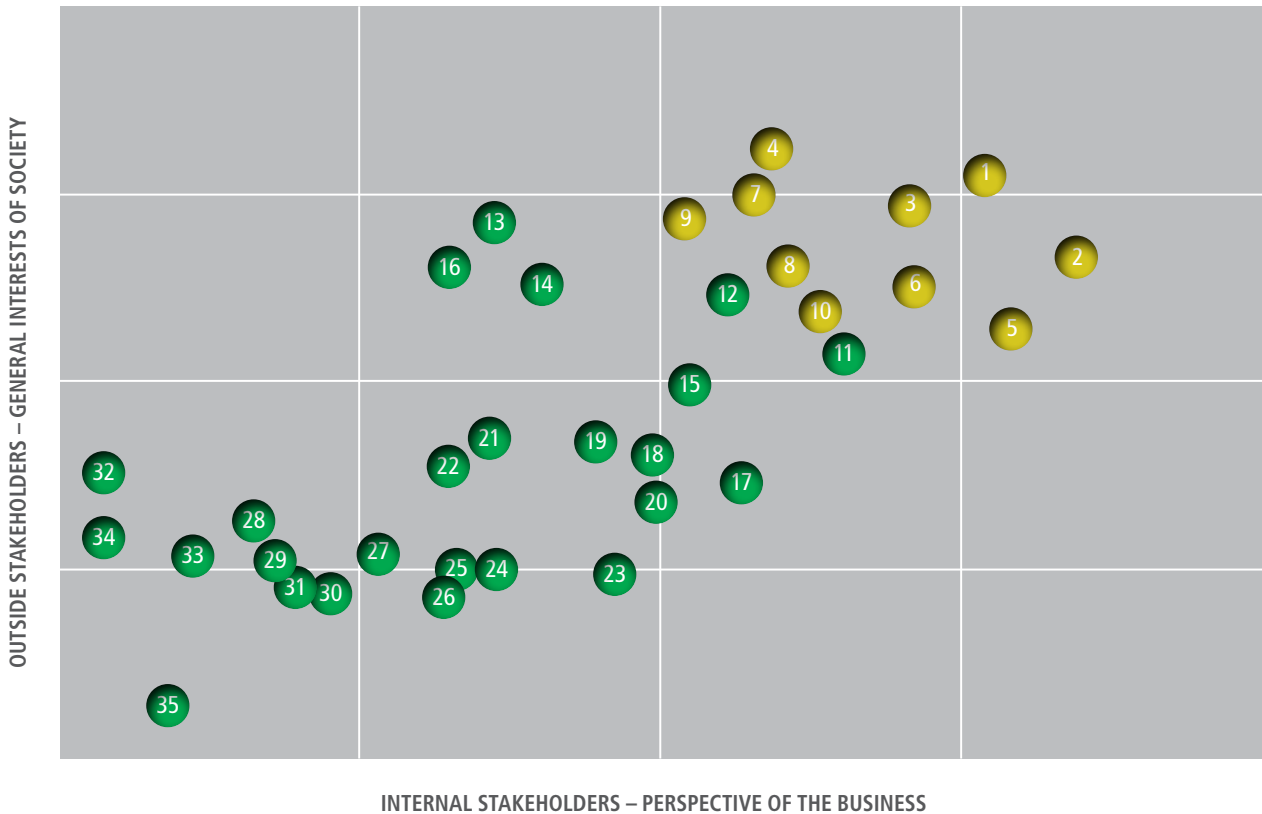


Materiality Matrix



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| 1. Impact of the eucalyptus plantations on bio-diversity | 12. Forest technical management | 24. NGOs |
| 2. Certification and voluntary commitments | 13. Energy use | 25. Complaints and Ombudsman |
| 3. Ethics | 14. Product responsibilities | 26. Customers |
| 4. Use of water | 15. Workplace health and safety | 27. Attracting and retaining talent |
| 5. Strategy/Commitment towards sustainability | 16. Use of toxic products | 28. Transport impact |
| 6. Relationship with neighboring communities | 17. Economic results | 29. Diversity/fair treatment |
| 7. Forest partners | 18. Climate change | 30. Antagonistic and/or anti-agribusiness groups |
| 8. Environmental hazards | 19. Communication with employees | 31. Press |
| 9. Emissions, effluents and waste | 20. Compliance with laws and regulations | 32. Use of genetic modification |
| 10. Relationship with specific communities | 21. Wood use | 33. Government |
| 11. Corporate governance | 22. Relations with outsourced workers | 34. Suppliers |
| | 23. Investors | 35. Labor unions |

The Materiality Matrix was developed at the beginning of Fibria's activities – and remains valid and current – from the perspective of 85 representatives of the company's stakeholders in Brazil and abroad, including 45 direct and indirect workers and 40 representatives of suppliers, customers, investors and NGOs.

To facilitate access to information by all stakeholders, this Report has been produced in Portuguese and English, in different versions:

Digital versions

- full HTML version, with additional content, such as videos, audio interviews (in Portuguese) and more detailed text (available at www.fibria.com.br/rs2011);
- full version in PDF;
- executive summary version in PDF;
- a PDF download centre, where stakeholders can define which chapters interest them and create their own report;
- a rich content version which includes videos and photographs accessible through a free iPad application [<http://itunes.apple.com/br/browse>].

Printed versions

- a limited edition of the complete version, for a specialist audience;
- an executive summary version printed for distribution to a wider audience;
- a pocket version, for Fibria's employees and outsourced workers, distributed in the notice boards.

In order to facilitate understanding of the key issues that run through the Report, we have used a system of icons for the 10 priority issues of the Materiality Matrix, the company's sustainability goals and targets, the links between the chapters and content available on the Internet.

The Report also contains a glossary of technical and forestry industry-specific terms, to make it more accessible to different audiences.

Finally, the Report makes references to the International Year of Forests of the United Nations (UN): its layout follows the visual identity of Fibria's activities, reinforcing support for the UN's initiatives. The context for the year is framed by the chapter The Value of Forests, in which we have invited two experts to give a broad perspective on the challenges faced in shifting to a path of sustainable development for forests, in Brazil and globally.

Comments, suggestions and requests for additional information regarding this document should be sent to comunicacaofibria@fibria.com.br or Comunicação Corporativa – Alameda Santos, 1357 – 10º andar – CEP 01419-908 – São Paulo – SP – Brazil.

Understanding the Materiality Matrix

Impact of the eucalyptus plantations on biodiversity –

Fibria's forestry activities are licensed by the relevant authorities and the subject of social and environmental planning. Significant portions of native forests are maintained interspersed with eucalyptus plantations. The existing biodiversity in Fibria's forest areas is researched, in order to understand, protect and enhance the species and populations of native flora and fauna as well as monitoring to track the environmental quality of areas held by the company. In this context, Fibria retains its protected areas in the form of legal reserves (LRs), Permanent Preservation Areas (APPs) and Private Natural Heritage Reserves (RPPNs), through protection, restoration, management and integration with the planted forests, also seeking to minimize the external pressures and degradation factors that may be acting on these fragments.

Related sections: Biodiversity (p. 137), Forest protection (p. 133), Agroforestry (p. 135) and Ecosystem services (p. 144)
GRI indicators: EN11, EN12, EN13, EN14 and EN15

Certifications and voluntary commitments – Fibria's Units and offices are periodically subject to audit in order to verify compliance with quality standards and certification,

and support continuous improvement of management and operational processes. Fibria has quality management, environmental, occupational health and safety, and forest certifications. Among other benefits, certifications ensure the availability of forest resources and business longevity, differentiate the company in the market, improve the relationship with society and the image of Fibria as a socially and environmentally responsible company.

Certifications (p. 50), Main commitments (p. 61), Government (p. 106) and Dialogue with NGOs and participation in forums (p. 101)

GRI indicators: 4.12 and 4.13

Ethics – Fibria's Code of Conduct establishes the standards of behavior expected from its employees in their personal relations and at work, inside or outside the company. The document applies to all employees, either direct or indirect, irrespective of the hierarchical level. The company maintains an Ombudsman with three external communication channels (telephone, P.O. box and internet) and an internal channel (intranet) to receive grievances in relation to violations to the Code of Conduct, maintaining anonymity. To reaffirm the application of the Code of Conduct, an Ethics and Conduct Commission made up of executive directors and managers ex-



amines possible violations, checks whether reported concerns are valid, ensures that all cases are assessed according to uniform criteria, and indicates steps to be taken concerning matters not addressed by the Code. The Ethics and Conduct Commission oversees the Ombudsman services, taking the necessary steps in each case. Cases involving fraud, embezzlement or property damage are acted upon by the Internal Audit function, maintaining the anonymity of individuals raising concerns at all times.

Related sections: Management (p. 35), Fines and legal claims (p. 44), Code of Conduct (p. 40), Internal audit (p. 41), Communication with stakeholders (p. 71), Government (p. 106), Relationship with labor unions (p. 121) and Public financing (p. 168)
GRI indicators: 4.1, SO5, SO6, EN28, LA4, LA5 and EC4

Use of water – Fibria continuously monitors watersheds within its operational areas to prevent or minimize potential impacts on forest management, as regards the quantity and quality of water. The latest monitoring results indicate that the company's forestry operations have not caused significant impacts on water resources in the regions where it operates. Reducing water consumption in the pulp production process is one of our most important environmental challenges. The water capture for the mills is carried out through grants and comply with environmental legislation of each location and the operating licenses of the Units. Each of the three Industrial Units consume less volume of water than international references of best available techniques. The company is part of the Water Footprint Network (WFN) and is developing its water footprint in all of its production phases, in order to optimize the consumption control and identify opportunities for improvement.

Related sections: Water resource management (p. 131) and Industrial operations (p. 147)
GRI indicators: EN8, EN9 and EN10

Strategy/commitment towards sustainability – Fibria's sustainability strategy is based on the responsible use of natural resources, promoting the development and well-being of local communities and the restoration and conservation of native ecosystems. The governance for sustainability is enhanced by the Sustainability Committee, composed of company executives and professionals from different areas of knowledge that are not part of the company's management, and also by the

Internal Sustainability Commission (CIS), consisting of managers from different areas that monitor and ensure the implementation of commitments. Sustainability strategies are guided by a set of long-term targets, which were defined using a systems thinking methodology, which resulted in a set of variables that directly or indirectly affect forestry and production and sale of pulp and demonstrate the company's sustainability commitments to sustainability until 2025. Fibria also annually renews and accounts for its sustainability goals and targets.

Related sections: Sustainability (p. 52), Main commitments (p. 61), Dialogue with NGOs and participation in forums (p. 101) and Government (p. 106)
GRI indicators: –

Relationship with neighbouring communities – Given its extensive area, Fibria maintains contact with communities of different economic, social and cultural realities which are affected positively or negatively and to different degrees by eucalyptus plantations. The relationship with neighboring communities follows a model with four types of approach: Engagement, Community Meetings, Operational Dialogue and Face-to-Face Agenda. These contacts are designed according to the forest operations and the intensity of the company's presence in these settlements. The company has a Prioritization Matrix that considers the socioeconomic vulnerability, the impact generated by the company's activities and the importance of the municipality to the company's operations.

Related sections: Communication with stakeholders (p. 71), Communities (p. 74), Relationship with communities (p. 74), Theft of wood (p. 86) and Wood logistics (p. 127)
GRI indicators: 4.14, 4.15, 4.16, 4.17, SO1, SO9, SO10, EC1, EC8, EC9 and EN29

Forest partners (wood suppliers) – The wood supply by independent producers, or forest partners, corresponded in 2011 to 10% of the volume of raw material consumed for Fibria's production of pulp. This additional supply of wood was secured with 3,422 contracts with rural producers in seven states, corresponding to a total area of 106,891 hectares. Besides reducing the need for land acquisition, the forest partnership is a way to include the rural producers neighboring the pulp mills into the value chain, creating income and diversifying agriculture and labor. The Forestry Program (in Espírito Santo, Bahia, Minas Gerais and Rio de Janeiro) holds 85.74%

of Fibria's forest partnership. In other states where it operates (Rio Grande do Sul, Mato Grosso do Sul and São Paulo), the company's program to ensure the supply of timber by third parties is called Forest Savings, by which landowners are encouraged to produce wood for Fibria with long-term contracts with guarantees of funding, supply of seedlings and purchase agreement at the end of the harvest cycle, which on average lasts seven years. The good results of this program, which promotes the generation of income and employment in areas of the company, led Fibria to adopt it as a parameter in its new contracts for the purchase of wood.

Related sections: Supply of wood by third parties (p. 125)

GRI indicators: –

Environmental risks – Fibria has a Risk Management Policy that provides guidelines to the company, and Risk Management area, which helps the company map and analyze the significant risks and recommend proper treatment. Various types of risks are considered (factors that impact on corporate results and require constant monitoring because of growth targets and profitability expectations that the company is exposed to): market, operational, credit, reputational, social and environmental, of natural events, and regulatory. Climate change can impact on the company's economic and financial results by the very nature of the business of the company, which is based on the use of natural resources. There is a risk exposure due to climate change, which can affect the equilibrium of ecosystems, the productivity of the plantations and the availability of water and energy for the mills. Fibria adopts the precautionary principle in the management and operation of industrial and forestry activities, through the use of control measures and monitoring of production, such as agronomic studies, genetic improvement in the production of eucalyptus which includes the adaptation of species in different weather conditions, monitoring of water consumption in forest areas, among others. The development of a greenhouse gas (GHG) inventory is among Fibria's management activities.

Related sections: Risk management (p. 42), Forest management (p. 123), Recovery and Utilities (p. 149) and Climate governance (p. 159)

GRI indicators: 4.11 and EC2

Emissions, effluents, and waste – Fibria has a positive balance when considering carbon equivalent emissions in

forestry operations, production and logistics and sequestration of atmospheric carbon in its planted and native forests. Besides seeking to reduce and control the sources (equipment and processes) that generate odor, the company maintains an Odor Perception Network (RPO), formed by volunteers from neighboring communities who are trained to identify the odor and inform the company when odor is detected. Fibria has been making efforts to use waste from pulp that are coprocessed and transformed into products for use in correcting the soil acidity of eucalyptus plantations. This practice provides environmental and economic gains by reducing the disposal of waste to landfills and with the substitution of raw materials purchased by the waste reused in forestry operations.

Related sections: Risk management (p. 42), Forest management (p. 123) and Recovery and Utilities (p. 149)

GRI indicators: EN16, EN17, EN18, EN19, EN20, EN21, EN22, EN23, EN24 and EN25

Relationship with specific communities – Fibria maintains good relations with most of the communities neighbouring its operations. However, there are some unresolved conflicts with certain communities in the poorest regions of the north of Espírito Santo and the south of Bahia, stemming from problems that are often unrelated to the company and beyond the management's capacity to resolve, regardless of its good intentions. Despite the complexity of the challenge, settling these conflicts is a priority for the Fibria, which is working directly with the communities and engaging with other parties that might help to develop satisfactory solutions, such as the government, at all levels, NGOs and other companies. Some communities merit special attention from the company, which has been developing specific projects for social inclusion, often with the participation of government bodies and independent socio-environmental entities. This includes black communities, several of which have been recognized as quilombolas (descendants of runaway slaves who formed their own communities) or are in the process of claiming this status; Indian people of Tupiniquim or Guarani ethnicity; members of the Landless Workers' Movement (MST); and traditional fishing communities.

Related sections: Relationship with specific communities (p. 80) and Theft of wood (p. 86)

GRI indicators: SO1, SO9, SO10 and HR9