

A large, stylized illustration of a tree with white outlines on a green watercolor background. The tree's trunk and branches are composed of many thin, flowing lines, and it has several leaves with decorative patterns.

A NEW LOOK TO THE **FUTURE**

2014 REPORT

INTRODUCTION

This Report contains Fibria's main achievements in 2014 and focuses on the process of generating value for society. Through this report, Fibria brings clear, transparent, and complete data to its stakeholders. In addition to this document, the company makes more information available through links to the infographic, references, and other corporate reports.

From a market perspective and focus on a "A New Look to the Future," on the following pages Fibria presents its business model, main risks and opportunities, strategies adopted, its operational and business developments, and how it generates value inside and outside the company.

The process of reducing and renegotiating the net debt existing at the time of its inception in 2009 places Fibria as a strong company prepared to walk the path of growth focused on innovation. Today, even in the midst of a challenging economic scenario, the company turns its eyes toward opportunities for organic and sustainable growth, strongly positioning itself as a forestry company.

In its five-year history, the company has remained focused on and steady toward its goals. On the following pages, you will learn about the result of this work in 2014 and prospects and possibilities for the future.

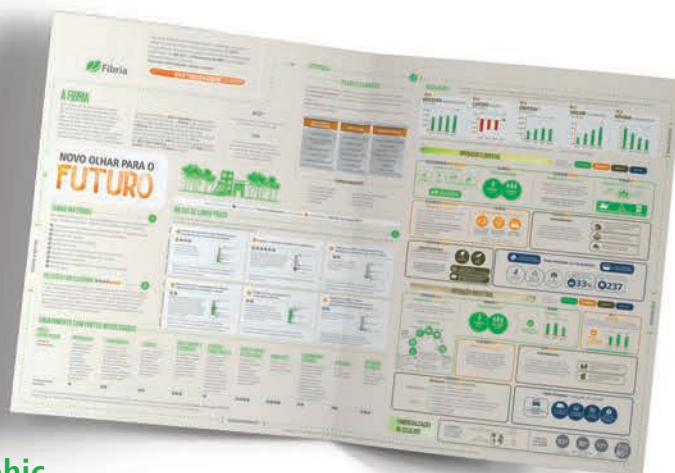
Enjoy your reading!

INFOGRAPHIC

Along with the 2014 Report, you will find an infographic that shows the entire Fibria Value Chain - from the search process for innovative productivity solutions and planting, to the arrival of products to customers worldwide.

Divided into two parts, the infographic briefly presents all the information on the strategy, performance, the landscape of Long Term targets and the highlights of 2014 in the areas of forest operations, industrial and shows

Fibria's business strategy to reduce its social and environmental impacts while improving the quality of their products and increase the perceived value.



For more information, visit
www.fibria.com.br/r2014/infographic





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A STRONG COMPANY PREPARED TO WALK THE PATH TOWARD GROWTH, FOCUSED ON INNOVATION. LEARN ABOUT THE MAIN HIGHLIGHTS OF THE YEAR IN THIS INTERVIEW WITH THE PRESIDENT OF FIBRIA, MARCELO CASTELLI.

1. In 2014, Fibria announced to the market that it was ready to resume growth. What are the main challenges for the company when following this path?

We closed 2014 with a strengthened image of Fibria and much more credibility in the capital market. This crowns a five-year process of seeking financial soundness, an instrumental factor for the sustainable growth of the company. Presence on the Dow Jones Sustainability Index, remaining on BM&FBOVESPA's Corporate Sustainability Index (ISE), and the rise in the credit score from Fitch Ratings to BBB- the first level of the investment grade, were factors that favorably contributed to greater credibility with shareholders and creditors. Fibria dedicated the last five years to paying off debts and regaining its investment grade. Now, the company has cash available for growth, either organic or through

consolidation. We reevaluated the company's position, conducted a comprehensive assessment of market megatrends, and gained understanding of the concepts of our business in order to reposition ourselves at this new moment. Today we have a 9% share of the global pulp market. I believe that in 2015 the market will be more balanced in terms of supply and demand, and the currency better adjusted for exporters. Consequently, our main challenge is to maintain a path of growth and consolidation focused on our strategic pillars – operational excellence, growth, and diversification – in order to maximize business value, generate value for our stakeholders, and bring the expected profit to our investors and shareholders.

2. The year was also quite turbulent, both internally and externally. Did these factors interfere with the company achieving its goals?

As exporters, we are less influenced by the reduced growth of Brazil's GDP and the unfavorable currency exchange, and as a self-sufficient energy company, we are less impacted by the energy rationing affecting this country. Thus, Fibria is in a strong position at a tough time in Brazil. This encourages shareholders,

creditors, and the communities that depend on Fibria. We also have good prospects for the price of pulp, since the international demand remains stable - which should continue to be strong in Europe and the United States – and the recently announced price readjustments. From an operations standpoint, it is important to also mention a fatal accident that occurred in Espírito Santo, a fact that left us in dismay. In response to this, we expanded further our focus on procedures regarding the health and safety of employees and contractors, a matter of utmost importance in all of our operations.

3. How do you carry out austerity-oriented management while seeking growth and innovation?

We need to maximize our value on the fronts where we already operate through continuous actions for improvement and seeking transformational initiatives which allow the company to begin a new cycle of growth. To this end, we are going to pursue possibilities within the forestry business, investing in innovation, and also in new business, always thinking of ways of doing more with less. The Zero-Based Budget enters our continuous improvement front with the objective of bringing excellence to our processes while reducing costs. It is an innovative approach that reverses the traditional logic of the budget building process. With this, all areas of the company are going through a stage of revising the budget and designing the plan for 2015 from scratch, in order to reduce its cost and investment base.

4. Diversifying business is one of Fibria's growth pillars. How does the company position itself and seek new paths as a forestry company which today operates in a commodities market?

We have greatly advanced our process of bio-strategy analysis, seeking new ways to approach research and innovative and/or disruptive projects. Innovating in a forestry company such as Fibria requires a change in mindset with a lot of planning, discipline, and connections within the business. And this is what we're doing; working towards having a versatile company, where cost reduction is directly associated with innovation and sustainable growth. As I mentioned, we

reevaluated the company's position in order to define the best strategic avenues based on operational excellence, market consolidation, and business diversification. To this end, we look for different ways of doing things and we already have several initiatives within the company based on bio-strategy, nanocellulose, real estate development projects - all under an umbrella for maximizing value and creating admirable profit from our stakeholders perspectives.

5. Among Fibria's opportunities for growth are bio-energy and real estate projects. How did Fibria prepare for this path in 2014 and what are your next steps?

Diversifying the business requires caution in terms of strategy. We can't go around doing just anything. We need to evaluate our opportunities and risks, strengths and weaknesses. Based on this, we secured a partnership with the Canadian company Ensyn in 2012 for the production of bio-oil, combining their over 30 years of experience in that area with our vast knowledge of the eucalyptus. The other aspect of our diversification is real estate. The idea here is to generate value for one of our greatest assets – the forest. Tied in with the operational excellence pillar is the project that foresees the transformation of areas previously intended for eucalyptus plantation and near several communities in planned districts, created within the concept of sustainability and well-being. This does not compete with Fibria's commitment to sustainability, because we seek to collaborate with the orderly growth of cities, leaving the area structured so that it does not negatively impact the environment. Today, growth and diversification are key issues in the pulp industry. We are part of an extremely fragmented commodity market in which there is a continuous search for low costs. Fibria is prepared and this growth is a question of evaluating the best opportunities. The road has been paved.





www.fibria.com.br/r2014/chairman/

MESSAGE FROM THE CHAIRMAN

GOVERNANCE AND INNOVATION ON THE AGENDA

Transparency, innovation, solid governance, and planning focused on business sustainability. Today, this is the recipe for maintaining its reputation and generating value for its stakeholders. José Luciano Penido, Fibria's Chairman of the Board, talks about how the company faces this reality.



1. Besides transparency and the search for admirable profit, corporate governance is one of Fibria's main values. What is the importance of this factor to the success of the company?

In 2014, we had many governance-related gains, such as the approval of internal policies based on anti-corruption law and the publication of our risk management and compliance policy. Our risk management tool has already become a reference for other companies. In addition, the company, both in the Executive Board and in the Board of Directors, expanded its discussions about the fact that the future we want to build for Fibria is directly linked to its ability to innovate. Based on this concept, one of the company's main initiatives is the Innovation Committee, which advises the Board, lending a strategic market view to its ongoing projects. The result is that, in the last two years, work in innovation has changed focus from incremental to disruptive, creating new paths and possibilities. This leaves me convinced that we are on the right track for designing the future.

2. How is sustainability associated with Fibria's business strategy and financial results?

Our history has been marked by several achievements, mainly related to sustainability.

As a forestry company, the balance between economic, social, and environmental gains is something that permeates Fibria's corporate culture and is directly linked to all our business decisions. In industrial operation, we work with cutting-edge technology. In our forests, we invest in forestry certifications and management innovation. In addition, we may cite initiatives involving other parts of society, such as including social programs for land development to generate revenue and engagement in movements that fight for land rights in southern Bahia. All of this is the result of a corporate vision centered on the search for admirable profit, seeking not only to bring return to our shareholders, but also bring benefits to our stakeholders, consequently improving the company's reputation. I normally say our sustainability team has over 17,000 people today – our own

employees and contractors who are engaged and work within a corporate culture with interdependence and co-authorship towards the best result for our business.

3. Have the projects being developed today proved to be effective in countering the impacts caused by drought and excess rain?

We have worked hard with our Innovation Department to prepare ourselves for the possible impact caused by extreme climate events. One aspect is selecting clones that tolerate environmental stress, such as the physiological disorder in the eucalyptus in southern Bahia. This is a new problem and this is why our classic genetic improvement program is focused on identifying clones increasingly better adapted to new recorded environmental conditions, such as frequent alternating between excess rain and drought. Another very interesting project was the development of a map of the places where physiological disturbances have occurred. Today, we have much deeper knowledge of all the affected areas in southern Bahia and northern Espírito Santo, and we know how to distinguish which areas are more or less susceptible to the problem. This way, plantation planning is safer, since we have been able to better define which clone will be planted in each region, decreasing exposure to events related to climate change. In addition, the network of weather stations and other existing next-generation equipment, such as flow towers, monitoring environmental conditions as well as their effect on the growth of our plantations, offering a better analysis for company decision making, allowing us to better prevent and mitigate the risks associated with climate change.

4. How can the shifting of innovation projects and the search for new business opportunities beyond pulp help in the sustainability of the business?

In both the Executive Board and the Board of Directors, we increased our conviction that the future we would like to build for Fibria is directly associated with our ability

to develop innovation. Today, we are the only Brazilian industrial company with an Innovation Committee as part of the Board, which reinforces our conviction that we are at a time to rethink the pulp industry. In 2011, we defined a new governance strategy for our innovation process, and, through this change, we are at a turning point in the work in this area. We have decreased the focus on incremental innovation and we use this energy in two other areas: radical innovation, which seeks leaps in the current business, pulp, and disruptive innovation, which works on new business alternatives in other market niches. With this, we have greatly advanced toward developing products that allow us to generate gains for the client and across the production chain. In 2015, we will be able to consolidate revenue through differentiated pulp products, and we should advance even more in our radical and disruptive innovation actions.

5. In your opinion, how have the actions developed by Fibria taken into account the concerns and expectations of its stakeholders?

For us, reputation is a real value, and because of this, it should be an issue present in all dimensions of the business. At Fibria, we adopted the concept of admirable profit, and through our actions over the last five years, we have managed to gain recognition and generate value for stakeholders. We are leaders in an important sector of the renewable industry and one of the companies in that sector with the lowest cost of production in the world. Today we are working on implementing new technologies and processes which will help redesign the industry. All focusing on developing people, generating value for neighboring communities, formatting products according to the needs of the clients, and with a strengthened ability to position itself in the face of market opportunities.



ABOUT THE REPORT

 www.fibria.com.br/r2014/about-the-report/

Prepared according to the G4 guidelines of the Global Reporting Initiative (GRI) – Comprehensive level – and the framework of the International Integrated Reporting Council (IIRC), the 2014 Report of Fibria Celulose S.A. presents the company's main achievements and challenges in the areas of strategy, corporate governance, economic and financial, social and environmental responsibility, and their interrelations, during the reporting period

between January 1 and December 31, 2014.

The information in this report updates the data found in the 2013 report, covering all company units in the country: Aracruz (ES), Jacaréi (SP), and Três Lagoas (MS); the forestry units and offices in Bahia (Posto da Mata), in Espírito Santo (Conceição da Barra and Aracruz), in Mato Grosso do Sul (Três Lagoas) and in São Paulo (Capão Bonito and Vale do Paraíba),





ABOUT THE REPORT

and the pulp shipping operation in the Porto of Santos (SP), as well as its three commercial offices outside Brazil. Since the companies Veracel (BA) and Portocel (ES) are jointly held with other companies, they are not included in this material.

The structure of this publication is based on the most relevant topics in the company's

materiality processes, updated at the end of 2013, and shows the moment of Fibria's challenges and opportunities in view of its main stakeholders (employees, communities, suppliers, investors and shareholders, clients, civil society, government, and the press). The following are the topics identified and most commonly mentioned by stakeholders:



Certifications, industry voluntary commitments, and regulations.



Local development and impact on communities.



Business expansion.



Financial management.



Social and environmental management of the supply chain.



Value generation through innovation



Forest management: biodiversity, land use.



Government relations.



Transparency and stakeholder engagement.



Water use.

In addition to these topics, the report handles, in greater depth, the impact of climate change and how it affected the business scenario in 2014. The subject was highlighted by the organization's leadership due to the challenges and opportunities generated by climate instability.

The Materiality Matrix was built based on interviews with Fibria executives, representatives from stakeholder groups (clients, NGOs, academia, government, media, communities, suppliers, employees, investors, sponsored suppliers, wood suppliers), internal material (such as the risk matrix), industry studies, and online questionnaires.

Besides accounting for Fibria's actions and challenges throughout 2014, the objective of the Report is to describe, with transparency, future projects and actions involving the governance of sustainability, evaluating the issues most relevant to business continuity from the point of view of stakeholders (internal and external). Material topics are part of the strategic planning built by the company in 2014 and will be strengthened throughout 2015.

The Bureau Veritas Certification, as well as internal auditing processes and other management mechanisms, assures the

reliability of the information (learn more in the Letter of Assurance). No significant changes were found in terms of scope, boundaries, or methods of measurement. Fibria followed the methodologies of the International Integrated Reporting Council (IIRC) and of the GRI, version G4 Comprehensive level, when preparing its report.

Besides the printed version, a more concise and visual online version contains detailed information about company performance. It is available on the website - www.fibria.com.br/r2014 – which may be accessed on any mobile device. This report also includes an infographic with updated information about

Send questions or suggestions by e-mail to comunicacaofibria@fibria.com.br.



IN THE FOLLOWING SECTION YOU WILL LEARN MORE ABOUT OUR EXTERNAL READERS AND WHAT THEY THINK ABOUT THIS REPORT.





www.fibria.com.br/r2014/external-readers/

To keep evolving in the preparing of reports and in the accountability for their stakeholders, every year Fibria submits this material to the reading and evaluation of important figures in the area of sustainability. These opinions contribute to the constant evolution of the company in its business and its form of communication with the various stakeholders. The assessments are published in full, without interference by Fibria of any kind.

EXTERNAL READER

Roberto S. Waack

Founder of Amata S.A. and Chairman of its Board of Directors. Board member at GRI, IBGC, Ethos Institute, WWF-Brazil, and ISE Bovespa. He was a member of the Board and Chairman of the FSC® - Forest Stewardship Council®, and of other organizations related to sustainability, climate change, and forests. He was the President of Amata, Orsa Florestal, and an executive of pharmaceutical companies. A biologist with a Master's degree in Business Administration from FEA-USP.



FIBRIA'S REPORT IS EMBLEMATIC. NOT ONLY FOR ITS CONTENT, BUT FOR WHAT THE COMPANY HAS COME TO REPRESENT IN BRAZILIAN AND INTERNATIONAL SOCIETIES.

One of the prerogatives of this image is its ability to represent a synthesis while maintaining its enigmatic, provocative, and mobilizing characteristics. In Fibria's case, it indicates a very complex corporate concept and does not fall into the temptation of oversimplification. The foundations of the company's business model are clearly exposed in the Report. Concepts such as generating value in society, looking to the future, innovation, the commitment to transparency, operational excellence, and truly

integrating the pillars of the new economy (to avoid directly using the worn out concept of sustainability), are arranged in an edifying manner.

The emblematic nature of the company is audaciously illustrated in the infographic, which integrates the organization's various dimensions. They also appear in the different sections of the Report. The introductory words of the President and the Chairman of the Board expose how much the concept of integration is rooted in organizational culture. A broad spectrum of seemingly contradictory concepts is mentioned, such as austerity and the ability to innovate, focus and true relationships with the large number of needs of various stakeholders. As the company's



profile, strategy, and operations are described, these concepts are continuously revisited in a natural, as opposed to compartmentalized manner, indicating that the true integration of economic, social, and environmental values are foundations sustaining the vision of shareholders and day to day operations. It is a testament to the coherence between the company's discourse and its practice.

Main management tools are covered in a balanced manner, such as the role of certifications, sustainability indexes, as well as reporting instruments and their derivatives, such as the materiality matrix. The Report describes the effective use of these tools when managing forests, factories, and their surroundings. They do not appear to be corporate tools merely mentioned for show. The iterant balance, like a swinging pendulum, between short-term demands and the "look to the future" is present in the various sections of the Report. The relationship between what is done today and the long-term consequences are clearly described. The Report seeks to align tangible and intangible assets to the extent that they hover about the company's diverse activities. It handles positive and negative externalities with transparency and courage, describing the company's willingness to learn from both painful and victorious experiences. The pursuit of admirable profit and how

it relates to the company's reputation is addressed openly and honestly without difficulty. One emblematic point is the vision of the supply and value chains, extended to land management and a wide spectrum of capital, following the instructions for the framework of an Integrated Report.

The text is quite instigating in that, as a company producing a classic commodity, it deals with the search to "decommoditize" via disruptive and collaborative innovation. It is evident that the company plays a leadership role in the technological field by incorporating natural capital such as water, biodiversity, climate, and social capital, such as the inclusion of diverse communities with which the company interacts, into the worlds of finance, production, and competitiveness.

However... (always this provocative word!) the wealth of information brought to the public creates a new expectation: that there should be more forceful treatment of externalities and their effects on the value of the organization and society. The quality of what Fibria does and the inspiration that the corporate vision entails demand this step. This is the level of expectation that such an emblematic enterprise provokes. Could this be the missing piece of Fibria's puzzle?





EXTERNAL READER

Professor Pavan Sukhdev

Founder and president of GIST Advisory, a consulting firm that helps between 2011 and 2014, he was a visiting professor at Yale University (USA), and was awarded the 2011 McCluskey Fellowship. In 2012, he was named Goodwill Ambassador of the United Nations Environment Programme (UNEP), where he coordinated two projects on green economy: the TEEB report (The Economics of Ecosystems and Biodiversity) and the Green Economy Initiative. He chaired the Council Agenda Ecosystems and Biodiversity for the World Economic Forum in Davos between 2009 and 2011 and today sits on the board of the Conservation International (Washington), Global Reporting Initiative - GRI (Amsterdam), Gulbenkian Oceans Initiative (Lisbon), TEEB (Geneva) and Stockholm Resilience Centre (Stockholm).



FIBRIA'S 2014 REPORT BEGINS WITH A CLEAR STATEMENT FROM TOP MANAGEMENT THAT THEIR GOAL IS "ADMIRABLE PROFIT": THAT WHICH NOT ONLY BRINGS RETURNS TO SHAREHOLDERS BUT ALSO BENEFITS TO STAKEHOLDERS. AND THROUGHOUT THIS REPORT, WE OBSERVE A RICH TAPESTRY OF EXAMPLES OF HOW FIBRIA SEEKS TO INTEGRATE SUSTAINABILITY CONSIDERATIONS IN THE COMPANY'S BUSINESS'S STRATEGY IN ORDER TO DELIVER HOLISTIC PERFORMANCE BEFITTING WHAT I CALL "CORPORATION 2020", A CORPORATION FIT FOR THE FUTURE.

Holistic performance - in terms of its direct and indirect impacts - has been measured by Fibria since 2009. This report - for a year of good revenue growth and strong profit growth - takes this emerging tradition of holistic and integrated reporting a step further, with a focus on innovation as a driver for both sustainability and profitability.

Fibria sets high standards across business management, governance and risk management. These risks include third-party risks: social and environmental issues and impacts, the health and safety of employees, and the quality of products and services. Fibria's good governance and risk management is further reinforced by an active and effective Ombudsman. Three important business threats faced by the company are from commodification, concen-



tration and climate change. A new 'Technology and Innovation' unit was set up in 2014, recognizing and addressing the business threat from commodification in an industry in which Fibria already has a dominant market share, at 9% of the global pulp market. Many examples in this report illustrate Fibria's journey "from vision to action", both in its strategy (eg: radical innovation driving leaps in the current pulp business, and disruptive innovation for new business alternatives in other market niches), and in its operations (eg: 90% of energy used in pulp production at Fibria's industrial units is renewable, from wood and liquid biomass).

Climate change threats to productivity are being addressed with genetic improvement of eucalyptus, identifying the best species adapted to worsening climate conditions.

Fibria understands that today, growth is still a key issue in the pulp industry. Based on this assessment, the company has worked meticulously to define and invest in pillars that drive growth – innovation, operational excellence, economies of scale, diversification. At the same time, six major goals are clearly laid out in the arena of sustainability, including related corporate targets for reforestation, improved carbon sequestration and reduced land-use for pulp production.

In terms of Natural Capital impacts, Fibria has retained an impressive record: a positive carbon balance, starting with a net sequestration of 3.3 million tCO₂eq from forestry operations. Fibria has also evidenced, in this 2014 report, several examples of nurturing and building Human Capital and Social Capital. For example, its Forestry and Industrial Learning program trains professionals in partnership with Senai and during 2014, a total of 119 young people began the program, 86 graduated, and 18 were hired. Fibria has diverse income generating programs and social actions serving over seven thousand families. I believe Fibria's large inventory of impacts on natural, human and social capital could perhaps be aggregated by capital cate-

gory, valued, integrated and presented more succinctly in the form of an "Integrated Profit and Loss" or an "Integrated Value Added" report in future.

The "Infographic" in Fibria's 2014 report is a useful device, but it needs to be made easier to read and absorb. I believe it needs to be segmented according to high-level topics (business areas, strategies, priorities) with each of these high-level topics linked together in an overarching and simplified 'summary' infographic, which then telescopes down one or two layers in separate sheets with detailed commentary. This could make the "infographic" communicate with more power and ease to investors, media, and the general public. The approach of identifying "materiality issues" based on surveys is good in principle, but surveys should be designed to identify and align with stakeholder expectations and priorities, including those of shareholders.

Fibria's integrated annual report could also benefit from a 'dependencies' analysis which evaluates and positions Fibria's business strategy in the context of all major risks from the complex and changing global environment. Climate change risk has already been evaluated and responded to well, as stated above, but some other global megatrends (eg: changing demographics and lifestyles, increasing urbanization, consumer awareness and increasing value chain accountability, and ecological scarcities & disruptions especially in freshwater supply) need to be sized, evaluated and responded to as well.

Fibria today has become a large and important link in a long global value chain which begins at the local forest and extends all the way to consumers of various types of paper used in education, hygiene, and health all around the world. Its integrated report for 2014, "A New Look to the Future" is a commendable step towards the company's goal to generate "admired profits" into the foreseeable future and to report them transparently and in an integrated manner to all its major stakeholders.



 **Fibria**

Unidade
Três Lagoas





INDEPENDENT ASSURANCE STATEMENT

BUREAU VERITAS CERTIFICATION

INTRODUCTION

Bureau Veritas Certification Brazil (Bureau Veritas) was engaged by Fibria Celulose S.A. (Fibria), to conduct an independent assessment of its Sustainability Report (hereinafter referred to as the Report), encompassing assessment of the content, quality, and boundaries of

same with regard to the year 2014. The information published in the Report is the sole responsibility of Fibria's management. Our responsibility was to provide independent verification, in accordance with the scope of work defined below.

SCOPE OF WORK

A reasonable level of assurance¹ was provided and conducted according to the Guidelines and Principles² of the Global Reporting Initiative™ GRI-G4 (2013).

Excluded from the scope of this work was any assessment of information related to:

- Activities outside the defined assessment period;
- Statements of position (expressions of opinion, beliefs, goals, or future intentions) on the part of Fibria;
- Economic and financial information contained in this Report which has been taken from financial statements verified by independent financial auditors.

METHODOLOGY

The Assurance covered the following activities:

1. Interviews with the personnel responsible for material issues and involved in the Report content;
2. Traceability of data published, searching the its sources of the same and the reliability of management systems involved;
3. Verification of performance data relating to the principles that ensure the quality of the information, pursuant to the GRI G4 guidelines;
4. On-site visits to Fibria's Units at Aracruz (Espírito Santo State), Jacareí (São Paulo State), Três Lagoas (Mato Grosso do Sul State) and the Central Administration office located in the city of São Paulo;
5. Analysis of Fibria's stakeholder engagement activities;
6. Evaluation of the method used to define material issues included in the Report, taking into account the sustainability context and the scope of the information published.

The Fibria Report verified by us is composed of two publications: one in electronic means and one physical (paper), which focuses on the narrative and the performance data associated with the material themes; and the other, only in electronic means, contains more comprehensive performance data and information on non-material themes. Both are available on the Report 2014 website (www.fibria2014.com.br).

Additionally, Fibria developed a condensed version of the Report as an infographic that, in our opinion, demonstrates on a reliable way the company's processes.

With regard to the verification principles of Accuracy and Reliability of Data, we clarify that our scope was limited to the data related to the ten most material issues as shown in the index of the Report.

TECHNICAL REPORT

- Fibria presents its Report based on material issues that reflect the study "Review of material issues of December 2013". In our view, the study remains valid in the light of the GRI Principle of Materiality, as it continues to develop the ten major material topics, which enables the reader to compare it with information in the previous Report;
- The Report provides a consistent account the internal initiatives of related to promoting, training and implementating the anticorruption and antitrust policies of the company;
- The set of qualitative and quantitative data concerning the company's performance indicators was carried out for the third year through a system called "Gestão On Line" (GOL), which standardizes and ensures historical consistency of the data disclosed;
- Fibria developed a tool to enhance its communication and engagement with suppliers, the "Suppliers' Portal"; this structures suppliers' data, making it more reliable and accurate. The Portal was recently launched and is still in implementation.
- With regard to the data related to Human and Organizational Development, information regarding personnel is also restructured in the SAP platform, making reliable data collection possible, and so reducing the need for manual data handling and manipulation;
- We evaluated the work of the Sustainability Committee, associated to the Board of Directors, including recommendations related to biotechnology, the Rural Environmental Register (CAR), models of regeneration Legal Reserve (RL) and water;
- In its work in the supply chain we evaluated a project (Value Chain) begun in 2014 with the aim of diagnosing suppliers in a range of matters related to sustainability performance;
- Concerning the development and impact of investments in infrastructure and services offered in local communities and economies (GRI-EC7 indicator), information contained in the Report is limited to investments in infrastructure, there being no data related to the services directly offered or supported by Fibria;

1. *The Bureau Veritas independent assessment protocol is informed by the ISAE 3000 International Standard Assurance Engagements and the reporting requirements set out in the GRI G4 guidelines*

2. *Materiality, Stakeholder Inclusiveness, Sustainability Context, Completeness, Balance, Comparability, Accuracy, Periodicity, Clarity, and Reliability*

- In 2014, we reviewed Fibria's Code of Conduct, which now extends to its supply chain. We acknowledge the extensive work undertaken to disseminate the new Code to suppliers of the company;
- Very little information was found in the Report around the measures of control and monitoring of the impacts in the communities (material issue), caused by forest stewardship;
- During our assurance, we witnessed a limited role of the Internal Sustainability Commission (CIS);
- Fibria presents indicators for long term targets, providing increasing clarity to the reader on their performance;
- The Report provides a satisfactory account of expectations that were generated in the previous Report. The presentation of the achievement against targets published in 2014, enables the reader to analyze Fibria's evolution in the management of the commitments made;
- We note that recommendations made in our previous Statement are partially addressed by Fibria, and maintain those recommendations not yet carried out, whilst also presenting some new recommendations for the company.

RECOMMENDATIONS

- Discuss the role of the Internal Sustainability Commission (CIS), created to work on internal processes regarding sustainability (recommendation from the previous cycle);
- With regard to the impacts of forest stewardship in communities, we recommend that the Report enhances accounts for measures taken and the methods of monitoring these impacts;
- Make efforts to report in a clear manner the investments offered or supported by Fibria in local communities and/or economies, pursuant to the GRI-EC7 indicator.

CONCLUSION

Inconsistencies identified through the assurance have been satisfactorily corrected, so that the data and information presented in the Report adhere to the principles of content and quality of the Guideline GRI-G4.

As a result of our assurance, we conclude that the Report meets the criteria set out for 'In accordance' reporting with the GRI-G4 at the Comprehensive level.

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 180 years' experience in independent assessment.

No member of the assessment team has any commercial links with Fibria. We performed this assessment independently and understand that there was no conflict of interest.

Bureau Veritas has implemented a Code of Ethics throughout its business, in order to preserve high ethical standards among its staff in the performing of their activities.

At the end of the assessment, a detailed report was drawn up, showing all the topics verified, any deviations found, corrective action taken and opportunities for improvement. This Report ensures the traceability of the process and 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, April 2015.



Alexander Vervuurt

Lead auditor Assurance Sustainability Reports (ASR)
Bureau Veritas Certification – Brasil







PROFILE

 www.fibria.com.br/r2014/profile/

Brazilian company and world leader in eucalyptus pulp production, 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 17,000 workers (own employees and outsourced workers), 846,000 hectares of forests – 284,000 of which are intended for environmental conservation – today 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.

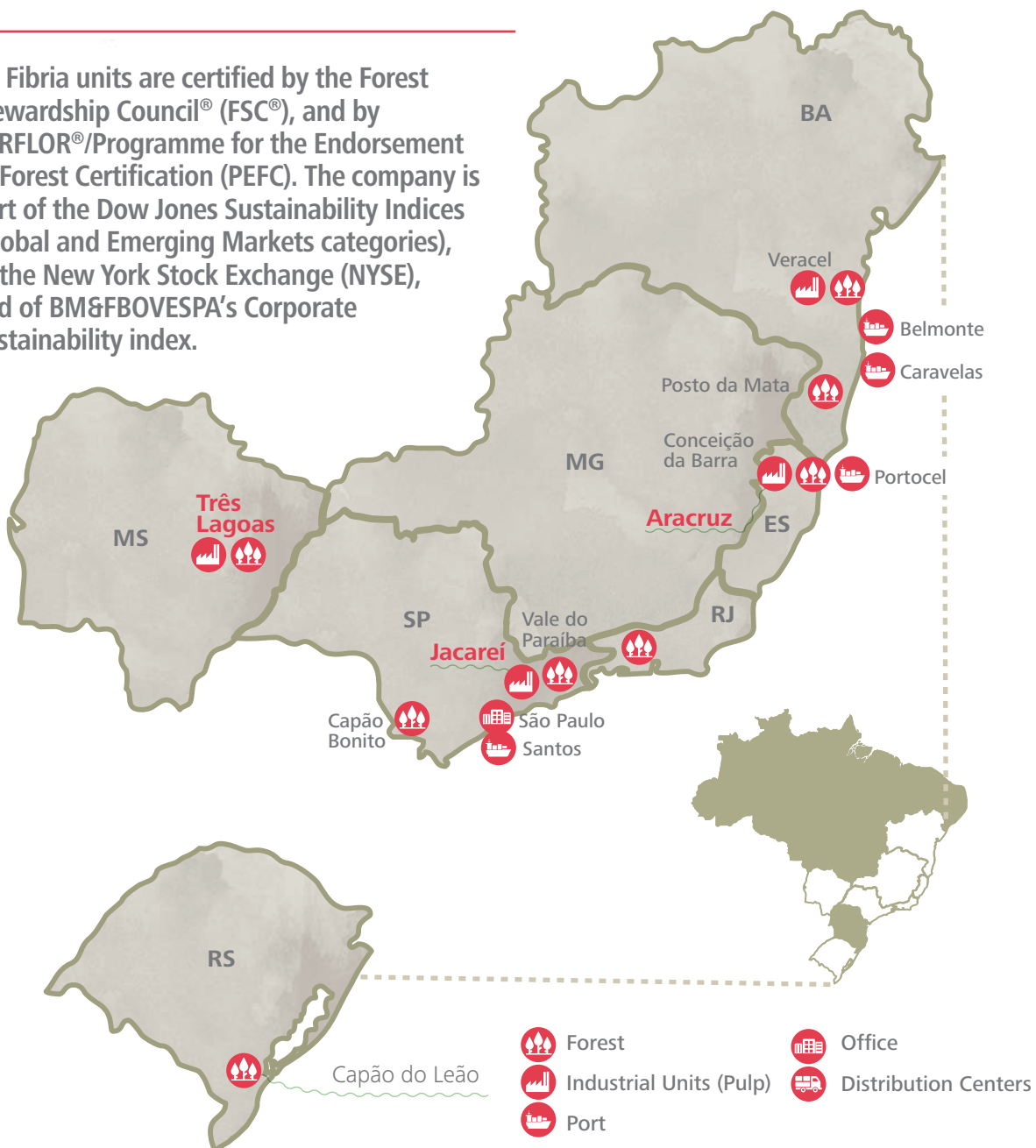
Its industrial mills are strategically located in Três Lagoas (MS), Aracruz (ES), Jacareí (SP), and Eunápolis (BA), where Veracel is located, which is a joint operation with Stora Enso. In addition, in partnership with Cenibra, Fibria operates the only Brazilian port specializing in shipping pulp, Portocel (Aracruz, ES).

Present in the main consumer markets, the company exports to over 40 countries through distribution, commercial and representative offices in North America, Europe, and Asia.



PROFILE

All Fibria units are certified by the Forest Stewardship Council® (FSC®), and by CERFLOR®/Programme for the Endorsement of Forest Certification (PEFC). The company is part of the Dow Jones Sustainability Indices (Global and Emerging Markets categories), of the New York Stock Exchange (NYSE), and of BM&FBOVESPA's Corporate Sustainability index.





CENTRAL ADMINISTRATION
São Paulo - Brazil

REPRESENTATIVE OFFICE
Hong Kong - China

SALES AND DISTRIBUTION SUBSIDIARIES
Miami - USA
Lustenau - Austria

DISTRIBUTION CENTERS

Europe

Flushing - The Netherlands
Sheerness - UK
La Pallice - France
Tarragona - Spain
Livorno - Italy
Monfalcone - Italy

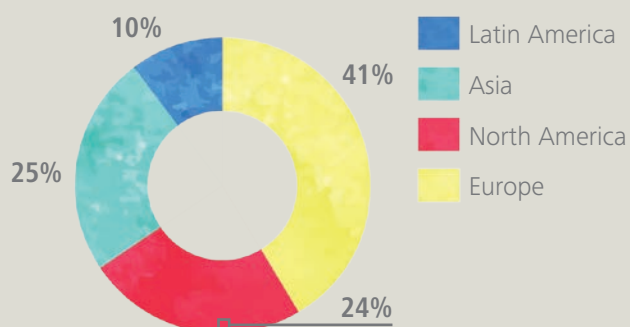
Asia

Changshu - China
Kaohsiung - Taiwan

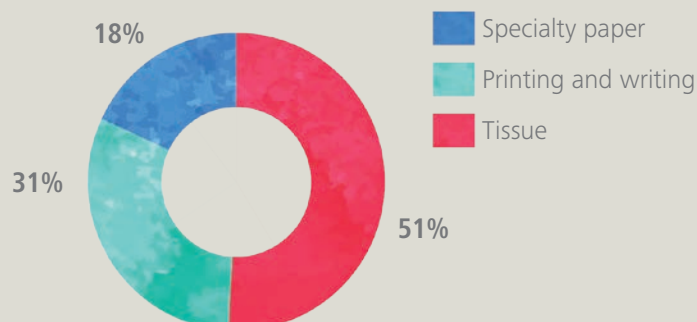
FIBRIA IN NUMBERS

www.fibria.com.br/r2014/fibria-in-numbers/

SALES DISTRIBUTION BY REGION IN 2014



SALES BY END USE IN 2014



CLIENT SATISFACTION

83%

NUMBER OF COUNTRIES WHERE THE COMPANY HAS CLIENTS

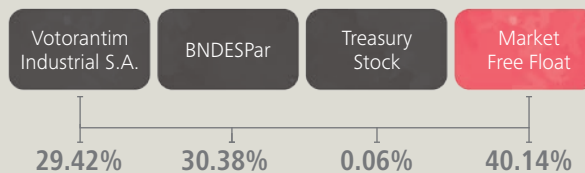
42

PRODUCTION 2014*

Jacareí	1,085
Três Lagoas	1,276
Aracruz	2,356
50% Veracel	557
TOTAL	5,274

*in thousand tons (t).
Numbers rounded

OWNERSHIP STRUCTURE



VALUE CHAIN



www.fibria.com.br/r2014/value-chain/

Fibria is an important link on a long value chain which begins at the forest and extends all the way to end consumers of various types of paper used in education, hygiene, and health. Present in global markets, where there is a growing demand for social and environmental responsibility along the production chain, Fibria seeks to relate to all of its stakeholders, including countless rural communities surrounding operations.

Beginning with research seeking improvements in inputs, moving on to the plantation,

harvest, transport, production, and sales of its products, the company works constantly on consolidating the concept of admirable profit and recognition in society. To this end, during the entire process, the company concerns itself with indicators covering the responsible use of natural resources, valuing human resources, concern for client prosperity, and producing products valuable to the client, all within strict ethical standards and on a path offering contributions to society.









MISSION, VISION, AND VALUES

We believe in constructive relationships based on bonds of partnership and trust, commitment and respect. We are moved by vital energy, determination, and a passion for making viable products which are essential to quality of life, health, education, and culture. We seek recognized admirable profit that generates benefits for everyone, beginning with the sustainable use of resources.



www.fibria.com.br/r2014/mission-vision-values/

MISSION

- Develop the renewable forestry business as a sustainable source of life.

VISION

- Consolidate the planted forest as a producer of economic value. Generate admirable profit, associated with environmental conservation, social inclusion, and the improvement of quality of life.

VALUES

- **Soundness:** Seek sustainable growth while generating value.
- **Ethics:** Operate responsibly and with transparency.
- **Respect:** Respect for people and willingness to learn.
- **Entrepreneurship:** Grow with the courage to do, innovate, and invest.
- **Unity:** The whole is stronger.





RECOGNITION

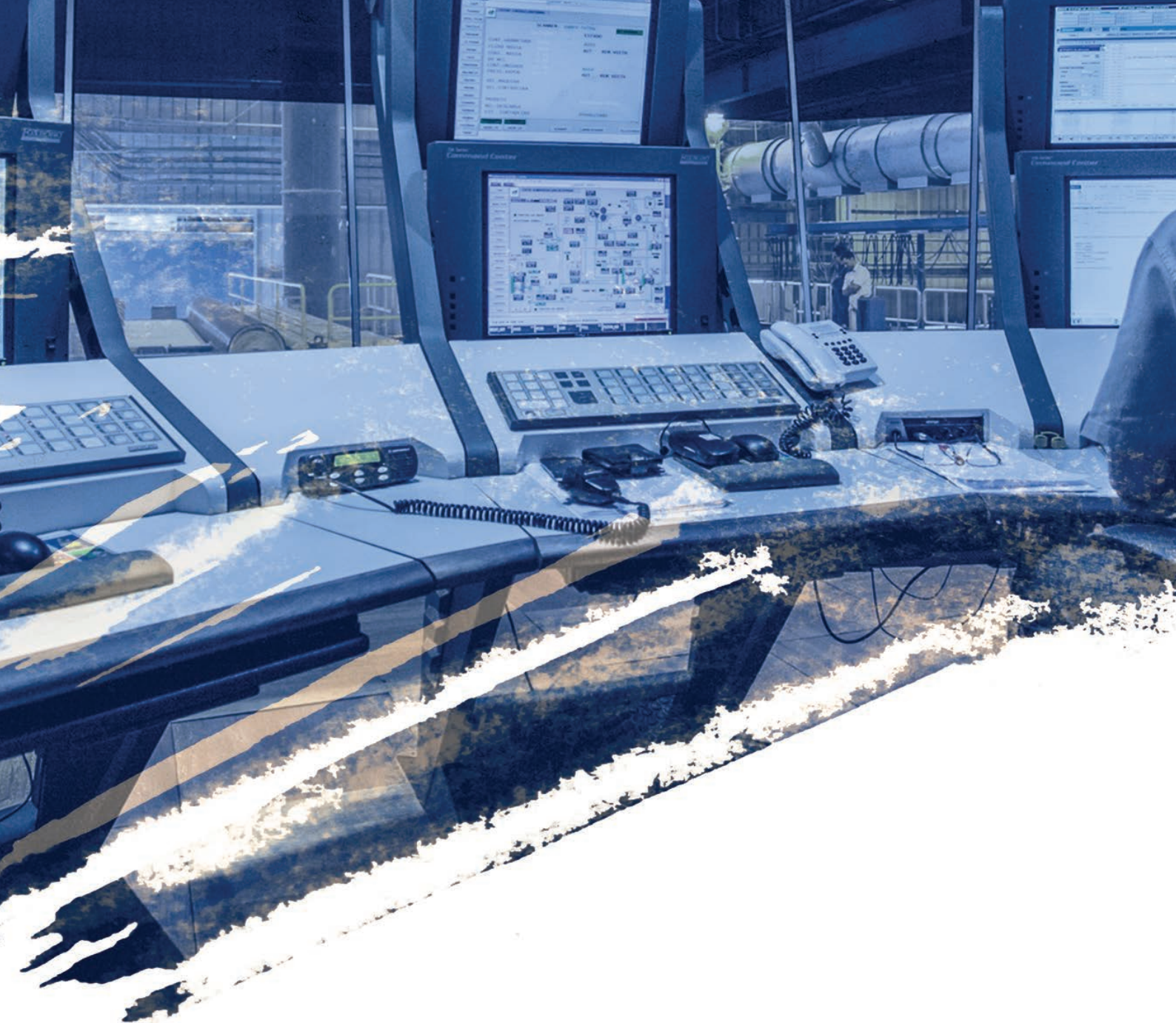
In 2014, Fibria received important recognition, such as the “Most Sustainable Company of the Year,” on the Exame de Sustentabilidade guide, and the best company in the Paper and Pulp Industry on the Época Negócios 360° and Melhores da IstoÉ Dinheiro guides, and the best company in Production Chain Management in the As Melhores da Dinheiro Rural yearbook.



IN THE NEXT SECTION, LEARN MORE ABOUT THE STRATEGIC PILLARS FOR FIBRIA'S BUSINESS.



Access the online version of Report 2014 to see a complete list of Fibria's awards in 2014.



OUR STRATEGY

GOVERNANCE



www.fibria.com.br/r2014/our-strategy/



STRATEGIC PILLARS



www.fibria.com.br/r2014/strategic-pillars/

As part of a fragmented sector, where the low-cost production scale is an extremely important factor, Fibria understands that today, growth is a key issue in the pulp industry. Based on this assessment, the

company worked meticulously to define pillars that drive growth, analyzing both the global and external scenario and the scenario where it operates.





OUR STRATEGY

Fibria is a company that is always looking for innovation and new business opportunities: characteristics which are very important to our strategic value. We live in a very volatile world today and Fibria needs to stay flexible and always be ready to make decisions.

Vinícius Nonino, Director of Strategy and New Businesses

Every company's strategic line of thinking should be to seek the best ways of combining strengths with market opportunities, creating business leverage, because this will be the combination that builds the best strategy for that company.

Contrary to how it may seem, the definition of these pillars is not based on an abstract concept, but rather on a set of analyses and connections that bring together market trends, the scenario of threats and opportunities in the sector (for Fibria as well

as its competitors), and assessment of the company's own strengths and weaknesses.

Fibria is part of an industry based on the forestry business. This is why its strategic pillars should take into account social and environmental issues that can influence productivity, reduction in operating costs to ensure the financial appeal of its commodity, and an ongoing search for new ways to diversify its business.



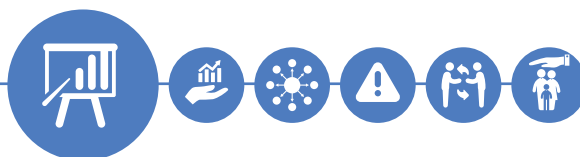
THE PILLARS



OPERATIONAL EXCELLENCE

Directly related to the need to keep costs low, the production scale, and the product's competitiveness, this strategic pillar helps the company look constantly at the efficiency of its industrial and forestry operations, and different ways to keep the cost of the product as low as possible. It includes actions in the forests (projects for mechanizing harvesting,

reducing the asset base, etc.), a vision of an "industry of the future" (which seeks the best practices around the world for reusing waste and maintaining operational stability), as well as reducing negative externalities generated by its operations.



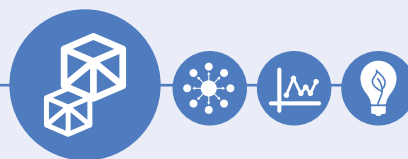
GROWTH

Fibria is embedded in a fragmented commodity market, where the need for competitive costs is vital. Growth and consolidation is required to achieve this. Growing organically includes building a forest base which, in the future, will have consolidation value and create opportunities for new businesses. Another important point is decision-making flexibility – a very important characteristic in a relatively volatile market.

Decisions toward growth via organic expansion, mergers, and acquisitions depend on market conditions and windows of opportunity created in the challenging and fragmented market in which Fibria operates. The project expanding the Três Lagoas* (MS) unit, which is in the technical study and evaluation phase, lies within this concept.



On May 14th, 2015, Fibria announced the construction of new pulp production line at Três Lagoas Unit (MS).



DIVERSIFICATION

This pillar is linked to innovation projects and the search for new opportunities for expansion. Fibria is working hard to diversify its business and deliver solutions outside the concept of commodity, for its current products as well as new products and markets. But diversifying business requires strategic focus, therefore, it is one of the goals guiding Fibria.

Today, the company has established business maps and plans – all embedded under a value maximizing umbrella with effective benefit for Fibria. Among these plans are bio-strategy, diversification in logistics, and real estate development projects.

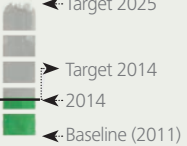




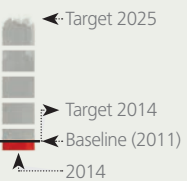




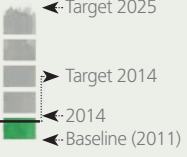



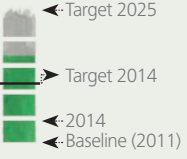



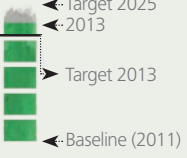



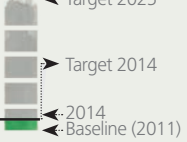



Among the initiatives in progress worth noting is the establishment of an alliance with the American company Ensyn Corporation (Ensyn), as well as other prospects on the routes defined as priorities in Fibria's bio-strategy studies. In port development, the studies which stand out are those toward expanding Portocel, the private terminal specializing in pulp shipment and located in Barra do Riacho (ES).



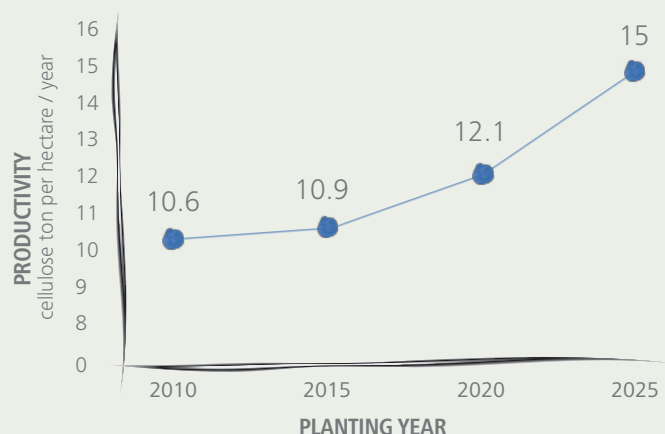
LONG-TERM TARGETS

In order to guide the business strategy and ensure the company's continuity and sustainability, in 2011 Fibria instituted a set of long-term targets indicating the paths to be taken by the company through 2025.

Established by the Sustainability Committee and with the support of the Board of Directors, these six targets are directly associated with the strategic pillars and the material topics identified by Fibria in 2013.

	TARGETS	ACTIONS	BENEFITS
 <p>← Target 2025 → Target 2014 ← 2014 ← Baseline (2011)</p>	    <p>1. Reduce by one third the amount of land needed for pulp production.</p>	<p>Conventional genetic improvement of eucalyptus, improvement of environmental management and increased productivity.</p>	<ul style="list-style-type: none"> • Less land concentration • Greater availability of land for other uses. • Increased competitiveness and greater return for shareholders.
 <p>← Target 2025 → Target 2014 ← Baseline (2011) ← 2014</p>	      <p>2. Double carbon sequestration from the atmosphere.</p>	<p>Increase in forest areas and in the recovery of degraded areas with native species. In 2014, there was an increase in greenhouse gas emission due to increased diesel consumption in forestry logistics and therefore reduced net carbon sequestration.</p>	<ul style="list-style-type: none"> • Reduce concentration of greenhouse gases in the atmosphere.
 <p>← Target 2025 → Target 2014 ← 2014 ← Baseline (2011)</p>	   <p>3. Promote environmental restoration of 40,000 hectares of its own areas between 2012 and 2025.</p>	<p>Planting native forest species and stimulation of natural forest regeneration. In 2014, a total of 2,933 hectares were recovered.</p>	<ul style="list-style-type: none"> • Increased availability of habitat for wildlife and flora • Biodiversity conservation, especially of endangered species • Expansion of environmental services • Carbon sequestration, availability and quality of water, among others.
 <p>← Target 2025 → Target 2014 ← 2014 ← Baseline (2011)</p>	   <p>4. Reduce by 91% the volume of solid industrial solid waste disposed in landfills.</p>	<p>Valuation of waste, producing forestry inputs, and optimizing the energy matrix by replacing fossil fuels with waste. In 2014, Fibria expanded the reuse of solid waste and reduced the volume of waste disposed in landfills. The Três Lagoas unit began reusing 62.6% of its industrial solid waste, compared with 23.2% in the previous year.</p>	<ul style="list-style-type: none"> • Reduction of impacts and risks caused by industrial landfills. • Increased eco-efficiency. • Reduction of cost of waste disposal and replacement of inputs.
 <p>← Target 2025 ← 2013 → Target 2013 ← Baseline (2011)</p>	   <p>5. Achieve 80% approval in neighboring communities.</p>	<p>Increase in the approval rate from neighboring communities by improving the quality of the relationship, inserting the community in the company's value chain, and expanding local development projects.</p>	<ul style="list-style-type: none"> • Amicable coexistence with neighboring communities, creating suitable environment for local development.
 <p>← Target 2025 → Target 2014 ← 2014 ← Baseline (2011)</p>	   <p>6. Help the community render 70% of the income-generating projects self-sustaining with the support of the company.</p>	<p>Expand the Rural Land Development Program (PDRT) model, promoting technical and management training and attracting partner support.</p>	<ul style="list-style-type: none"> • Social inclusion of the communities, reducing social and economic vulnerability. • Community taking a role in its own development. • Increased management and technical qualification of the population.

EXPECTED EVOLUTION IN PRODUCTIVITY









CORPORATE GOVERNANCE

www.fibria.com.br/r2014/corporate-governance/

Objectives	To reinforce sustainability in the company's corporate governance
Material topics	<ul style="list-style-type: none"> • Transparency and stakeholder engagement • Finance management
Targets for 2014	<ul style="list-style-type: none"> • Finalize roadmap for Long-Term Targets, indicating KPIs and Medium-Term Targets. <p><i>Target achieved: the medium-term targets were mapped.</i></p>




Fibria has a corporate governance structure based on transparency, clearly defined roles, administrative independence, high quality technical and managerial staff, fair treatment of shareholders, and accountability.



Learn more at
<http://fibria.infoinvest.com.br>,
 tab Corporate Governance

It is the responsibility of Fibria's Board of Directors to establish and update the company's mission, vision, and values, as well as its strategic guidelines. Based on these guidelines, senior management works on policies and goals that are brought to the Board and its Advisory Committees for

assessment and possible approval. All members of the Board of Directors undergo a continuing education process, which includes an annual visit to operations, semiannual lectures about scenarios, markets, and corporate governance, as well as workshops on strategy.

	BOARD OF DIRECTORS	Is composed of nine members, two independent (no links with shareholders signatory the shareholder agreement, according to the regulations in effect), and an equal number of alternates. Its members meet at least four times a year and should participate in all Board meetings and those of the Committees to which they belong. The minutes of the Board of Directors meetings, as well as those of the Audit Committee and the Executive Board are available on Fibria's Investor Relations website (http://fibria.infoinvest.com.br/).
	AUDIT COMMITTEE	Composed of three members and an equal number of alternates, elected by General Assembly. Its main objective is to oversee administrative action, in addition to other duties provided for in Article 163 of Brazilian Corporate Law. Its members meet at least four times a year, at the end of each quarter.
	STATUTORY AUDIT COMMITTEE	Oversees the quality and integrity of financial reports, as well as compliance with legal, statutory, and regulatory requirements, the adequacy of processes relating to risk management, and the activity of internal and independent auditors.



	FINANCE COMMITTEE	Assists the Board of Directors and the Executive Board in analyzing the Brazilian and global economic scenario, its potential effects on the financial position of the company, as well as the preparation of scenarios and trends when evaluating opportunities and risks and defining strategies to be adopted in financial policy.
	INNOVATION COMMITTEE	Assists the Board of Directors in analyzing initiatives related to research and technological innovation in the forestry, industrial, and management areas, concerning new products and processes.
	PERSONNEL AND REMUNERATION COMMITTEE	Analyzes the policies, structures, and practices of human resources proposed by the Executive Board, taking into account the best practices adopted by national and foreign companies. The Committee also evaluates strategies and the context of the opportunities and risks to which the company is exposed, as well as proposes the remuneration policy for directors and members of the Board of Directors, considering short- and long-term, regular and extraordinary salaries and benefits.
	SUSTAINABILITY COMMITTEE	Advises the Board on all aspects involving sustainability, in identifying, approaching, and handling issues representing risk or that could have an impact on business, on long-term results, on stakeholder relationships, and the company image. The Sustainability Committee is composed of five external members and three directors, as well as the Chairman of the Board of Directors. In 2014, this committee played an important role making specific recommendations based on discussions with internal and external specialists, related to opportunities and necessary adjustments concerning the Forestry Code and stakeholder engagement related to genetically modified trees.




For more information about boards and committees, see the online version of the report or <http://fibria.infoinvest.com.br>, tab Board and Committees





FIBRIA RISK MANAGEMENT

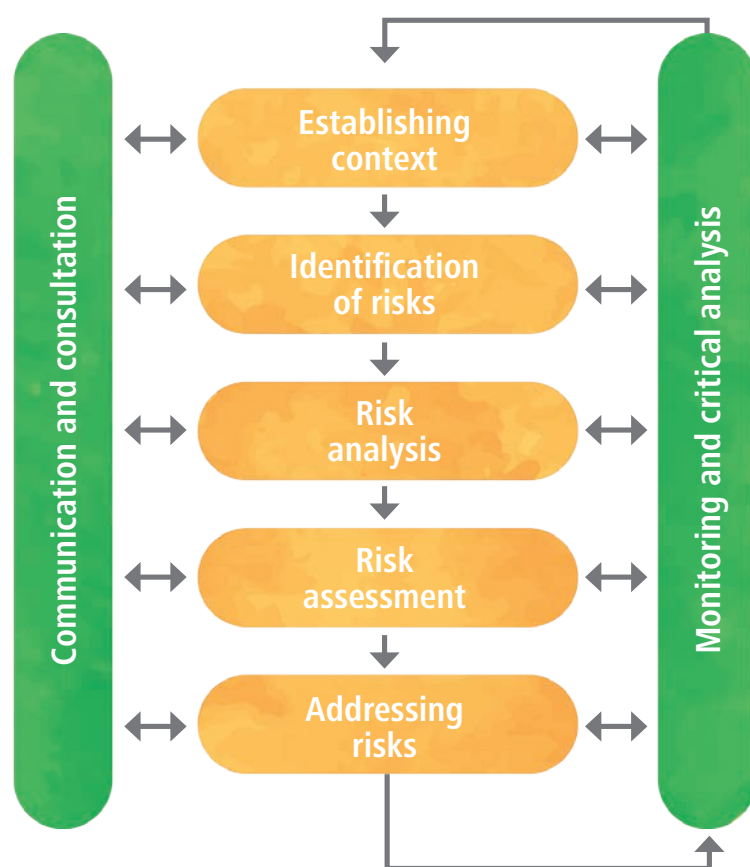
 www.fibria.com.br/r2014/fibria-risk-management/

Appetite for risk and company's approval purview are defined by the Board of Directors. The Board assigns to the Executive Board responsibility to manage economic, environmental, and social issues and its operation involving the Board in issues that require official evaluation and approval from the highest governance level.

Also, there are economic, social, and environmental issues that are evaluated by advisory committees, which recommend strategic guidelines to the Board of Directors. Additionally, the area of Governance, Risk, and Compliance (GRC) represents a link between strategies and policies defined by the Board and by the committee and the activities executed by each business area, under the responsibility of the directors and general management.

Fibria's risk management process was defined based on the ISO 31000:2009 standard - Risk Management – Principles and Guidelines, and has the following objectives:

- Involve all agents in the structure in a given phase.
- Standardize concepts and practices.
- Influence decision making.
- Ensure that Fibria's Corporate Governance is followed and critically analyzed.
- Provide a dynamic and efficient flow of information.
- Increase Fibria transparency with stakeholders, market analysts, and credit agencies.



For more information about Fibria Risk Management, see <http://fibria.infoinvest.com.br> >Corporate Governance > Codes, Policies and Internal Regulations



Critical concerns are brought to the Advisory Committee by the Executive Board or by the advisers. The items evaluated are those that have a potential impact on business results and do not have a short-term solution. Currently, there are six topics covered: strategy, marketing, logistics, tax, judicial processes and investments in innovation.

In order to make it more structured and more robust, in 2014, at the request of the Board of Directors, Fibria revised its Compliance Program by grouping its obligations into seven pillars: Laws and Regulations; Licenses; Permits and Certifications; Contracts and Agreements; External Reporting; Support to Competition / Antitrust; Prevention of Losses and Fraud; and Anti-Corruption.



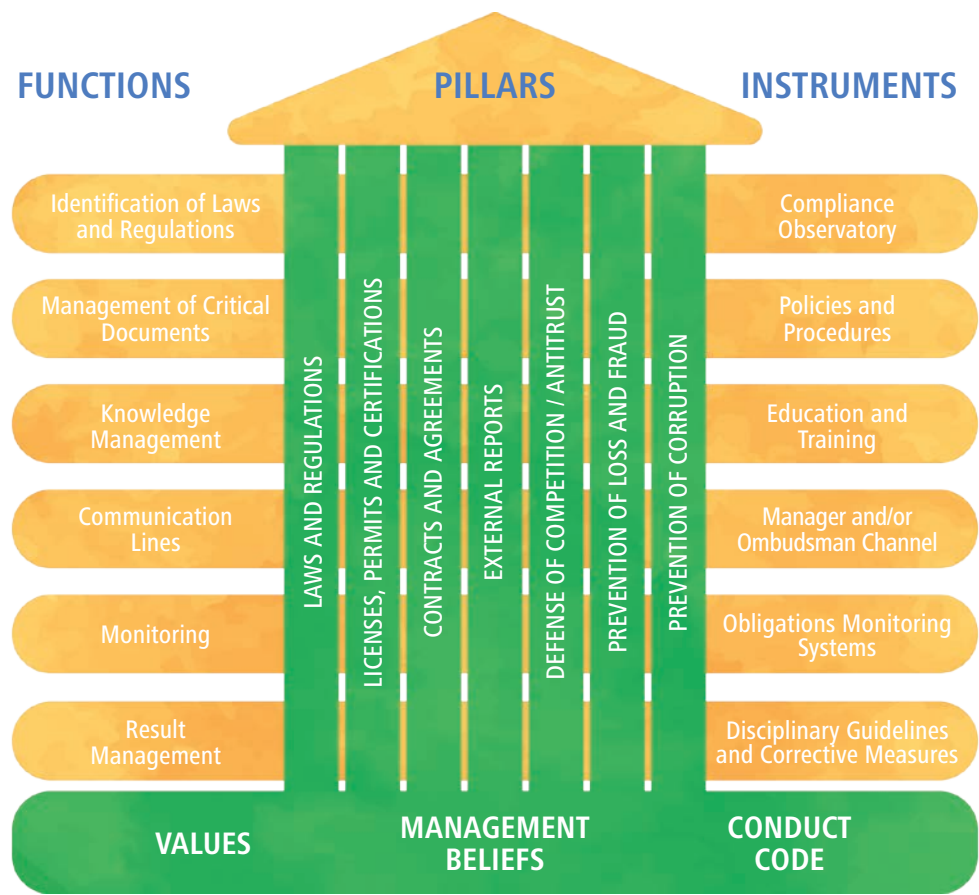
FIBRIA'S COMPLIANCE PROGRAM

The new booklet was distributed to employees and cont outsourced workers, which are being trained through compliance workshops about the importance of the items reviewed, as well as to strengthen their knowledge about the internal and external rules of organizational compliance, following Values, Beliefs, and Fibria's Code of Conduct. The focus of the training course was based on the Corruption Prevention and Antitrust pillars, with on classroom and e-learning training, review and publication of the Anti-Corruption Policy and preparation and dissemination of the Compliance Defense Policy to Competition Law (Antitrust).

Also in 2014, specific controls and compliance

management were created. The entire monitoring process and environmental review is properly documented and reported to senior management on a quarterly basis, with the annual sign-off of the control chart rated by all governing bodies through a specific tool, GRC Process Control, which increases adherence to best governance practices.

In compliance with section 404 of the Sarbanes-Oxley Act¹ and CVM Instruction 480/09², the effectiveness of internal controls of the company's financial information is based on criteria established in Internal Controls - Integrated Framework (2013), issued by the Committee of Sponsoring Organizations Treadway Commission (COSO)³



1. It states that an annual evaluation of all internal controls and procedures for financial reporting issued must be made. In addition, the external auditor must issue a report where it attests to the veracity of the information of internal control.
2. It provides for the registration of securities of issuers admitted to trading on regulated markets of securities.
3. Private organization established in the US in 1985 to avoid scams in the financial statements of the company.

Based on this assessment, the design of control processes is adequate and deficiencies or recommendations that could compromise Fibria certification have not been identified. Adherence tests were carried out in connection with the audit of the financial statements of Fibria controls on 31 December 2014 by the independent auditors PricewaterhouseCoopers.

Updated every two years, the company's Code of Conduct was also revised, including a topic on corruption. With this renewal, all employees need to reconfirm their adherence to the Code - action that should happen in 2015.

In addition to consolidating the culture of ethics and compliance, Fibria developed a training program that includes all employees above the first management level (coordinators and supervisors). In 2014, 19 groups (a total of approximately 250 people) underwent training in all units covering topics such as harassment and discrimination. For 2015, an e-learning system geared toward senior management is being developed, focusing on issues such as corruption and supplier relationships.



The full text of this set of norms is available on www.fibria.com.br

CRISIS MANAGEMENT

In 2014, Fibria advanced in its crisis management process. Through simulations with the regional commissions, there has been a significant increase in the performance of the teams. Today, all Fibria Units have Crisis Management Committees in place and with good coordination capacity.

The teams conduct quarterly meetings in order to prepare Business Continuity Plans (BCP) to risks assessed and prioritized in the ERM matrix that have potential for crisis. These plans are shared among the members of the Committees for greater alignment and interaction between the teams. As a result,

groups are better prepared to act in case of need to trigger the NCP for crisis management. Another important step for the preparation of the teams will be to establish constant and periodic dynamics, capable of putting NCPs effective capacity to the test in order to contain or reduce the impact of crises generated by the implementation of the key risks mapped.

In 2015, examples of continuous improvement of the crisis management process include enhanced interaction of the committees with the Corporate Units, in addition to establishing the roles and responsibilities of the members of each group.







MANAGEMENT



www.fibria.com.br/r2014/management/

Fibria's management policy is developed by integrating all areas and with the agility needed to identify and manage business risks, social and environmental issues and impact, the health and safety of professionals, and the quality of products and services.

To this end, Fibria is committed to:

1. Acting ethically and respectfully with people, open to dialogue and in compliance with all laws, regulations, and commitments.
2. Cascading strategic guidelines in a balanced manner according to the needs and expectations of clients, suppliers, professionals, society, government, shareholders, and other stakeholders.
3. Building long lasting relationships with select suppliers and clients, according to demand, and offering differentiated products, business services and skills, with perceived value.

4. Ensuring business soundness and sustainability, through the mastery and control of processes, acting toward the prevention and reduction of operational risks and environmental and social impact, and according to strict criteria for maintaining health and safety, promoting human and social development.
5. Acting in an enterprising and innovative manner, promoting the continuous improvement of the management model and processes, products, and services.
6. Guaranteeing excellence in practices and results by training and valuing its professionals, combining internal and external efforts, and exercising responsible leadership.





OMBUDSMAN OFFICE



www.fibria.com.br/r2014/ombudsman-office/

The channel for reporting breach of the Code of Conduct, the Ombudsman Office, is accessible to employees, former employees, residents of communities surrounding company operations, suppliers, clients, partners, and other stakeholders. All reports are treated confidentially and recorded in a system that maintains a history of all cases.

In 2014, Fibria Ethics Program, deployed in 2013, originated several new actions: an extensive internal awareness campaign about business ethics was held throughout the company, contemplating including the application of lectures by expert in all units. In addition to the campaign, classroom training

were applied to the entire first leadership level reinforcing the company's Conduct Code assumptions, especially those related to human rights issues, integrity and compliance.

Initiatives such as these, coupled with a broad leadership development work performed by different areas, contributed for a better alignment and had a positive impact throughout the organization. A reduction in the incidence of inadequate communication in the workplace reported Ombudsmanship was also perceived, consequently, decreasing the total number of reports the channel - 277 reports received in 2014 compared to 331 reports in 2013.

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 Jacareí 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.

CLAIMS BY CATEGORY	%
Human rights	20.9
Consultations	18.4
Business relations and contracts	13.7
Labor	21.3
Lack of adherence to standards	6.9
Community relations	2.2
Conflicts of interest	3.2
Fraud/corruption	2.5
Environmental	4.3
Other issues	6.5

COMMUNICATION CHANNELS WITH THE OMBUDSMAN’S OFFICE

INTERNET

www.fibria.com.br > Institucional > Ouvidoria

TELEPHONE

(for Units abroad, there are specific channels listed in the website: www.fibria.com.br)

MAIL

Ouvidoria Fibria Celulose S.A.
P.O. Box # 72.632



FINES AND LAW SUITS

 www.fibria.com.br/r2014/fines/

Administrative labor suits

The company has 201 administrative suits in progress, six of them filed in 2014. Among the major issues are outsourcing and compliance with the quota for hiring apprentices, people with disabilities, and rehabilitated individuals. In this period, Fibria presented documents proving compliance with its labor obligations.

Public civil action for excess cargo

In June 2012, the Federal Public Attorney’s Office filed legal action determining that Fibria may not travel on any federal highway with excess cargo weight, under penalty of fine. The suit, claiming the payment of pain and suffering and material damage to the Federal Public Ministry due to alleged losses to federal highways, the environment, and economic order, was approved at the first instance by the judge. Fibria filed an appeal to the decision that prevented the traffic of company trucks on these highways. Today this process is in its initial phase and Fibria considers the likelihood

of losing the case a possibility. There is still no provision recorded for this suit.

Environmental lawsuits



Fibria is a party in seven environmental actions and procedures considered relevant. Of these, five are Public Civil Actions questioning the licensing of eucalyptus planting in the states of Sao Paulo and Espírito Santo. Another action refers to a Conduct Adjustment Term signed with the Public Ministry of Bahia, through the Regional Prosecutor’s Office for Environmental Justice in Teixeira de Freitas, due to development agreements with owners of land with environmental irregularities. The liabilities assumed by the company in the Conduct Adjustment Term are R\$12,535,000.00. The last procedure concerns a fine of R\$1,500,000.00 (the only action initiated in 2014) authored by the environmental agency of Mato Grosso do Sul, which argues the alleged discharge of effluents outside the parameters established in the legislation for the Parana River.



Agreements

All agreements signed by the company have entered into the company's monitoring and

control systems and are being fulfilled on time. There were no new agreements signed in 2014.

MONETARY VALUE OF FINES	2012	2013	2014
 PAID	0	0	0
 PENDING DECISION	R\$ 1,263,548,671.73	R\$ 1,087,582,335.90	R\$ 1,186,367,204.30
TOTAL	R\$ 1,263,548,671.73	R\$ 1,087,582,335.90	R\$ 1,186,367,204.30



CERTIFICATIONS

 www.fibria.com.br/r2014/certifications/

Fibria is in compliance with all requirements for all regulations and certifications applicable to the industry.

NBR ISO 9001, NBR ISO 14001

OHSAS 18001 implemented at the Santos Port Terminal (T13, T14 and T15)

Forest Management Principles and Criteria - FSC-STD-01-001 (Forest Stewardship Council®). International Standard of FSC®. The certification agency uses the FSC® Certification Standard for Forest Management, Forest Plantation Assessment in the Federal Republic of Brazil: Standard Harmonized between Certifications Agencies (FSC-STD-BRA-01-2014 V1-0 PT)

Forest Management Principles and Criteria NBR 14.789 (CERFLOR®)

Chain of Custody ABNT NBR 14.790 (CERFLOR®)

Standards for Suppliers and the Certified Product Industry FSC-STD-40-004 (Forest Stewardship Council®). This is the main FSC® chain of custody standard. Since Fibria also processes forest development wood and purchases in the non-certified market, the company applies the Standards for Non-Certified Wood (Controlled) FSC-STD-40-005 (Forest Stewardship Council®) and has only one certification. Then, it applies the FSC-STD-40-003 Standards for Certification of Custody Chain in Multi-Site Operations (Forest Stewardship Council®)



IN THE NEXT SECTION, LEARN ABOUT HOW FIBRIA WORKS WITH INNOVATION IN SEARCH OF NEW BUSINESSES AND USES ITS KNOWLEDGE TO FACE THE EFFECTS OF CLIMATE CHANGE.





INNOVATION

GOVERNANCE



www.fibria.com.br/r2014/innovation/



With the challenge of exploring innovation as leverage for generating value through intelligent and competitive work that takes into account events inside and outside of the company, Fibria closed the year 2014 establishing a new Technology and Innovation Department.

From this strategic point of view, since its inception the company has worked in terms of incremental (continuous improvement), radical (performance leaps in current business), and disruptive (technological development for new business) innovation. Without neglecting incremental innovation, Fibria recently





INNOVATION

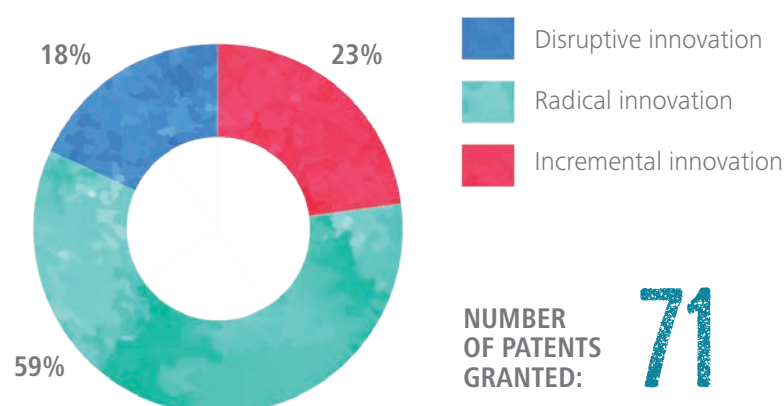
Innovation has been part of Fibria's DNA since its inception, making a strong contribution to generating value for our stakeholders. But this success, in a changing world, requires constant questioning. Consequently, the company recently repositioned its innovation strategy and began focusing more on radical and disruptive innovation.

Fernando Bertolucci, Director of Innovation

repositioned its innovation strategy and began to direct more resources allocate radical and disruptive innovation in order to generate competitive differentiation in current processes and products and create opportunities for diversifying our business through forestry capabilities. Along these lines, current studies are focused on seeking a significant increase in forest productivity, improving the quality of our fiber to supply the most demanding markets, increasing the efficiency of our production processes, and developing high quality innovative products.

When positioning itself as an ambidextrous company – one that has great control over its commodity production routine while keeping an eye on new business possibilities in forestry – Fibria grows and invests in its ability to innovate and stand out in the market. Just in the year 2014, the company invested approximately R\$48 million in research projects involving genetic improvement, forest management, and the development of products and technologies which help the company enter into new markets.

INVESTMENTS IN INNOVATION – 2014



NUMBER
OF PATENTS
GRANTED:

71

GENETIC IMPROVEMENT

Through a better understanding of the causes of a physiological disorder occurring in eucalyptus, it was possible to identify clones which tolerate the disorder, a breakthrough in genetic improvement in 2014, offering a solution to a new problem caused by climate change perceived mainly in southern Bahia. The work identified two new clones tolerant to extreme climates (mainly drought and excessive rain), which have become part of the company's cloning renovation portfolio in that region.

In biotechnology, there was an evolution in results related to studies about genetically modified eucalyptus. In 2014, new genes were identified that could potentially be involved with the forest's ability to adapt to different environmental conditions and improvement in wood quality, which may be introduced in Fibria's elite clones within the coming years. The work, still in the research phase, is being conducted in three areas: gene identification, improvement of the efficiency of genetic transformation process, evaluation of transformed plants, and the bio-safety of field experiments.

THE THREE FRONTS DRIVING INNOVATION

In 2014, the Executive Board also advanced in three subjects which are very important to the process of managing innovation:

- Structuring in the area of competitive intelligence, encouraging sharing knowledge and intelligence in the Intelligence Center format.
- Valuing the company's intellectual property through wide dissemination of policies concerning the subject, as well as identifying new opportunities for patents and creating rules for maintaining industrial secrecy.
- Engagement processes concerning regulatory issues and updating policy related to genetically modified eucalyptus.



INNOVATIONS MADE IN PARTNERSHIPS

In 2014, Fibria's first major open innovation experience took place with the launch of a public notice for research on biodiversity. Approximately a third of Fibria's areas are covered by native forests which are of great importance to society and arouse the interest of various institutions for the development of scientific studies. As a result of this initiative, the company received 40 project proposals prepared by universities, NGOs, and research institutions. Of all the candidates, four projects were chosen based on Fibria's innovation strategy and will be implemented in 2015:

- Technique to physically characterize a third order microcatchment drainage related to its hydrology and resilience capacity (ESALQ/USP).
- Seed technology and installation of progeny tests in pequi fruit (UNESP Ilha Solteira).
- The importance of limiting nutrients in the conservation of plant diversity in the Brazilian Cerrado (UNESP Ilha Solteira).
- Use of artificial neural networks for estimating biodiversity, population size, volumetric stock, and carbon in forest fragments (Institute of Engineering and Environmental Innovation – Ambinova).



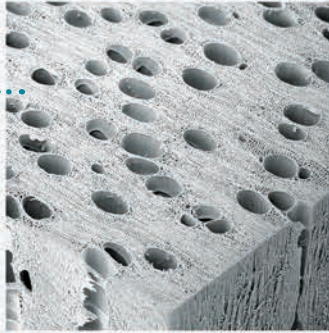
FROM THE FOREST TO THE CONSUMER

THE PATH OF FIBER

The fibers from the wood from renewable eucalyptus plantations are the essence of the company's business. With them, Fibria produces high quality pulp with characteristics meeting the needs of several different paper industries around the world, generating value for all of its stakeholders.

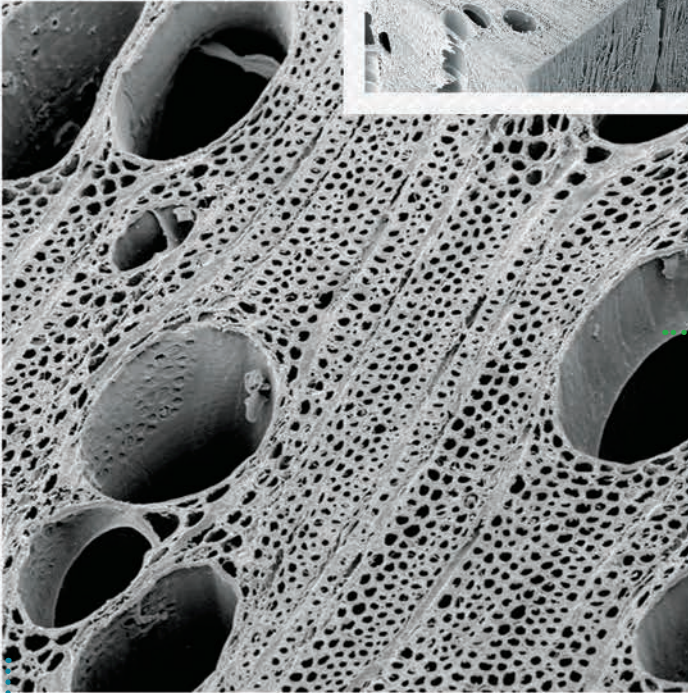
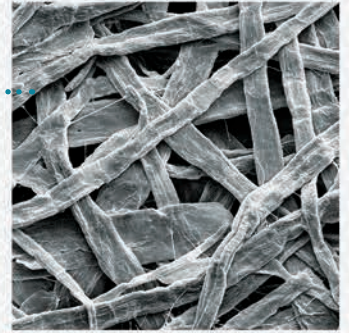
CROSSSECTION VIEW OF EUCALYPTUS WOOD

ZOOM 50X



VIEW OF THE SURFACE OF FIBERS

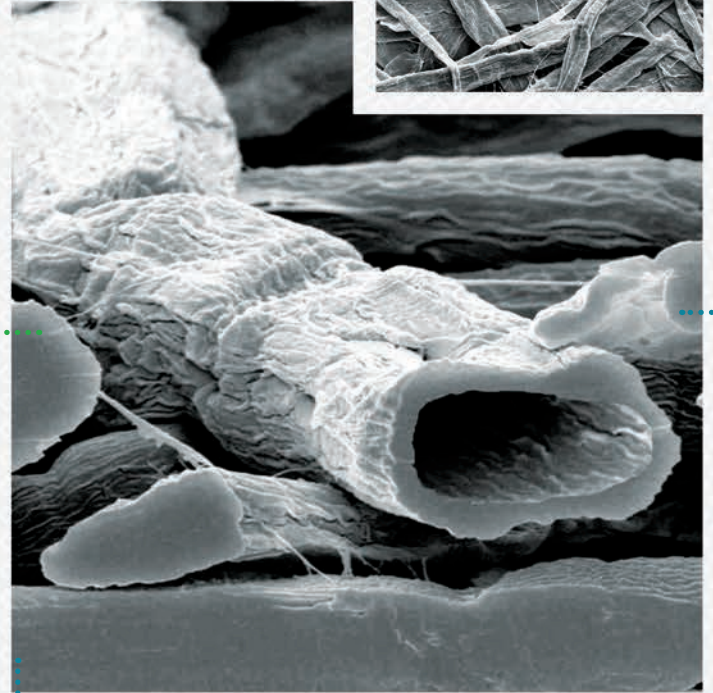
ZOOM 1.000X



CROSS SECTION VIEW OF EUCALYPTUS WOOD

Harvesting occurs when the tree ages between 5 to 7 years and its fibers reach approximately 0.8 mm in size.

ZOOM 150X



INDIVIDUAL EUCALYPTUS CELLULOSIC FIBERS

The short fibers form a more connected, closed network. They are excellent for generating good uniformity and volume in a wide variety of paper.

ZOOM 2.000X

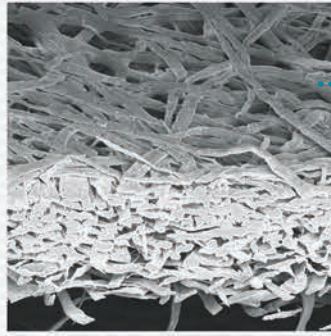
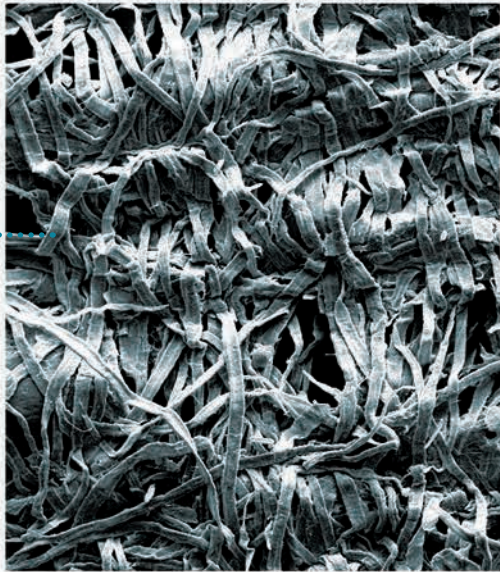


WOOD PRODUCTION

After cultivating and harvesting the eucalyptus, the wood is brought to the industrial units responsible for producing the pulp.

PULP PRODUCTION

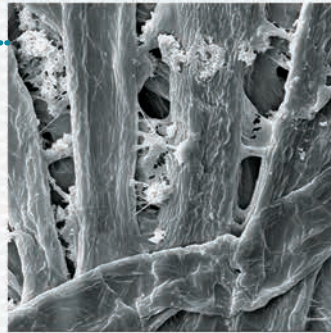
The wood is chopped into small chips and chemically processed to separate its different components, mainly the pulp from lignin. Then it is bleached, dried, and baled for transport to the client.



CROSS
SECTION

ZOOM 500X

ZOOM 3.000X



TISSUE

Main advantages of using bleached eucalyptus: excellent softness, pleasant to the touch, greater paper volume, and high whiteness.

ZOOM 300X

EXAMPLES OF TYPES OF PAPER

TISSUE (51% of sales)

- Toilet paper
- Paper towels
- Tissues
- Napkins

P&W (31% of sales)

- Paper for printing and writing:
 - Notebooks
 - Books
 - Magazines
 - Advertisements
 - Envelopes
 - Office

OUTROS (18% of sales)

- Packaging paper
- Photographic paper
- Decorative paper
- Thermal paper (invoices, credit card receipts)

PAPER FOR PRINTING AND WRITING

(P&W)

Main advantages of using bleached eucalyptus: excellent uniformity, volume, and printing quality.

ZOOM 500X



PAPER PRODUCTION

Sheets of paper are formed over screens through a pulp suspension providing the desired characteristics. The sheet will then be dried and cut into the desired shape.



SALES CHANNEL

Among the main sales channels are retail paper vendors, printers, and supermarkets.



CONSUMER



NEW BUSINESSES



www.fibria.com.br/r2014/new-business/

In a decision aligned with the strategic pillar for diversification, in 2014 Fibria created the Department of Strategy and New Businesses. Responsible for outlining the paths to be taken by Fibria and with a fresh look at trends in the pulp market, this department works in conjunction with the other company departments, the Presidency and the Board of Directors in search of new uses for the forest – today one of the company's greatly valued assets.

Seeking diversification, Fibria brings soundness to something that could become a weakness: being a part of the forestry sector, which is affected by climate change. Evaluating this scenario within the three parameters regulating the business, the company chose to use its ability to innovate the development of solutions and projects that could help redesign the pulp industry, and obtain a percentage of its income from other sources.

In this new business pillar, Fibria continuously searches to identify initiatives complementing the value chain with activities such as biobusiness, biomaterials, real estate, port development, among others.

Among the main plans is the strategic alliance with the American company, Ensyn Corporation (Ensyn) in order to develop technology in the bio-oil market, which uses forest biomass as its raw material. Besides other prospects on the

paths defined as priority in Fibria's bio-strategy studies, this project proves to be promising and is already being tested in partnership with potential clients.

Another asset with recognized operational efficiency which is ready for expansion is Portocel, a private terminal specializing in the shipment of pulp, located in Barra do Riacho (ES). Controlled by Fibria in partnership with Cenibra (Nipo-Brazilian Pulp), the company is studying how to expand its operation with cargo other than pulp, maximizing value and the competitive advantage with diversification of port logistics.

The forest is among the company's main assets. With its long-term goal to reduce by one third the amount of land required for the production of pulp, Fibria has been seeking solutions to maximize the value of the land that will become available in the future. Among the projects is real estate, which focuses on building planned neighborhoods, implemented in a manner that is structured to bring development to the region. The project does not compete with Fibria's commitment to environmental sustainability, and the purpose is – in partnership with companies specializing in real estate – to support the organized growth of cities without losing sight of environmental conservation.







CLIMATE CHANGE

www.fibria.com.br/r2014/climate-change/

Objectives	Develop actions associated with the process of climate change.
Material topics	<ul style="list-style-type: none"> • Transparency and stakeholder engagement • Forest management: biodiversity, land use • Social and environmental management of the supply chain • Value generation through innovation • Business expansion • Government relations
Long-Term Targets	2. Double carbon sequestration from the atmosphere 3. Promote environmental restoration in 40,000 hectares of its own areas between 2012 and 2025.
Targets for 2014 and results	There was no target established for 2014.
Targets for 2015	Reduce in 0.5% the CO ₂ emissions in industrial processes (0.2% of Fibria's total emissions), representing an absolute reduction of 4,060 tCO ₂ eq

As a forestry company, Fibria recognizes that climate change is relevant to its business. Physical risks are mainly associated with climate variations and the availability of water, directly impacting on company activity and possibly suppliers, clients, and neighboring communities. For this reason, the company has assessed its vulnerability due to climate change from the entire value chain standpoint and has taken precautions in management, operations, and industrial and forestry activities.

Fibria's primary measures for preventing physical risk are:

- Classic genetic improvement of the eucalyptus, identifying the best species adapted to climate conditions in the regions where Fibria operates, including restrictions related to natural resources.
- Wood productivity forecast according to climate effects using a eucalyptus growth model with climate change scenarios from the IPCC.
- Monitoring the volume and quality of water in forest areas.
- Mapping the areas presenting risk of conflict related to water use.
- Projects for energy efficiency and improvement of the stability of the industrial process.
- Reuse, recycling, and efficient use of water.
- Development of the inventory of greenhouse gas emissions (GHGs) related to company activity, focusing on pulp's carbon footprint.
- Conservation practices when building highways and resilience in the construction of bridges.

Fibria's eucalyptus plantations and conservation areas absorb a volume of carbon from the atmosphere which is substantially greater than the volume released in all company operations, including transporting activities carried out by third parties, contributing to the sustainability of the forestry business and to a low-carbon economy. This positive balance, which in 2014 was 3.3 million tCO₂eq, has been successfully confirmed in Fibria's annual inventory of greenhouse gas emissions (GHGs).



Calculation follows the guidelines of the World Resource Institute (WRI), and those of the World Business Council for Sustainable Development (WBCSD), adapted by the International Council for Forests and Paper for the pulp and paper sector. The survey considers the industrial and forest operations of the Aracruz, Três Lagoas,

and Jacareí units, as well as the logistics operations of pulp exports.

If we consider the total balance, including fossil fuel and biomass emissions, Fibria's carbon footprint equals the sequestration of 0.79 tons of CO₂ per ton of pulp produced.

INTENSITY OF GREENHOUSE GAS (GHG) SEQUESTRATION AND EMISSIONS ^{1 AND 2}

	2012	2013	2014
Capture (tCO ₂ eq/adt ³)	3.86	3.93	3.65
Emissions: industrial, forestry, and logistics operations (tCO ₂ eq/adt)	0.38	0.36	0.39
Emissions: biomass (tCO ₂ eq/adt)	2.47	2.46	2.50
Balance (capture – emissions) (tCO ₂ eq/adt)	1.01	1.10	0.76

1. Includes scopes 1, 2, and 3.

2. Gases considered: CO₂, CH₄ and N₂O.

3. adt – air dried tons.

Among the main measures taken by the company to increase capture and reduce emissions of greenhouses gases are:

- Restoring conservation areas
- Conservation practices in soil management
- Genetic improvement
- Reuse of biomass residue and sewage sludge for energy
- More precise recommendations and use of fertilizers
- Projects for energy efficiency and improvement of the stability of the industrial process
- Reduction and reuse of waste
- Exploration of different modes of transportation
- Actions with the supply chain to evaluate practices and policies regarding climate change (Value Chain Project)





RISK MAP

In 2014, the company developed a detailed risk map showing the areas where physiological disorder occurred in eucalyptus, making it possible to identify the areas which are more or less susceptible to the problem, more specifically defining the most adequate clones and forest management actions depending on the plantation area. Among the greatest threats are increases in prolonged droughts and flooding.

In all its units, the company is already developing test clones with the ability to withstand extreme climates such as drought and excess rain. The company also has:

- Six flow towers that measure climate and growth of plantations, second by second, with balances of carbon, water, energy, and efficient use of these resources.
- Seven microcatchment drainage which are intensely monitored regarding the main components of water, carbon, and nutrient cycles.
- 55 automated meteorological stations with specific sensors for measuring climate, carbon, and water.

Value generated for the organization and its stakeholders: more information on the infographic attached to the 2014 Report



IN THE NEXT SECTION, LEARN ABOUT THE HIGHLIGHTS OF THE WORK DEVELOPED WITH OUR KEY STAKEHOLDERS.





Fibria

100% PLANTED EUCALYPTUS
MADE IN BRAZIL

AUF

T0429 L440423



Fibria

100% PLANTED EUCALYPTUS
MADE IN BRAZIL

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OUR STAKEHOLDERS

SOCIAL



www.fibria.com.br/r2014/our-stakeholders/



EMPLOYEES AND OUTSOURCED WORKERS



www.fibria.com.br/r2014/employees-and-outsourced-workers/

Fibria believes in the development of its internal talents and in the continuous search for productivity and high performance of its employees. To this end, all of its organizational

development policies seek to make a direct connection between business strategy and corporate culture.





OUR STAKEHOLDERS

We are a growth-oriented company, and to achieve this we continuously seek to develop our professionals. Through a high-performance culture, based on our management beliefs and organizational strategy, we prepare our employees to achieve their own best performance and also help Fibria to reach its goals.

*Luiz Fernando Torres Pinto, Executive Director
of Human and Organizational Development*

In 2014 the company began a diagnostic project aligned with Fibria's strategy and growth plan. Known as Project to Manage Culture and Intangible Assets, it aims to support leaders in understanding and improving the high performance organizational culture, in line with the company's strategic planning for Fibria's Long-Term Value Maximization.

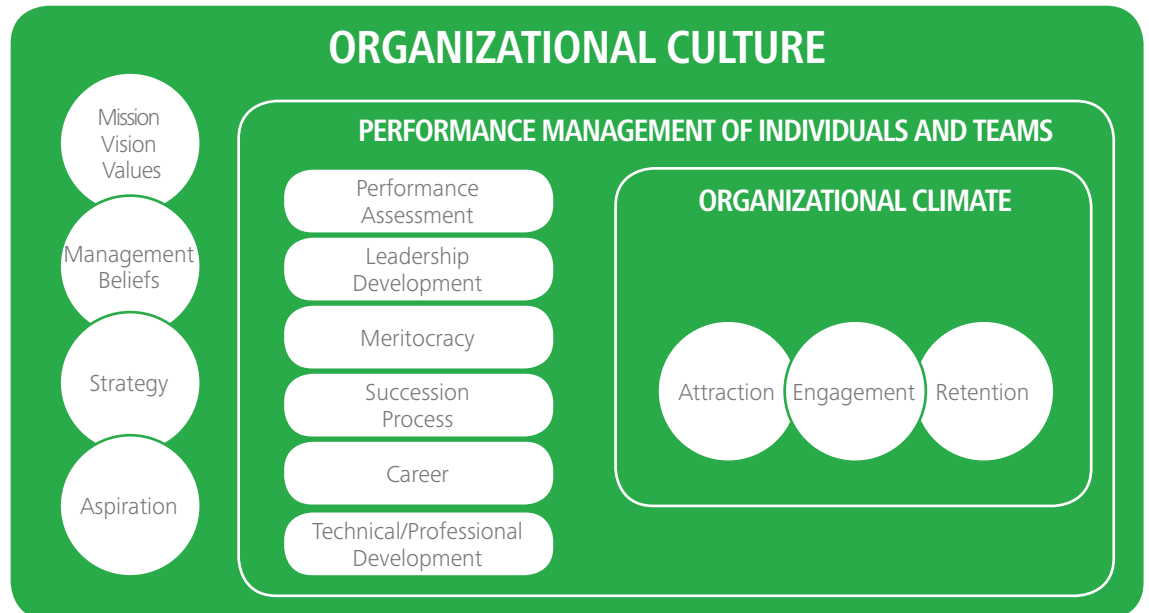
For Fibria, culture works as a foundation of the company and this is why it is important that all professionals are aligned and working towards the same goal. Based on this diagnostic, Fibria developed and improved already existing programs focusing on creating a high performance culture which strongly connects the management model with the company's strategy, and has among its main goals an increase in people's commitment to the

company's results and their own professional growth.

The process involves improvements in management tools and should last until 2018. However, much more than simple tools, one of the main points for the success of this project is the development of a sense of ownership and leadership in management, especially the first line of leadership (coordinators and supervisors), in order to disseminate this concept throughout the staff and ensure that everyone has a clear vision of their individual goals and more easily understand which results need to be delivered for the company to reach its objectives.

The Culture Project is based on the development and improvement of Performance Management tools, and on

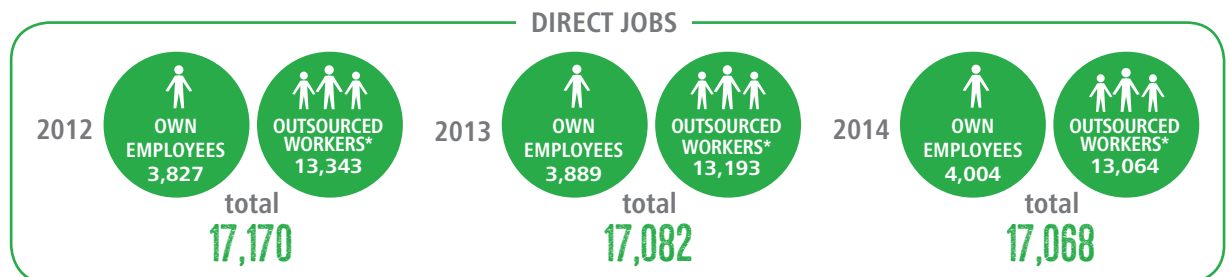
the improvement and maintenance of the Organizational Climate.



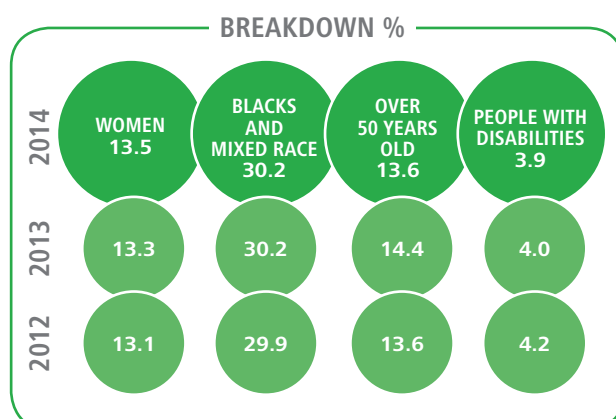
Based on this new line of thinking, the company continually invests in training and development of its entire staff. Fibria prioritizes hiring professionals who live in the communities surrounding its

operations and invests in labor training and development. As an example, in 2014, of the employees hired, 63% were local hires.

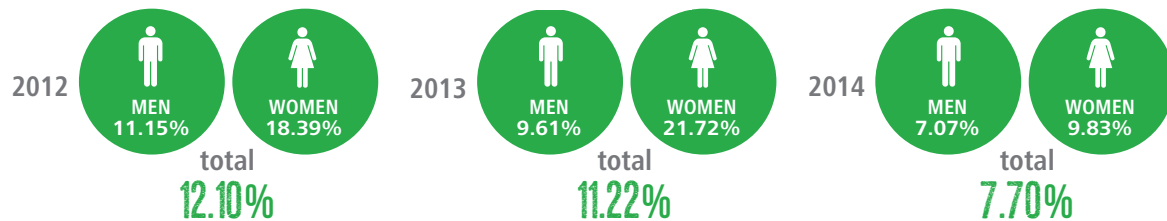
FIBRIA'S PROFILE



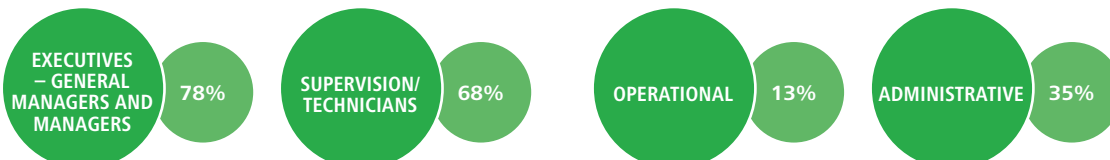
*These are services for continuous and uninterrupted activities, preferably with a contract equal to or exceeding 12 months, with monthly invoices, executed within or outside of FIBRIA areas, with constant attendance of the employee/contractor. Example: forest and property security; cleaning and conservation of buildings, landscape maintenance, electrical maintenance, and factory instrumentation.



TURNOVER RATE



INTERNAL RECRUITMENT RATE



ORGANIZATIONAL CLIMATE MANAGEMENT

Every two years, Fibria carries out a survey with its own employees in order to identify the positive and negative factors influencing employee behavior which could have impact on company performance. The third edition of this corporate climate survey took place in 2014 and had 91.3% employee participation, a record in employee engagement.

Applied by Gallup, a company specializing in the development and application of surveys,

the results showed an increase of 4.6% of general favorability compared with the previous cycle, with a result of 72.4%. With this data in hand, Fibria now begins a new process to define priorities and action plans for the coming years through an extensive organizational culture program. This program seeks to maximize the value of the company and its professionals through a strategy of high performance and continuous development.



STRENGTHS

- **SURVEY ACCEPTANCE:**
increase in participation
- **GREATER FAVORABILITY RATES:**
sustainability, corporate processes
(infrastructure, policies, guidelines, etc.)



POINTS FOR IMPROVEMENT

- In beliefs, the results showed an evolution in practically all beliefs with the exception of open dialogue and meritocracy

TRAINING AND DEVELOPMENT

Aligned with the goal of having a High-Performance Culture, Fibria works on training internal talent. In 2014, Fibria also participated in the Potenciar Program (in partnership with Votorantim, one of the company's shareholders), which aims to accelerate the development of internal talents. Fifteen young employees were selected, and for 14 months, attended training modules with








topics related to personal, professional, social and environmental and cultural areas in order to improve knowledge and skills, streamlining their professional growth within the company. Also, Fibria granted 113 scholarships for language courses, and 30 professionals enrolled in post-graduate studies for Pulp and Paper Technology at the Federal University of Viçosa.

In 2014, the internal recruitment rate at management level was 78%.

Focused on training operators and mechanics in the areas of Harvesting and Forestry, the Operational Training Center trained 955 employees in 2014, an increase of 82% compared with 2013.

The company also maintains a Forestry and Industrial Learning program which trains professionals in partnership with Senai. In 2014, a total of 119 young people began the program, 86 graduated, and 18 were hired. The External Labor Qualification Program offers technical and behavioral training to over five thousand people in Três Lagoas. The activities

totaled over 43,000 class hours and included theoretical and practical phases monitored by technicians and professionals from the industry, from inside and outside Fibria plants. The result is a stronger local job market, with specialized labor available to meet the needs of the company and neighboring communities.

	2012	2013	2014
 Resources invested in training	R\$ 4,118,471.33	R\$ 6,267,732.25	R\$ 7,300,957.11
 Number of training hours	184,652	266,690	223,483
 Number of employees	3,827	3,889	4,004
 Average number of training hours per employee	48.3	68.6	55.8
 Employees who received formal training in human rights policies and procedures	374	466	1,861
 Percentage of employees trained in human rights policies	10%	12%	49%
 Number of training hours in human rights policies and procedures	187	233	7,501

PERFORMANCE MANAGEMENT

Having been implemented since 2011 for company executives, the Performance Management Program seeks to create an integrated and dynamic People Management Process, which fosters individual performance, of the team and the organization, and helps provide a better work, generating a culture of feedback and evaluation of results and behaviors aligned with the values and beliefs of the organization, and mapping professionals for the organization's succession plan.

As part of the evolutionary process of this management, in 2013 Fibria began to cascade to Administrative and Operational levels as

a form of guiding the development of its professionals, focusing on their skills, the results presented, and also the needs of the company for continued business improvement. Employees who have been in a given position for at least six months undergo assessment.

In early 2015, a new evaluation cycle will be available for all levels. The results of these evaluations – at all levels – guide the preparation of Individual Development Plans, an action plan tool that drives professional development, prioritizing performance at the current position and including career goals.

In 2014, a total of 2,750 people participated in the Administrative and Operational Performance Management Cycle, representing 91% of the eligible audience.

FIRST LINE LEADERSHIP PROGRAM

Thinking about the development of its future managers, Fibria also expanded its First Line Leadership Program, geared toward the company's first level of leadership, which includes coordinators, supervisors, and technicians in management positions. The main purpose of this initiative is to develop professionals by teaching them how to be good leaders and provide training contributing to achieving Fibria's strategies. In addition, it is part of Organizational Climate Management to

attract, engage, and retain our professionals.

The Program is composed of these training modules: First Line Leadership Dilemmas, Personnel Management, Feedback, Time Management, Corporate Communication, Influence and Negotiation, and Movement Alert. In 2014, a total of 430 professionals went through the first two cycles implemented. A new Labor Relations module is already scheduled for implementation in 2015.

RETIREMENT

With the purpose of supporting professionals preparing for their retirement, thereby facilitating the career transition process, in 2014 Fibria began the Proceed Program at one of its units for a group of 17 people. In 2015 the program will be expanded to other units.



HEALTH AND SAFETY

Fibria continuously seeks improvement in the health management of its employees and contractors in all its operations. With this objective in mind, in 2014 the company introduced new leadership training for awareness and strengthening in applying guidelines and safety tools at all company levels. In addition, actions recognizing professionals who stood out in safety performance were implemented. The practical result was maintaining the lost time injury rate for employees and contractors at 0.187 accidents for each 200,000 man-hours worked and a decrease rate of total reportable accidents (with and without lost time) of 12.7% compared with 2013. In the same period only one case of occupational illness was reported.

Even considering all the actions taken, it is worth noting the occurrence of a fatal accident involving a services provider in the forestry area in Linhares (ES), in which an employee was run over by a forest equipment while conducting a periodic maintenance procedure. Preventive measures resulting from the process of analysis and investigation of this accident have already been implemented to avoid recurrence.

Fibria seeks to collaborate with regional public health services to prevent the mitigation of endemic diseases such as yellow fever, dengue fever, leishmaniasis, and spotted fever. In 2014, agreements to hold multi-vaccination campaigns were renewed at all company units, as well as maintaining the partnership for the prevention of dengue fever with the Três Lagoas (MS) city authorities.

	2012	2013	2014
Number of injuries	59	37	37
Injury rate (general)	0.27	0.18	0.19
Number of occupational illnesses	0	0	0
Occupational illness rate	0	0	0
Number of lost days	3,919	14,155	7,882
Lost day rate	18.15	69.48	39.87
Number of deaths	0	2	1





UNIONS

The company's 4,004 direct employees are covered by collective bargaining agreements. All negotiation concerning shifts, wages, and collective variable remuneration is carried out by the company directly with the unions. 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.

Formal agreements with unions cover issues concerning health and safety. Fibria's Leadership Variable Remuneration Program has an indicator relating to worker health and safety. This metric includes:

- Joint health and safety committees (CIPA and CIPATR) formed by leadership and employees.
- Leadership participation in health and safety inspections, audits, and accident investigations (CIPA and CIPATR).
- Training and education in health and safety in the workplace.
- System to record conditions and practices which are below safety standards.
- Right to refuse unsafe work.
- Periodic inspections.
- Commitment to compliance with the company's safety guidelines and Safe Behavior.
- Key performance indicators (KPIs) for occupational health and safety.





COMMUNITIES

www.fibria.com.br/r2014/communities/

“Maintaining a good relationship with the communities surrounding our operations is of utmost importance and essential to Fibria. Today we have a consolidated strategy – simple in its application model and complex in terms of results - which has shown major breakthroughs generating family incomes and in local development.”

*Fausto Rodrigues Alves de Camargo,
General Manager of Sustainability*

Objectives	<ul style="list-style-type: none"> • Improve relationship with communities through engagement and measures promoting their economic and social development • Strengthen the relationship with civil society
Material topics	<ul style="list-style-type: none"> • Local development and impact on communities • Certifications, industry voluntary commitments and regulations • Transparency and stakeholder engagement • Government relations
Long-Term Targets (2025)	<p>5. Achieve 80% approval from neighboring communities</p> <p>6. Help the community turn 70% of income generating projects self-sustaining with the support of the company</p>
Targets for 2014 and Results	<ul style="list-style-type: none"> • Support public administration of communities in which Fibria maintains social programs <p><i>Target partially met: project developed with good results in Alcobaça. Support to public administration was not extended to other communities given budget constraints.</i></p> <ul style="list-style-type: none"> • Obtain R\$ 7 million in funding from new partners for social projects, including Responsible Network (Rede Responsável) and access to public policies. <p><i>Target achieved: funding in 2014 totaled R\$ 15,279,899.99 surpassing the plan by 218%</i></p> <ul style="list-style-type: none"> • Perform a round of panels with Fibria's stakeholders (Constructive Dialogues) in Capão Bonito (2013 continuation). <p><i>Target not achieved: Capão Bonito panel, by budget constraints.</i></p>
Targets for 2015	<ul style="list-style-type: none"> • Beginning of two pilot projects of the National Land Credit Program and completion of the demobilization plan of the PDRT areas. • Strengthening and expansion of the Responsible Network, with expansion of 10% in the number of communities served and in the number of households benefited. R\$ 9 million raised.



Creating and maintaining a good relationship with the communities surrounding operations is one of Fibria's largest goals. Diverse income generating programs and social actions serve over seven thousand families, a number that grows exponentially as the years go by with the development of a more trusting relationship between the company and the community. Investments in these actions

totaled R\$35,151,339; an amount 11.2% larger than that in 2013. These resources came from Fibria and nearly 50 partners from Responsible Network, a program aiming to share social and environmental investments and actions between Fibria, its suppliers, clients, and other companies involved in local development.

INVESTMENTS IN COMMUNITIES (IN R\$)

	2012	2013	2014
Fibria	18,370,000	20,658,432	17,368,641
Fibria via Votorantim Institute	2,630,000	2,500,922	1,925,306
Project support	1,523,000	788,000	516,334
Votorantim Institute investments (its own resources and raised via BNDES)	4,523,000	3,506,000	3,142,021
Responsible Network	0	4,158,587	12,199,037
Total	27,046,000	31,611,941	35,151,339

The numbers include voluntary donations and the investment of resources in the community, the beneficiaries being external to the company. They also include contributions to charitable institutions, NGOs, and research institutes (not related to the company's Research and Development department), resources supporting community infrastructure projects and direct costs of social programs. They also include the costs of managing these projects. The amounts for Rede Responsável include the Assentamentos Sustentáveis (Sustainable Settlements) project, in partnership with MST, BNDES investments, and others.

In 2014, besides the projects for generating jobs and income that have been developed over the past five years, Fibria identified the need to invest more in two very important lines of work: health and adult education. Subjects that gave rise to three new projects:

- Agreement signed with Fiocruz, which will work on social and environmental and health development in vulnerable communities in southern Bahia. The project is being implemented in seven pre-MST settlements and two communities of small rural producers located in four districts in southern Bahia: Alcobaça, Itamaraju, Prado and Teixeira de Freitas, with a focus on preventive health, women's health, strengthening the use of medicinal plants, and the integration of health actions implemented in the Brazilian Unified Health System (SUS).

- Partnership with Sebrae in Mato Grosso do Sul to implement an oral health program for participants in the Rural Land Development Program (PDRT).
- The "Sim, Eu Posso" ("Yes I Can") Program, which will work towards the literacy of over 300 adults from an MST Settlement, also in southern Bahia. A way of creating opportunities and offering better perspectives of future for the people.

In 2014, Fibria's community engagement projects, such as the Rural Land Development Program (PDRT), the Tupiniquim Guarani and Colmeias Sustainability Program, helped 3,221 families. One of Fibria's long-term goals is that 70% of income generating projects supported by the company become self-sustaining by 2025. In 2014, the percentage remained stable compared

with the previous year, which was 7% - an expected number given the short implementation period of the Rural Land Development Program (PDRT) initiatives.

One of Fibria's main engagement tools used with rural communities surrounding its operations, the PDRT, focuses on training to generate agroforestry projects and offers participants the

technical assistance necessary for the job, as well as incentives, support, and guidance for the access to public policies. In 2014, the PDRT assisted 1,844 families in the states of Sao Paulo, Mato Grosso do Sul, Bahia, and Espírito Santo. The wage growth since the start of the project ranges between 2 and 4 minimum wages per family.

Periodically, Fibria conducts a favorability survey in impacted communities. In the last edition, carried out in 2012, the company reached a rate of 72%, a number close to the goal set for 2025, which is 80%.





To learn more about the “New Generation Plantations” project, visit <http://newgenerationplantations.org>

This work was one of the highlights of the New Generation Plantations project, idealized by the NGO WWF. The study also shows how Fibria managed to change the conflict scenario in some of its neighboring communities in Espírito Santo and Bahia, developing into a respectful collaborative work situation. This evolution was reached through the combination of systematic engagement processes with diverse

income generating programs, and by social development and environmental education in communities surrounding its operations. Since 2009, the company has invested over R\$100 million in its social development programs. In 2014, a total of 1,406 new families were included in the company’s social projects, which currently include 6,418 families with proven increase in income.



SPECIFIC COMMUNITIES

For being historically susceptible to conflict and socially vulnerable, Fibria pays special attention to certain communities located in northern Espírito Santo and southern Bahia and aims to develop, with the community, projects and solutions of common interest. Despite the complexity of the challenge, it is Fibria's priority to help put an end to these conflicts; therefore it works directly with the community or through

engagement with other organizations that may also contribute to building solutions, such as various levels of government, NGOs, and other companies. In the last five years, there has been major evolution in resolving these conflicts, with tangible results which positively reflect the social license to operate.

- **Afro-descendent communities:** Dialogue with these communities began in 2009 and has improved every year. From this relationship, work opportunities arose with the Rural Land Development Program (PDRT), which has provided larger incomes and a better quality of life for residents.
- **Indigenous communities:** over 760 indigenous families of Tupiniquim and Guarani ethnicity live in 18,287 hectares on the outskirts of company property in Aracruz (ES). Fibria has a multidisciplinary team of anthropologists and indigenists who assist the development of an agro-ecological production model in 12 villages. In Mato Grosso do Sul, Fibria developed a cultural revitalization project with 30 families from an Ofaié Indigenous village and employs several people from the community at its operation in Três Lagoas.
- **Fishing communities:** in the Barra do Riacho district in Aracruz (ES), and in Caravelas, in southern Bahia, Fibria has been developing several actions to strengthen relationship and improve the quality of life of communities in areas near two marine terminals.
- **Movements for land rights:** local conflict concerning pioneering sustainable rural production.
- Through work developed with the Luiz de Queiroz Upper School of Agriculture, of the University of Sao Paulo, (Esalq/USP), Fibria has been working with Brazil's Landless Worker's Movement (MST) in agroforestry production of several cultures, maximizing the use of the soil in lots distributed to hundreds of registered families. Known as Projeto Alvorecer, the initiative began in 2011, when the company accepted to negotiate with Incra and facilitate eminent domain of land – about 11,000 hectares in the municipality of Prado (BA).

LESS CONFLICTS

Through good relationships with neighboring communities, Fibria reduced wood theft for illegal production of charcoal by 95%. This was one of the main conflict issues in eucalyptus plantation regions in Espírito Santo and Bahia, and the problem with the most negative impact

on company business. Conflict resolution allowed all of Fibria's production areas to be certified by the FSC® and CERFLOR®/PEFC, the two main sustainable forest management certifications.

OPEN DIALOGUE

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. In addition, each municipality has an employee who participates in important community entities in order to understand local needs.

MECHANISM FOR COMPLAINTS ABOUT SOCIAL IMPACTS	2013	2014
Records of complaints received about impact on society	968	1,153
Number of complaints deemed unfounded	237	353
Number of complaints deemed well founded	605	659
Number of open complaints about social impact	126	141
Number of complaints about social impact received before 2014 and filed or processed in 2014	51	105









SUPPLIERS

 www.fibria.com.br/r2014/suppliers/

“ Since we are a forestry company, we have an extensive logistics and supply chain which needs to be constantly evaluated in management, compliance, and sustainability issues. We seek to work with equal conditions, providing opportunities to a supplier base that ranges from small rural producers to multinational companies. ”

*Wellington Giacomini,
Director of Supplies and Logistics*

Objectives	<ul style="list-style-type: none"> Promote the development, awareness, and engagement of Fibria's supply chain.
Material topics	<ul style="list-style-type: none"> Social and environmental management of the supply chain. Transparency and stakeholder engagement
Targets for 2014 and Results	<ul style="list-style-type: none"> Ensure by means of Performance Evaluation that 90% of the service providers are qualified in environmental and occupational safety aspects. <p><i>Target achieved with the completion of the Performance Evaluation.</i></p> <ul style="list-style-type: none"> Completion of the implementation and consolidation of the supplier's Code of Conduct <p><i>Target achieved with the inclusion of a section on suppliers in Fibria's Code of Conduct, available at www.fibria.com.br > Mídia > Publicações > Código de Conduta.</i></p>
Targets for 2015	<ul style="list-style-type: none"> Conduct on-site audit in Fibria's strategic suppliers with a pilot project covering several evaluations on the supplier, one of them being items of sustainability. Continuity of the Value Chain project with analysis of the data collected in 2014 and Action Plan for the continuity of the project in 2015.

Regardless of size, the company seeks to engage all suppliers in the best social and environmental practices, keeping in mind the responsible use of natural resources and respect for labor rights. At the time of contracting, the

company requires all suppliers to comply with current labor and environmental legislation and policies, as well as safety criteria adopted by Fibria itself.

Fibria closed the year 2014 with over eight thousand active registered companies.



Whenever possible, the company gives preference to local suppliers, and for this reason contributes to their improvement through development programs for best environmental practices and finance, tax, labor, quality, and occupational health and safety management. Among these initiatives, the Integrated Supplier

Development and Qualification Program (Prodfor) in Espírito Santo, and the Supplier Qualification Program (PQF Avançado) in Mato Grosso do Sul stand out, both coordinated by the company in 2014.

VALUE CHAIN

In 2014, Fibria implemented the Value Chain Project, which helps identify sustainability issues of the company's strategic suppliers, as well as encourage monitoring and the adoption of best sustainable practices. One hundred twenty-eight questionnaires were sent out and 88% of companies participated (113). With this initiative, Fibria hopes to learn more about the practices of its suppliers, stimulating, for example, less carbon emission through the responsible use of natural resources, and ensure respect for human rights in participating companies.

APPROVAL AND CONTRACT MANAGEMENT

Aiming for a more structured, detailed, and agile supplier evaluation process, in 2014 the Contract Management area was created. As part of the Logistics and Procurement department, and with support from the Sustainability and Legal departments – it is a new department responsible for supplier approval and qualification, achieved through a complete evaluation of financial, commercial,

and technical issues, as well as issues related to social and environmental responsibility and labor laws. Suppliers considered fit are placed on a list and are then qualified to participate in bidding promoted by the company. The evaluation of documents presented by contracted suppliers takes place every six months. For suppliers which are considered critical, the evaluation takes place monthly.

NUMBER OF
CONTRACTS



1,439

FINANCIAL
VOLUME (R\$)



5,659,892,672

Percentage of contracts with contracted companies and important suppliers which included criteria or human rights evaluations

82.9%

Percentage of contracts with contracted companies and important suppliers which were refused or required performance conditions, or were subject to other actions as a result of evaluation regarding human rights

10.0%

Percentage of new suppliers selected based on criteria related to labor practices

61.9%

Percentage of new suppliers which were approved in environmental criteria

80.4%

Total number of suppliers which had their environmental impact evaluated by Fibria

206

Number of suppliers identified as having significant potential and actual negative environmental impact

206

Percentage of suppliers which made agreements to adjust their environmental impact

2.9%

Percentage of suppliers which had contracts terminated due to evaluation of environmental impacts

0.5%

CRITICAL SERVICES

For the process to hire critical services - which has been carried out with great dedication for two years or more, those with annual value greater than R\$5 million, those who impact the internal climate of the companies and those with annual value between R\$1.9 million and R\$4.9 million and involve specific risks – Fibria

has a Service Contracting Commission (CCS) created especially to reduce risks associated with these contracts and select suppliers according to the company's sustainable growth strategy. Since its inception in 2011, the CCS has been responsible for registering 85 new contracts, totaling R\$1.36 billion.

FOREST PARTNERS

Working in relationships based on partnership, trust, commitment, and respect is part of Fibria's belief system. So, in order to stimulate rural producers located close to the pulp factories to plant eucalyptus, the company maintains a Forestry Savings Program, which brings benefits in exchange for a guaranteed supply of wood.

In addition to subsidizing producers, the company closely monitors - through visits and training - the work of each producer, always focusing on environmental and social issues. Fibria always works together with producers in planning and guiding the planting of other crops on the property, thus guaranteeing profit and the livelihood of sponsored producers;

a way to keep people in the field, distribute wealth, and guarantee supply while protecting the forest.

The contracts are developed in order to meet the needs of both producers and the company. Today there are over two thousand sponsored producers in the country, which includes 1,690 contracts in the states of Espírito Santo, Bahia, and Minas Gerais, and 126 in Sao Paulo.

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.



Savings volume transported
to the plant



3,406,909M³



Percentage of wood
supply from the Savings

39.31%

Savings volume transported
to the plant



2,389,447M³



Savings volume
transported to the plant

30.09%

**FOREST PARTNERS -
TOTAL AREA CONTRACTED (IN HECTARES)**

	2012	2013	2014
Aracruz	73,818	56,755	61,080
Jacareí*	11,973	20,508	15,436
Três Lagoas	1,852	2,657	2,656
Total	102,338	108,053	106,630

1. Unit sold in 2012

2. Includes Capão Bonito and Vale do Paraíba









INVESTORS AND SHAREHOLDERS



www.fibria.com.br/r2014/investors-and-shareholders/

“The shareholder who sees the company’s respect for the environment, the community, and its employees, sees that the company obviously has great respect for its shareholders. It’s all related.”

*Guilherme Cavalcanti, Executive Director
of Finance and Investor Relations*

Transparency when dealing with capital market analysts and investors is vital for Fibria. To align clarity and speed of information, the company maintains several communication channels and holds events to ensure the understanding of risk factors and respective opportunities that are part of the forestry business.

Fibria also promotes the Investor Tour every year, which gathers company management and several investors and analysts from Brazil and abroad. In 2014, the event took place at the Jacaré unit (SP) and included over 100 people who visited the Igaratá Experimental Microbasin. The purpose was to show analysts and investors that the company is prepared to

face challenges, specifically those associated with climate change and its implications for the business, mainly in reference to forest productivity, a concern demonstrated by several analysts in reports produced following the visit.

In addition, the company promoted a new edition of Fibria Day, an annual meeting with foreign analysts and investors held at the New York Stock Exchange in the United States, where company executives announce investment perspectives (Capex) for 2015, planned to reach R\$1.69 billion, a growth of 5% compared with 2014. In January 2015 the amount was updated to R\$1.72 billion.



To learn more about Fibria initiatives for Investors and Shareholders, visit <http://fibria.foinvest.com.br>, tab Investor Services / IR Agenda



To learn more about Fibria results for Investors and Shareholders, visit <http://fibria.foinvest.com.br>, tab Informações Financeiras » Earnings Releases







CLIENTS

 www.fibria.com.br/r2014/clients/

“Despite the pressure on prices throughout the year, in 2014 the pulp market responded and exceeded expectations. This scenario contributed to the market absorbing new offers, maintaining the stock of its producers in line with historical averages.”

*Henri Phillipe Van Keer, Executive
Director of International Commerce and Logistics*

Fibria has business offices located in North America, Europe, Asia, and Brazil. Through its account managers, the company serves its clients from each region, following the entire business relationship, which goes beyond the sales process. The continuous relationship with clients allows Fibria to offer personalized service, creating resilience and perceived value for business conditions, logistics, and product development.

Throughout 2014, Fibria received several visits to its units from clients. Their purpose was to strengthen the relationship between the company, clients, and the community, as well as promote dialogue about generating Fibria's value and impact, and industrial and sustainability processes.

In order to analyze client relationships, Fibria carries out a Client Satisfaction Assessment once a year using indicators which include the different stages of relationships between the company and its clients. To calculate the

level of satisfaction, the company includes internal data related to sales issues, such as pulp volume sold, length of relationship, and record of complaints, as well as spontaneous demonstrations of satisfaction such as awards and information promoted by the client itself, through scores determined in surveys and audits.

In 2014, the Client Satisfaction Assessment process underwent methodology improvement allowing the process to become fully aligned with the company's sales strategy. This evaluation was concluded in the first quarter of 2015 based on information from the previous year, resulting in a level of satisfaction of 83% (above the goal of 80%). The results obtained were used as a reference to develop an action plan with the main purpose of taking advantage of opportunities to strengthen Fibria's good relationship with its clients worldwide.

Among the visits received in 2014, one of the most important was that of a European client that over for four days, visited our operations and social and environmental projects, and spoke talking directly with 22 community leaders about the company's operations.





GOVERNMENT

www.fibria.com.br/r2014/government/

In 2014, we were more incisive in the discussion and adoption of internal policies regarding anti-corruption practices, in the publication of our Compliance Policy and in the intensive training of our employees. These were two notable advances in the face of the country's political and economic situation.

*José Luciano Penido,
Chairman of the Board of Directors*

Through participation in several agencies from the forestry, pulp, and paper industries, Fibria seeks to contribute to a more stable political-institutional environment with a clear and well designed regulatory framework. To this end, the company follows its Governance model, giving special attention to ethical principles and transparency, supported by guidelines established in the Code of Conduct and the Anti-corruption Policy.

In 2014, Fibria made financial donation to the political campaigns of candidates considered

committed to sustainable development and the improvement of public governance, complying with current electoral legislation and according to criteria established in its Electoral Donations Policy.

The company does not make donations to parties or candidates outside the election period. Donations made in 2014 (federal and state) totaled R\$4.375 million and may be verified in detail on the Electoral Superior Court website (www.tse.gov.br).



Learn more about Fibria's policies and regulations at <http://fibria.foinvest.com.br> > Corporate Governance > Codes, Policies & Internal Regulations

TOTAL AMOUNT OF FINANCIAL CONTRIBUTIONS TO POLITICIANS, POLITICAL PARTIES, OR RELATED INSTITUTIONS

2012	2013*	2014
R\$ 3.615 million	0	R\$ 4.375 million

**In 2013 there were no election campaigns and Fibria did not make any donations.*





PRESS

 www.fibria.com.br/r2014/press/

Fibria's communication is guided by the combination of transparency, access, agility, and credibility, which, together, shape our reputation.

*Geraldo Magella Lopes de Barros,
Manager of Corporate Communications*

Fibria was cited in 1,866 reports in national and international media outlets in 2014, which was 13.84% more exposure than the previous year. Considering local press also, total material was 7,865 in 2014, slight growth compared with the total from the previous year (7,835).

This year, news reports about positive aspects of the company reached 58% of the total; 37% were considered neutral; and 3% considered negative, the lowest proportion of negative mentions in the history of the company. On a scale of 0 to 10, the annual average press exposure, including quantitative and qualitative aspects, was 8.8, above the historical average of 8.28. This indicator is a calculation which includes the proportions of positive, negative,

and neutral material published during the year.

In social media, Fibria was mentioned 6,034 times in 2014, a growth of 7% over the previous year. About 45% of the mentions were related to economic issues, such as "Economic and operational performance" (24.43%) and "Financial market" (20.88%).

Two other notable subjects were "Legal issues" (10.44%) and "Communities" (9.46%). Positive mentions correspond to 43.6% of the total; 31.64% were negative, and 23.95% were neutral. The references were made on Twitter (63.77%), on Facebook (31.85%), in blogs (2.52%) and on YouTube (0.33%).



**Learn more about what's going on at Fibria
at www.fibria.com.br, tab Mídia**



IN THE NEXT SECTION, LEARN ABOUT THE MAIN HIGHLIGHTS OF OUR FORESTRY AND OPERATIONAL AREAS, AND THE INNOVATIVE WORK CARRIED OUT IN FORESTRY LOGISTICS AND THE MARKETING OF OUR PRODUCT.



OUR OPERATIONS



www.fibria.com.br/r2014/our-operations/



“ Fibria created a benchmark with its concept of Admirable Income. Today we are firmly perceived as a responsible company that acts properly regarding the environment and is concerned with reducing impact on communities. ”

Aires Galhardo, Executive Director of Forestry





OUR OPERATIONS

Objectives	<ul style="list-style-type: none"> • Revise forest sponsorship models, adapting them to new guidelines • Protect and enrich natural resources • Increase eco-efficiency • Certify Fibria's forest areas
Material topics	<ul style="list-style-type: none"> • Social and environmental management of the supply chain • Forest management: biodiversity, land use • Certifications, voluntary commitments of the industry, and regulations • Water use • Value generation through innovation
Long-Term Targets	3. Promote environmental recovery in 40,000 hectares of own areas between 2012 and 2025
Targets for 2014 and results	<ul style="list-style-type: none"> • Introduce water monitoring for abstraction points in forest areas in the company's forest management system. <i>Target partially achieved: The SGF water system was developed, and is in the final stages of implementation/operation. Estimated beginning of operations: 1st quarter of 2015</i> • Start the recovery process in 4,672 hectares of the Atlantic forest and Cerrado. <i>Target partially achieved. In 2014, the process to recover a total of 2,516 acres was initiated, with 1,888 hectares in the Aracruz Unit, 671 hectares in the Jacarei Unit, and 374 hectares in the Três Lagoas Unit, adopting different recovery methodologies, intercropping planting of native species with eucalyptus in Legal Reserve, natural regeneration, and control of exotic and invading species. The target was revised during the year to cover 2,489 hectares.</i> • Continue to participate in national and international forums of best forest management and sustainability practices, with an emphasis on The Forests Dialogue (TFD), the Brazilian Forest Dialogue, Forest SolutionsGroup, of the World Business Council for Sustainable Development (WBCSD), and the Global Compact <i>Target achieved: Fibria continues participating in various forums relevant to the sector. This target continues for 2015.</i>
Targets for 2015	<ul style="list-style-type: none"> • Initiate the process to recover 2,465 hectares



FOREST MANAGEMENT



www.fibria.com.br/r2014/forest-management/

The forest management process is responsible for supplying the industrial units, and everything related to the forest is its responsibility. This includes monitoring of the soil for conservation of nutrients, recovering of native forests, improving water quality, and reducing negative impact on communities.

The natural fertility of the soil, carbon stock contained in the trees, and the water consumed in the industry and plantations, for example, are some of the resources from the ecosystem used in pulp production. In addition, forest

work has increasingly been developed based on innovation, a way to find new methods of monitoring, increase productivity, and anticipate harvest results.

This work makes it possible to better plan eucalyptus clone reactions to different types of soil, climate change, and successive planting cycles – allowing Fibria to reach its Long-Term Goal, which is to reduce the planted area by 1/3 due to an increase in productivity.

INTEGRATED SYSTEM FOR RECOMMENDATION ON FERTILIZATION

The Integrated System for Recommendation on Fertilization (or SIRA) was a highlight in innovation in 2014. It brings together key information which allows the company to determine, with great precision, the best fertilizer to use considering soil characteristics, eucalyptus clone, climate, and expected

plantation productivity. SIRA adds intelligence for the improvement of fertilization of company's plantations, within the concept of precision forestry - with resource optimization - contributing to the achievement of the goals for forest productivity and reduction in the cost of wood.

PROTECTION OF PLANTATIONS

In 2014, Fibria maintained its leading position concerning its plantation protection strategy against the attack of pests and diseases. Therefore, the company continued investing in studies for selecting clones resistant to main diseases and began producing natural enemies in one of its own laboratories, dedicated to the biological control of pests. These two initiatives contribute to maintaining healthy plantations with low reliance on pesticide use, aligned with best management practices

and the requirements of the most important certifications.

Also in 2014, Fibria developed a risk map describing the areas where physiological disorder occurred in the eucalyptus, making it possible to identify the areas more or less susceptible to the problem, more specifically defining how to select the most suitable clones and actions in forest management according to the plantation area.



BIODIVERSITY AND LAND USE

Fibra conserves native ecosystems in about 33% of its conserved areas (284,000 hectares). Within these protected areas, protection, management, recovery, and forestry integration activities are carried out (the commitment is to restore 40,000 hectares of its own areas between 2012 and 2025). At the end of 2014, Fibria had restored 10,641 hectares, representing 26.6% of the goal. The existing biodiversity in Fibria's forest areas is the target of studies and monitoring which seek to learn about, protect, and expand the species and populations of native wildlife and flora, as well as promote the environmental quality of the areas kept by the company.

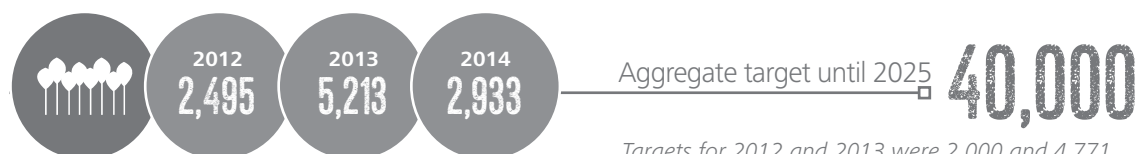
These areas are divided into Permanent Preservation Areas (APPs), Legal Reserves (RL), and Natural Heritage Private Reserves (RPPN), a type of private and voluntary Conservation Area. They represent different types of ecosystems, some of them distributed along the rivers, forming natural ecological corridors, and the remaining large areas compose a mosaic landscape where the eucalyptus plantations are interspersed with native vegetation. This promotes greater connectivity between native forest fragments used by animals for transit, rest, or feeding.

Measures taken to conserve the biodiversity of Fibria's areas also include:

- Alternating harvests, increasing environmental diversity in the forest landscape.
- Establishing intervals between wood piles near high conservation value areas, to facilitate animal movement during harvests.
- Temporary maintenance of eucalyptus plots so they may serve as resting areas for parrots and parakeets.
- A Restoration Program for endangered species and species whose fruits serve as food for wildlife.

Fibria's strategic biodiversity research plan includes research and development actions such as conservation of endangered species, sustainable use of biodiversity, forest management impact evaluation, landscape ecology and ecosystem services. The company also participates in the Vale do Paraíba Ecological Corridor initiative, (www.corredorecologico.org.br), in the Rainforest Restoration Pact (www.pactomataatlantica.org.br), and Sustainable Forest Mosaics.

RESTORED CONSERVATION AREA (IN HECTARES)



Targets for 2012 and 2013 were 2,000 and 4,771 hectares, respectively. The target for 2015 is 2,465 hectares. The target for 2014 published in the 2013 report was 4,672 hectares; however, the 2014 target was changed to 2,489 hectares without prejudice to the long-term target for 2025.

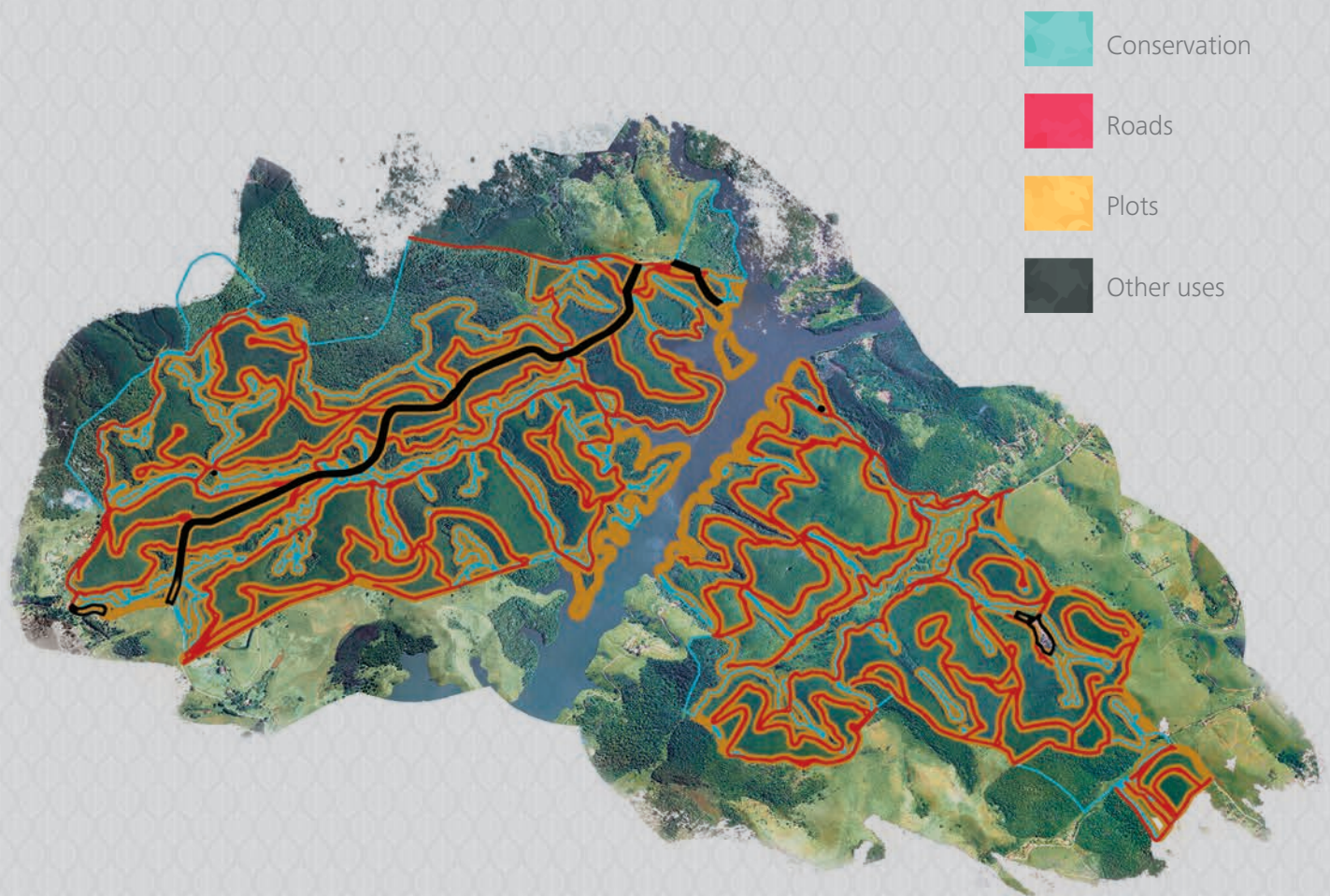
NUMBER OF PROTECTED OR RESTORED HABITATS IN 2014 (IN HECTARES)



FOREST PLANNING

Fibria is a company that believes in sustainability as a business strategy and thus is committed to generate a respected profit and be recognized by all, working so that the planted forests, more than produce economic value, also promote human, social and environmental development. In the planting areas, the company adopts

several principles and operating procedures to ensure responsible forest management practices where area the commercial eucalyptus plantations and the areas of native vegetation, rivers, lakes and other structures (roads, carriers, fire towers, constructions, etc.)



FORESTRY

Fibria's forest management follows parameters of productivity, quality, optimized costs, and social and environmental responsibility, ensuring the company's sustainability and competitiveness.

During operational planning, goals and action plans are established, defined based on corporate guidelines and the environmental

impact and topics which are meaningful to the company.

At all of its plantation areas, Fibria conducts a detailed report of the location to be managed, with information about mapping work systems, correct location of roadways, defining access routes, verifying the need to

change the division of plantations, areas of environmental protection, legal reserves, and other conservation areas, as well as technical recommendations for implementing or reforming farm settlements. The Forest Management Plan also defines the criteria exclusively dedicated to minimizing environmental impact, such as

the direction of planting alignment to minimize ground erosion and compacting, facilitating harvesting operations, and promoting forestry activities. It also highlights the areas close to abstraction points of water for consumption so as not to apply herbicides or other pesticides near those areas.

PLANNING AND PRODUCTION CONTROL

Receives information about long-term planning, which establishes a sequence of harvesting the property considering that plans for harvesting, forestry, and transport will be influenced.

ANNUAL HARVESTING PLAN

Establishes the sequence of farms to be harvested, considering the time of year, slope of the area, social and environmental recommendations, environmental licenses, number and quality of roads, and the ratio of cutting, transport, and chopping activities.

ANNUAL FORESTRY PLAN

Considers factors such as pulp production, specific consumption, field and factory stock, available highways, cost of transport, fleet availability, average radius, density class, and restricted access to the factory supply.

ANNUAL TRANSPORT PLAN

Considers factors such as pulp production, specific consumption, field and factory inventory, available roads, transportation cost, fleet availability, average radius, density class and access restrictions for factory supply.

MICROPLANNING

Supplies technical input to the forestry area with information gathered from the field. The objective is to refine the necessary resources and the safety of environmental preservation activities.

HARVESTING SYSTEM

Carried out in a manner that minimizes the impact on the environment (soil, water resources, permanent preservation areas, legal reserve, and concern for local wildlife), including concern for neighboring farms and surrounding and adjacent communities. Waste generated during the process, - such as bark, branches, tips, and leaves- stay on the plot (division between areas) as a source of nutrients. This process also provides greater protection to the ground surface against erosion, compacting, and microorganism activity in the soil.

SOCIAL AND ENVIRONMENTAL PERFORMANCE INDEX

The environmental performance of forestry operations is measured throughout the year focused on the improvement of the performance of social and environmental forest management. The Social and Environmental Performance Index is compiled monthly through automatically filling out environmental performance indicators that have direct influence on forestry operations. With this information, it is possible to learn about anomalies and the proactive actions at different forestry operations with the purpose of achieving continuous improvement in environmental performance and handling identified deviations.





ENDANGERED AND VULNERABLE SPECIES

Conserved forests serve as shelter, reproduction areas, and transit for 159 species which are considered by Ibama to be vulnerable or endangered. 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.

BIRDS	MAMMALS	REPTILES	FLORA
738	133	76	2,192

***Includes the National List and the IUCN Red List (International Union for Conservation of Nature). More information at <http://www.iucnredlist.org/>*

In 2014, Fibria released a public notice for research projects in the areas of Biodiversity Recovery, Preservation of Endangered Species, and Water Resources, and then selected four projects developed by research institutions, universities, and NGOs to receive the company's support.

Within an area in Aracruz (ES) assigned by the company, there is a Wild Animal Reintroduction Center, which takes in and rehabilitates animals which were captured or rescued by environmental inspection agencies or privately donated. Since 1993, the center

has received almost 100,000 animals, the majority of which are birds (91%), and includes mammals and reptiles. Among the animals received, 73% have been rehabilitated and released. Those unable to be rehabilitated are transferred to institutions regulated by Ibama or remain in the nurseries at the Education Sector. The Wild Animal Reintroduction Center is a partner of Fibria and the Brazilian Environmental Institute (Instituto Brasileiro do Meio Ambiente - Ibama), and depends on the continuous collaboration of 18 donor companies for financial resources, animal food, and gardening services to maintain it.

INTERCROPPING PLANTING

Intercropping planting was implemented at Fibria in 2011 through a partnership with the Luiz de Queiroz Upper School of Agriculture (Esalq), at the University of Sao Paulo (USP) and the Rainforest Restoration Pact. Developed in the company's forest areas, the project works with innovative environmental recovery models and sparked the interest of The Nature Conservancy (TNC), the largest environmental

conservation organization in the world. Representatives from The Nature Conservancy visited the environmental preservation areas in Aracruz (ES) to learn about the experiment which is testing the ecological models of native forest species, including the use of eucalyptus as the initial species, promoting the rapid covering of the area, benefitting other species needing shade in order to develop.



CERTIFIED FOREST AREA¹

UNIT	TOTAL AREA	AREA CERTIFIED BY FSC®	AREA CERTIFIED BY CERFLOR®/PEFC
Aracruz ²	345,940	289,077	327,719
Jacareí	158,290	158,290	158,206
Três Lagoas ³	343,318	277,546	277,546
Total	847,548	724,912	763,471

1. In hectares. Does not include 50% of Veracel.

2. The non-certified area includes new leases and the legalization of the documents needed for future certification.

3. The non-certified area includes new land purchased and leased to form forests which may supply the wood for the Três Lagoas expansion project, under study.

ORIGIN OF WOOD CONSUMED (M³)

ARACRUZ	JACAREÍ	TRÊS LAGOAS
8,421,421	3,740,707	4,348,784

OPERATIONAL DIALOGUE

Fibra constantly maintains an Operational Dialogue with the communities surrounding its operations to ensure a clear, transparent relationship, and to strengthen its relationships with local residents. In order to reach all stakeholders, the company relies on the help of local leaders. The main impact of forest operations in 2014 was related to dust on the roads caused by trucks, risk of accidents, and damage to public and private property.



THE FOREST OF THE FUTURE PROGRAM

Uses new technology to support Fibria in developing its forest efficiency without neglecting social and economic potential and its implications for the environment. This is how the Forest of the Future Program has established itself as one of the main sources of prospecting and the introduction of new technologies in forest management.

Initiatives guiding the program were defined in 2011 based on a study by Pöyry, a Finnish consulting agency specializing in the fields of energy and forestry. The goal was to raise R\$735 million of net present value (NPV) during the period of 2011 to 2015 by adopting innovations and projects with great eco-efficiency potential.

In 2014, savings reached 6.4% in harvesting, 7.5% in forestry, and the total NPV was R\$200.5 million, reaching 82.7% of the total estimated

for 2015. The total accumulated curve since 2011 is R\$645.9 million, needing only R\$89.1 million in order to reach the goal. A result that has anticipated project closure in August 2015.

Among projects finalized in 2014 are the optimization of the plantation layout, soil preparation with marking of basins, use of mechanized planter, and testing of a new tractor with a front waste grinder and waste collection.

The program now enters into its second phase, with goals defined for 2020. The Forest of the Future 2 will define a new yield curve for technological innovation arising from 15 technological avenues and will be an opportunity to develop new international technological benchmarks.





FORESTRY LOGISTICS

www.fibria.com.br/r2014/forestry-logistics/

Highway transport in Brazil is challenging. This is why we are working on an innovative project with the Federal University of Sao Carlos (UFSCAR) for the development of a flatbed truck trailer that can carry 15% more wood without exceeding the highway weight limit. This reduces cost and has less social and environmental impact.

Aires Galhardo, Executive Director of Forestry

Whenever possible, Fibria gives preference to transport which causes the least environmental impact. However, due to Brazil's logistics model, a large part of the wood going from the forest to the factory is transported on highways.

Focusing on reducing impact, Fibria developed a project, in partnership with the Federal University of Sao Carlos, to develop a truck with

a lighter flatbed trailer. It can transport 15% more wood with reduced fuel consumption and CO₂ emissions, and reduce the number of vehicles circulating in the communities surrounding its operations. It is known as the Forest Implement Project, patented by the company, which should expand its use of these trucks in 2015.

Through the Safe Highway Program, Fibria constantly ensures that the vehicles in use are in good state of repair, that the drivers are well prepared, and that all of the company's safety rules are being followed.

As a viable alternative, Fibria works with barges on the route between the Caravelas Marine Terminal (BA) and Portocel's Barge Terminal (ES). Railway transport is used for the route between

the incentive areas in Minas Gerais, and the deposits in Espírito Santo to the Industrial Unit of Aracruz (ES).

TRANSPORT INNOVATION AND EFFICIENCY

Railway transport is one of the alternatives adopted by Fibria for delivering wood to its plant in Aracruz (ES). At the end of 2014, this mode had record performance, with the transport of over 15,000 tons of short logs of eucalyptus in a single month. This volume is equal to removing 1,000 B-train from highways.

Besides freeing up the flow of vehicles on the highway, railway wood transport generates less social and environmental impact. This is because there is less fuel consumption, there is no tire wear, and it does not interfere with communities.

EXPORT

Approximately 91% of the 5.3 million tons of pulp produced by Fibria in 2014, including 50% of Veracel production, were exported to countries in Europe, North America, and Asia. Production from the Aracruz unit going overseas travels only 4.5 kilometers in trucks until it reaches the Portocel terminal, where it is loaded onto ships. From the Três Lagoas and Jacareí units and is then loaded onto ships.



LOGISTICAL MODAL DISTRIBUTION









INDUSTRIAL OPERATIONS

www.fibria.com.br/r2014/industrial-operations/

Fibria understands that its success increasingly depends on its ability to innovate. Thus the company has achieved significant gains in efficiency, the result of management guided toward financial austerity and process improvement, translating into lower cost of industrial production, below Brazilian inflation.

Paulo Ricardo Pereira Silveira, Executive Director of Industry and Engineering

Objectives	<ul style="list-style-type: none"> • Increase eco-efficiency
Material topics	<ul style="list-style-type: none"> • Increase eco-efficiency • Value generation through innovation
Long-Term Targets	5. Reduce by 91% the volume of industrial solid waste disposed in landfills
Targets for 2014 and results and targets for 2015	See table below

CONSOLIDATED FIBRIA	UNIT	2013	TARGET 2014	2014	PROPOSED TARGET 2015
Energy consumed	MWh/adt	0.587	0.569	0.592	0.589
Water withdrawn	m ³ /adt	31.1	31	30.7	30.6
Waste generation ¹	kg/adt	219.2	212.6	212.5	209.3
NO _x ²	kg/adt	1.3	1.2	1.4	1.2
BOD	kg/adt	1.58	1.5	1.49	1.48
AOX ²	kg/adt	0.07	0.07	0.071	0.07
Solids in suspension	kg/adt	1.65	1.6	2.02	1.6

1. Not converted to a dry basis

2. The company operates with the NO_x and AOX indicators below international references (IPPC); therefore the values presented are treated as control parameters

Working to reduce social and environmental impact while improving the quality of its products is part of Fibria's business strategy. To this end, forestry and industrial operations teams work to ensure operational stability and maintain a balanced production pace. In 2014, Fibria units operated with a 92% stability rate, surpassing that of the previous year, which was 90%. The goal is to evolve each year through systematic work that integrates all areas.

Production 2014 ¹	
Jacareí	1,085
Três Lagoas	1,276
Aracruz	2,356
50% Veracel	557
Total	5,274

1. In thousands of tons. Numbers rounded.

PULP PRODUCTION PROCESS



1

When delivered to the plant, the wooden logs are chopped into chips.



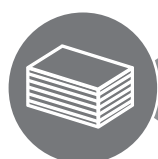
2

These chips are then cooked with chemicals to separate the pulp fibers from the lignin (the structural element holding them together).



3

Next they are bleached, turning the brown pulp white through a chemical reaction.



4

The pulp undergoes a drying process and is arranged in sheets which are baled for transport to the client.

ENVIRONMENTAL PERFORMANCE

Through an Environmental Performance Index (IDA), Fibria evaluates the quality of its process based on three indicators: pollution control, pollution prevention, and environmental management- each with a specific weight in the final calculation of the index.

The Environmental Performance Index calculates the variable remuneration of employees and is measured each month at the three industrial units.

Emissions	UNIT	BAT1	ARACRUZ			JACAREÍ			TRÊS LAGOAS		
			2012	2013	2014	2012	2013	2014	2012	2013	2014
AOX	kg/adt ²	< 0.25	0.09	0.08	0.09	0.057	0.05	0.05	0.09	0.07	0.06
Particulate matter	kg/adt ²	0.2 - 0.5	0.297	0.41	0.607	0.6853	0.669	0.577	0.25	0.31	0.31
SO ₂	kg/adt ²	0.2 - 0.4	0.069	0.113	0.176	0.2266	0.476	0.336	0.76	0.42	0.47
NO _x	kg/adt ²	1.0 - 1.5	0.03	1.23	1.56	0.69	0.64	0.60	1.83	1.71	1.72
TRS	kg/adt ²	0.1 - 0.2	0.01	0.013	0.015	0.0158	0.014	0.017	0.05	0.05	0.05
CO ₂	kg/adt ²	NA	348	314	371	513	490	526	317	344	325

1. Values according to Best Available Techniques (BAT), a publication of Integrated Pollution Prevention and Control (IPPC) (2001), for pulp bleached through the Kraft process.

2. adt – air-dried ton.

ENVIRONMENTAL PERFORMANCE INDEX (%)

	2012	2013	2014
Aracruz	93.1	93.6	93.9
Jacareí	95.4	95.0	95.7
Três Lagoas	94.7	95.0	95.3

Produce more with less inputs and work on preventative actions associated with climate change and eco-efficiency. These are some of the main goals guiding Fibria's operations, bringing economic, environmental, and social gains to the entire chain. About 20% of operational investments are associated with the environment.

ENERGY

Approximately 90% of energy used in pulp production at Fibria's industrial units comes from renewable sources such as wood and liquid biomass, supplemented by a small percentage of natural gas. In 2014, Fibria produced 20.7% more energy than necessary for pulp production. The company consumed a total of 0.592 megawatt-hours per ton of pulp produced during the year, 3.9% more than the established goal.

DIRECT ENERGY CONSUMPTION BY PRIMARY ENERGY SOURCE (GJ AND ENERGY INTENSITY)

		ARACRUZ	JACAREÍ	TRÊS LAGOAS
Purchased (non-renewable)	Natural Gas	3,560,262	2,964,747	1,965,063
	1A Oil	736,542	1,607,528	405,449
Total energy consumption from non-renewable sources	4,296,804	4,572,276	2,370,512	2,370,512
Produced (biomass)	Leachate	39,248,813	16,535,347	23,556,028
	Solid biomass	4,438,395	905,630	992,916
	Methanol	155,217	69,313	361,561
Total direct energy consumption from renewable sources		43,842,425	17,510,290	24,910,505
Total direct energy consumption from renewable sources (GJ/adt)		18.6	16.1	19.5
Total direct energy consumption		48,139,229	22,082,566	27,281,017
Total direct energy consumption (GJ/adt)		20.4	20.4	21.4
Sustainability matrix (% renewable)		91%	79%	91%

Approximately 90% of the energy used in pulp production at Fibria's industrial units comes from renewable sources.



ODOR GENERATION

Among the company's main concerns is reducing sources of odor which may generate discomfort for employees and the communities surrounding the operations. To minimize any type of impact and immediately handle possible occurrences, Fibria works with a team

of volunteers who form the Odor Perception Network (RPO).

In 2014, Talk to Fibria registered 64 odor-related complaints, all of which were investigated and addressed by the company.

PRODUCTS, PROCESSES AND BIO-REFINERY

Fibria has been working hard to diversify its business and find solutions outside the concept of commodity, for the current products as well as for new products and markets. In 2014, there was development in applied research for more resistant eucalyptus pulp – an alternative to softwood – which is already being tested with major clients. Other initiatives for the current product seek to generate energy savings in the client process, both in refining the pulp and drying the paper.

The development of new business alternatives, mainly in the line of bio-strategy, has also expressively accelerated. In 2014, there

was great evolution in the development of nanocellulose studies and in transforming biomass into bioproducts with increased added value from sugars or lignin. In cutting-edge technologies such as these, it is vital to establish strategic partnerships.

It is worth mentioning the great evolution in the technological and market development of bio-oil produced in partnership with Ensyn, which uses forest biomass as raw material. This new product has been tested in partnership with potential clients, with excellent results.

WASTE

In recent years, Fibria has been continuously evolving its waste management at all of its units. The focus is to reach, by 2025, the long term goal established by the company, which is to reduce the volume of solid waste sent to industrial landfills by 91%. The company has already reached 41% of this goal.

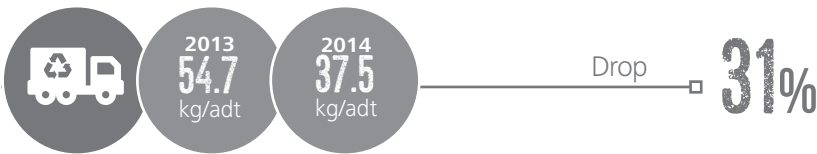
Seen as a byproduct of production processes, innovative projects for reducing, reusing, and recycling have brought the company several advantages. In 2014, three of them stood out:

- Using organic waste as a renewable source of fuel in Três Lagoas, an initiative that left the energy matrix of the unit even more sustainable.
- Industrial inorganic waste for producing soil acidity correctives to replace lime, also at Três Lagoas.
- Sale of byproducts and generating revenue from discarded materials with market potential, such as wet pulp, among others.

The work with the sale of byproducts and waste recycling is, today, a great example of integrating financial, social, and environmental benefits: while the company reduced environmental impact caused by waste disposal, the risk of landfill-related liability is reduced, and revenue

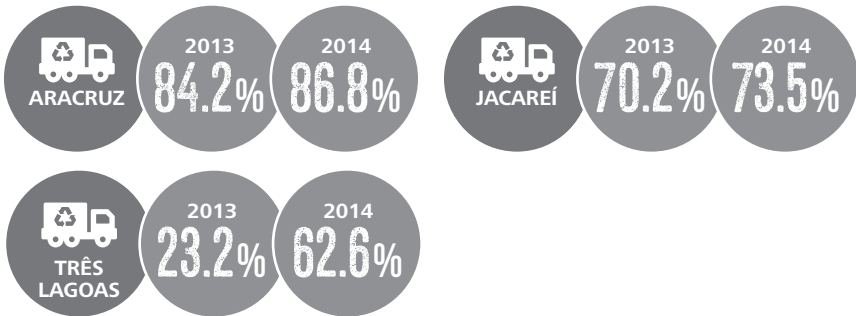
is generated through the sale of byproducts with market potential. Through these actions, as well as other initiatives already underway at all plants, Fibria managed to reduce the volume of waste sent to landfills by 30% in 2014.

WASTE SENT TO LANDFILLS



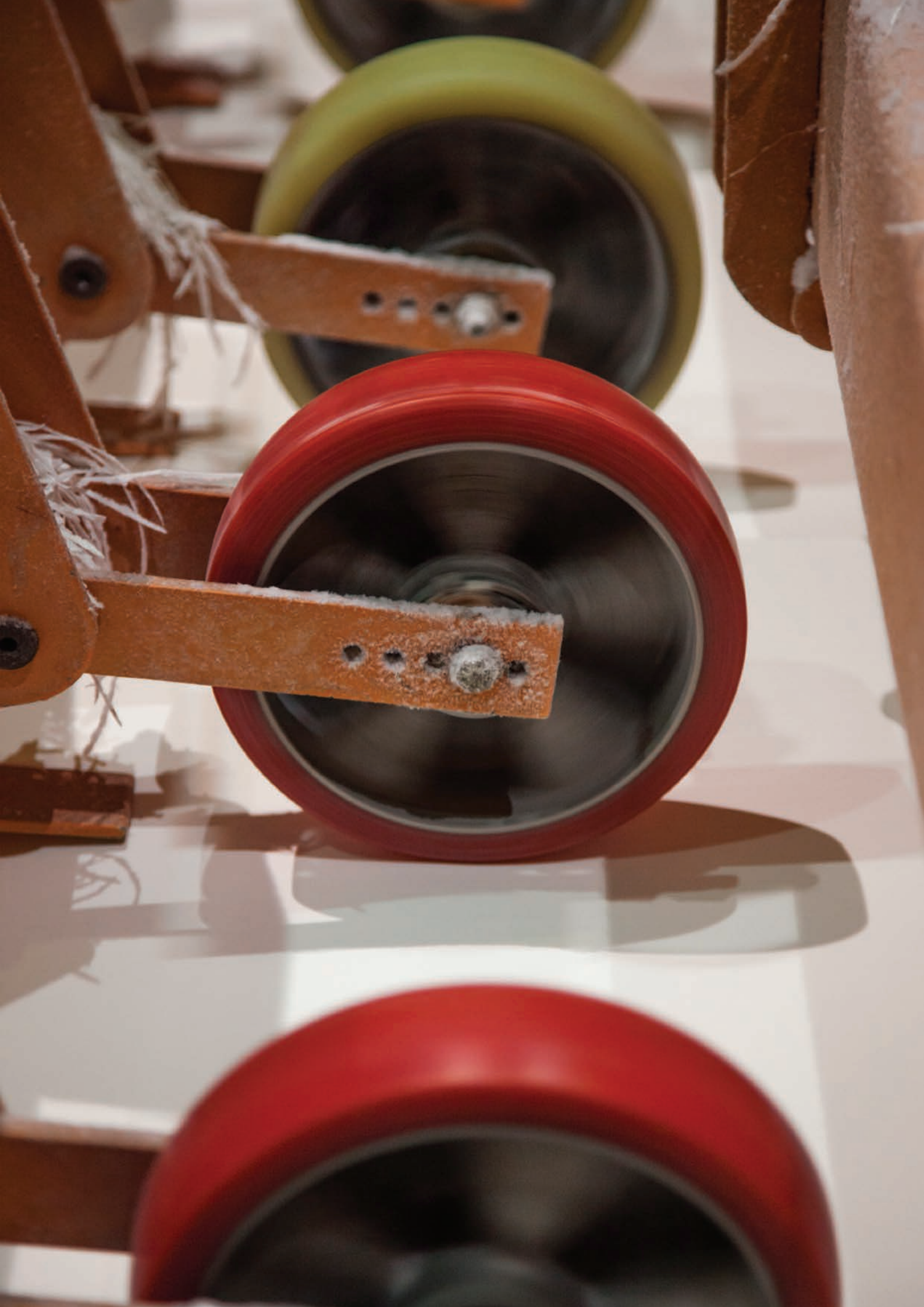
With a systematic view of a circular economy, this work generated and will continue generating gains for all of the company's stakeholders, with less social and environmental impact, less risk of liability, lower production cost with a sustainable energy matrix, more revenue for the company - which saves on the purchase of correctives, and gains with the sale of byproducts- , and less logistics impacts.

REUSED INDUSTRIAL SOLID WASTE



Value generated for the organization and its stakeholders: more information on the infographic attached to the 2014 Report







Fibria



**Unidade
Aracruz**





WATER

www.fibria.com.br/r2014/water/

The protection of springs and water sources, the reuse of water effluents, and measures taken to reduce water consumption at all units are some of the actions that are part of Fibria's water resource management strategy.

Monitoring of water resources in forest areas is carried out at water units and microbasins: thirteen in Aracruz (ES), five in Três Lagoas (MS), and two in Jacareí (SP). This work allows the company to evaluate environmental impact, plantation interaction with surface and ground water, the effect of harvesting on water production, and the parameters of water quality and volume.

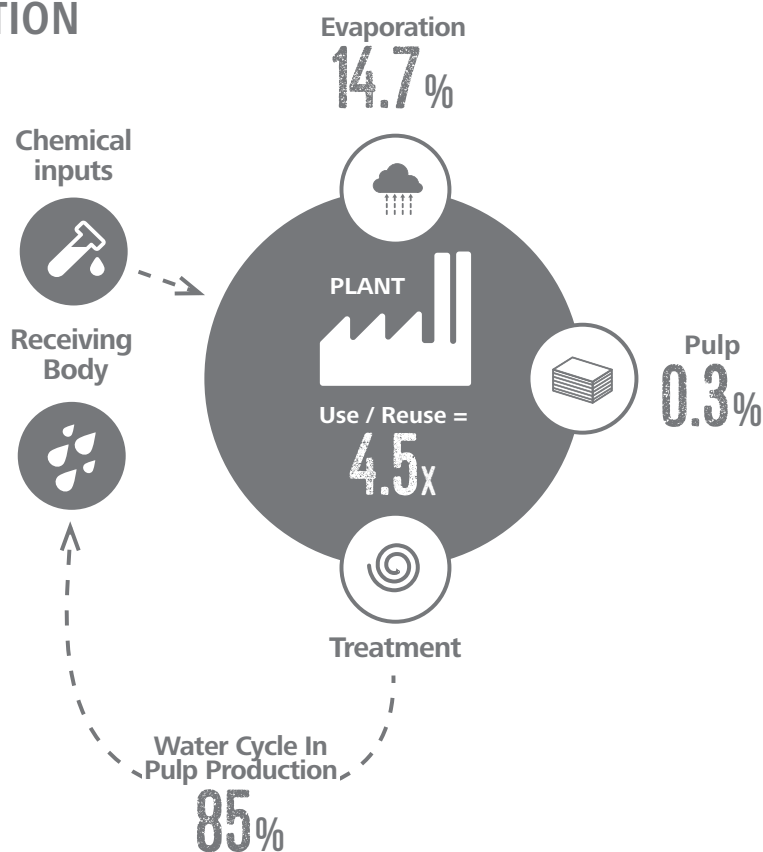
Fibria monitors water resources before and after forest operations to better evaluate its effects on water quality and identify factors that may interfere on the community water supply. In addition, studies about microbasins have been developed over the last 20 years,

generating information and new knowledge allowing changes in management practices and an increase in plantation productivity with the use of fewer natural resources.

In this same period, the Aracruz unit collected an average of 33.6m³ of water per ton of pulp produced, Jacareí 24.2m³ and Três Lagoas 27.7m³ – all amounts below the average for the previous year, even with stable production during that period.

It is worth noting that 85% of the water abstracted is returned to the receiving water body (rivers), and 14.7% goes back into the atmosphere in the form of water vapor. During pulp production, water is used 4.5 times during the process before being treated and returned to its natural course. There is almost no loss - only 0.3% of the water abstracted remains in the final product.

WATER CYCLE IN PULP PRODUCTION



EFFLUENTS AND WATER REUSE

Effluents generated by forest operations include, besides domestic effluents, those coming from nurseries where, after irrigating seedlings, washing operations, and the cleaning of materials and space, the used water runs through a drainage system and is then sent to specific destinations in each nursery. In Capão Bonito, the nursery supplying the São Paulo unit plantations, the irrigation and domestic effluents are directed to a soil filtration system. In Três Lagoas, the domestic effluents are sent to septic tanks and the residual water from irrigation, after passing through a sediment separation box, is discharged into the stream from which it was abstracted.

At the nursery located in Bahia, rainwater harvested from greenhouses and sheds and is used to irrigate seedlings, decreasing the need to abstract surface or ground water. The effluent water generated (water from irrigation, cleaning of tubes, washing of the shed, home cleaning, and rainwater from open squares), after going through a filtering system, the water is sent to a catchment basin for storage. In 2014, this process reused 219,468 m³ of water, used to irrigate the plantation near the nursery.

Specific water withdrawn in the production process	Unit	Reference ¹	ARACRUZ			JACAREÍ			TRÊS LAGOAS		
			2012	2013	2014	2012	2013	2014	2012	2013	2014
	m ³ /adt	30-50	33.8	33.8	33.6	22.1	24.9	24.2	28.9	28.7	27.7

EFFLUENTS

	Unit	BAT ¹	ARACRUZ			JACAREÍ			TRÊS LAGOAS		
			2012	2013	2014	2012	2013	2014	2012	2013	2014
Total nitrogen	kg/adt ²	0.1 - 0.25	0.251	0.302	0.243	0.047	0.0596	0.075	0.1	0.1	0.13
Total phosphorus	kg/adt	0.01 - 0.03	0.077	0.065	0.079	0.0336	0.0217	0.049	0.05	0.11	0.07
CDO²	kg/adt	8 - 23	14.10	14.30	15.63	8.69	11.68	10.19	6.99	5.94	5.58
BDO³	kg/adt	0.3 - 1.5	2.47	2.27	2.22	0.7767	1.136	0.98	0.82	0.7	0.58
Solids in suspension	kg/adt	0.6 - 1.5	0.85	0.86	1.20	3.34	4.625	4.896	1.71	0.59	1.08
Volume of effluents	m ³ /adt	ND	27.70	28.00	27.93	21.23	21.70	20.65	22.98	22.60	23.32

1. Values according to Best Available Techniques (BAT), a publication of Integrated Pollution Prevention and Control (IPPC) (2001), for pulp bleached through the Kraft process

2. CDO – chemical demand of oxygen

3. BDO – biochemical demand of oxygen.

WATERSHED

Water use according to the company's wood production model, which intersperses eucalyptus plantations with the company's conservation and preservation areas, is among the main subjects studied by the Forest Eco-physiology Center at Fibria's Technology Center. The Watershed Project is the most prominent, composed of experimental microbasins located at the company's three units: areas between 200 and 1,600 hectares where it is possible to monitor the water's entire path, identifying the volume of rain and the volume of water transpired by the plants, which supplies water tables and maintains the rivers. Through sensors and equipment installed at the locations, the company can evaluate the interaction of eucalyptus with the environment, work which

contributes to the development of plantation sustainability technology and the optimization of forest management.

As a member of the Water Footprint Network, Fibria is a pioneer in the Brazilian pulp sector in this assessment, having as assumption the management of water resources in the value chain of the processes to obtain pulp. Water abstraction to supply the industrial plants and forest management is carried out through grants and registration, complying with the environmental legislation at each location and the operating licenses of each unit. All industrial units meet international standards of water use and effluent quality.



WATER CRISIS

Due to the water crisis occurring in the state of Sao Paulo, the Jacareí production unit has already designed contingency plans for a possible scenario involving a decrease in water abstraction in Paraíba do Sul. Today, the unit abstracts 100% of the water used from the Paraíba do Sul River, and operates 15% below the granted volume (release). Even with the remote chance of a decrease, following information from state government, the company has designed plans to mitigate any type of harm to its operational excellence.





SALES

www.fibria.com.br/r2014/sales/

“A company which takes social and environmental issues into account is more prepared to generate value in its entire chain, becoming more trustworthy and creating a better reputation with its clients.”

*Henri Phillipe Van Keer, Executive
Director of Sales and International Logistics*

Fibria's greatest value for its clients is the guarantee of a quality supply. Therefore the systematic work carried out integrating Forestry, Industrial, Logistics, and Sales operations is one of the company's greatest differentials in the market, which invests in long-term relationships with volume and regularity.

Fibria works with a market analysis methodology which assesses current and potential clients in search of fresh insight and possible gaps in service. In addition, the company has an internal tool for evaluating satisfaction based on reports generated throughout the year and close contact between Fibria professionals and the client. Work that provides insight about the relationship in a clearer, more transparent manner.

The strategic pillar of operational excellence is one of the drivers in the Sales area and in pulp transport logistics. The supply guarantee does not only concentrate on pulp production, but

also on the commitment to delivery deadlines – especially to clients located in Europe and the United States. With a vision of long-term contracts (over 80% of production is dedicated to 10 clients), one of Fibria's greatest values is the supply chain security of its three plants, six production lines, and two exportation ports.

In 2014, the situation resulting from the financial problems faced by the owner of Pan Ocean was settled. The contracts for the construction of 20 ships were terminated and only five ships delivered until then continued to be used in Fibria's operations. In that same year, a bidding process was held for a long-term contract for maritime transport of pulp starting in July 2016. The process was completed and is in the final phase of signing the contract. The choice for a single ship owner makes the relationship more dynamic, with greater efficiency in the management of the fleet, improving the level of services and cost optimization for both parties.



IN THE NEXT SECTION, LEARN ABOUT THE RESULTS ACHIEVED THROUGH A GUIDED STRATEGY OF OPERATIONAL EXCELLENCE, ORGANIC GROWTH, AND PRODUCT DIVERSIFICATION.








ECONOMIC PERFORMANCE

ECONOMIC

 www.fibria.com.br/r2014/economic-performance/



FINANCIAL INDICATORS

128

Fibria ended 2014 with a net profit of R\$163 million, even with currency depreciation adversely impacting its financial results. With

the positive result, the minimum dividend to be distributed to shareholders will be R\$37 million. For the full year, the company closed



ECONOMIC PERFORMANCE

We ended the year with a very high credibility in the capital markets. This reinforces the process to pursuit a greater financial soundness in which the company's governance has a key factor for us to have that confidence.

*Guilherme Cavalcanti, executive director
of Finance and Investor Relations*

with R\$7.084 billion net income, a 2% higher result than 2013. The sales volume also grew 2%, reaching 5.305 million tons.

Aware of market opportunities, the company continued with the initiatives to manage indebtedness, closing 2014 with a gross debt in dollars of US\$3.135 billion, a significant reduction of 25% over the 2013 position and a 10% drop compared with the amount in the third quarter of 2014. The company's net debt ended the year at US\$2.842 billion, the lowest level since its inception, contributing so that

the leverage measured by the calculation of net debt/EBITDA was kept at 2.4 times in dollars at the end of 2014, meeting the goal established in the company's Indebtedness and Liquidity Policy.

In that same period the renewal of the Company Shareholder's Agreement was approved by its signatories, Votorantim Industrial S.A. and BNDESPAR, which, among other terms and conditions, extended the term of the agreement for a five-year period.

Fibria reduced its gross debt in dollars by R\$1 billion during the year, representing a 25% drop in gross indebtedness.

MAIN FINANCIAL INDICATORS	2012	2013	2014
Net revenue from sales (R\$ million)	6,174	6,917	7,084
Net income (R\$ million)	-698	-698	163
Assets (R\$ million)	28,133	26,750	25,594
Net equity (R\$ million)	15,193	14,491	14,616
EBITDA (R\$ million)	2,253	2,796	2,791
Net debt /EBITDA LTM (US\$)	3.3	2.6	2.4
Pulp production (thousand tons)	5,299	5,257	5,274
Pulp sales (thousand tons)	5,357	5,198	5,305
Market value (R\$ billion)	12.5	15.3	18.0
Cash cost of production (R\$/t)	473	505	519
Share price - FIBR3 (R\$) on 12/31	22.6	27.6	32.5

VALUE ADDED STATEMENT	CONSOLIDATED (IN THOUSANDS OF REAIS)		
	2012	2013	2014
Revenue			
Gross Sales of products and services (less sales returns)	6,313,193	7,047,581	7,236,322
Reversal (provision) for deterioration of receivables	3,376	1,950	3,360
Revenue related to building our own assets and others	1,276,858	1,932,589	2,158,261
	7,593,427	8,982,121	9,397,943
Input acquired from third parties			
Cost of goods and services sold (including raw materials)	-3,606,166	-3,943,595	-4,259,045
Materials, energy, contractors, and others	-407,489	-464,257	-474,418
	-4,013,655	-4,407,852	-4,733,463
Gross value added	3,579,772	4,574,269	4,664,480
Retentions			
Depreciation, amortization and depletion	-1,720,067	-1,751,947	-1,790,628
Wood depletion from sponsored operations	-128,241	-111,214	-83,366
Net value added	1,731,464	2,711,108	2,790,486
Value added received in transfer			
Equity method	-592	0	-622
Financial income and gains in exchange variation	991,096	835,073	1,050,390
	990,504	835,073	1,049,768



Total value added for distribution	2,721,968	3,546,181	3,840,254
Value added distribution			
Payroll and payroll charges	547,617	592,582	654,462
Direct remuneration	420,040	456,307	508,438
Benefits	103,130	110,337	119,141
Government Severance Indemnity Fund (FGTS)	24,447	25,938	26,883
Taxes, fees, and contributions	53,705	642,089	209,425
Federal	-63,399	523,028	57,147
State	88,276	82,369	95,564
Municipal	28,828	36,692	56,714
Accrued interest, losses on exchange variation and lease	2,818,616	3,009,092	2,813,815
Dividends			36,951
Retained earnings (loss for the period)	-704,706	-706,422	118,633
Non-controlling interest	6,736	8,840	6,968
Value added distributed	2,721,968	3,546,181	3,840,254



For more information about Fibria's results, visit
<http://fibria.infoinvest.com.br>, tab Financial Information >
Earnings Releases



MARKET OUTLOOK

Pulp market performance exceeded expectations in 2014, resulting from the combination of higher than expected demand growth in all regions, with special emphasis on China, and the impact of arrival on new hardwood capacities markets in South America and China, mitigated by factory closure in the

Northern hemisphere. The positive market fundamentals, with hardwood producer stocks in line with the historical average, allowed the 2014 sales volume to be higher than that in 2013.

PERFORMANCE ANALYSIS

In 2014, Fibria's pulp production totaled 5.3 million tons, a stable number compared with the previous year. The pulp sales volume totaled 5.3 million tons, 2% improvement over that in 2013 and in line with the production volume. When speaking of sales distribution by end use and region, sales to the Sanitary Paper sector represented 51% of the total in 2014, followed by 31% to Printing and Writing, and 18% to Specialty Papers. Europe continued to be a main sales destination, representing 41%, followed by Asia, with 25%, North America with 24%, and 10% in Brazil and other countries. Net operating income totaled R\$7.1 billion, 2% higher than that registered in 2013, basically due to a greater sales volume during the period, in view of the fact that the average net price in reais remained stable.

The cost of goods sold (COGS) totaled R\$5.5 billion, an increase of R\$163 million, or 3%, compared with 2013. Contributing to this result was the increase in cash production cost, a larger volume sold, and the effect of currency exchange, especially on freight. Administrative expenses totaled R\$286 million, which is 5% less compared with 2013. This result is mainly due to fewer expenses related to payroll, charges, and outsourced services.

Sales expenses totaled R\$365 million, which is 5% more than the previous year. This number is explained mainly by greater expenses for terminals, by the appreciation of the average dollar by 9% against the real, and larger sales volume. It is important to mention that the

relationship between sales expenses and net income remained stable (5%) compared with the previous year.

In 2014, Fibria's adjusted EBITDA was R\$2.8 billion (39% margin), stable compared with the previous year. Generally speaking, in a scenario of falling pulp prices, the dollar lower than expected, and an increase in sales volume, net income increased by 2%, offset by an increase in the base for COGS.

The financial result totaled an expense of R\$1.6 billion, a drop of 24%, compared with R\$2.1 billion in 2013. This variation was mainly due to the lower effect of the exchange variation because of a reduction in company indebtedness pegged to the dollar, which, given its nature as an exporter maintains a large part of its debt denominated in US currency, a better hedging result, and lower interest expense with loans in foreign currency as a result of liability management actions, partially offset by greater financial charges resulting from the repurchase of debt securities (bonds) in 2014.

The company achieved a net profit of R\$163 million in 2014, against the loss of R\$698 million in 2013. The lower negative financial result, the drop in expenses with income tax and social contributions, given adherence to REFIS in 2013, and the credit from BEFIEX obtained in 2014 greatly explain the performance achieved in 2014.

CAPITAL INVESTMENTS

In 2014, Fibria's capital investments totaled R\$1.6 billion, showing an increase of 5% compared with the estimate released to the market at the end of 2013. This result was influenced by some external factors, such as the rise in the price of wood from third parties, inflation, and currency exchange, as well as unforeseen company initiatives, such as the purchase of trucks to reduce the cost of

transporting wood, the deepening of viability studies of Três Lagoas II, and larger investments in research and development. Fibria plans to invest R\$1.7 billion in 2015. The increase of 8% compared with 2014 is mainly due to the effects of inflation and currency exchange, as well as the second stage of investment in trucks to reduce the cost of transporting wood.

MANAGEMENT OF INDEBTEDNESS

The year 2014 was characterized by debt management actions. Fibria settled in advance over US\$2 billion of its total gross debt, including the complete repurchase of three bonds – Fibria 2019, Fibria 2020, and Fibria 2021, coupons 9.25%, 7.5%, and 6.75% per annum, respectively. Beginning 2015, these actions should generate an annual savings of approximately US\$27 million.

Fibria reached the end of 2014 at a solid financial position. Cash and cash equivalents on December 31, 2014 were R\$778 million, including the negative mark on the hedging instrument market at R\$417 million. The company has four revolving lines of credit totaling R\$1,594 million, with a four year term of availability (from the time of contracting), three of them in national currency, totaling R\$850 million (contracted in March 2013 and March 2014), with a cost of 100% of the Interbank Deposit Certificate (CDI) (plus 1.5% p.a. to 2.1% p.a. when used. During the period of non-use, the cost in reais is 0.33% p.a. to 0.35% p.a.) and a line of credit in foreign

currency at US\$280 million (contracted in March 2014), with a cost of 1.55% p.a. plus the LIBOR rate for three months when used (during the period of non-use, the cost is 35% of the agreed spread).

These resources, though not used, help to improve the company's liquidity conditions. Thus, the current cash at R\$778 million and these lines of credit at R\$1,594 million totaled an immediate liquidity position of R\$2,365 million. With this in mind, the relationship between cash and short-term debt was 2.5x on December 31, 2014.

The balance of gross debt in 2014 was R\$8,327 million, equivalent to US\$3,135 million, representing a reduction in 25% in dollars compared with the balance in 2013, as a result of continued indebtedness management actions. Fibria closed the year with a net debt/EBITDA indicator in dollars of 2.4x, with an average total debt term of 55 months.



CAPITAL MARKET

Fibria shares listed on BM&FBOVESPA's Novo Mercado (ticker FIBR3) closed the year up 18% trading at R\$32.51. At the New York Stock Exchange (NYSE), level III ADR, traded under ticker FBR, closed trading at US\$12.13, up 4% in the year. The average daily volume of securities traded in 2014 at BM&FBOVESPA and the

NYSE was 2.7 million, 0.35% lower compared with 2013. The average daily financial volume of Fibria shares traded in 2014 was US\$29.4 million, which was 7.8% below compared with the same period of the previous year.

Total number of outstanding shares	553,934,646 ordinary shares
American Depositary Receipt (ADR)	1 ADR = 1 ordinary share
Market cap on 12/31/2014	R\$ 18 billion US\$ 6.7 billion

Fibria's shares integrate the main indices of the Brazilian stock market (Ibovespa, IBRX-50, IBRX-100, IGC, ITAG, ICO2, and ISE), and the North American stock market (DJSI World and DJSI Emerging Markets).

DIVIDENDS

The company bylaws ensure a minimum annual dividend of 25% of net profit, adjusted by allocations to equity reserves. Due to Fibria's positive result in 2014, amounting to R\$163

million, the minimum mandatory dividend for distribution is R\$37 million or R\$ 0.06679 per share.





PUBLIC FUNDING

In recent years, Fibria has signed contracts with institutions linked to the Brazilian government and the governments of other countries. These agreements presented the following situation at the end of 2014:

- The National Economic and Social Development Bank (BNDES): in 2014 four contracts were signed using the credit limit of R\$1.7 billion defined in 2011, at the amounts of R\$25.6 million (financing industrial investments), R\$27.3 million (financing for projects in technological innovation), R\$24.9 million (purchase of trucks and semi-trailers), and R\$5.5 million (social projects). On December 31, 2014, considering the contracts in force since 2005, the remaining balance from Fibria's loans from BNDES was R\$1.76 million, with R\$1.19 million pegged to the long-term interest rate (TJLP), R\$92,700 pre-fixed, and R\$471,900 in a currency basket. The company also has a balance of R\$10 million in Financing for the Production of Machinery and Equipment (FINAME), received through lending agencies.
- Finnvera (Finland's exports credit agency): Loan taken out in 2009 which matures in 2018, provided partial financing for the first line of production at the unit in Três Lagoas (MS). In February 2014, the company settled

in advance the amount of US\$96 million (equivalent to R\$233,996.00 million). This operation generated an expense of R\$3,540.00 million, recorded in the financial results regarding the amortization of the transaction costs originating in hiring this debt.

- Constitutional Fund to Finance the Midwest: Taken out in 2009 for the purchase of parts and pieces for causticizing, lime kiln, and bleaching processes at the unit in Três Lagoas (MS). With final maturity in 2017, the contract had a remaining balance of R\$34 million on December 31, 2014.
- Financing for Studies and Projects (FINEP): Grant awarded in 2011 for the project Pulp Customization for Clients. The outstanding balance of this operation was R\$3 million on December 31, 2014, with final maturity in September 2019.

Being predominantly an exporter, Fibria uses the tax benefit related to suspending PIS/Cofins (9.25%) in its purchases of inputs, intermediate materials, and packaging, achieving the freight contracted in the domestic market for transport in national territory of their respective products and products intended for export.



CONSULTATION WITH STAKEHOLDERS



www.fibria.com.br/r2014/consultation-with-stakeholders/

An open, transparent relationship with stakeholders is essential to sustainable development and to guarantee the continuity of company business.

This is why Fibria maintains communication channels with the communities surrounding its forestry and industrial operations and other stakeholders - knowing that the success of any enterprise or project depends on

the participation of stakeholders, and the knowledge of their needs and expectations.

Throughout the months producing the 2014 Report, the company consulted and interviewed representatives from several audiences considered the company's stakeholders in order to understand their perceptions regarding Fibria's activities. Some of these perceptions are listed below.





CONSULTATION WITH STAKEHOLDERS

"Fibria is a company that always brings innovation and opens new paths for developing our work. We are now in the middle of a campaign for monitoring recovery areas on a large scale, and the company is making room and encouraging research and partnerships. In a small state like Espírito Santo, this has a great impact, even on the relationship with the Indigenous population. Many people and communities are getting involved with this work, and this movement, which is being headed by Fibria."

**Vanessa Girão - The Nature Conservancy
(TNC) Specialist in Recovery in Espírito Santo**

"We see Fibria as a major partner to the community. A company that listens to our needs and works in partnership with us. Before, many families did not have a place to work or a way to sustain themselves. After the work developed by Fibria – especially the Rural Land Development Program (PDRT) - they found a fair way to earn a living. We know that the company is there to bring benefits to the community, not to take advantage of it. We still have several expectations, such as leisure areas and community improvement projects, and we hope to expand our relationship with Fibria to achieve these benefits."

**Vanderlei Matos – President of the
Sao Geraldo Association in Sao Mateus (ES)**

"When a family's financial situation becomes more stable, everything improves. We have been working with Fibria since 2009 and we have a very good partnership with the company. Farmers plant on the company's fields through commodatum and there is a constant exchange of ideas and opinions. When we have difficulty, we sit and talk, we have group meetings where we express our difficulties and suggestions for improvement – all discussed based on a round table where everyone speaks their minds with respect and openness. The improvements are visible – in the community infrastructure and quality of life. In addition, Fibria treats everyone equally, and this encourages our work in partnership."

**Taciana Barone – Rural producer,
Clean Forest Association in Aracruz (ES)**

“

“The Itapoty Institute relates with Fibria through the Sao Paulo Forest Forum, where NGOs and forestry companies meet to discuss social and environmental conflicts or issues that may lead to joint projects. Based on this relationship, I can say that Fibria conducts pioneering work with a methodology that values environmental conservation, and, especially, a good relationship with the community. There is always room for open dialogue and that is the beginning of everything we want for the company’s areas of operation. An improvement point that I believe is important to highlight is the issue of GMOs – this needs to be worked on much more by forestry companies, in general, and Fibria should be cautious.”

**Juliana Greise – Executive director
of the Itapoty Institute (SP)**

“

“JFI was born inside of Fibria. We have a market concept that was only possible thanks to this partnership of over 20 years. Of course we have occasional problems, but the way Fibria faces these problems and immediately makes action plans for the suppliers is impressive. The company also participates and is directly involved in the development of the region where it is located by generating jobs (own employees and contractors), with transparency in the communication between suppliers, communities, and the government.”

**José Carlos Almeida – owner of JFI Silvicultura,
a Fibria supplier (SP)**

“

“My company is small, with only 30 employees, and today my revenue largely depends on Fibria. I can say that we have an authentic partnership, with open and very transparent discussions about costs and contract renewal. I confess that before, things were much easier – at the time of Aracruz – but Fibria is the best company to do business with in the region, compared with the others. We recently noticed that the company is selling some assets, and this looked a bit bad. I know this is not the focus of Fibria’s business, but I think the company should be more careful, because that could interfere with the existing bond between the community and the company.”

**Edegar Becker – Director of
Metalmecânica Becker in Aracruz (ES)**





"I think the company has the knowledge and information necessary to define a good plan of action in the areas it operates, an integrated action coordinated with local groups. I see tremendous potential for different activities to boost local micro-economies. Occasionally there are good experiences, but I have noticed the lack of clear corporate strategy for how to work with the natural forest assets owned by the company – something that would bring value, insight, and a much more relevant and positive perception of Fibria. We are aware of a very clear intention to balance economic, social, and environmental initiatives, but I believe that in practice this has not yet been achieved."

**Beto Mesquita – Director of Instituto BioAtlântica (IBio)
and member of the Council for the Coordination of Forest
Dialogue in International Conservation**



"Before Fibria arrived, we could not produce anything. Today we are all excited, planting and tending the cattle. The administration and acceptance of the Rural Land Development Program has been great and has caused the association to grow from 14 to over 120 associates. This shows that people are interested in growing and improving their lives. Something that only increases our expectations regarding Fibria's support for the development of our community."

**Coracy Souza – President of the Sao Joaquim
Settlement Association, in Três Lagoas (MS)**



"The reporting of environmental and social information has evolved over time. I consider Fibria's report one of the most advanced in Brazil, but I would like to see even more numbers, information regarding investments in this type of initiative and how much the company expects to generate from each one of them. I believe this data will be increasingly useful and in greater demand by investors in the analysis of companies."

**Alexandre Gazzotti – SRI Asset
analyst at Banco Itaú (SP)**



GLOSSARY

 www.fibria.com.br/r2014/glossary/

Atlantic Forest biome:

a collection of forests and pioneer formations (such as restingas and mangroves) found along the Brazilian coastal belt, between the states of Rio Grande do Sul and Piauí.

Biodiversity corridors:

strips of vegetation linking large forest fragments (or blocks of native vegetation) that are isolated from human activity which provide local wildlife with free passage between the fragments and, consequently, genetic exchange between populations.

Biodiversity:

the combination of life forms (living organisms and ecological complexes) and genes contained within each individual, as well as their interrelations, or ecosystems, in which the existence of any given species directly affects the others.

Biomass:

organic matter that can generate electricity, through direct combustion or burning fuel derivatives (oils, gases, alcohols), with the use of special techniques and technology. Part of





GLOSSARY

the energy consumed at Fibria's industrial units is generated from burning biomass, such as wood and waste from the production process (black liquor).

Biotechnology:

technology that uses biological agents (organisms, cells, organelles, molecules) to obtain goods.

Byproducts:

substances or objects resulting from a production process whose main objective was not the production of that product itself (production waste), which are used directly, without any other processing other than that of normal industrial practice. A byproduct may be useful and marketable or may be considered waste.

Cash cost:

the manufacturing cash cost. That which the company actually spends to manufacture its product until the moment it leaves the plant.

Circular economy:

the concept of a circular economy involves transforming waste into inputs for producing new products.

Cloned seedlings:

seedlings of genetically identical plants formed from the cells or fragments of a "donor" plant.

Compliance:

the obligation to act in accordance with internal and external regulations imposed upon an organization's activities.

Corporate governance:

system by which organizations are run, monitored, and motivated, involving the relationships between the owners, the Board of Directors, the Executive Board, and regulatory agencies.

EBITDA:

stands for "earnings before interest, taxes, depreciation, and amortization". The term is used when analyzing the balance sheet of publicly held companies.

Eco-efficiency:

providing goods (or services), at competitive prices, that satisfy human needs and add to quality of life, while progressively reducing environmental impact and the consumption of natural resources when manufacturing, transporting, and marketing such goods (or services).

Effluent:

waste streams (liquid and gaseous) released into the environment.

Emissions:

the release of any solid, liquid, or gaseous material into the atmosphere.

Sponsored forest:

wood production on rural property receiving incentives for supplying the forestry industry (pulp mills, sawmills, steel plants, etc.).

Forest management:

management of the forest in order to obtain economic and social benefits while using mechanisms that sustain the ecosystem.

Forest protection:

set of activities designed to protect forests from pests, diseases, fires, and weeds, or anything else that may threaten forest assets.

Forest Stewardship Council® (FSC®):

an independent, non-governmental, non-profit organization established to promote the responsible management of the world's forests. The FSC® seal ensures that forestry products are used responsibly and come from verified sources.

Genetic improvement:

the use of science to select and reproduce plants or animals with desirable characteristics based on knowledge of the heredity of these characteristics.

Genetic material:

the material in cells responsible for storing the genetic information of living organisms.

Global Reporting Initiative (GRI):

international non-governmental organization that develops and globally disseminates guidelines for preparing sustainability reports which are voluntarily used by companies worldwide.

Hardwood:

hardwood pulp (short fibers), 0.5 to 2 mm in length, derived mainly from eucalyptus. These fibers are ideal for producing paper for writing and printing, and for sanitary purposes (toilet paper, paper towels, napkins). Eucalyptus fibers are also made into specialty paper, as well as other items. They have less resistance, high softness, and good absorption.

Hectare (ha):

a unit of measure for area (1 hectare is equal to 10,000 m², the approximate area of a soccer field).

IIRC (International Integrated Reporting Council):

a global coalition of investors, companies, regulators, standard-setters, accounting professionals, and NGOs who share the vision that "generating value" is an essential issue when preparing corporate reports.

Joint venture:

a business enterprise involving two or more companies.

Legal Reserve:

an area located on rural property, not including Permanent Preservation areas, where sustainable use of natural resources, conservation and rehabilitation of ecological processes, biodiversity conservation, and sheltering and protection of native wildlife and flora is required. A minimum of 20% of all rural property must be Legal Reserve.



Permanent Preservation Areas:

locations defined by law, with or without vegetation, near springs, on the banks of rivers and streams, around water reservoirs, in restingas, on the edges of tables or plateaus, areas above an altitude of 1,800 meters, slopes of 45 degrees or more, and the tops of hills. Their environmental function is to preserve water resources, the landscape, geological stability, biodiversity, and the genetic flow of wildlife and flora, to protect the soil, and ensure the well-being of the human population.

RPPNs (Private Natural Heritage Reserves):

conservation units located on private land created voluntarily by the landowner. Stakeholders: company audiences which affect and/or are affected by the company's activities.

tCO₂eq/adt:

Tons of carbon dioxide equivalent per ton of air dried pulp.

tCO₂eq:

measure to convert and standardize greenhouse gases in terms of carbon dioxide (CO₂), taking into consideration the potential greenhouse effect of each gas. This way we arrive at a single element causing the greenhouse effect that capable of measuring the damage an activity may cause to the temperature of the earth's atmosphere.

The Brazilian Forest Certification Program[®] (CERFLOR[®]):

system of forest management certification on Brazilian territory, meeting the prescribed criteria and indicators in the standards developed by the Brazilian Association of Technical Standards (ABNT), and integrated with the Brazilian Conformity Evaluation System and Inmetro. CERFLOR[®] is internationally recognized by the Program for the Endorsement of Forest Certification Schemes (PEFC).

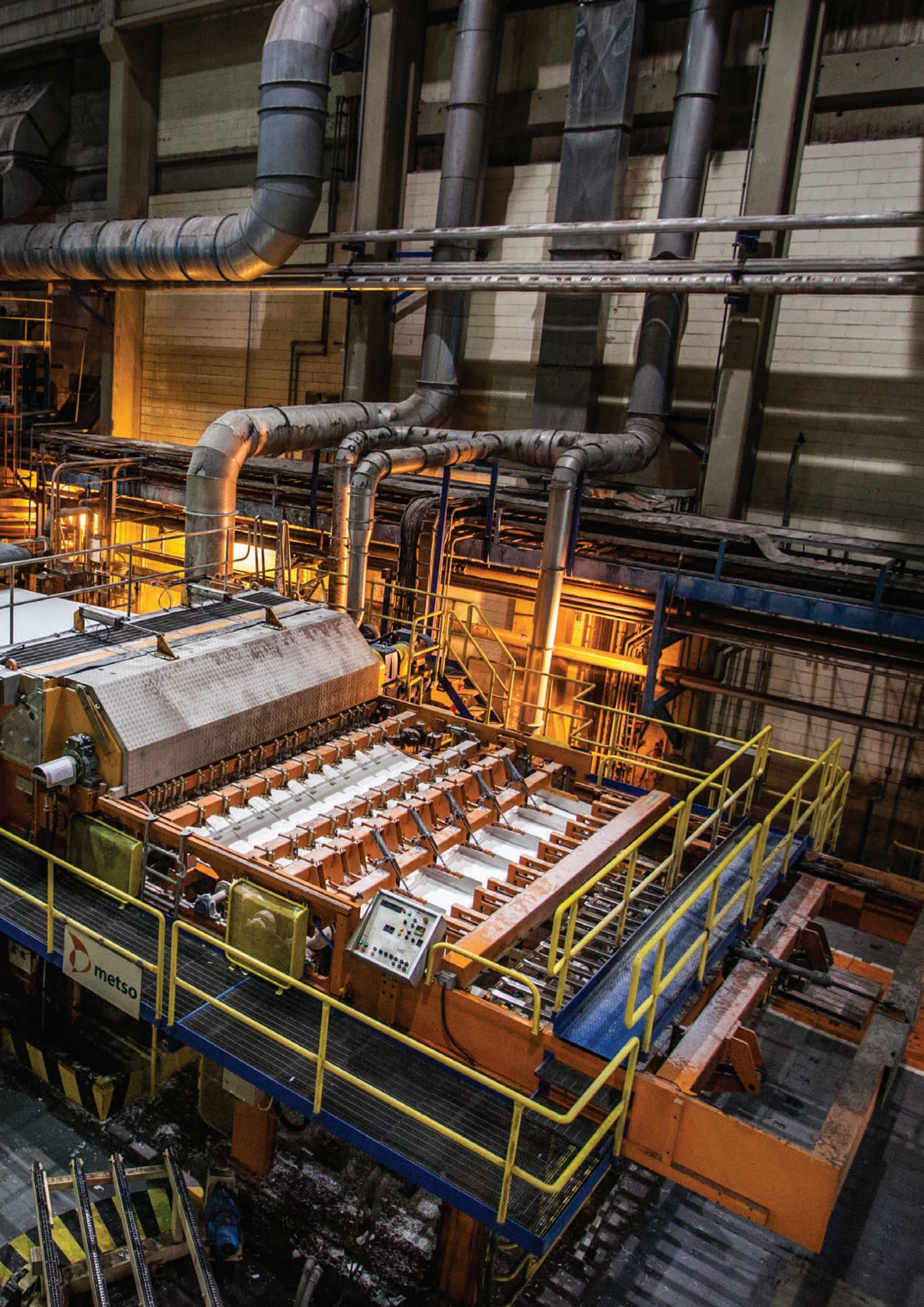
Waste:

materials in a solid or semi-solid state which are generated by the community or by industrial, home, hospital, business, agricultural, service, or street cleaning activities. Also includes certain liquids that have characteristics which make it unfeasible to release into the public sewage system or bodies of water.

Water table:

a reservoir of ground water resulting from infiltration of rainwater into the soil.





CORPORATE INFORMATION



www.fibria.com.br/r2014/corporate-information/

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