Brazil & Eco-Labelling
...a new opportunity to the Pulp & Paper Industry

InWEnt / UNEP  Eco-Label Event  -  Bonn  2007
Celso Foelkel
Brazil
...a great country with a great people
...and with a top sustainable forestry technology

... and a competitive forest-based industry
Present Days
Present Days
Today’s plantation forest performances

- **Eucalyptus:** 40 - 55 m³/ha.year
- **Pinus:** 25 - 30 m³/ha.year
- **Acacia mearnsii:** 15 - 25 m³/ha.year
In 40 years, the forestry technological growth in Brazil was amazing
Because of this, the Brazilian forest based industry, including the pulp and paper, is very competitive.
Environmental Certifications

- ISO 9001, ISO 14001, OHSAS 18000
- Good Forest Management (FSC & CERFLOR)

In Brazil, late 2006, the area of certified plantations (forest management) was close to 3 million hectares, this means, over 50% of this kind of forests in the country.
Modern Mills
High quality papers
High quality P&W papers
Pulp Producer Leaders

Million Tons

Source: Bracelpa
Historical evolution of pulp production

(source: Bracelpa)
Paper Producer Leaders

<table>
<thead>
<tr>
<th>Countries</th>
<th>Million Tons</th>
</tr>
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<tbody>
<tr>
<td>USA</td>
<td>82.6</td>
</tr>
<tr>
<td>China</td>
<td>56</td>
</tr>
<tr>
<td>Japan</td>
<td>31</td>
</tr>
<tr>
<td>Germany</td>
<td>21.7</td>
</tr>
<tr>
<td>Canada</td>
<td>19.5</td>
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<tr>
<td>Finland</td>
<td>12.4</td>
</tr>
<tr>
<td>Sweden</td>
<td>11.7</td>
</tr>
<tr>
<td>South Korea</td>
<td>10.5</td>
</tr>
<tr>
<td>France</td>
<td>10.3</td>
</tr>
<tr>
<td>Italy</td>
<td>10</td>
</tr>
<tr>
<td>Brazil</td>
<td>8.7</td>
</tr>
</tbody>
</table>

Source: Bracelpa
Historical evolution of paper production (years)

Source: Bracelpa
Pulp and paper exports:

Million Tons

PULP

PAPER

Source: Bracelpa
Top Paper and Board Producers in Brazil – 2005

- KLABIN
- SUZANO PAPEL E CELULOSE
- INTL.PAPER DO BRASIL
- VOTORANTIM CEL. PAPEL
- RIPASA
- RIGESA CELULOSE

Production 1000 t/year

Source: Bracelpa
<table>
<thead>
<tr>
<th>Companies</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
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<tbody>
<tr>
<td>Suzano</td>
<td>83,363</td>
<td>68,753</td>
<td>47,582</td>
</tr>
<tr>
<td>VCP</td>
<td>55,982</td>
<td>63,876</td>
<td>5,013</td>
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<tr>
<td>International Paper</td>
<td>23,427</td>
<td>16,329</td>
<td>49,492</td>
</tr>
<tr>
<td>Ripasa</td>
<td>29,033</td>
<td>23,492</td>
<td>0</td>
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<tr>
<td>Santa Maria</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Aracruz</td>
<td>4,429</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Nobrecel</td>
<td>0</td>
<td>24</td>
<td>0</td>
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<tr>
<td>Celupa</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Ibema</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Schweitzer</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Others</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>196,234</td>
<td>172,450</td>
<td>102,087</td>
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<tr>
<td><strong>% OF P&amp;W EXPORTS</strong></td>
<td>25.7%</td>
<td>25.2%</td>
<td>25.9%</td>
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<tr>
<td>Main customers</td>
<td>Belgium</td>
<td>Benelux</td>
<td>France</td>
</tr>
<tr>
<td>----------------</td>
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<tr>
<td>P&amp;W papers in European countries</td>
<td>De Broux</td>
<td>Modo Van Gelder</td>
<td>Latitude/Copap</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Vaplaco Malmenayde</td>
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Source: Bracelpa
Reasons to grow P&W papers exports to EU

- Product quality is high, compatible with the best grades in the most demanded markets (European and North American);

- High quality services to customers, both technically and in the supply chain/logistics;

- Knowledge on the market relationships;

- Partnerships in the supply chain;
Reasons to grow P&W paper exports to EU

- Knowledge and acquaintance with the market flows and requirements;
- Guarantee of performance and supply;
- Very responsible and committed paper producer firms, used to perform in the international markets;
- Highly sustainable business, both in terms of social responsibility, environmental performance, and economic competitiveness.
Local Brazilian Eco-Labelling Schemes

Type I: Being developed by ABNT - The Brazilian Standards Association

- Demands development
- Demands for mutual recognition
Local Brazilian Eco-Labelling Schemes

Type II: Self-declarations by the manufacturer

Largely used by paper manufacturers
Eco-Labelling Schemes
Type II Self-Declarations
Eco-Labelling Brazilian P&W Papers...

Selected Sub-Group of P&W Papers

Graphic and Copy Papers
Why?

There are important rewards to those playing in this market:

- reliability in the relation customer/supplier;
- image of high quality product;
- appropriate image with regard to the most advanced standards and level of exigencies (quality ands environment) from final consumers.
Why?

By complying with eco-labelling criteria, the Brazilian pulp and paper value-chain may be able to reduce the environmental impacts and to improve even further its environmental performance and commitments.
The European Union Eco-Label for Copying and Graphic Paper has several objectives that are also pursued by the Brazilian companies:

- Reduction of air emissions of sulfur and greenhouse gases during manufacturing;
- Decreased emissions to water of chlorine compounds (AOX) and organic wastes during production;
- Limitation of energy consumption during production;
- Utilization of recycled fibers or virgin fibers from sustainably managed forests;
- Reduction on the impact of solid wastes;
- Limitation of the use of substances harmful for the environment.
How?

• Motivation / Awareness
• Competition
• Market pressure
• Government pressure
Difficulties? - Surely

- Lack of interest (manufacturers, institutions, etc.)
- Lack of uniformity among manufacturers
- Timing
- Other “important tasks” competing for an inelastic time
- Lack of local policies
Stakeholders

BRACELPA / ABTCP / ANAVE / etc.

To promote and to motivate
Stakeholders

ABNT - Brazilian Standards Association

To develop local eco-label to paper products
Stakeholders

Government (MDIC, SECEX, MMA)

To develop industrial and trade policies and incentives towards eco-labelling

To improve Brazilian Society awareness
Stakeholders

Customers

To motivate market for changing
Thanks for your patience...