

ASSURANCE STATEMENT – BUREAU VERITAS



Bureau Veritas Certification Brasil (Bureau Veritas) was engaged by Klabin S.A. (Klabin) to provide limited assurance over Klabin's Green Bond Report, dated March 2022.

This assurance was conducted by a multidisciplinary staff with expertise in financial and non financial data.

CONCLUSION

Based on the work we have performed and the evidence we have obtained we believe that Klabin's Green Bond Report has been properly prepared, in all material respects, as shown in this Statement.

We evidenced the allocation of Green Bond proceeds in projects, clearly and objectively identified in the Green Bond Report.

At the end of the Verification process, a Detailed Report was generated, kept as a record in our internal database. This Report demonstrates the entire sampling of projects and indicators verified, in the context of our assessment.

1. SCOPE OF WORK

Klabin's scope of Green Bonds projects has the following eligible categories:

- ✓ Sustainable Forest Management
- ✓ Restoration of native forests and conservation of biodiversity
- ✓ Renewable energy
- ✓ Energy efficiency
- ✓ Eco efficient Products, production technology and processes
- ✓ Climate change adaptation
- ✓ Waste management
- ✓ Sustainable water management
- ✓ Clean Transportation

Our assessment covered all categories above, except for clean transportation, as there were no projects associated with it in the verification period.

The verified data and information refer to the period from June to December 2021, as a complement to the report disclosed in September 2021. Klabin chose to align the period for calculating and evaluating the proceeds and projects associated with the Green Bonds to its fiscal year, which runs from January to December.

This assurance was performed due to the issuance of USD 1,2 billion in Green Bonds by Klabin Finance S.A. and Klabin Austria S.A. on September 2017, April 2019 and January 2020, guaranteed by Klabin S.A. In the period between March and May 2020, Klabin repurchased US \$ 9.5 million notional, related to the Bond issued in 2017, providing it with greater liquidity and reducing the debt.

Bureau Veritas used the following references to issue this Statement:

- Climate Bond Standard, version 3.0;
- Guidance for verifiers, version 2.0;
- Climate Bond Taxonomy, 2020;
- Internal Green Bonds Verification Protocol, Bureau Veritas Brasi, 2019.

The scope of our work was limited to assurance over:

- ✓ The allocation of bond proceeds and impact reporting as stated in Klabin's Green Bond Report, dated March 2022.

Financial data were verified in local currency (Reais).

2. KLABIN'S AND BUREAU VERITAS RESPONSIBILITIES

The collection, calculation and presentation of the data published are Klabin's management sole responsibility. Bureau Veritas is responsible for providing an independent opinion to Klabin, pursuant to the scope of work defined in this statement.

3. METHODOLOGY, LIMITATIONS AND EXCLUSIONS

The Assurance covered the following activities:

- a. Interviews with the personnel responsible for the Green Bond Report preparation, evaluation and monitoring, specially the areas of sustainability, treasure, environmental (forestry and industry), and controlling;
- b. Traceability of financial and non financial data, including planning and monitoring of disbursed proceeds;
- c. Collection of evidences related to the use of Green Bonds Proceeds and associated projects & Assets.

The level of verification adopted was Limited, according to the requirements of the ISAE 3000 Standard¹, which were incorporated to the internal assessment protocols of Bureau Veritas.

Excluded from the scope of this work was any assessment of information related to activities outside the defined assessment period.

4. TECHNICAL OPINION REGARDING THE ALLOCATION OF GREEN BONDS PROCEEDS

4.1 SUSTAINABLE FOREST MANAGEMENT

- We evidenced the use of Green Bonds proceeds in areas that are properly certified by FSC®;
- We evidenced appropriated systems that support process flows and operational costs control regarding the use of proceeds from green bonds issued between June and December 2021.

¹International Standard on Assurance Engagements 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information

4.2 RESTORATIONS OF NATIVE FOREST AND CONSERVATION OF BIODIVERSITY

- Klabin demonstrated appropriate increase of biodiversity in areas engaged with the projects Matas Sociais and Matas Legais;
- We evidenced actions regarding the control of invasive exotic species;
- We verified the partnership between Klabin and Sesi, regarding the program “Crescer Florestal”, comprising the continued capacity of direct and indirect employees of Klabin’s operations (Paraná and Santa Catarina), related to the following topics: environment, family management, life quality and professional growth, among others;
- We evidenced Klabin’s support to the Program “Protetores Ambientais”, an initiative of the Environmental Military Police of Santa Catarina, aimed at training pre-teens to act as multipliers in environmental education in the qualification of students in the municipality of Lages (SC);
- We evidenced the actions related to the maintenance of the “Biodiversity Monitoring Program”, which aims to verify the impacts of forest management on the behavior of species and adopt prevention and mitigation measures. The program is carried out in Paraná, Santa Catarina and São Paulo;
- Klabin’s restoration areas contribute directly to carbon sequestration.

4.3 WASTE, WATER AND ENERGY MANAGEMENT (INCL. ENERGY EFFICIENCY)

- We evidenced data on the increase in the effluent treatment capacity of the industrial treatment station at the Manaus (AM) unit;
- We assessed data on the completion of works and tests on a biomass boiler (renewable fuel), which aims to replace three natural gas boilers and one oil boiler at the Piracicaba (SP) unit;
- We verified the data for energy production and the progressive increase in the renewable energy matrix, produced from biomass and black liquor in Santa Catarina.

4.4 CLIMATE CHANGE ADAPTATION

- We obtained sufficient evidence on the use of proceeds in protection of the company’s forest assets, such as prevention against fire and other kind of environmental damage.

4.5 ECO EFFICIENT PRODUCTS, PRODUCTION TECHNOLOGY AND PROCESSES

- We evidenced data from the installation of a new incinerator in the systems of the Monte Alegre Unit, in Telêmaco Borba (PR), for capturing and treating Non-Condensable Gases (NCG), Diluted Condensable Gases (DNCG) and Concentrated Condensable Gases (CCG).

5. RECOMMENDATIONS

- With the advance of environmental eligibility methodologies in the forestry sector being discussed in different spheres, it is important that Klabin is constantly updated to reinforce the internal eligibility analysis procedure for its projects, adding new internationally recognized guidelines.

7. DECLARATION OF INDEPENDENCE AND IMPARTIALITY

Bureau Veritas Certification is an independent professional services firm specializing in Quality, Environmental and sustainability Management Systems, among other, with more than 190 years' experience in independent assessment.

Bureau Veritas has a quality management system that is certified by a third party, according to which policies and documented procedures are maintained for the compliance with ethic, professional and legal requirements.

The assessment team has no links with Klabin and the assessment is performed independently.

Bureau Veritas implemented and follows a Code of Ethics throughout its business, in order to assure that its staff preserve high ethical, integrity, objectivity, confidentiality and competence/professional attitude standards in the performance of their activities.

CONTACT

Bureau Veritas Certification is available for further clarification on www.bureauveritascertification.com.br/faleconosco.asp or by telephone (55 11) 2655-9000.

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