



PÖYRY LATIN AMERICA DISCLOSURE

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FINDING THE HIDDEN VALUE IN YOUR ORGANIZATION

At last, indicators are beginning to show that we have started to come out of the most severe economic crisis in Brazil's history, however, market factors, coupled with cutting-edge technology, highly qualified people and increasingly more competitive costs in Brazil's pulp and paper industry, allowed producers to deliver better and better returns to shareholders, even during the turbulent moment faced by the country's economy over the last years. This leading-edge industry was also leveraged by new plants and expansions, which Pöyry, very proudly, somehow participated with consulting and engineering services in the respective pulp projects in the country.

In spite of constant years of strong activity for those in the pulp and paper construction chain, the start-up in the third quarter of 2017 of another pulp mill marked the temporary end of a strong expansion cycle, coupled with a huge investment retraction in all industrial sectors, generating a drop in revenues for most companies in the sector's construction chain. For Pöyry the situation was not different. But, as Winston Churchill used to say, we knew that a good crisis could not be put to waste.

Our presence of more than 40 years in Brazil forged, in our DNA, the ability to continually transform, incorporating in our way of working the experience amassed by our multidisciplinary connected teams in Brazil and the 40+ countries we are present.

Our in-depth knowledge of the sector led us to make early path-correction decisions, to challenge ourselves even more on what to expect from our employees, strengthening the concept of intra-entrepreneurship and a high-performance culture where, even in turbulent times, we impose challenging targets, placing the customer in first place, providing smart solutions aligned with megatrends such as bioeconomy, digitalization and resource efficiency.

We implemented operational excellence services in Brazil for our customers, through which we constantly identify savings

opportunities, with no investment, in excess of US\$30 per ton of pulp produced. Such improvements stem from operational improvements in production, supply chain and reduced maintenance, which we like to call hidden value.

Drawing a parallel with our operational excellence services, we knew that our hidden value resided in the people and the way we communicate. A cultural change would only be possible through transparent communication and employee engagement in a way they could perceive the importance of their role within the company, and that, indistinctly, are fundamental parts for the functioning of the entire organization.

I like to make an analogy with soccer, where we perceive the goalkeeper as a solitary figure whose objective in the game is to keep the team from suffering any goals, when, in fact, his objective is to win the game! With this culture, we challenge all of our employees to work connected and to generate better and better solutions for our customers. Together, we win the game for our customers and, consequently, for our organization.

The result of this initiative is that we now have a team of professionals that's even more proactive and closer to our customers, that shares with them their concerns and takes the first step in seeking innovative solutions for the daily challenges faced, always focused on the sustainability of operations. We pursued strong cost reductions, ensuring that the savings are not a trade-off to quality, and that our people, our know-how and, consequently, our reputation are our greatest assets.

This year we celebrate 60 years of global presence and we are proud to be part of the sector's history and the country's industrial development. With our reputation of high performance delivery in projects and with an even stronger organizational culture, we reiterate our commitment to provide smart solutions in consulting and engineering projects to our customers, as well as to find the hidden value in their industrial operations. ■