



Klabin



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Odercio Claro

CIO | IT Director



Herbert Wang Ho

Controllership Director





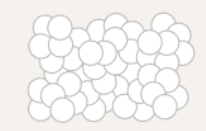
Klabin

The country's largest producer and exporter of packaging paper and leader in paper packaging production.



FORESTRY

We are a forest-based company, taking responsibility and care of our raw materials sources. We have become a global reference in sustainable environmental practices, with an emphasis on forest management



PULP

We produce and supply three types of pulp at the Puma unit: hardwood (eucalyptus), softwood (pine) and fluff pulp, generating multiple solutions for the market.



PAPER

We produce paper and board from hardwood and softwood FSC®(C001941) certified pulp, complying with global quality and sustainability standards, exceeding our customers' expectations.



PACKAGING

We provide unique solutions in corrugated cardboard and industrial bags, which improve and enhance value for our customers' processes and end products, whether through unique customization, or sourcing renewable products.





The Main Challenges, Pains, and Opportunities

- Excessive development within SAP architecture leads to opportunities to go back to standard
- Review processes to promote simplification, synergy, and greater efficiency
- Seamless and reliable financial statements
- Support Klabin to keep up with the industry trends and gain scalability
- Enable our employees to use AI, with robust tools and quality data.



2007

- 15 units in Brazil and Argentina
- 13 paper machines
- Start-up of paper machine (MP) 9
- 430,000 hectares of forest
- Net revenue of R\$ 2.8 billion
- EBITDA of R\$ 700 MM
- 7,000 employees
- Volume of 1.5 million tons

MP9

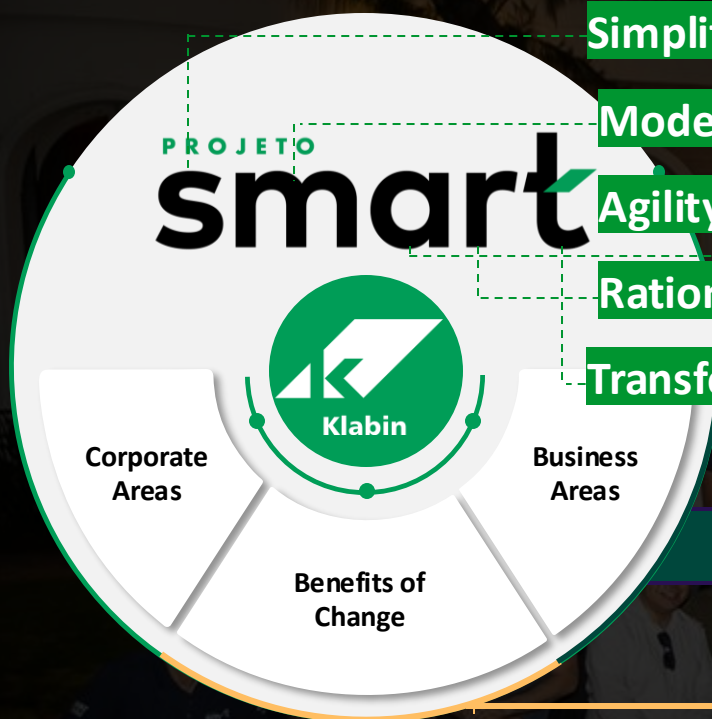
2023

- 23 units in Brazil and Argentina
- 17 pulp/ paper machines
- Start-up of paper machine (MP) 28
- 750,000 hectares of forest
- Net revenue of R\$ 17 billion
- EBITDA of R\$ 6.3 billion
- 18,000 employees
- Volume of 4 million tons

MP28



Our Objectives



Simplify processes and systems to reduce bureaucracy and redundancy

Modernize the Company and its processes

Agility in the way we deliver results

Rationalize process management

Transform for the future



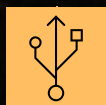
Business integrated view with more interfacing between areas and processes



Mitigation of operational disruption risks



Information traceability



Technology update



Faster access to data



Higher operational efficiency

Assessment: SAP Consulting

✓ LAB SAP S4/Hana

✓ Project Start

Dec/22

Aug/23

Nov/23

2021/2022

Jan/23

Sep/23

- ✓ Home Discovery
- ✓ Engagement of Areas

- ✓ Business Case
- ✓ Implementation Strategy
- ✓ Board Approval
- ✓ Choice of Integrator

Visit to the SAP Laboratory in Germany





Why SAP and RISE S/4HANA?



Integrated, centralized management



Single service management
(Application and Infrastructure)



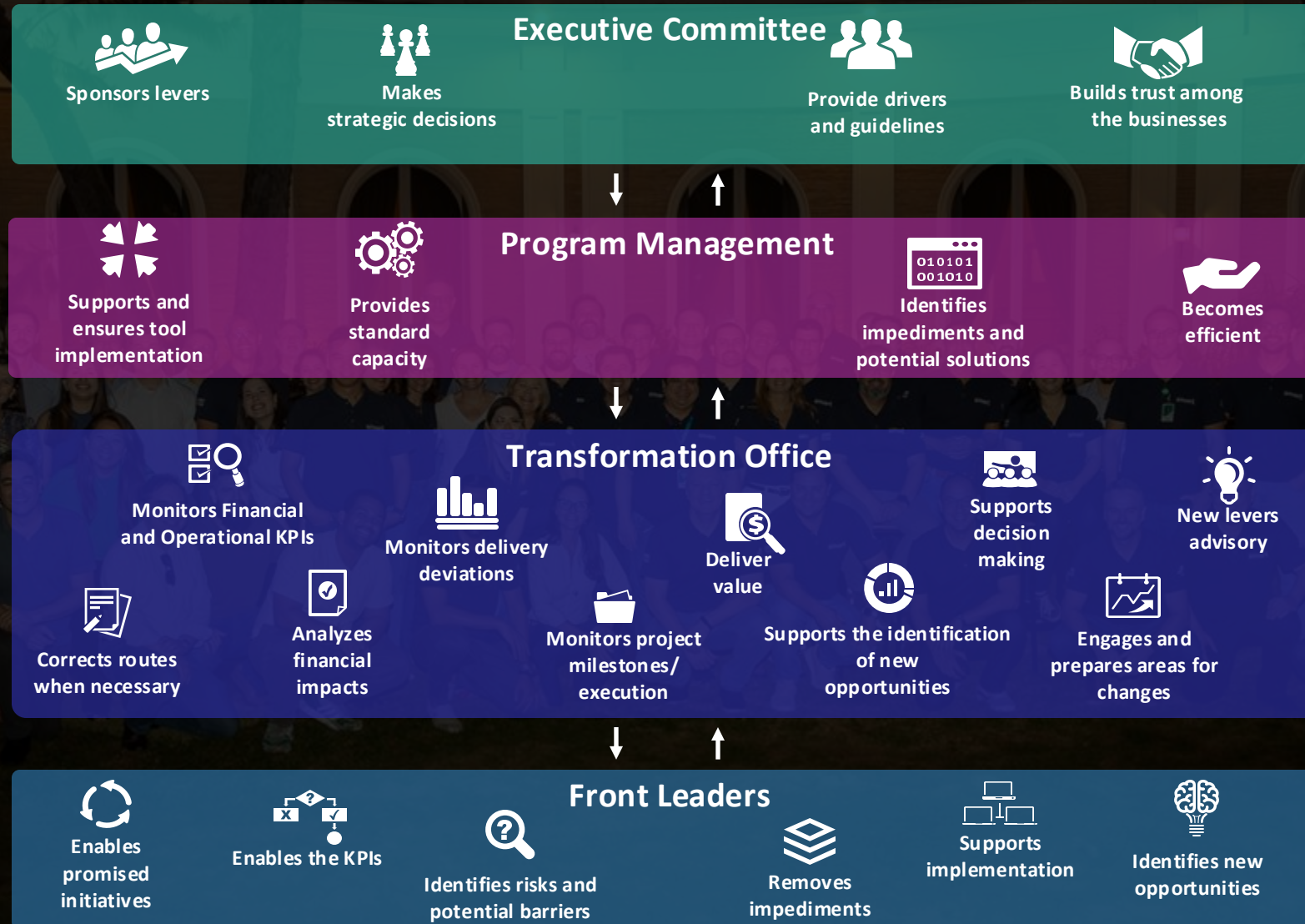
In memory architecture



Coverage of main business processes



Platform modernization roadmap on RISE



Shell Conversion

Phased Project

Treat the biggest pains first

Anticipate value delivery

Implement gradually

Increase the team's maturity throughout
the changes



Scope



HXM

(Go Live OCT.2024)

- ✓ Roll-out of SAP ECP Payroll solutions
- ✓ eSocial
- ✓ Workforce software.
- ✓ Learning (Jan/25)



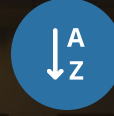
S/4HANA

- **PHASE A:**
 - ✓ Finance transformation
 - ✓ Technical conversion of other processes
 - ✓ Architecture revision
- **PHASE B:**
 - ✓ Process transformation
 - ✓ Clean Core
 - ✓ Production orchestration (Digital Manufacturing).



Security, risks, and controls

- **PHASE A:**
 - ✓ Roll-out new profiles
 - ✓ SAP IAG
 - ✓ Cataloging risks and Internal Control requirements
- **PHASE B:**
 - ✓ Update of the SOD Risk Matrix, access profiles, improvements to internal controls



Register

- **PHASE A:**
 - Sanitation:
 - ✓ Clients
 - ✓ Materials
 - ✓ Suppliers
 - Selection MDM software
- **PHASE B:**
 - ✓ Structure and Governance



e-procurement roll-out

- **PHASE A:**
 - Carrying out the SS, and final decision:
 - SAP Ariba
- **PHASE B:**
 - Estimated implementation times: 9 months



Financial Planning roll-out

- **PHASE A:**
 - Carrying out the SS, and final decision:
 - SAC Planning
- **PHASE B:**
 - Estimated implementation times: 9 months




BPMS (Processes)

- **PHASE A and B:**
 - SAP Signavio solution
 - ✓ *Process Insights*
 - ✓ *Process Manager*
 - ✓ *Process Governance*
 - ✓ *Collaboration Hub.*
 - Process Office Structure


Phase 02 (out of scope)


Backlog of opportunities / CRM and E-commerce solutions / Pricing


Critical Success Factors


 Business and people project, ensuring fluid and clear communication

 Involvement of experienced professionals in Klabin business processes

 Standardization of processes among businesses and keeping the Core Clean


 Operational and strategic scalability


 Empowering knowledge and efficiency through AI


 Continuous monitoring of value delivery


 Effective sponsorship by Klabin Management.


Learnings


 Formation of the project team with senior leadership


 Know the foundations and directions of S4 so as not to execute S4 with an ECC mindset

 Synergy between Technology and Business

 Formation of strategic partnerships: SAP, Deloitte. and AWS

 External and impartial PMO

 Enhance the solution on the platform in the order: SAP, Market Solution, Development, if necessary

 Scarcity and retention of S4 professionals in the market, aggravating the face-to-face model

Next steps Post Go Live



Leverage the potential of AI



Green Ledger
Green Token
Sustainability Control Tower



Integrated S&OP



CRM



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