

By Caroline Martin
Special for *O Papel*



VERACEL DISCLOSURE

Birmoser: "My work proposal is based on transparent management and dialogue, always seeking continuous improvement and the engagement of employees and communities where we operate"

ANDREAS BIRMOSER IS THE NEW NAME HEADING VERACEL

In February, Veracel Celulose, a joint venture between Fibria and Stora Enso in the state of Eunápolis (BA), presented **Andreas Birmoser** as its new CEO. With more than ten years of experience in the sector, Birmoser returns to the company where he already had been CFO in 2010 and 2011 with the objective of putting into practice a management model based on the continuous improvement concept.

"I earned an undergraduate degree in Business Administration from Fundação Armando Álvares Penteado (FAAP) and an MBA from IMD Business School, in Switzerland. I entered the sector in 2005 and, in the first five years, I had the opportunity to work on two greenfield projects. I then worked several years in corporate areas abroad, which provided me a good overview of the entire forest sector production chain. From 2010 to 2011, I was CFO of Veracel. In 2012, I became part of the company's Board of Directors and, at the same time, was Sr. VP of Business Strategy and Development of Stora Enso Biomateriais," says Birmoser about his professional experience and the decade of experience amassed in the forest base industry.

In this month's interview, Veracel's new CEO addresses the beginning of his trajectory at the helm of the company, the pillars he's planning on for his administration and analyzes future opportunities in the Brazilian industry in the midst of a global scenario that calls for sustainable practices.

O Papel – What aspects would you highlight about the pulp and paper sector considering your professional experience and the current context in which the industry is inserted.

Andreas Birmoser – It's a very competitive sector with a long-term commitment and vision, given its characteristics of being a capital-intensive industry. Additionally, it's a highly complex and challenging sector as it involves large scale forestry, industrial, logistics, social and environmental issues. Its importance to the country's economy is a fact. With the pulp and paper sector taking over the top spot in the ranking of exports in Bahia state, surpassing the petrochemical sector, it confirms the growing demand for pulp. Speaking specifically about Veracel, the company is located in southern Bahia and stands as a vector of regional development, generating more than 3 thousand direct jobs. We foster local economic development, sourcing part of our demands from local suppliers. A total of R\$ 660 million in purchases and services is injected in the local economy and almost R\$ 100 million is paid in taxes (municipal, state and federal) annually. In addition to socio-environmental investments based on dialogue with stakeholders, the professional training of residents in municipalities where we operate broadens the condition of generating and sharing value locally, favoring the decentralization of socioeconomic development. This is one of the great virtues of the sector and, especially, of Veracel. It's important to point out that the company was established in 1991 and, since then, the Human Development Index (HDI) for the city of Eunápolis has almost doubled. Without a doubt, we have contributed to this evolution and wish to do this in a sustainable manner.

O Papel – What were your expectations when taking over as CEO of Veracel and how has this experience unfolded in practice?

Birmoser – I was very honored by Veracel's invitation. It was a recognition of my work and an excellent opportunity to broaden my knowledge and share good experiences. Since taking over as CEO back in February, I'm convinced that we have an excellent work environment and professionals who are qualified

and committed to Veracel's objectives and values. One of my challenges is to see that employees continue to work in the same direction, in a harmonious manner and with dialogue in order to achieve our goals, without forgetting our socioeconomic and environmental commitments to the region where the company is inserted. It's a job that requires looking inward and, at the same time, intense dialogue with different publics in order to balance the company's needs with the region's potential.

O Papel – Thinking more broadly, which pillars are you planning for your administration? What aspects do you consider indispensable to managing such a competitive global industry?

Birmoser – Veracel is one of the most productive pulp mills among all units owned by its two shareholders (Fibria and Stora Enso) and is very representative within the sector. My work proposal is based on transparent management and dialogue, always seeking continuous improvement and the engagement of employees and communities where we operate. Operational excellence is our strategy while sustainability is our intrinsic value. I believe in the importance of communication and relationship channels, as well as the pursuit of social interaction to better understand the concerns of surrounding communities and contribute to the construction of a solid platform for sustainable development, expanding business opportunities and quality of life in the region. Safety is an equally important aspect in my administration. The goal is to maintain high levels of work safety. In 2017, we registered the best performance in our 26-year history with an accident frequency rate of 0.36, a remarkable result on a global level. But zero accident is our target.

O Papel – How did Veracel manage the challenges caused by the recent truckers' strike and ensure continuity of its production without significant impacts?

Birmoser – In spite of feeling the impacts of the strike, we were able to maintain our production. Veracel activated its contingency plan to streamline the use of fuel, chemicals and other resources necessary in all of its operations, with daily assessments being conducted by an internal multidisciplinary committee. The measures

adopted targeted the best result possible given the restrictions, and the well-being and safety of people.

O Papel – Do you believe that sustainability will continue to guide activities of the pulp and paper industry over the next decades? How would you describe sustainability today and how it should be in the long-term?

Birmoser – Without a doubt. Sustainability is in Veracel's DNA. It is important to improve every day in these concepts and not only have a vision and, most importantly, have a long-term commitment with the issues involved. At Veracel, we are always looking to understand the potential and weaknesses of the region and its people. And this understanding can only occur through what we call active dialogue between the company and its stakeholders. We are always trying to evolve in this direction. And we must also seek mechanisms so that all important players in the region, be it private or public sector, collaborate in the pursuit of what is really important and that makes a difference for the region and its people.

O Papel – Still looking long-term, what are the main challenges and opportunities you envision for this industry?

Birmoser – I could address the classic challenges of the country's industry: infrastructure, legal uncertainties, legislation reform and, likewise, the classic opportunities: Brazil's potential, growing demand

for pulp, expanding markets, among others. All this is true and needs to be worked on to maintain the industry's competitiveness, but there are two aspects I would like to point out: commitment to sustainability, already mentioned before, and innovation. There's huge potential to be explored by the pulp industry in satisfying demand for sustainable products and solutions.

O Papel – Will the merger between Fibria and Suzano cause any changes in Veracel's operational routine or management?

Birmoser – Everything continues as is. After concluding all legal procedures that will define the transaction, I'm certain that the two shareholders, together with Veracel's management, will sit down to talk about possible improvements that can be made in operational management.

O Papel – Do you believe that the consolidation process of the pulp industry tends to benefit Brazilian players? In what way can the joining of forces contribute to strengthen the country's industry competitiveness?

Birmoser – This is something that's on the agenda of our shareholders and Veracel needs to be aware of its importance for the results of both, regardless of market situation. For such, strong governance, operational excellence and sustainability best practices put us in a favorable position even in adverse scenarios. ■

Executive Profile

Full name: Andreas Birmoser

Hobbies: Spending time with the family and practicing outdoor sports

Main personal achievement: My family

What you would like to learn still: Learning is a constant. I always seek to become a better person and a better professional

Main lesson learned in corporate management: Goals are achieved through dedication, resilience, transparency and dialogue

Message to the sector: The pulp and paper sector provides a major socioenvironmental contribution to the country. Some companies, as is Veracel's case, operate outside large urban centers and capitals and represent major regional economic references. Veracel, for example, makes socioenvironmental investments and, by consolidating the local supply chain, it creates more jobs, income and taxes, sharing the wealth and favoring territorial development. Working together along this line, the sector will leave a great legacy in regions where it does business.

