

Av. Brig. Faria Lima, 3600 – 3º andar  
04538-132 São Paulo - SP  
tel 11 3046-7738  
fax 11 3046-5800

www.klabin.com.br



Note: This document is intended to guide the selection of a process of specialized suppliers, to carry out an analysis of the governance of the Human Rights theme in Klabin's operations. The process has started and the steps described below are expected to take place by mid-December 2021.

## **Klabin Analysis of risks and impacts on Human Rights**

**Scope :** Klabin territories and supply chain

**Assumption:** We plan to run a pilot analysis in up to 5 territories to test and consolidate the methodology. The territories will be defined jointly, after studying the complexity and relevance of the company's operations, but also considering the level of vulnerability presented by the territory. The study should be based strictly on the Guiding Principles ( POs ) on Business and Human Rights, the United Nations, and other local and international relevant frameworks.

**Scope :**

- Built -in diagnostics on existing initiatives, policies and consultations with stakeholders;
- UNGP and analyzes of the forestry, pulp and paper and paper packaging sectors as base source material;
- Consider market requirements such as the Dow Jones Sustainability Index (DJSI) and the Global Compact principles;
- Selection of business units through the mapping of risks and impacts, considering the diversity of territories;
- Initial and ongoing awareness of internal areas that deal with the topic so that they actively participate in the process (steps and method to be confirmed);
- Consider a broad definition of human rights, including diversity, health and well- being, protection of personal data, as well as fundamental rights linked to operations;
- Contemplate workforce, surrounding community and supply chain (direct and indirect suppliers);
- Development of action plans that will be prioritized in 2022, by scale of relevance (prior identification / prevention/remediation mechanisms);
- Project Conclusions (presentation and final meeting).

**Project deadline:** The project must be completed with the delivery of an action plan by mid-December 2021.

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**Responsibilities:** The contractor is responsible for analyzing the available information, such as policies, conduct interviews with all actors to understand the level of maturity of the topic within the company, bring together the initiatives carried out under the same topic of Human Rights management and propose a portfolio of feasible actions. Prioritize remote interviews and consultations, due to the isolation caused by covid-19.

**Expected products and steps:**

1) Initial diagnosis:

- a. Understanding of Klabin's operations and theoretical identification of the main potential violations of HRDs;
- b. Survey and analysis of initiatives related to the theme on different fronts of the company ;
- c. Analysis of adherence of practices with existing internal policies;
- d. Analysis of compliance of Klabin practices with the Guiding Principles for Companies in DDHHS;
- e. Study and analysis of sector benchmarked risks;
- f. Previous diagnosis report.

2) Risk analysis and potential/actual impacts and the adequacy of internal mechanisms:

- a. Analysis for prioritizing target territories based on (i.) complexity of operations and ( ii .) local vulnerability
- b. Deep dive in the territories and operations for the analysis of potential impacts / violations of human rights (processes and internal operations, in both the community and suppliers)
- c. Identification of existing Klabin actions (identification, prevention, remediation and reporting) to address potential impacts;
- d. Sufficiency analysis between mapped potential impacts and internal mechanisms in operation;
- e. Sufficiency analysis between the role played by Klabin vis-à-vis the expected role of private companies by the POs;

3) Conclusions and Possible Action Plan to Elevate Adhesions:

- a. Prioritization and qualification of impacts with managers and responsible teams;
- b. Recommendations of Deeds to improve and / or to draw the elements identified in the work;

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c. Final report with the conclusions of the project will be presented to the organization (pilot locations + corporate);

Note: this scope and deliveries do not serve to limit the boundaries of work. We present the expectations of the desired minimum and are open to the necessary flexibility in accordance with the customization of the contractor's methodology and Klabin contexts.