

Fibria's Green Bond Report:

Anticipated Use of Proceeds Attestation

May 2017

In January 2017, Fibria issued its first green bond for USD 700 million in aggregate principal amount, part of ongoing commitment to its sustainability strategy and our long-term sustainability goals (**Appendix A**). Through this report, Fibria intends to disclose an anticipated use of proceeds attestation and will disclose a subsequent report until May 2018 pertaining to 2017 allocation and complete refinancing in 2015 and 2016 for projects that meet the eligibility criteria.

For more information on Fibria's first green bond, view Management Assertion Regarding Eligible Projects (**Appendix B**), Anticipated Use of Proceeds and Impact Reporting Statement (**Appendix C**), External Auditor Report Statement and [Second Opinion Statement](#).

Here are some examples of projects financed by our first green bond:

Category: Sustainable Forest Management
Project: Hercília/Mascarenhas Farm

US\$ 76,000 investment for Hercília/Mascarenhas Farm in 2016

Fibria produces pulp from eucalyptus and is the world's largest producer of market pulp in terms of production capacity with its operations based entirely on renewable forest plantations. Hercília/Mascarenhas farm is located near Jacareí mill, in the city of São José dos Campos, the total farm area is 911 hectares, of which 51.6% are designated for eucalyptus plantation, and 42.5% is set apart for conservation of native forests. The farm's forest management is certified Forest Stewardship Council® (FSC®) and Brazilian Forest Certification Programme (Cerflor), which is part of the Programme for the Endorsement of Forest Certification (PEFC). The financing at this location will primarily fund protection and maintenance activities

of the certified forests. Eucalyptus protection and maintenance activities are crucial to a eucalyptus forest's growth, ensuring the optimal use of natural resources and greenhouse gas emissions mitigation.

Estimated annual environmental benefits:

Total managed area (protection and maintenance of planted seedlings) in 2015 and 2016: **296.7 ha**

Total estimated carbon sequestration: **19,991 tCO₂e**

Category: Restoration of native forests and conservation of biodiversity

Project: Restoration around the Jacareí mill

US\$ 2.5 million investment in restoration of farms in 2015 and 2016

The territorial forestry bases that supply the Jacareí mill are located in the regions of Capão Bonito and Vale do Paraíba. Both regions are located in the domains of Atlantic Forest, one of the two Brazilian biodiversity hotspots, which is a highly fragmented biome impacted by historical human development and urbanization. In fact, the natural vegetation of the Atlantic Rainforest has reduced to 12.5% of its original cover¹. Jacareí mill restoration program included 1,510 hectares of implemented recovering areas, in 2015 and 2016. As part of Fibria restoration program, Jacareí restoration activities, in the reported period, acted on 116 farms in 44 municipalities.

Financing in these projects fund restoration of natural forest cover from degraded land, increasing forest cover and carbon sequestration, as well as promoting ecological cor-

1. Atlas dos Remanescentes Florestais da Mata Atlântica 2014-2015, SOS Mata Atlântica.

ridors and other ecosystem services in the landscape.

Estimated annual environmental benefits:

2015 and 2016 total area of implanted restoration initiatives: **1,510 ha**

Total estimated carbon sequestration:
3,643 tCO₂e

APPENDIX A: Fibria’s Sustainability targets on issues relevant for use of proceeds

Long-term commitment	Targets for 2025	Reported performance (2016)
Optimizing the use of natural resources	Reduce by one third the amount of land needed for pulp production (Goal: 15 adt/ha/year)	11.75 adt/ha/year
Contributing to the mitigation of the effects of greenhouse gas effect	Increase the net capture from forests from 5.5 million tCO ₂ e, in 2011, to 11.1 million tCO ₂ e, in 2025	net capture of approximately 10.8 million tCO ₂ e
Protecting biodiversity	Promote environmental restoration of 40,000 hectares of Fibria’s own	22.5 thousand hectares in 2016
Increasing eco-efficiency (including waste management)	Reduce by 91% the volume of industrial solid waste disposed in own or third-party landfills	32,3% reduction in relation to 2011

APPENDIX B: Management’s Assertion Regarding Eligible Projects

Fibria is responsible for the completeness, accuracy and validity of Fibria’s Anticipated Use of Proceeds Statement (**Appendix C**). We assert through this anticipated use of proceeds attestation that net proceeds of BRL 634 million (equivalent to USD 185 million) were disbursed between January 2015 and December 2016 for qualifying eligible projects that meet the Eligibility Criteria set forth below:

ELIGIBILITY CRITERIA

SUSTAINABLE FOREST MANAGEMENT

Capital expenditures necessary to sustainably manage eucalyptus forest plantations that are certified by FSC® or Cerflor (PEFC).

RESTORATION OF NATIVE FORESTS AND CONSERVATION OF BIODIVERSITY

Proceeds of the green bond will be allocated to inputs and services (capital and operational expenditures) required for restoration of native forest cover in degraded land.

WASTE MANAGEMENT

Proceeds of the Green Bond may be allocated to the construction, installation, operations, and upgrade of waste facilities that reduce the generation of waste and reuse waste in processes.

ELIGIBILITY CRITERIA

SUSTAINABLE WATER MANAGEMENT - WATER USAGE EFFICIENCY

Proceeds of the Green Bond may be allocated to construction, installation, operations and upgrades of water facilities that reduce water consumption and allow for water reuse in industrial processes.

RENEWABLE ENERGY – GENERATION OF ENERGY FROM RENEWABLE SOURCES

Proceeds of the Green Bond may be allocated to construction, installation, operations and upgrades of renewable energy facilities that increase production of renewable energy from waste biomass sources (waste to energy).

APPENDIX C: Anticipated Use of Proceeds and Impact Reporting Statement

Eligibility Criteria	Environmental Benefits (tCO ₂ e)	Sub-category	Current Amount Disbursed (BRL million)		Current Amount Disbursed (USD million equivalent)	
			2015	2016	2015 ²	2016 ³
Sustainable Forest Management	21,339,361	Forest Maintenance	35.3	66.3	10.6	19.0
		Certified Wood Purchase	235.3	288.5	70.5	82.8
Restoration of Native Forests and Conservation of Biodiversity	3,643	Restoration	4.0	4.4	1.2	1.3
		Subtotal	274.6	359.2	82.3	103.1
		TOTAL (2015 and 2016)	633.8		185.4	

2. Average Exchange Rate (R\$/US\$) 2015: 3.3359

3. Average Exchange Rate (R\$/US\$) 2016: 3.4864

Independent reasonable assurance statement

Bureau Veritas



Bureau Veritas Certification Brasil (Bureau Veritas) was engaged by Fibria Celulose S.A. (Fibria) to provide reasonable assurance over Fibria's Green Bond Report, dated April 2017.

This assurance was conducted by a multi-disciplinary 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 Fibria's Green Bond Report has been properly prepared, in all material respects, following the reporting criteria.

SCOPE OF WORK

The scope of work included:

1. Restoration of native forests and conservation of biodiversity
2. Sustainable forest management

The verified data and information refer to the period from January 2015 to December 2016.

This assurance was performed due to the issuance of US\$ 700.000.000,00 in Green Bonds by Fibria Overseas Finance on 11 January 2017, guaranteed by Fibria Celulose S.A.

The scope of our work was limited to assurance over the allocation of bond proceeds and impact reporting as stated in Fibria's Green Bond Report, dated May 2017.

Financial data were verified in local currency (Brazilian Reais).

FIBRIA'S AND BUREAU VERITAS RESPONSIBILITIES

The collection, calculation and presentation of the data published are Fibria's manage-

ment sole responsibility. Bureau Veritas is responsible for providing an independent opinion to Fibria, pursuant to the scope of work defined in this statement.

METHODOLOGY, LIMITATIONS AND EXCLUSIONS

The Assurance covered the following activities:

1. Interviews with the personnel responsible for the Green Bond Report preparation, evaluation and monitoring, especially the areas of sustainability, treasury, environmental, forestry and controlling;
2. Traceability of financial and non-financial data, including planning and monitoring of disbursed proceeds;
3. Site visits to Fibria's unit at Jacareí (São Paulo state) and Head Office (São Paulo state);
4. Site visits to Baronesa and Campo Alegre farms in the municipalities of Pindamonhangaba (São Paulo state) and Tremembé (São Paulo state) to collect evidence of restoration of native forests.

The level of verification adopted was Reasonable, 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.

The restoration of native forests associated to Fibria's Green Bond is restricted to two regions of the State of São Paulo: Capão Bonito (SP) and Jacareí (SP).

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

The verification process has, given the Reasonable level, some limitations as to the identification of mistakes and omissions.

TECHNICAL OPINION - SUSTAINABLE FOREST MANAGEMENT

- We evidenced the use of Green Bond proceeds in areas that are properly certified by FSC® and PEFC (Cerflor);
- Fibria maintains an inventory of Greenhouse Gas (GHG) Emissions, which was certified by Bureau Veritas, based on the Brazilian Standard (NBR) ISO 14.064-1/07 and the Brazilian Program - GHG Protocol;
- We evidenced appropriate systems that support process flows and operational costs controls over the net proceeds disbursed between January 2015 and December 2016.

TECHNICAL OPINION – RESTORATION OF NATIVE FORESTS AND CONSERVATION OF BIODIVERSITY

- We evidenced an increase of biodiversity in areas where Fibria maintains restoration of native forest projects. During site visits at Baronesa and Campo Alegre farms we evidenced conservation areas in different levels of restoration;
- The inventory of Greenhouse Gas (GHG) emissions includes all Fibria's restoration areas and contributes directly to the results of carbon sequestration.



DECLARATION OF INDEPENDENCE AND IMPARTIALITY

Bureau Veritas Certification is an independent professional services firm specializing in Quality, Health, Safety, Social and Environmental Management, with more than 185 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 Fibria 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. At the end of the assessment, a detailed report was drawn up, ensuring traceability of the process. This Report is kept as a Bureau Veritas management system record.

CONTACT

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

São Paulo, Brazil, May 2017.

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