sustainability driver		Trend	Score
<b>Environment</b>			
ENV1.1	2	↗	49
		↗	71
ENV1.4	3	↗	93
ENV2.1	3	↗	27
ENV2.2	2	↗	26
ENV2.6	3	↗	27
<b>Human resources</b>			
HRS2.3	2	→	12
HRS2.4	1	↗	30
HRS3.2	3	↗	58
<b>Human rights</b>			
HRT1.1	2	→	42
HRT2.1	3	↗	52
HRT2.4	1	→	45
<b>Community involvement</b>			
CIN1.1	3	↗	69
CIN2.2	1	↘	35
<b>Business behaviour (c&amp;s)</b>			
C&S2.4	2	↗	61
C&S3.1	2	↗	68
<b>Corporate governance</b>			
CGV1.1	3	↗	51
CGV2.1	2	↘	43
CGV3.1	2	↗	44
CGV4.1	2	→	0

**Weak** (0-29/100)
  **Limited** (30-49/100)
  **Robust** (50-59/100)
  **Advanced** (60-100/100)

⚡ **Involvement in allegations**
☔ **Involvement in allegations with evidence of corrective measures**

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N/R means that this Sustainability Driver is not analysed for this Company

## Selected financial data

Key data	Revenue	EBIT	Employees
2015	BRL 10,080m	BRL 3,524m	4,197
2014	BRL 7,084m	BRL 1,657m	4,294
2013	BRL 6,917m	BRL 1,710m	4,192
2012	BRL 6,174m	BRL 706m	4,136
2011	BRL 5,854m	BRL 378m	4,301

Main shareholders	2015
Votorantim Industrial S.A. (Moraes family)	29.4 %
BNDESPar	29.1 %

Geographical breakdown	Net revenue 2015	Employees 2015
Europe	43.2 %	nd
North America	24.7 %	nd
Asia	23.9 %	nd
Brazil and others	8.2 %	nd

All Economic Segments	Turnover 2015
Pulp	100 %

## Selected ESG Indicators

	2014
Non-executive Board member(s) responsible for CSR issues	Yes
Executive remuneration linked to CSR performance	N/A
3-year energy consumption trend (normalized to turnover)	↓
Percentage of independent Board members	22
Percentage of women on Board	0
Percentage of women in Executive team	0
Percentage of women in workforce	13.5
3 year trend for safety at work	↑
Involvement in armament	No
Management of social risks in supply chain	Advanced

## Involvement in disputable activities: summary

This section is dedicated to disputable activities in which the company is involved. 9 disputable activities are analyzed (see list below) following 30 parameters. Additional analysis and full database access are available as an option.

For more information please contact us at [customer.service@vigeo.com](mailto:customer.service@vigeo.com)

	Level of involvement	% of revenues
<input type="checkbox"/>	Alcohol	%
<input type="checkbox"/>	Animal maltreatment	%
<input type="checkbox"/>	Armament	%
<input type="checkbox"/>	Hazardous chemicals	%
<input type="checkbox"/>	Gambling	%
<input type="checkbox"/>	GMOs in food & feed	%
<input type="checkbox"/>	Nuclear energy	%
<input type="checkbox"/>	Sex industry	%
<input type="checkbox"/>	Tobacco	%

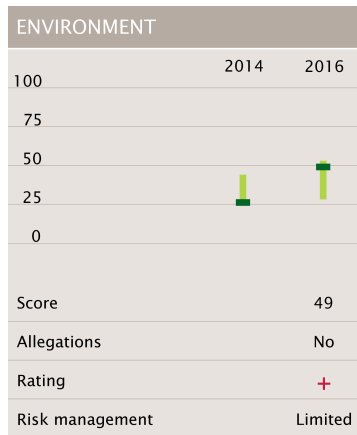
A company's level of involvement (Major, Minor, No) in a disputable activity is based on:

- An estimation of the revenues derived from disputable products or services
- The precise nature of the disputable products or services provided by the company

N/A means that the data is not available.

## CSR performance per domain

■ Sector performance  
■ Company performance  
Rating: min -- / max ++

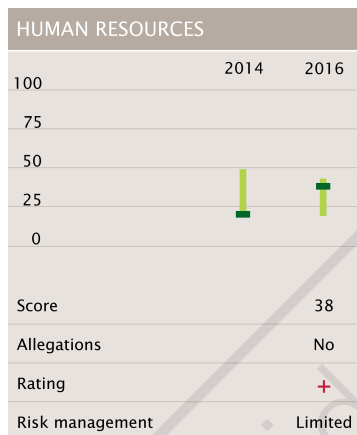


### Key issues

The main environmental issue in this sector is clearly biodiversity (ENV 1.4) since the problem of deforestation is a major worldwide challenge. Most of the last old-growth forests are being logged; in addition, illegal logging is still a huge problem in developing and emerging countries. Moreover, certifications standards, including FSC (Forest Stewardship Council), are also being criticized for not being reliable enough. Related to this, since many paper producers procure wood and pulp from specialised suppliers, it is very important that they apply traceability guidelines (the 'chain of custody') to their supply chain.

### Company performance

- The Company's performance in the Environment domain is limited in absolute terms.
- The domain's score has increased by 23 points compared to the previous review.
- The improvement of Fibria's performance has been recorded mainly because the Company has provided trainings on biodiversity to relevant employees. Besides, Fibria has carried out inventory of endangered species. Moreover, the Company conducts audits to ensure that its suppliers protect biodiversity. Similarly, Fibria works to optimize its production processes to reduce water consumption and has disclosed quantitative data in this regard, which shows a negative trend. Finally, the Company's has limited means in place to control local pollution.

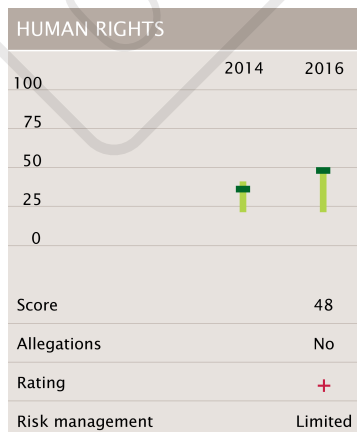


### Key issues

Forest work is one of the most hazardous occupations, with a higher incidence of fatal or major injuries than in many other sectors. Therefore, the improvement of health and safety conditions (HRS3.2) is a major issue. Besides, the Forest Products and Paper sector has gone through many restructuring changes (mergers and acquisitions, consolidation of core business and divestment of non core activities, etc.) which can have strong impacts on human resources. Following the economic downturn in 2008-2009, the sector is slowly recovering, thus the responsible management of restructurings (HRS2.3) still needs to be addressed.

### Company performance

- The Company's performance in the Human Resources domain is limited in absolute terms.
- The domain's score has increased by 18 points compared to the previous review.
- The improvement of Fibria's performance has been recorded mostly as the Company's quantitative data on career management and training shows a positive trend over time. Also, joint health and safety committees are formed by leadership and employees. In addition, Fibria's Leadership Variable Remuneration Program was reported to have an indicator relating to worker health and safety. Besides, the Company has assistance programmes for employees suffering from stress. Finally, the health and safety quantitative data disclosed shows a positive trend.



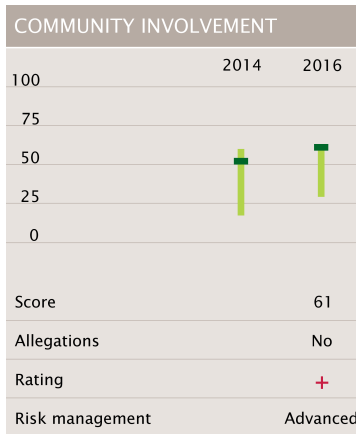
### Key issues

The working environment in forestry has particular features that distinguish forestry from many other industries. Worksites are usually temporary and scattered so that employees in such facilities have more difficulties to associate, than at permanent work premises. The predominant driver is therefore related to the respect of freedom of association and the right to collective bargaining (HRT2.1). Another important issue for the sector is the respect of indigenous rights (HRT1.1). Indeed, land tenures have always been an issue for the sector, with several controversies linked to logging on lands claimed by Indigenous communities.

### Company performance

- The Company's performance in the Human Rights domain is limited in absolute terms.
- The domain's score has increased by 12 points compared to the previous review.
- The improvement of Fibria's performance has been recorded mainly because the Company has provided employees with information on their trade union rights through introductory training. In addition, the Company's share of women in its total workforce shows a negative trend over time.



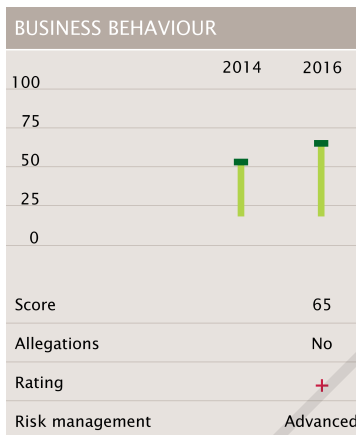


**Key issues**

Big pulp and paper companies have the ability to invest in plantations on a scale and at a speed that can have an impact on landscapes and rural economies and livelihood. Forestry operations can also be highly controversial. Growing industrial plantations on territories that local communities derive their economic livelihood from, is only one example of questionable practices. For this reason, it is important to assess the kind and scope of community development initiatives that companies have developed in order to promote the social and economic development of their surrounding communities, as well as to mitigate the impacts of their operations on these communities (CIN1.1).

**Company performance**

- The Company's performance in the Community Involvement domain is advanced in absolute terms.
- The domain's score has increased by 9 points compared to the previous review.
- The improvement of Fibria's performance has been recorded mainly as the Company has allocated extra means to address social and economic development such as measures to recruit and train local personnel. Also, the Company has established a comprehensive community engagement plan for its production sites that includes social impact assessment and reporting to stakeholders.

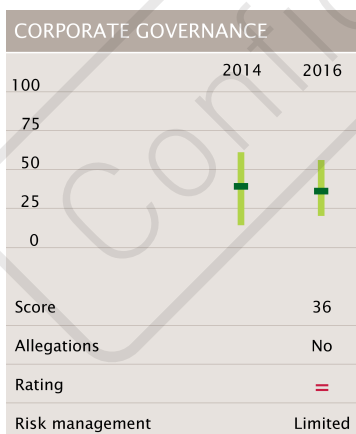


**Key issues**

The most important business behaviour issue in the forest products & paper sector relates to the consideration of social factors along the supply chain (C&S2.4). Indeed, although all companies included in this panel operate timberlands, they do not source 100% of their needs in primary resources. Suppliers are mainly local forest owners. In addition, the sector increasingly relies on contractors, rather than permanently employing their own workers. This practice tends to result in a deterioration in the quality of employment. Besides, illegal logging - often linked to corruption practices (C&S3.1) - is a highly controversial issue for the sector.

**Company performance**

- The Company's performance in the Business Behaviour domain is advanced in absolute terms.
- The domain's score has increased by 12 points compared to the previous review.
- The improvement of Fibria's score has been recorded mainly because the Company's has created a new department responsible for supplier approval and qualification. In addition, the Company has disclosed quantitative data on the corruption incidents reported internally and on how they were handled.



**Key issues**

Corporate governance is critical to ensuring that a well functioning system of checks and balances protects the interests of all of the company's stakeholders. The effectiveness of the Board of Directors (CGV1.1) is a key issue to be addressed: this can be gleaned from information on Board composition (independence and competencies) and its way of functioning (regularity of Board meetings, evaluation of performance). Other important corporate governance factors include the effectiveness of the Audit and Internal controls system (CGV2.1), the protection of Shareholders' Rights (CGV3.1) and the establishment of Executive Remunerations (CGV4.1) which align executives' and company's interests.

**Company performance**

- The Company's performance in the Corporate Governance domain is limited in absolute terms.
- The domain's score has been stable compared to the previous review.
- The rate of independence of Fibria's Board of Directors is less than the recommended level. Also, regular evaluation of Board's performance is held by a third party. In addition, Fibria has a Sustainability Committee that is a part of its Board of Directors. Moreover, non-audit fees represented 4.4% of total fees. Similarly, all major items are voted upon by shareholders during the AGM. On the other hand, no information was disclosed regarding the membership of the Company's Remuneration and Audit Committees. Besides, there is no information disclosure on the rules guiding the Company in allocating short term and long term incentives to its senior executives.

## Detailed analysis

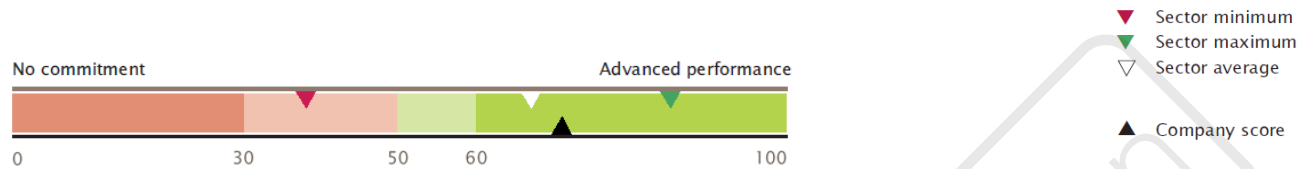
<b>Environment</b>	<b>8</b>
ENV1.1 Environmental strategy and eco-design	8
ENV1.4 Protection of biodiversity	8
ENV2.1 Protection of water resources	10
ENV2.2 Minimising environmental impacts from energy use	12
ENV2.6 Management of local pollution	13
<b>Human Resources</b>	<b>14</b>
HRS2.3 Responsible management of restructurings	14
HRS2.4 Career management and promotion of employability	14
HRS3.2 Improvement of health and safety conditions	16
<b>Human Rights</b>	<b>18</b>
HRT1.1 Respect for human rights standards and prevention of violations	18
HRT2.1 Respect for freedom of association and the right to collective bargaining	18
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<b>Community Involvement</b>	<b>21</b>
CIN1.1 Promotion of the social and economic development	21
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<b>Business Behaviour (C&amp;S)</b>	<b>24</b>
C&S2.4 Integration of social factors in the supply chain	24
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<b>Corporate Governance</b>	<b>27</b>
CGV1.1 Board of Directors	27
CGV2.1 Audit & Internal Controls	28
CGV3.1 Shareholders	29
CGV4.1 Executive Remuneration	30

## Environment

Score : 49

### ENV1.1 Environmental strategy and eco-design

(score: 71, weight: 2)



#### Visibility of commitment to environmental issues

The company has issued a formalised commitment to environmental protection in its Code of Conduct, and sets specific targets related to biodiversity and GHG emissions. In addition, the company is a signatory of the Global Compact and communicates on this principle.

#### Relevance of environmental strategy

The company commits to the majority of its responsibilities in terms of environmental protection:

- Certification of forests
- Protection of biodiversity
- Protection of water resources
- Minimising environmental impacts from energy use
- Management of local pollution

#### Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, there is a dedicated structure responsible for this issue.

The sustainability Committee, which is a part of the Board, is responsible for environmental protection.

Of note, the Wild Animal Reintroduction Center is a partner of Fibria and the Brazilian Environmental Institute, and depends on the continuous collaboration of 18 donor companies for financial resources, animal food, and gardening services to maintain it.

#### Environmental Management System

The company has allocated resources to environmental management, including an environmental action plans, starting with certifications, commitments and short term targets.

#### Coverage of certified environmental management systems

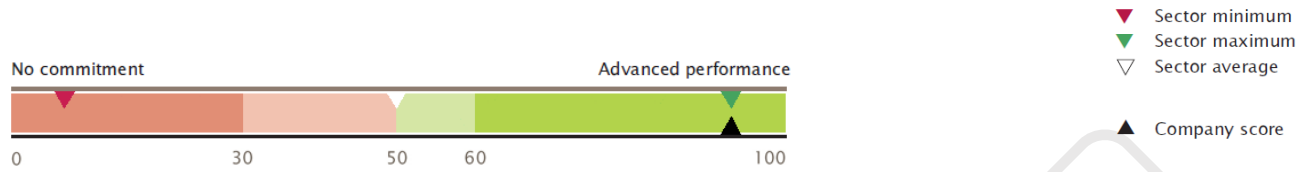
The company reports to be ISO 14001 certified, but the share of its sites that have a certified environmental management system is not clear.

Leadership	93	Implementation	48	Results	N/A
Visibility	100	Means & resources	65	Performance	N/A
Relevance	100	Scope	N/A	Trends	N/A
Ownership	65	Coverage	30		



**ENV1.4 Protection of biodiversity**

(score: 93, weight: 3)



**Relevance of the commitment**

The company sets as a target to reduce by one third the amount of land needed for pulp production by 2025 compared to 2011. In addition, the company aims to promote environmental restoration of 40,000 hectares of its own areas between 2012 and 2025.

Besides, the company's commitment towards biodiversity protection covers most of the relevant impacts of its activities:

- degradation, destruction or fragmentation of fragile or specific ecosystems and habitats
- impacts on populations' dynamics
- soil erosion
- natural species contamination
- indirect negative effects (due to suppliers' operations)

**Managerial tools allocated to biodiversity protection**

The company has implemented most relevant measures to integrate biodiversity in the management of its operations, including:

- Environmental impact assessments and/or risk mapping: through the environmental impact and Aspect matrix, the company identifies all aspects and impacts of forestry processes. Based on that, the company defines mitigations, controls, monitoring, and enhancement of beneficial impacts such as employment generation, power generation and cleaner production processes.
- Training relevant managers or employees on biodiversity: for the internal audience, made up of internal and outsourced forestry workers, actions are developed with the aim of raising awareness on biodiversity conservation and management of environment impacts. There is a schedule of lectures and training for environmental education in each unit, which trains multiplier professionals to work alongside their work fronts.
- The company has relevant biodiversity management guidelines to protect biodiversity such as ecological corridors and tree bridges.
- Monitoring of biodiversity indicators: the company keeps track of the restored conservation areas. Also, the forest management process is responsible for monitoring of the soil for conservation of nutrients, recovering of native forests.

**Local measures taken to protect biodiversity on operation sites**

The company has implemented most relevant resources to limit the impacts of its operations on biodiversity, including:

- inventory of endangered species: The fauna and flora monitoring program began in 2001 with a survey of the vegetation and fauna of all conservation areas of Fibria, as well as indicators of environmental status of each of them. Fibria has a biodiversity database with 738 species of birds, 133 species of mammals, 2,192 species of plants and 76 species of reptiles in the company's areas.
- set aside any identified critical habitat: Fibria has a base of 975,000 hectares, 352,000 of which are conservation areas. Fibria's conserved forests serve as shelter, reproduction areas, and transit for 159 species which are considered by Ibama to be vulnerable or endangered. Also, Fibria has a number of Private Natural Heritage Reserves, which are private conservation areas for the permanent preservation of biological diversity. The company maintains three permanent Natural Heritage Reserves, occupying a total area of 2,887 hectares of land.
- use of alternative harvesting techniques: forming ecological corridors and staggering harvest so as to minimize the impact on the local fauna are planned and carried out based on a scientific approach towards the landscape.

**Coverage of means allocated to biodiversity protection**

The company has implemented these measures in a minority of sites or operations.  
*The recovered native eco-systems represent 33% of Fibria's conserved areas.*

**Means allocated to ensure biodiversity protection along the fibre supply chain (from wood and pulp suppliers)**

The company applies traceability guidelines and conducts audits of its suppliers.  
*All wood bought from third-party suppliers undergoes the Program for the Verification of Controlled Wood and Controversial Sources, created by the company to prove the legality of its raw materials. Fibria avoids supplying pulp from the following origins:*

- Wood that has been obtained illegally,
- Wood that has been obtained in violation of traditional or civil rights,
- Wood that has been obtained from forests where such activities represent a threat to their high conservation value,
- Wood that has been obtained from forests where land is in the process of conversion into plantations or to non-forestry uses,
- Wood that has been obtained from forests where genetically modified trees have been planted.

*In order to ensure that these objectives are met, in all wood procurement procedures, the company shall perform internal risk assessments regarding all suppliers of forestry products, in compliance with FSC-STD-40-005 and NBR 14790 standards.*

**Coverage of the fibre supply chain**

*The measures implemented cover most purchases.*

**Results with regard to biodiversity protection: part of virgin fibers purchased or produced by the company that comes from reliable certified forests**

Very high (>74%)  
*91% of Fibria's forest area is certified by either FSC or CERFLOR/PEFC.*

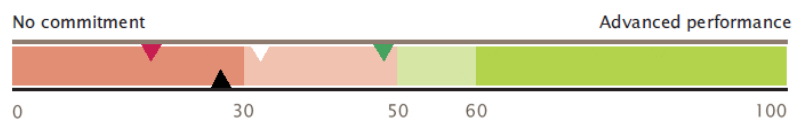
**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

<b>Leadership</b>	<b>100</b>	<b>Implementation</b>	<b>90</b>	<b>Results</b>	<b>88</b>
Visibility	N/A	Means & resources	<b>100</b>	Performance	<b>65</b>
Relevance	<b>100</b>	Scope	<b>N/A</b>	Trends	<b>100</b>
Ownership	<b>N/A</b>	Coverage	<b>65</b>		

**ENV2.1 Protection of water resources**

(score: 27, weight: 3)



**Relevance of the company's commitment in terms of reducing its water consumption**

*The company's commitment to reduce its water consumption is general as no quantified targets were disclosed.*

**Relevance of the company's commitment in terms of reducing its water emissions.**

*The company's commitment to reduce its water emissions is general as no quantified targets were disclosed. Of note, Fibria joined the Water Footprint Network in March 2010.*

**Means allocated**

*The company works to optimize its production processes to reduce water consumption and pollution. Fibria has a network for the monitoring of the quantity and quality of the surface and underground water. At the plants, water is reused in various stages of the production process, thus minimizing consumption. With the use of modern technologies, the company is able to recycle most of the water, returning more than 80% of the water collected to the water bodies. The company is also part of the Water Footprint Network and monitors its water footprint in all its production stages.*

**Coverage**

*There is no evidence that the company has taken such measures at a majority of its sites.*

**Water consumption**

*The company's water consumption, normalised to production, has increased by 8% over the past three years, from 28.3 ((x 1000 m3) / Prod) in 2012 to 30.7 ((x 1000 m3) / Prod) in 2014.*

**Suspended solids discharged into water**

*The company's suspended solids discharged into water, normalised to production, have increased by 3% over the past three years, from 1.97 (Kg / Prod) in 2012 to 2.02 (Kg / Prod) in 2014.*

**Nitrogen\* (N) discharges into water**

*The company's nitrogen discharges into water, normalised to production, have increased by 2.5 times over the past three years, from 0.13 (Kg / Prod) in 2012 to 0.45 (Kg / Prod) in 2014.*

**Phosphorus (P) discharges into water**

*The company's phosphorus discharges into water, normalised to production, have increased by 32% over the past three years, from 0.05 (Kg / Prod) in 2012 to 0.066 (Kg / Prod) in 2014.*

**Wastewater Oxygen Demand (COD or BOD)**

*The company's Waste-water Chemical Oxygen Demand , normalised to production, has increased by 5% over the past three years, from 9.93 (Kg / Prod) in 2012 to 10.47 (Kg / Prod) in 2014. Similarly, The company's Biological Oxygen Demand , normalised to production, has increased by 10% over the past three years, from 1.36 (Kg / Prod) in 2012 to 1.49 (Kg / Prod) in 2014.*

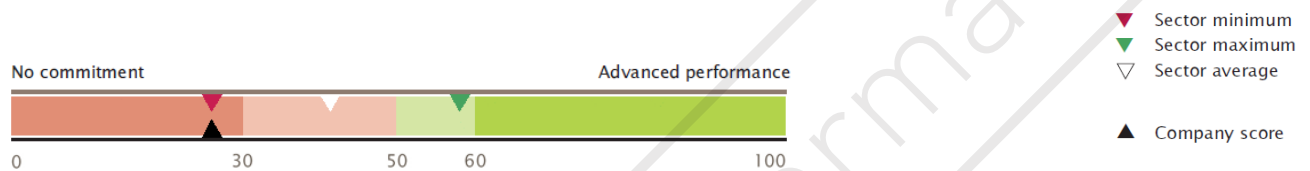
**Organic chlorine compounds (AOX)**

The company's waste-water organic chlorine compounds, normalised to sales/production, has increased by 1% over the past two years, from 0.07 (Kg / Prod) in 2013 to 0.071 (Kg / Prod) in 2014.

Leadership	30	Implementation	51	Results	0
Visibility	N/A	Means & resources	65	Performance	0
Relevance	30	Scope	N/A	Trends	N/A
Ownership	N/A	Coverage	30		

**ENV2.2 Minimising environmental impacts from energy use**

(score: 26, weight: 2)



**Relevance of the company's commitment in terms of reducing its energy consumption.**

The company's commitment to reduce its energy consumption is general as no quantified targets were disclosed.

**Relevance of the company's commitment in terms of reducing its GHG emissions.**

The company has set quantified targets with regard to its GHG emissions, and these cover the entire group.  
 The company aims to double carbon sequestration from the atmosphere by 2025 compared to 2011.

**Means allocated.**

The company has set up monitoring systems for its GHG emissions.

**Coverage**

Although the company has set up monitoring, the company has not gone beyond that to implement programmes to reduce its energy consumption in its operations.

**Energy consumption**

The company's energy consumption, normalised to production, has increased by 1% over the past two years, from 0.587 (MWh / Prod) in 2013 to 0.592 (MWh / Prod) in 2014.

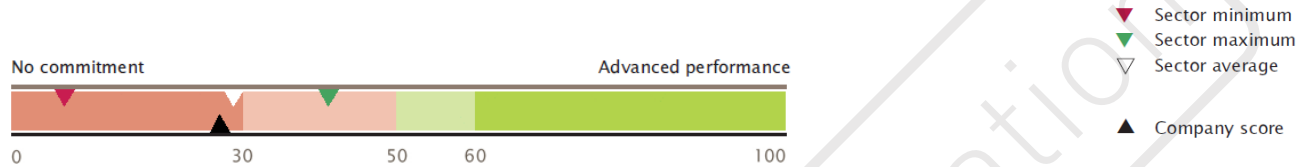
**GHG emissions (direct AND indirect\*, when applicable)**

The company's Greenhouse gas (GHG) emissions linked to energy consumption, normalised to production, have increased by 1% over the past three years, from 2.85 (t / Prod) in 2012 to 2.89 (t / Prod) in 2014. Similarly, The company's CO2 emissions, normalised to production, have increased by 4% over the past three years, from 392.7 (t / Prod) in 2012 to 407.3 (t / Prod) in 2014.

<b>Leadership</b>	<b>48</b>	<b>Implementation</b>	<b>30</b>	<b>Results</b>	<b>0</b>
Visibility	N/A	Means & resources	30	Performance	0
Relevance	48	Scope	N/A	Trends	N/A
Ownership	N/A	Coverage	30		

## ENV2.6 Management of local pollution

(score: 27, weight: 3)



### Relevance of the company's commitment to reducing its local pollution

The company's commitment relative to controlling its local pollution focuses on some of the relevant nuisance sources of local pollution for the sector:

- Odours
- Dust

### Means allocated

The company has limited measures in place to reduce its local pollution. To minimize any type of impact and immediately handle possible occurrences, Fibria works with a team of volunteers who form the Odour Perception Network (RPO).

### Coverage

There is no evidence that the company has taken such measures in the majority of its sites.

### Dust emissions

The company does not disclose data on dust emissions at the company's sites.

### Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

### Odour emissions

The company does not disclose data on odour emissions at the company's sites.

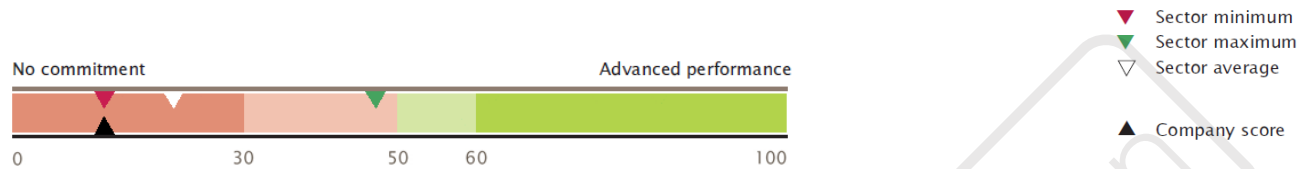
<b>Leadership</b>	<b>30</b>	<b>Implementation</b>	<b>30</b>	<b>Results</b>	<b>22</b>
Visibility	N/A	Means & resources	30	Performance	22
Relevance	N/A	Scope	N/A	Trends	N/A
Ownership	30	Coverage	30		

## Human Resources

Score : 38

### HRS2.3 Responsible management of restructurings

(score: 12, weight: 2)



Fibra Celulose undertook corporate reorganization including merger and liquidation of direct and indirect subsidiaries in Brazil and abroad. However, the Company does not report on the impact it had on employees.

**Relevance of commitment to manage reorganisations responsibly**

The company does not disclose any commitment to manage reorganisations responsibly.

**Involvement with employee representatives**

The company does not disclose any commitment to inform and consult employee representatives on reorganisations.

**Means allocated to prevent and manage reorganisations**

*Information obtained from the company and public sources regarding measures allocated to prevent and manage reorganisations is insufficient.*

**Coverage**

**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

**Result of the company's commitment to manage reorganisations responsibly**

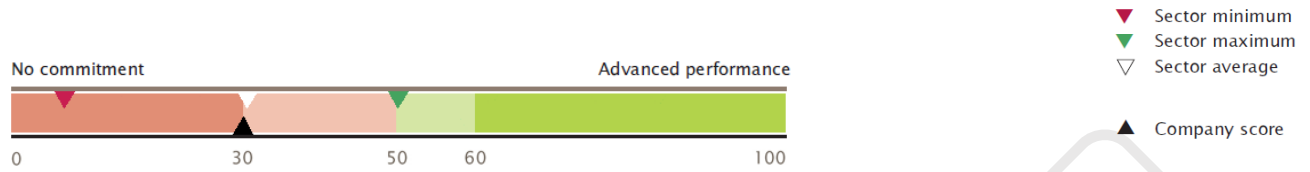
The company does not provide any information on the impacts of reorganisations on employment.

Leadership	0	Implementation	0	Results	35
Visibility	N/A	Means & resources	0	Performance	35
Relevance	0	Scope	N/A	Trends	N/A
Ownership	0	Coverage	0		



**HRS2.4 Career management and promotion of employability**

(score: 30, weight: 1)



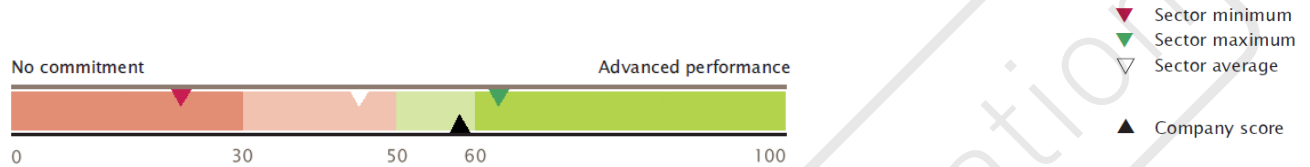
<b>Visibility of commitment</b>	<i>The company makes some general statements promoting career management and training in its CSR Report 2014.</i>
<b>Relevance of commitment</b>	<i>The company's commitment to promoting career management and training only addresses part of its responsibilities:</i> - Promote career development - Ensure training, life-long learning and employability
<b>Ownership of commitment</b>	<i>The Head of HR is part of the company's Executive Committee. However, line managers do not appear to be evaluated on their performance in terms of HR management.</i>
<b>Career management systems</b>	<i>Information obtained from the company and public sources regarding means allocated to career management systems is insufficient.</i>
<b>Coverage of career management systems</b>	
<b>Types of training provided to non-managers</b>	<i>Information obtained from the company and public sources regarding training programmes offered to employees is insufficient.</i>
<b>Means allocated to training for all employees</b>	<i>The company's annual training budget, normalised to number of employees, has increased continuously by 71% over the past three years, from 245.8 (million Euros / Nb) in 2012 to 419.7 (million Euros / Nb) in 2014. Similarly, the number of training hours, normalised to number of employees, has increased by 17% over the past three years, from 44.65 (hrs / Nb) in 2012 to 52.05 (hrs / Nb) in 2014.</i>
<b>Mobility / turnover</b>	<i>The employee turnover rate has decreased continuously by 4.4 percentage points over the past three years, from 12.1% in 2012 to 7.7% in 2014.</i>
<b>Training delivered during the year under review</b>	<i>The exact percentage of employees who have received training in 2014 was not disclosed.</i>

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<b>Leadership</b>	<b>30</b>	<b>Implementation</b>	<b>16</b>	<b>Results</b>	<b>44</b>
Visibility	<b>30</b>	Means & resources	<b>32</b>	Performance	<b>44</b>
Relevance	<b>30</b>	Scope	<b>0</b>	Trends	<b>N/A</b>
Ownership	<b>30</b>	Coverage	<b>0</b>		

### HRS3.2 Improvement of health and safety conditions

(score: 58, weight: 3)



#### Visibility of health & safety commitments

The company has made a formalised commitment to health and safety issues in its Code of Conduct.

#### Relevance of commitment

The company's commitment only addresses part of its responsibilities:

- ensure awareness about health and safety issues
- prevent occupational disease (yellow fever, dengue fever, leishmaniasis, and spotted fever)

#### Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, employee representatives are involved at group level. Formal agreements between the company and the unions cover issues concerning health and safety. In addition, joint health and safety committees are formed by leadership and employees.

#### Means allocated to health and safety

The company has allocated means to address these issues, including a certified health and safety system and employee incentives:

- training/awareness raising programmes: leadership trainings for awareness and strengthening in applying guidelines and safety tools have been applied at all the company's levels.
- internal monitoring: the company has a system to record conditions and practices which are below safety standards. Moreover, the company keeps track of key performance indicators for occupational health and safety.
- risk assessments: it is a pre-requirement to obtain the OHSAS 18001 certification.
- internal H&S audits: due to the occurrence of accidents, investigations are carried out and preventive measures resulting from analysis are implemented to avoid recurrence. In addition, periodic Occupational Health and Safety inspections are conducted by the management.
- remuneration based on H&S performance: actions recognizing professionals who stood out in safety performance were implemented. Besides, Fibria's Leadership Variable Remuneration Program has an indicator relating to worker health and safety.
- OHSAS 18001 certifications: it is implemented at the Santos Port Terminal.

#### Coverage of health and safety system

The certified Health and Safety has been implemented solely in the Santos Port Terminal.

**Means allocated to reduce stress at work**

The company has allocated basic means to address stress at work, including:

- Employee assistance programme: the company has a structured program for professional and confidential support and assistance to employees and dependents in psychological support, legal advice, financial advice and support and treatment to addicts.
- Employee participation tools (opinion surveys): every two years, Fibria carries out a survey with its own employees in order to identify the positive and negative factors influencing employee behaviour which could have impact on company performance.

**Coverage of means allocated to address mental health**

The third edition of this corporate climate survey took place in 2014 and had 91.3% employee participation, a record in employee engagement.

**Accident frequency rate**

The total recordable injury frequency rate has decreased, but not continuously, by 30% over the past three years, from 0.27 (/200,000 hwkd) in 2012 to 0.19 (/200,000 hwkd) in 2014.

**Accident severity rate**

The company does not disclose quantitative data on accident severity rates.

**Other health and safety indicators**

The company reported 0 occupational diseases among its employees over the past three years.

**Fatality rate**

The number of fatalities that have occurred among the personnel of the company has increased over the past three years, from no fatality in 2012 to one fatality in 2014.

**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

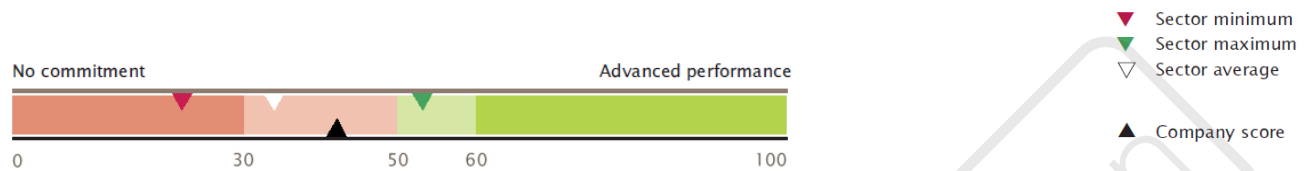
<b>Leadership</b>	<b>67</b>	<b>Implementation</b>	<b>72</b>	<b>Results</b>	<b>36</b>
Visibility	<b>65</b>	Means & resources	<b>80</b>	Performance	<b>36</b>
Relevance	<b>30</b>	Scope	<b>N/A</b>	Trends	<b>N/A</b>
Ownership	<b>100</b>	Coverage	<b>53</b>		

## Human Rights

Score : 48

### HRT1.1 Respect for human rights standards and prevention of violations

(score: 42, weight: 2)



Fibra Celulose S.A. has operations Brazil rated as 'Free' in terms of political rights and civil liberties by Freedom House.

#### Visibility of commitment

The company has made references to respect and promote human rights in society in its CSR Report 2014. In addition, the company is a signatory of the Global Compact and communicates on this principle.

#### Relevance of commitment

The company's commitment to respect and promote human rights in society addresses its main responsibilities:

- respect property rights and resettlement
- respect freedom of expression
- Indigenous people rights including indigenous peoples' consultation, cultural inheritance

#### Ownership of commitment

It is unclear who is responsible for the company's commitment.

#### Means allocated

The company has set up a basic system to ensure the respect and promotion of human rights in society that includes:

- training programmes for employees in the organization's policies and procedures related to human rights during new employee orientation processes and results meetings along with other trainings provided to Security staff on respecting human rights.
- grievance procedures through an Ombudsman office which guarantees impartiality and confidentiality of the whistle blower.

#### Coverage

There is no evidence that the systems put in place by the company cover all of its operations.

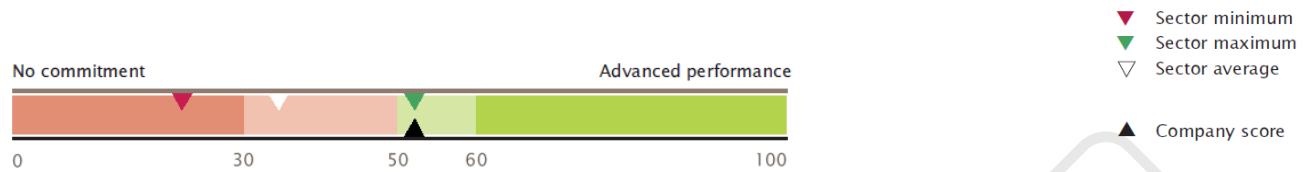
#### Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

Leadership	32	Implementation	30	Results	65
Visibility	30	Means & resources	30	Performance	65
Relevance	65	Scope	N/A	Trends	N/A
Ownership	0	Coverage	30		

## HRT2.1 Respect for freedom of association and the right to collective bargaining

(score: 52, weight: 3)



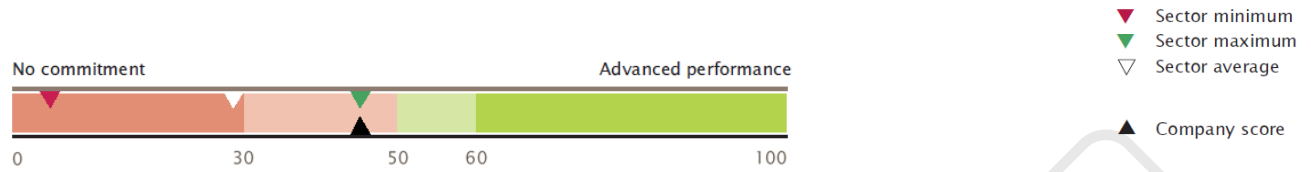
Fibra Celulose S.A has operations in Brazil and China listed as sensitive by the ITUC in terms of respect of labour and union rights.

<b>Visibility of commitment</b>	<i>The company has issued a formalised commitment to freedom of association and the right to collective bargaining in its Code of Conduct. In addition, the company is a signatory of the Global Compact and communicates on this principle.</i>
<b>Relevance of commitment</b>	<i>The company's commitment addresses its main responsibilities: - protection of freedom of association and the right to organize, - respect of the right to collective bargaining, - explicit support for ILO Conventions C87, C98, C135, or similar international texts on union rights.</i>
<b>Ownership of commitment</b>	<i>The commitment applies throughout the company, supported by senior management.</i>
<b>Monitoring</b>	<i>It is not clear what steps the company takes to ensure that freedom of association is respected throughout the company's operations (e.g.: through external verification, risk mapping, audits, etc.)</i>
<b>Promotion of collective bargaining</b>	<i>The company has provided employees with some information on their trade union rights through introductory training, contracts, as part of human rights training, etc. - Introductory training; awareness raising campaigns: when hired, all professionals are informed that there is a union representing his or her category and it is up to that person to join the union or not.</i>
<b>Coverage</b>	<i>The company has set up such programmes throughout the company. All the employees are informed about the existence of unions when hired.</i>
<b>Stakeholders' feedback</b>	<i>A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.</i>

<b>Leadership</b>	<b>51</b>	<b>Implementation</b>	<b>39</b>	<b>Results</b>	<b>65</b>
Visibility	<b>65</b>	Means & resources	<b>13</b>	Performance	<b>65</b>
Relevance	<b>65</b>	Scope	<b>N/A</b>	Trends	<b>N/A</b>
Ownership	<b>30</b>	Coverage	<b>100</b>		

**HRT2.4 Non-discrimination**

(score: 45, weight: 1)



**Visibility of commitment**

The company has issued a formalised commitment to non-discrimination in its Code of Conduct. In addition, the company is a signatory of the Global Compact and communicates on this principle.

**Relevance of commitment**

The company's commitment to non-discrimination explicitly defines most of the categories and the management processes to which these apply:

- Gender
- race / ethnicity / nationality
- religion
- age
- family responsibilities (including pregnancy)
- sexual orientation
- disabilities
- political opinion
- discrimination in employment decisions (hiring / promoting)
- discrimination in working conditions (training)

**Ownership of commitment**

The commitment applies throughout the company, supported by senior management.

**Means allocated**

The company has set up a few measures to prevent discrimination:

- grievance procedures through an Ombudsman office which guarantees impartiality.

**Coverage**

There is no evidence that the measure in place cover all of the company's operations.

**Results in terms of gender distribution**

The share of women in company's total workforce has decreased over the past five years by 0.91 percentage point, from 14.41% in 2010 to 13.50% in 2014.

**Results in terms of ethnic origin / race distribution**

The share of employees from ethnic minorities in the company's workforce has increased continuously over the past five years by 6.2 percentage points, from 24% in 2010 to 30.2% in 2014.

**Results in terms of employment of disabled persons**

The share of disabled employees in the total workforce has declined over the past three years by 0.31 percentage point, from 4.21% in 2012 to 3.90% in 2014.

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**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

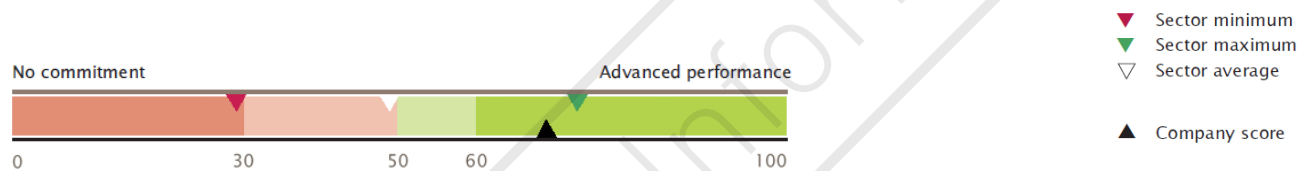
<b>Leadership</b>	<b>65</b>	<b>Implementation</b>	<b>30</b>	<b>Results</b>	<b>41</b>
Visibility	<b>65</b>	Means & resources	<b>30</b>	Performance	<b>65</b>
Relevance	<b>100</b>	Scope	<b>N/A</b>	Trends	<b>33</b>
Ownership	<b>30</b>	Coverage	<b>30</b>		

**Community Involvement**

Score : 61

**CIN1.1 Promotion of the social and economic development**

(score: 69, weight: 3)



**Relevance of commitment to manage the impact of operations on local social and economic development**

The company's commitment to promote local social and economic development addresses most of its responsibilities:

- optimise the impact of operations on the local economy (health and adult education)
- promote the creation and development of local businesses / preference for local suppliers
- promote the employment and training of local personnel (capacity building)
- community engagement

**Ownership of commitment**

The commitment applies throughout the company, supported by senior management.

**Visibility of the policy**

The company has issued a formalized and accessible commitment to promote local social and economic development in its Code of Conduct. Of note, the company sets as a target to achieve 80% approval in neighbouring communities by 2025 compared to 2011. Besides, Fibria aims to help the community increase self-sustaining projects from 5% in 2011 to 70% in 2025.

**Measures to promote social and economic development**

The company has allocated extensive means to address social and economic development, including:

- social development initiatives (health, education, environment): the company is implementing a health project in Southern Bahia with a focus preventive health, women's health and strengthening the use of medicinal plants. In addition, Fibria works toward the literacy of over 300 adults from an MST Settlement, also in Southern Bahia, and it performs a number of socio-environmental education actions, aimed at both the internal and the external audiences.
- The company has set up local purchase programs by favouring the local suppliers.
- measures to recruit and train local personnel (capacity building): the company practice is to conduct the recruitment of candidates from the regions where it operates, provided that they meet the requirements of the job and apply for employment opportunities on terms equivalent to those of other candidates. Another practice is the training of the workforce involving communities in partnership with universities and technical institutions.
- community engagement: periodically, Fibria conducts a favorability survey in impacted communities. In the last edition, the company reached a rate of 72%. Moreover, each municipality has an employee who participates in important community entities in order to understand local needs.

**Coverage of measures to promote local social and economic development**

These means are allocated throughout the company.  
All the municipalities have at least one Fibria's employee who participates in important community entities in order to understand local needs.

**Scope of community engagement**

The company has established a comprehensive community engagement plan for its production sites that includes:

- stakeholder identification: the company has identified its stakeholders groups to be clients, NGOs, academia, government, media, communities, employees, investors, sponsored suppliers and wood suppliers.
- information disclosure or reporting to stakeholders: the company has an Information Disclosure Policy that clearly defines responsibilities in terms of information reporting to regulatory bodies, the stock exchanges or organized trading markets and the general public.
- social impact assessment: the management model for social impacts adopted by Fibria seeks to reduce negative impacts, ensuring that actions for control and mitigation are provided in operating procedures in the company's management system and guide, through a prioritization matrix, socio-environmental investments for communities and regions most impacted.
- stakeholder consultation: the company consulted representatives from several audiences considered the company's stakeholders in order to understand their perceptions regarding Fibria's activities. For instance, the company performs a round of panels with its stakeholders (constructive dialogues) in Cacao Benito.
- grievance mechanisms: Talk to Fibria is a communication channel available at the company's three units, and has internal and external call centers, forest monitors, a website and on-site service to field questions, suggestions, and complaints from communities surrounding its operations.

**Performance trend**

Information obtained from company and public sources regarding the quantitative outcomes of local social and economic development projects is insufficient to determine a trend.  
In 2014, of the employees hired, 63% were local hires. Historical data was not disclosed.

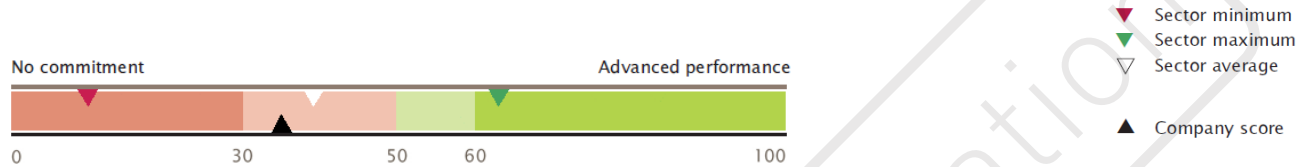
**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

<b>Leadership</b>	<b>72</b>	<b>Implementation</b>	<b>100</b>	<b>Results</b>	<b>35</b>
Visibility	<b>65</b>	Means & resources	<b>100</b>	Performance	<b>65</b>
Relevance	<b>100</b>	Scope	<b>100</b>	Trends	<b>0</b>
Ownership	<b>30</b>	Coverage	<b>100</b>		

**CIN2.2 Contribution to general interest causes**

(score: 35, weight: 1)



**Relevance of commitment**

The company's commitment to supporting general interest causes addresses some of the relevant issues for the sector:

- Health
- Education
- Culture
- Social inclusion
- Environmental education.

**Ownership of commitment**

It is unclear who is responsible for the company's commitment.

**Means allocated**

The company has allocated some means to general interest causes, including:

- financial support to contributions to charity organizations, NGOs and research institutes.

**Geographical coverage**

There is no evidence that the means are allocated throughout the company.

**Trend in contributions to general interest causes**

The company monitors indicators on contributions to general interest causes, but these have been on a downward trend.

Fibra's investments in communities, normalised to EBIT, have decreased by 1.68 percentage points over the past three years, from 3.8% of EBIT in 2012 to 2.12% of EBIT in 2014.

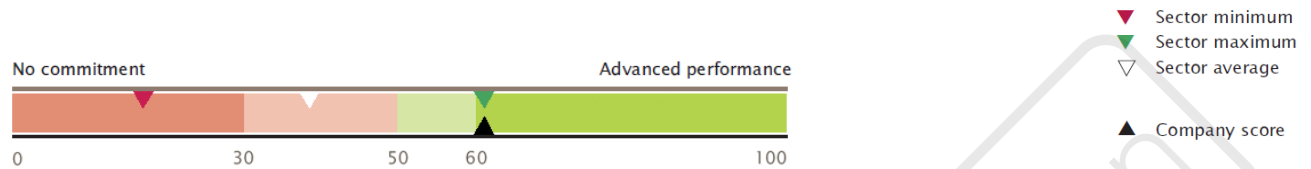
<b>Leadership</b>	<b>46</b>	<b>Implementation</b>	<b>30</b>	<b>Results</b>	<b>30</b>
Visibility	<b>N/A</b>	Means & resources	<b>30</b>	Performance	<b>N/A</b>
Relevance	<b>65</b>	Scope	<b>N/A</b>	Trends	<b>30</b>
Ownership	<b>0</b>	Coverage	<b>30</b>		

## Business Behaviour (C&S)

Score : 65

### C&S2.4 Integration of social factors in the supply chain

(score: 61, weight: 2)



#### Visibility of commitment

The company has issued a formalised commitment to including social factors in supply chain management in its Code of Conduct.

#### Relevance of commitment

The company's social requirements for suppliers address all the relevant issues in the sector:

- Freedom of association and right to collective bargaining
- Abolition of child labour.
- Abolition of forced labour.
- Non-discrimination
- Health and Safety
- Decent wages
- Working hours
- Other rights (Abuse of power and situations that represent disrespect, intimidation, physical violence or a threat)

#### Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, other stakeholders are involved.

In 2014, a new department responsible for supplier approval and qualification was created. The department carries out complete evaluations of financial, commercial and technical issues as well as issues related to social and environmental responsibility and labour laws. Besides, Fibria has a Service Contracting Commission created especially to reduce risks associated with contracts to hire critical suppliers. Moreover, the company participates in the Program for the Development and Sanctioning of Suppliers (Prodfor), which is sustained by the state's 12 largest companies, with support from the Federation of Industries of the State of Espírito Santo (Findes).

#### Means allocated

The company has set up two measures to include social factors in supply chain management:

- supplier support through training and awareness raising about health and safety issues.
- assessment of social risks linked to existing or potential suppliers through audits and encouraging the suppliers to acquire different certifications.

#### Share of corrective measures / problems uncovered

The company does not disclose quantitative data on the share of social problems in the supply chain that were addressed by corrective measures.

#### Allegations against suppliers

A review of stakeholder sources did not reveal any social allegations against the company's suppliers.

**Coverage of measures to integrate social factors into the supply chain**

*It is not clear what is the percentage of suppliers covered by the training programmes.*

**Audits of suppliers**

The company includes social aspects in its standard quality audits of suppliers.

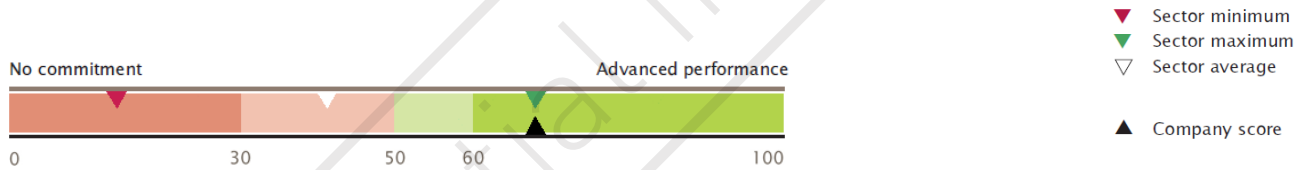
**Coverage of social audits**

*Social audits cover only a very limited number of suppliers. The Company has around 20,000 registered suppliers, 634 of which have underwent an accreditation programme concerning ISO 9001, ISO 14001, OHSAS 18001, NOSA and ILO Conventions.*

<b>Leadership</b>	<b>91</b>	<b>Implementation</b>	<b>42</b>	<b>Results</b>	<b>50</b>
Visibility	<b>65</b>	Means & resources	<b>48</b>	Performance	<b>50</b>
Relevance	<b>100</b>	Scope	<b>N/A</b>	Trends	<b>N/A</b>
Ownership	<b>100</b>	Coverage	<b>30</b>		

**C&S3.1 Prevention of corruption**

(score: 68, weight: 2)



**Visibility of commitment**

*The company has issued a formalised commitment to preventing corruption in its Anti-Corruption Policy. In addition, the company is a signatory of the Global Compact and communicates on this principle.*

**Relevance of commitment**

*The company's commitment to preventing corruption addresses most of its responsibilities:*

- active and passive bribery
- gifts and invitations
- extortion
- fraud
- embezzlement
- money laundering
- conflicts of interest
- financing of political parties
- facilitation payments
- nepotism

**Ownership of commitment**

The commitment applies throughout the company, supported by senior management. In addition, other employees are directly involved.

*It is the responsibility of the Fibria Statutory Audit Committee to ensure that the Ombudsman channel exists and is operational for the receiving. Indeed, the committee is regularly informed about the complaints received by the Ombudsman, where they have been forwarded and the respective outcome and reports the most urgent and important matters to the Company's Board of Directors. Besides, matters submitted to the Fibria Ombudsman are shared with the Ethics and Conduct Committee, comprising members of the Fibria management.*

**Involvement of employees**

*Information obtained from the company and public sources regarding the involvement of employees in preventing corruption is insufficient.*

**Means allocated**

*The company has set up internal and external controls to prevent corruption, including a confidential reporting system, that include:*

- a dedicated confidential reporting system.
- external investigations of allegations through an Ombudsman office which guarantees impartiality.
- internal audits, internal verification of compliance with the company's code of conduct in cases of fraud, embezzlement and property damage.

**Coverage**

*There is no evidence that these measures cover the entire company.*

**Reporting**

The company discloses quantitative data on the corruption incidents reported internally and on how they were handled:

*In 2014, Internal Audit examined 21 suspected irregularities: three pending from 2013 and 18 new received throughout 2014. Of the claims investigated, seven referred to cases of corruption or misuse of assets (four in Aracruz, two in Três Lagoas, and one at the Jacarei unit). Two occurrences resulted in termination of contracts with suppliers, one resulted in taking disciplinary action with the employees involved, and four required creation or change in policy and procedures.*

**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

<b>Leadership</b>	<b>83</b>	<b>Implementation</b>	<b>44</b>	<b>Results</b>	<b>77</b>
Visibility	<b>65</b>	Means & resources	<b>50</b>	Performance	<b>77</b>
Relevance	<b>100</b>	Scope	<b>N/A</b>	Trends	<b>N/A</b>
Ownership	<b>65</b>	Coverage	<b>30</b>		

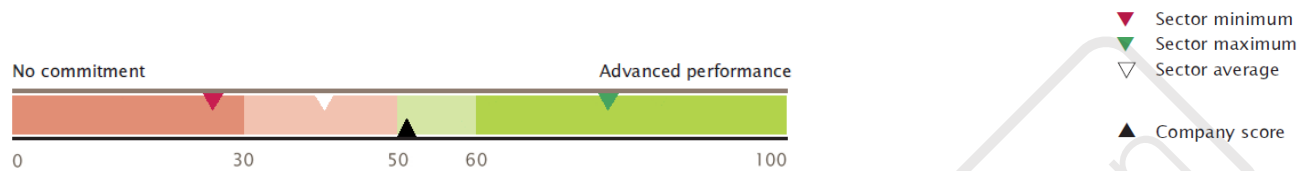


## Corporate Governance

Score : 36

### CGV1.1 Board of Directors

(score: 51, weight: 3)



#### Existence and independence of Nomination Committee

Information disclosed on this subject is insufficient.

#### Independence of board Chairman

The roles of Chairman and CEO are separated, but the Chairman is not considered independent.

#### Total % of independent shareholder-elected board members

The board is between 21 and 33% independent, which is less than the recommended level.  
Two members of the 9-member Board are considered independent.

#### Skills and backgrounds of non-executive board members

Non-executive board members have complementary and relevant skills and backgrounds.

#### Training and expertise provided to board members

Training is provided through regular updates (site visits, updates on legislation, etc.), but it does not cover CSR issues.  
All members of the Board of Directors undergo a continuing education process, which includes an annual visit to operations, semi-annual lectures about scenarios, markets, and corporate governance, as well as workshops on strategy.

#### Regularity of and attendance at board meetings

Regular meetings are held, and attendance rates are above 90%  
Seven Board meetings were held during 2015, and the attendance rate stood at 98.4%.

#### Regular election of board members

Board members are elected at least every 3 years, and these elections are not staggered.  
Board members are eligible for re-election following 2-year terms.

#### Evaluation of board functioning and performance

Performance is evaluated regularly, by a third party.  
Independent consultants evaluate the performance of the Board members annually, pursuant to pre-established parameters, to determine their degree of efficiency and establish the goals for their activity in the following year.

**Review of CSR issues at board meetings**

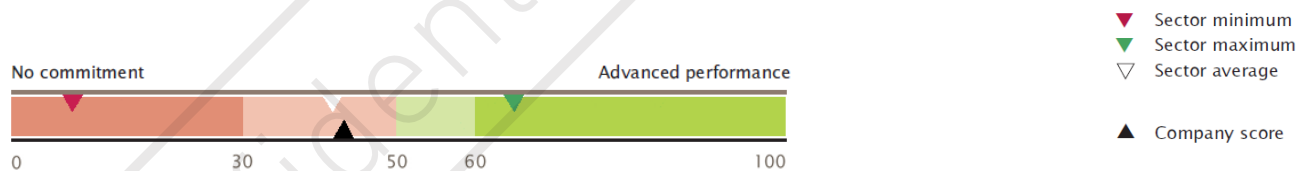
One or more non-executive directors is responsible for oversight of CSR issues within the board.

*The company has a Sustainability Committee that is a part of its Board of Directors. The Sustainability Committee meets three times a year to assess the company's sustainability strategy and its implementation. Of note, linked to the Executive Officers, the Internal Sustainability Commission, comprised of managers from various areas within the Company, seeks to implement the strategy defined by the Sustainability Committee and embed sustainability into the company's culture.*

Non-independent board members (excl. employee representatives)	Role	Current or Former Executive	More than 9 years on board	Stock options or warrants	Paid >1/2 executive salary	Owns or represents >3% company's shares	Other
José Luciano Penido	Chairman Former Executive	X				X	Appointed by Votorantim Industrial
Raul Calfat	Former Executive	X				X	Appointed by Votorantim Industrial
Carlos Augusto Lira Aguiar	Former Executive	X				X	Appointed by Votorantim Industrial
João Carvalho Miranda						X	Appointed by Votorantim Industrial
João Schmidt						X	Appointed by Votorantim Industrial
Julio Cesar Maciel Ramundo						X	Appointed by BNDES
Eduardo Rath Fingerl						X	Appointed by BNDES

**CGV2.1 Audit & Internal Controls**

(score: 43, weight: 2)



**Existence and independence of Audit Committee**

*Information disclosed on this subject is insufficient. A specific Audit Committee is in place, but no information were disclosed concerning its membership.*

**Skills and backgrounds of Audit Committee members**

*Information disclosed on this subject is insufficient.*

**Operational and CSR risks covered by the company's internal controls system**

*The system covers financial, operational, and legal risks, plus CSR risks. The company takes into consideration reputational and sustainability risks in its general risk mapping.*

**Role of the Audit Committee in overseeing internal and external controls**

The Audit Committee does not oversee CSR risks but has a comprehensive role that includes:

- Oversee internal audit and internal controls
- Review accounting policies and be responsible for updates
- Nominate the statutory auditor
- Oversee the work of the external auditor
- Approve the type of audit and non-audit services provided and fees paid to the external auditor

**Independence of the firm's external auditors**

In 2012, non-audit fees represented 4.4% of total fees paid to PricewaterhouseCoopers Auditores Independentes. Data for 2014 was not disclosed.

**Inclusion of CSR issues in company reporting**

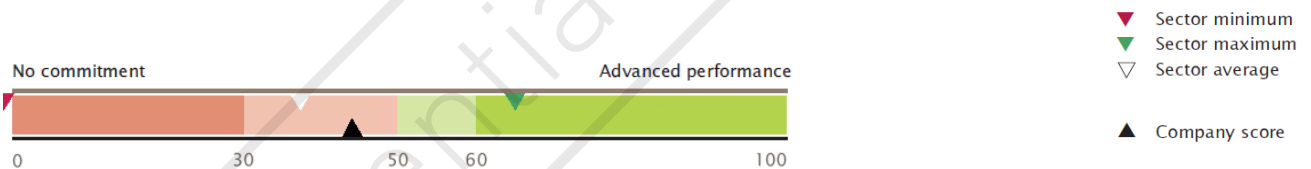
The company publishes significant social and environmental reporting, with quantitative indicators, that is audited by The Bureau Veritas Certification - Brasil.

**Reliability of the company's internal controls system**

A review of stakeholder sources did not reveal any allegations for internal control failures against the company during the period under review: stakeholders' feedback is neutral.

**CGV3.1 Shareholders**

(score: 44, weight: 2)



**Voting rights restrictions**

The company respects the "one share - one vote" principle.

**Existence of anti-takeover devices**

There is no reference to anti-takeover devices in the company's reporting.

**Ability to add items to the agenda of the AGM and to convene an EGM.**

Information obtained from the company and public sources, regarding the ability to add items to the agenda of the AGM and to convene an EGM, is insufficient.

**Access to voting at General Meetings**

There are no major restrictions on shareholders' ability to vote, however there is no possibility of voting through online services.

**Governance and CSR items put to a vote at General Meetings**

All major items, including executive remuneration, are voted upon, however all issues are not voted upon in separate resolutions.

**Voting results of the latest AGM**

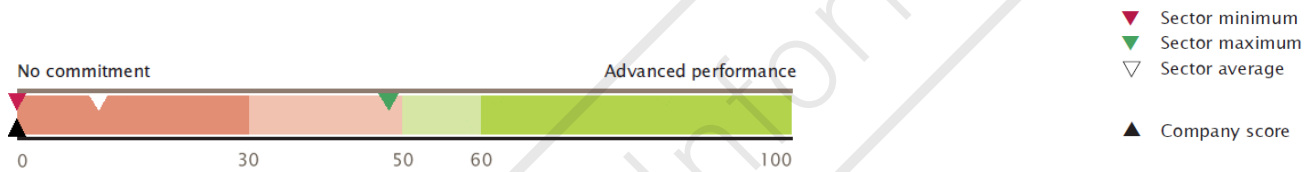
Information obtained from the company and public sources regarding voting results of the latest AGM is insufficient.

**Feedback from shareholders and other stakeholders on the company's corporate governance performance**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

**CGV4.1 Executive Remuneration**

(score: 0, weight: 2)



**Existence and independence of Remuneration Committee**

Information disclosed on this subject is insufficient. A specific Remuneration Committee is in place, but no information were disclosed concerning its membership.

**Disclosure of senior executives' individual remuneration**

Disclosure of individual executive remuneration data for senior executives is insufficient.

**Link between Short Term Incentive Plans and the economic and CSR performance of the company**

There is no disclosure on what rules guide the company in allocating bonuses and other short-term incentives to senior executives.

**Link between the main Long Term Incentive Plan and the economic performance of the company**

There is no disclosure on what rules guide the company in allocating stock options and other long-term incentives to senior executives, and what performance conditions are attached to the right to exercise these incentives.

**Severance pay for senior executives**

Information obtained from the company and public sources regarding severance pay for senior executives is insufficient.

**Voting results on executive remuneration at the AGM**

Information obtained from the company and public sources regarding voting results on executive remuneration at the AGM is insufficient.

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Allegations and controversies

Domain Sustainability driver

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## Detailed Scores And Ratings

### Current and previous ratings

Period	Environment	Human Resources	Human Rights	Community Involvement	Business Behaviour (C&S)	Corporate Governance
2016/03	+	+	+	+	+	=
2014/03	-	-	=	+	+	=

### Scores per domain

Domain	Average score	Leadership	Implementation	Results
Environment	49	59	51	25
Human Resources	38	39	39	37
Human Rights	48	47	35	61
Community Involvement	61	66	83	34
Business Behaviour (C&S)	65	87	43	64
Corporate Governance	36	32	34	43

### Scores per criteria

Sub-domain	Criterion	Score
Environment 1	1	71
	4	93
Environment 2	1	27
	2	26
	6	27
Sub-domain	Criterion	Score
Human Resources 2	3	12
	4	30
Human Resources 3	2	58
Sub-domain	Criterion	Score
Human Rights 1	1	42
Human Rights 2	1	52
	4	45

Sub-domain	Criterion	Score
Community Involvement 1	1	69
	2	35
Sub-domain	Criterion	Score
Business Behaviour (C&S) 2	4	61
Business Behaviour (C&S) 3	1	68
Sub-domain	Criterion	Score
Corporate Governance 1	1	51
Corporate Governance 2	1	43
Corporate Governance 3	1	44
Corporate Governance 4	1	0

## General Overview

Position versus sector peers Rest of the World	Environment	Human Resources	Human Rights	Community Involvement	Business Behaviour (C&S)	Corporate Governance	Overall score
US151191AZ66 Celulosa Arauco y Constitucion	+	+	=	=	=	=	36
CL0000001314 Empresas CMPC S.A.	=	+	-	+	=	-	39
<b>BRFIBRACNOR9 Fibria Celulose S.A.</b>	<b>+</b>	<b>+</b>	<b>+</b>	<b>+</b>	<b>+</b>	<b>=</b>	<b>47</b>
BRKLBACNPR9 Klabin S/A	=	=	=	-	=	-	32
KYG5427W1309 Lee & Man Paper Manufacturing Ltd.	-	-	-	-	-	+	33
CL0000000183 Masisa	=	+	+	-	+	=	38
BMG653181005 Nine Dragons Paper Holdings Ltd.	--	-	-	-	-	=	26
ZAE000006284 Sappi Ltd.	+	+	+	-	=	++	49
BRSUZBACNPA3 SUZANO PAPEL E CELULO-PREF A	+	+	+	+	+	-	45

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