

F0. Introduction

F0.1

(F0.1) Give a general description of and introduction to your organization.

Suzano is a Brazilian renewable-based company committed to being a global reference in the sustainable use of renewable resources. The world's leader in the manufacture of eucalyptus pulp and one of the largest paper manufacturers in Latin America, the company operates mainly in the eucalyptus pulp and paper segment from plantations for this purpose of serving companies worldwide.

Currently, Suzano exports to more than 80 countries and, based on its products, it is presented in the lives of more than 2 billion people. With operations at ten factories, in addition to the Veracel joint venture, it has an installed capacity of more than 10 million tons of market pulp and 1.4 million tons of paper per year.

Abroad, Suzano has sales offices in China, the United States, Switzerland and Austria and subsidiaries in England and Argentina. And it has a structure of administrative offices in Salvador (BA) and São Paulo (SP), industrial units and FuturaGene, responsible for the genetic development of forest crops and biofuels, with research laboratories in Israel and China.

Suzano is committed to the Principles and Criteria of the FSC® and NBR 14,789 CERFLOR Forest Management, with the purpose of providing the sustainability of its business in the long term, the continuous improvement of its activities and performance, as well as the adoption of environmentally friendly and socially responsible practices, committing to:

- Carry out forestry production planning, based on environmental issues, such as management of micro-basins and the landscape, biodiversity monitoring, maintenance of native forest corridors;
- Guarantee the health and safety and contribute to the development of direct and indirect employees;
- Always seek technological innovations and support for research to apply the best silvicultural techniques in its forestry production units;
- Contribute to the maintenance or improvement of the communities adjacent to the forest management units.

Suzano operates in the three main Brazilian biomes (Amazon, Cerrado and Atlantic Forest), with 1.2 million hectares of planted forests of Eucalyptus and more than 900 thousand hectares of preserved natural areas, distributed in the states of Bahia, Espírito Santo, Minas Gerais, São Paulo, Mato Grosso do Sul, Maranhão, Tocantins, Pará and Piauí. This significant amount of preserved natural areas (almost 40% of Suzano's total area) includes 58 thousand hectares of high conservation value areas, considered globally and nationally important for the biodiversity and voluntarily established by the company.

With the purpose of seeking alternatives and tools for the responsible production, Suzano constantly evaluates its risks. The methodology applied contributes to identify not only financial risks, but also risks related to initiatives for the processes continuous improvement, environmental conservation and responsible development practices that benefit the company's relationship with society, government agencies, customers, suppliers, employees and other stakeholders. Therefore, the company's risks assessment considers the likelihood of their occurrence and the financial impacts, in addition to six other aspects - health and safety, environment, sociocultural, image and reputation, organizational climate, and legal - all with equal relevance.

The company operates in compliance with all legislation, standards and commitments undertaken, national and internationally. In addition, in order to reduce its adverse environmental impacts while improving the quality of the environment in which it is presented, Suzano established mechanisms to operate eco-efficiently and foreseeing technological innovation. The environmental risks related to the operational activities is monitored through external and internal audits, according to responsible forest management standards of the FSC® (Forest Stewardship Council®) and PEFC / CERFLOR® (Brazilian Forest Certification Program). The internal audits utilize auditing principles and internal standards and occurs through environmental controls field checks established in the Matrix of Environmental Aspects and Impacts in operational activities.

Suzano establishes its plantations exclusively in areas previously anthropized by other uses, whose conversion has not occurred under its direct or indirect responsibility, committing itself to a zero deforestation policy. Likewise, the company also undertakes to buy wood from plantations established exclusively in areas that were previously anthropized and also develops continuous actions to raise awareness and encourage its wood suppliers to certify their plantations and/or apply FSC and PEFC standards in their forest operations.

F0.2

(F0.2) State the start and end date of the year for which you are reporting data.

	Start Date	End Date
Reporting year	January 1 2020	December 31 2020

F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response.

BRL

F0.4

(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization's area of operation.

	Commodity disclosure	Stage of the value chain	Explanation if not disclosing
Timber products	Disclosing	Production Processing Trading Manufacturing	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>

F0.5

(F0.5) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

No

F1. Current state

F1.1

(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?

Timber products

Activity

- Growing/production of raw materials
- Harvesting
- Refining & processing
- Exporting/trading
- Using as input into manufacturing process for power generation
- Using as input into product manufacturing
- Retailing/onward sale of commodity or product containing commodity

Form of commodity

- Hardwood logs
- Sawn timber, veneer, chips
- Pulp
- Paper

Source

- Owned/managed land
- Smallholders
- Trader/broker/commodity market

Country/Area of origin

- Brazil

% of procurement spend

- 6-10%

Comment

Our operations are vertically integrated, from our production of eucalyptus seedlings, in our nurseries, through plantation and forestry management (including harvesting, logging and wood transportation) to our production facilities. We only produce bleached eucalyptus kraft pulp from 100% planted eucalyptus trees, from areas in the states of São Paulo, Minas Gerais, Rio de Janeiro, Mato Grosso do Sul, Bahia, Espírito Santo, Maranhão, Pará e Tocantins. Our forest base is broad. As of December 31, 2019, about 2,267 million hectares of lands, from which 1,275 million ha are eucalyptus plantations, 886,800 are natural reserves and 104,400 are for other uses such as roads, infrastructure and research field trials. Climate and soil conditions in Brazil enable us to harvest our eucalyptus trees between 6 to 7 years after planting. Suzano's forestry operations hold the certifications Forest Stewardship Council® (FSC®) licenses (FSCC100042, FSC-C100704 and FSC-C110130), Cerflor/Programme for the Endorsement of Forest Certification (PEFC), ISO 9001 and ISO 14001. In the industrial operation, the pulp is extracted from the wood by a process known as Kraft Process. Among the innumerable advantages from an environmental standpoint, it is self-sufficient in thermal and electrical energy, since biomass is the main input used to produce them. The main flow consists of a wood cooking process, a bleaching stage, and a final dryer stage. Once the logs are transported to our production facilities, they are unloaded and then taken by conveyor belt to be debarked and chipped. After that, wood chips are sent to digesters, where they are mixed with chemicals and cooked under temperature and pressure. During this process, lignin and resins are removed from the wood. Once removed, the lignin is used as fuel to produce thermal (steam) and electrical energy for our pulp mills. Bark, wood and non-digestered chips are also burned to produce energy. Of the total amount of thermal and electrical energy we self-generated, 88% was from renewable fuels, such as biomass and black liquor that are byproducts of the pulp production process (December 31, 2019). Obs: the value above (% of procurement spend) corresponds to the spend with timber products acquired from suppliers.

F1.2

(F1.2) Indicate the percentage of your organization's revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

	% of revenue dependent on commodity	Comment
Timber products	100%	As a bleached eucalyptus kraft pulp producer which operations are vertically integrated, 100% of our revenues comes from eucalyptus plantations established on anthropized lands.
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F1.3

(F1.3) Provide details on the land area you control and/or manage that is used for the production of your disclosed commodity(ies).

Forest risk commodity

Timber products

Type of control

Own land

Country/Area

Brazil

Land type

Tree plantations

Area (Hectares)

646970

% Area certified

82.65

Certification scheme

FSC Forest Management certification

PEFC Group Forest Management certification

Conversion of natural ecosystems during the reporting year

No

Area converted during the reporting year (hectares)

<Not Applicable>

% covered by natural forests

<Not Applicable>

Please explain

All forestry units have FSC and PEFC certifications. Suzano has financial and operational control over its own forests. At the end of 2020, Suzano had 531,108 hectares of eucalyptus forest certified under the FSC and PEFC certification schemes. The company is also responsible for managing approximately 393,527 hectares of eucalyptus plantations owned by private forest owners (leased) with a long-term forest contract. The management of conservation areas corresponds to 636,270 hectares. All the wood that supplies Suzano's factories is monitored in the chain of custody, ensuring that no deforestation occurs, being assessed annually by a third party. The FSC and PEFC chain of custody systems provide mechanisms for tracing the raw material (wood) included in the product and its origin. Checks whether the wood comes from certified, controlled forests and legality

Forest risk commodity

Timber products

Type of control

Concession/lease

Country/Area

Brazil

Land type

Tree plantations

Area (Hectares)

584099

% Area certified

67.95

Certification scheme

FSC Forest Management certification

PEFC Group Forest Management certification

Conversion of natural ecosystems during the reporting year

No

Area converted during the reporting year (hectares)

<Not Applicable>

% covered by natural forests

<Not Applicable>

Please explain

All forestry units have FSC and PEFC certifications. Suzano has financial and operational control over its own forests. At the end of 2020, Suzano had 531,108 hectares of eucalyptus forest certified under the FSC and PEFC certification schemes. The company is also responsible for managing approximately 393,527 hectares of eucalyptus plantations owned by private forest owners (leased) with a long-term forest contract. The management of conservation areas corresponds to 636,270 hectares. All the wood that supplies Suzano's factories is monitored in the chain of custody, ensuring that no deforestation occurs, being assessed annually by a third party. The FSC and PEFC chain of custody systems provide mechanisms for tracing the raw material (wood) included in the product and its origin. Checks whether the wood comes from certified, controlled forests and legality

Forest risk commodity

Timber products

Type of control

Outgrowers

Country/Area

Brazil

Land type

Tree plantations

Area (Hectares)

126005

% Area certified

0

Certification scheme

No certified area in this country/area

Conversion of natural ecosystems during the reporting year

No

Area converted during the reporting year (hectares)

<Not Applicable>

% covered by natural forests

<Not Applicable>

Please explain

Independent forestry producers, who have a partnership with Suzano to supply wood, we apply the Controlled Wood Verification Program (due diligence). The company conducts field audits on the properties of these partners to identify and assess compliance with its wood acquisition policy, which includes criteria for legal assistance (Contracts), respect for the laws, the environment and the people who carry out the activities. FSC standards requirements -STD-040-005 Standards for non-certified (controlled) wood and CERFLOR 14789.

F1.4

(F1.4) Provide details on the land you control and/or manage that was not used for the production of your disclosed commodity(ies) in the reporting year.

Forest risk commodity

Timber products

Country/Area

Brazil

Type of control

Own land

Land type

Natural ecosystems with potential to be legally converted for forest risk commodity production

Area (hectares)

527224

% covered by natural forests

22

Please explain

Preservation / Conservation in areas owned by Suzano - it is the set of areas intended for permanent preservation, the legal reserve and the natural reserves maintained by SUZANO's initiative.

Forest risk commodity

Timber products

Country/Area

Brazil

Type of control

Concession/lease

Land type

Set-aside land

Area (hectares)

433634

% covered by natural forests

18

Please explain

Preservation / Conservation in areas leased by Suzano - it is the set of areas intended for permanent preservation, the legal reserve and the natural reserves maintained by SUZANO's initiative

F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

	Data availability/Disclosure
Timber products	Consumption and production data available, disclosing
Palm oil	<Not Applicable>
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F1.5a

(F1.5a) Disclose your production and/or consumption data.

Forest risk commodity

Timber products

Data type

Production data

Volume

12300000

Metric

Metric tons

Data coverage

Full commodity production/consumption

Please explain

<Not Applicable>

Forest risk commodity

Timber products

Data type

Consumption data

Volume

29000000

Metric

Cubic meters

Data coverage

Full commodity production/consumption

Please explain

<Not Applicable>

F1.5b

(F1.5b) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.

Forest risk commodity

Timber products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (São Paulo)

% of total production/consumption volume

15

Please explain

Suzano manages about 2,5 million hectares of lands, from which 1,4 million ha are eucalyptus plantations, 960.858 are natural reserves and 205.654 are for other uses such as roads, infrastructure and research field trials (December 31, 2020). All Suzano's Forests Units are certified by the FSC and CERFLOR/PEFC on Forest Management and the mills: Aracruz, Mucuri, Imperatriz, Jacareí, Limeira, Suzano, Jacarei and Três Lagoas are certified on Chain of Custody. Each system has its own principles and criteria. These certifications attest that the company's pulp is produced from planted forests managed responsibly and traceable. Approximately, 126.004 hectares from 1,637 producers participate in the forestry development program, covering 155 cities in Brazil (December 31, 2020). Suzano encourages its suppliers to seek certification and assess the origin of raw material (timber) by using the FSC due diligence system to ascertain the legality, environmental and social issues in areas that are not in the scope of certification. Suzano is present in more than 300 municipalities within eight States, so it was decided to sub-divide the participation in the supply of wood based on the size of the forest base of each state. In São Paulo Suzano has 368 hundred hectares of lands, from which, 225 hundred hectares of plantation, 126 hundred hectares of conservation and 17 hundred hectares of other uses. 100% of Suzano wood is traceable, ensuring that all products delivered to customers can be traced from the origin. The origin of all the wood received by Suzano's factories is previously inserted in our registration system, called "Zenith", and in a georeferenced way, with the name of the rural property, region, state, transport identification, date and time of receipt at the factory, among other relevant information, and covers own and third-party wood. External and internal audits are carried out annually to verify Suzano's traceability system regarding FSC and CERFLOR/PEFC's Chain of Custody standards.

Forest risk commodity

Timber products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Mato Grosso do Sul)

% of total production/consumption volume

29

Please explain

Suzano manages about 2,5 million hectares of lands, from which 1,4 million ha are eucalyptus plantations, 960.858 are natural reserves and 205.654 are for other uses such as roads, infrastructure and research field trials (December 31, 2020). All of Suzano's Units are certified by the FSC and CERFLOR/PEFC on Forest Management and Chain of Custody categories. Each system has its own principles and criteria. These certifications attest that the company's pulp is produced from planted forests managed

responsibly. Approximately, 126.004 hectares from 1,637 producers participate in the forestry development program, covering 155 cities in Brazil (December 31, 2020). Suzano encourages its suppliers to seek certification and assesses the origin of raw material (timber) by using the FSC due diligence system to ascertain the legality, environmental and social issues in areas that are not in the scope of certification. Suzano is present in more than 300 municipalities within eight States, so it was decided to sub-divide the participation in the supply of wood based on the size of the forest base of each state. In Mato Grosso do Sul Suzano has 572 hundred hectares of lands, from which, 346 hundred hectares of plantation, 162 hundred hectares of conservation and 64 hundred hectares of other uses. Suzano has a total production capacity of 11 million tons, which are splitted in these eight states. In Mato Grosso do Sul, the Comapny has capacity of 3,250 thousand tons of market pulp and this represents the 29% of the total production. 100% of Suzano wood is traceable, ensuring that all products delivered to customers can be traced from the origin. The origin of all the wood received by Suzano's factories is previously inserted in our registration system, called "Zenith", and in a georeferenced way, with the name of the rural property, region, state, transport identification, date and time of receipt at the factory, among other relevant information, and covers own and third-party wood. External and internal audits are carried out annually to verify Suzano's traceability system regarding FSC and CERFLOR/PEFC's Chain of Custody standards.

Forest risk commodity

Timber products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Minas Gerais)

% of total production/consumption volume

5

Please explain

Suzano manages about 2,5 million hectares of lands, from which 1,4 million ha are eucalyptus plantations, 960.858 are natural reserves and 205.654 are for other uses such as roads, infrastructure and research field trials (December 31, 2020). All of Suzano's Units are certified by the FSC and CERFLOR/PEFC on Forest Management and Chain of Custody categories. Each system has its own principles and criteria. These certifications attest that the company's pulp is produced from planted forests managed responsibly. Approximately, 126.004 hectares from 1,637 producers participate in the forestry development program, covering 155 cities in Brazil (December 31, 2020). Suzano encourages its suppliers to seek certification and assesses the origin of raw material (timber) by using the FSC due diligence system to ascertain the legality, environmental and social issues in areas that are not in the scope of certification. Suzano is present in more than 300 municipalities within eight States, so it was decided to sub-divide the participation in the supply of wood based on the size of the forest base of each state. In Minas Gerais Suzano has 64 hundred hectares of lands, from which, 24 hundred hectares of plantation, 38 hundred hectares of conservation and 2 hundred hectares of other uses. 100% of Suzano wood is traceable, ensuring that all products delivered to customers can be traced from the origin. The origin of all the wood received by Suzano's factories is previously inserted in our registration system, called "Zenith", and in a georeferenced way, with the name of the rural property, region, state, transport identification, date and time of receipt at the factory, among other relevant information, and covers own and third-party wood. External and internal audits are carried out annually to verify Suzano's traceability system regarding FSC and CERFLOR/PEFC's Chain of Custody standards.

Forest risk commodity

Timber products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Bahia)

% of total production/consumption volume

20

Please explain

Suzano manages about 2,5 million hectares of lands, from which 1,4 million ha are eucalyptus plantations, 960.858 are natural reserves and 205.654 are for other uses such as roads, infrastructure and research field trials (December 31, 2020). All of Suzano's Units are certified by the FSC and CERFLOR/PEFC on Forest Management and Chain of Custody categories. Each system has its own principles and criteria. These certifications attest that the company's pulp is produced from planted forests managed responsibly. Approximately, 126.004 hectares from 1,637 producers participate in the forestry development program, covering 155 cities in Brazil (December 31, 2020). Suzano encourages its suppliers to seek certification and assesses the origin of raw material (timber) by using the FSC due diligence system to ascertain the legality, environmental and social issues in areas that are not in the scope of certification. Suzano is present in more than 300 municipalities within eight States, so it was decided to sub-divide the participation in the supply of wood based on the size of the forest base of each state. In Bahia Suzano has 356 hundred hectares of lands, from which, 202 hundred hectares of plantation, 140 hundred hectares of conservation and 14 hundred hectares of other uses. Suzano has a total production capacity of 11 million tons, which are splitted in these eight states. In Bahia, the Comapny has capacity of 200 thousand tons of integrated pulp, 2,040 thousand tons of market pulp, 60 thousand tons of tissue and 250 thousand tons of paper. This represents the 20% of the total production in Bahia. 100% of Suzano wood is traceable, ensuring that all products delivered to customers can be traced from the origin. The origin of all the wood received by Suzano's factories is previously inserted in our registration system, called "Zenith", and in a georeferenced way, with the name of the rural property, region, state, transport identification, date and time of receipt at the factory, among other relevant information, and covers own and third-party wood. External and internal audits are carried out annually to verify Suzano's traceability system regarding FSC and CERFLOR/PEFC's Chain of Custody standards.

Forest risk commodity

Timber products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Espirito Santo)

% of total production/consumption volume

12

Please explain

Suzano manages about 2,5 million hectares of lands, from which 1,4 million ha are eucalyptus plantations, 960.858 are natural reserves and 205.654 are for other uses such as roads, infrastructure and research field trials (December 31, 2020). All of Suzano's Units are certified by the FSC and CERFLOR/PEFC on Forest Management and Chain of Custody categories. Each system has its own principles and criteria. These certifications attest that the company's pulp is produced from planted forests managed responsibly. Approximately, 126.004 hectares from 1,637 producers participate in the forestry development program, covering 155 cities in Brazil (December 31, 2020). Suzano encourages its suppliers to seek certification and assesses the origin of raw material (timber) by using the FSC due diligence system to ascertain the legality, environmental and social issues in areas that are not in the scope of certification. Suzano is present in more than 300 municipalities within eight States, so it was decided to

sub-divide the participation in the supply of wood based on the size of the forest base of each state. In Espírito Santo Suzano has 269 hundred hectares of lands, from which, 145 hundred hectares of plantation, 108 hundred hectares of conservation and 16 hundred hectares of other uses. Suzano has a total production capacity of 11 million tons, which are split in these eight states. In Espírito Santo, the Comapny has capacity of 2,340 thousand tons of market pulp and this represents the 12% of the total production in Espírito Santo. 100% of Suzano wood is traceable, ensuring that all products delivered to customers can be traced from the origin. The origin of all the wood received by Suzano's factories is previously inserted in our registration system, called "Zenith", and in a georeferenced way, with the name of the rural property, region, state, transport identification, date and time of receipt at the factory, among other relevant information, and covers own and third-party wood. External and internal audits are carried out annually to verify Suzano's traceability system regarding FSC and CERFLOR/PEFC's Chain of Custody standards.

Forest risk commodity

Timber products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Maranhão)

% of total production/consumption volume

10

Please explain

Suzano manages about 2,5 million hectares of lands, from which 1,4 million ha are eucalyptus plantations, 960.858 are natural reserves and 205.654 are for other uses such as roads, infrastructure and research field trials (December 31, 2020). All of Suzano's Units are certified by the FSC and CERFLOR/PEFC on Forest Management and Chain of Custody categories. Each system has its own principles and criteria. These certifications attest that the company's pulp is produced from planted forests managed responsibly. Approximately, 126.004 hectares from 1,637 producers participate in the forestry development program, covering 155 cities in Brazil (December 31, 2020). Suzano encourages its suppliers to seek certification and assesses the origin of raw material (timber) by using the FSC due diligence system to ascertain the legality, environmental and social issues in areas that are not in the scope of certification. Suzano is present in more than 300 municipalities within eight States, so it was decided to sub-divide the participation in the supply of wood based on the size of the forest base of each state. In Tocantins, Maranhão, Pará, Amazonas and Piauí Suzano has 762 hundred hectares of lands, from which, 288 hundred hectares of plantation, 382 hundred hectares of conservation and 92 hundred hectares of other uses. Suzano has a total production capacity of 11 million tons, which are split in these eight states. In Maranhão, the Comapny has capacity of 60 thousand tons of integrated pulp, 1,590 thousand tons of market pulp and 60 thousand tons of tissue. This represents the 10% of the total production in Maranhão. 100% of Suzano wood is traceable, ensuring that all products delivered to customers can be traced from the origin. The origin of all the wood received by Suzano's factories is previously inserted in our registration system, called "Zenith", and in a georeferenced way, with the name of the rural property, region, state, transport identification, date and time of receipt at the factory, among other relevant information, and covers own and third-party wood. External and internal audits are carried out annually to verify Suzano's traceability system regarding FSC and CERFLOR/PEFC's Chain of Custody standards.

Forest risk commodity

Timber products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Pará)

% of total production/consumption volume

6

Please explain

Suzano manages about 2,5 million hectares of lands, from which 1,4 million ha are eucalyptus plantations, 960.858 are natural reserves and 205.654 are for other uses such as roads, infrastructure and research field trials (December 31, 2020). All of Suzano's Units are certified by the FSC and CERFLOR/PEFC on Forest Management and Chain of Custody categories. Each system has its own principles and criteria. These certifications attest that the company's pulp is produced from planted forests managed responsibly. Approximately, 126.004 hectares from 1,637 producers participate in the forestry development program, covering 155 cities in Brazil (December 31, 2020). Suzano encourages its suppliers to seek certification and assesses the origin of raw material (timber) by using the FSC due diligence system to ascertain the legality, environmental and social issues in areas that are not in the scope of certification. Suzano is present in more than 300 municipalities within eight States, so it was decided to sub-divide the participation in the supply of wood based on the size of the forest base of each state. In Tocantins, Maranhão, Pará, Amazonas and Piauí Suzano has 762 hundred hectares of lands, from which, 288 hundred hectares of plantation, 382 hundred hectares of conservation and 92 hundred hectares of other uses. Suzano has a total production capacity of 11 million tons, which are split in these eight states. In Pará, the Company has capacity of 60 thousand tons of tissue (split in Belém and Fortaleza) and this represents the 6% of the total production in São Paulo. 100% of Suzano wood is traceable, ensuring that all products delivered to customers can be traced from the origin. The origin of all the wood received by Suzano's factories is previously inserted in our registration system, called "Zenith", and in a georeferenced way, with the name of the rural property, region, state, transport identification, date and time of receipt at the factory, among other relevant information, and covers own and third-party wood. External and internal audits are carried out annually to verify Suzano's traceability system regarding FSC and CERFLOR/PEFC's Chain of Custody standards.

Forest risk commodity

Timber products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Tocantins)

% of total production/consumption volume

3

Please explain

Suzano manages about 2,5 million hectares of lands, from which 1,4 million ha are eucalyptus plantations, 960.858 are natural reserves and 205.654 are for other uses such as roads, infrastructure and research field trials (December 31, 2020). All of Suzano's Units are certified by the FSC and CERFLOR/PEFC on Forest Management and Chain of Custody categories. Each system has its own principles and criteria. These certifications attest that the company's pulp is produced from planted forests managed responsibly. Approximately, 126.004 hectares from 1,637 producers participate in the forestry development program, covering 155 cities in Brazil (December 31, 2020). Suzano encourages its suppliers to seek certification and assesses the origin of raw material (timber) by using the FSC due diligence system to ascertain the legality, environmental and social issues in areas that are not in the scope of certification. Suzano is present in more than 300 municipalities within eight States, so it was decided to sub-divide the participation in the supply of wood based on the size of the forest base of each state. In Tocantins, Maranhão, Pará, Amazonas and Piauí Suzano has 762

hundred hectares of lands, from which, 288 hundred hectares of plantation, 382 hundred hectares of conservation and 92 hundred hectares of other uses. 100% of Suzano wood is traceable, ensuring that all products delivered to customers can be traced from the origin. The origin of all the wood received by Suzano's factories is previously inserted in our registration system, called "Zenith", and in a georeferenced way, with the name of the rural property, region, state, transport identification, date and time of receipt at the factory, among other relevant information, and covers own and third-party wood. External and internal audits are carried out annually to verify Suzano's traceability system regarding FSC and CERFLOR/PEFC's Chain of Custody standards.

F1.6

(F1.6) Has your organization experienced any detrimental forests-related impacts?

Yes

F1.6a

(F1.6a) Describe the forests-related detrimental impacts experienced by your organization, your response, and the total financial impact.

Forest risk commodity

Timber products

Impact driver type

Physical

Primary impact driver

Changes in precipitation patterns

Primary impact

Reduction or disruption in production capacity

Description of impact

Suzano permanently and intensively monitors its forestry assets, using remote sensing (GIS) techniques, video monitoring and a network with approximately 170 automatic meteorological stations, with high precision. Additionally, all information is confirmed in the field by dedicated monitoring teams, as well as through measurements of forest inventories. The total and distribution of rainfall has a direct effect on forest productivity, as well as indirectly on the occurrence of occasional pests and fires. In 2020 there was an increase in rainfall in the ES, BA and MA forest units, while in the MS and SP units there was an inversion in relation to the history, mainly driven by the Lã Nina event. The more severe drought conditions, especially in Mato Grosso do Sul, also resulted in an increase in forest fires. The area affected by fire in this unit, for example, was 4,910 ha. Adding up all the company's units, the loss with the loss of burned forests was approximately R\$30 MM. These amounts were duly considered and validated by the company's internal audit area, and reported in the balance sheet for the year.

Primary response

Implementation of environmental best practices in direct operations

Total financial impact

27000000

Description of response

In 2020, we had 1.09% of the area planted with eucalyptus with fires. In the case of fires, after fire control, each hectare affected was evaluated qualitatively and quantitatively, classifying as to the severity of the damage. These fire-affected areas are evaluated considering a series of technical criteria. Suzano uses a decision matrix that considers the planting age, intensity and severity of the fire. Depending on this assessment, the area affected by fires can be maintained or harvested in advance. For example, a forest that has suffered a lesser fire may have the ability to recover and emit new shoots. In this example, the area is classified to be monitored in loco in subsequent months and, if the recovery of planted trees is observed, remains in growth. The wood, after segregation, can be used for the production of pulp, energy or sale to third parties. This type of assessment makes it possible to minimize the impacts on forest assets. Of the total area of eucalyptus burned, 0.32% was classified as unsuitable for pulp production, 0.77% of the burned area was partially used for production. The mentioned cost includes the amount used in the fire control and the wood losses. The combination of forestry and genetic improvement is essential to ensure sustainable production and the health of ecosystems in the long term, in addition to making our forests more resilient to possible climate change.

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment?

Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

Timber products

Value chain stage

Direct operations
Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

More than once a year

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods
Global Risk Assessment Services (GRAS)
FSC Global Forest Registry
Other, please specify (Mapbiomas)

Please explain

Suzano uses the WOODSTOCK software to analyze and plan the supply of wood over the long term, aiming at maximizing the financial return on investment, while respecting the operational, forestry and environmental assumptions. This software also allows you to generate risk simulations to define action plans in advance. Per example, Suzano recognizes that the impact of changes in precipitation patterns due to climate change on its business is direct, and may, among other effects, affect forest productivity. Therefore, we carry out an intensive monitoring of climatic conditions through a dedicated network with 83 meteorological stations, distributed in our plantations and factories, in addition to using data from other 78 stations of INMET (National Institute of Meteorology). Thus, the information is compared to historical data and generates sensitivity to potential loss of forest productivity. Depending on the future risk, forestry planning, at an annual frequency for a 21-year time horizon, can intensify the supply of wood from third parties, increase the average distance in the supply of wood, demobilize certain low-productivity assets, encourage wood production, among other options, depending on the characteristics of each forest unit. The Global Forest Registry is a tool for FSC certificate holders looking for controlled wood and for other buyers who want to avoid unacceptable wood, Suzano has chosen because the information is continually updated, including at the sub-national level. Finally, the tool MapBiomas Land Cover and Land Use Maps (support, understanding and analysis of the landscape, specific verifications of land use changes) and the MapBiomas Alerta Platform, which is a validation and refinement system for alerts, deforestation, degradation and regeneration of native vegetation with high-resolution images, which was the basis for verifying deforestation in areas under Suzano's management and the results were presented in the "Annual Report on Zero Deforestation 2020". Through the tool, it was possible to identify areas that had been invaded in Espirito Santo, Bahia and Maranhão, for example. We chose to use Mapbiomas because the platform uses cloud processing systems and automated classifiers, operated from the Google Earth Engine platform.

F2.1b

(F2.1b) Which of the following issues are considered in your organization's forests-related risk assessment(s)?

Availability of forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

Suzano uses the WOODSTOCK software to analyze and plan the supply of wood over the long term, aiming at maximizing the financial return on investment, while respecting operational, forestry and environmental assumptions. The supply plan is reviewed annually considering the forest inventory updates, making it possible to identify in advance possible reductions in productivity that may affect the wood supply. Depending on the future risk, forestry planning, at an annual frequency for a 21-year time horizon, can intensify the supply of wood from third parties, increase the average distance in the supply of wood, demobilize certain low-productivity assets, encourage wood production, among other options, depending on the characteristics of each forest unit.

Quality of forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

Wood is an essential input for Suzano, and it is essential that the supply is sustainable and meets all the mill's production needs. In order to guarantee the wood supply in a multi-year view, several scenarios are evaluated. Such scenarios are constituted using business intelligence and linear programming tools (Woodstock by Remsoft). For such scenarios, we consider the existing risks that could affect the forest's growth. The results are presented to a management forum and are used to support decisions that ensure the best strategy with the lowest risk. Based on this data, we make decisions such as adjusting the production of a factory, buying wood in the market or expanding the planting base. Expand or open a new mill. In the short-term view, we have the support of field audits to analyze the condition of the forests, if the activities are being carried out properly so that we can reach the sites' productive capacity. Frequent field rounds are carried out to make technology recommendations for these forests through best practices. Certification is also a way to ensure that forests have the quality needed for production. We work to implement in our activities the values incorporated in FSC®(Forest Stewardship Council®) certification and the CERFLOR Brazilian Forest Certification Program, in accordance with the NBR ISO 9001, NBR ISO 14001 and OHSAS 18001 standards, the FSC-STD-01-001 and NBR 14,789 CERFLOR Forest Management Principles and Criteria, the ABNT NBR 14.790 CERFLOR Chain of Custody standards, the RAC INMETRO (Regulations for CERFLOR Chain of Custody Assessment) requirements, the FSC-STD-040-003 standards for chain of custody certification of multi-site operations, the FSC-STD-040-004 standards for suppliers and manufacturers of certified products, and the FSC-STD-040-005 standards for (controlled) uncertified wood. We acquire forest products in a responsible manner, while trying to promote social development, environmental preservation and respect for worker health and safety, and we always seek to use wood from responsibly managed forests for our pulp production. Suzano S.A. supports responsible forest management practices that promote the sustainability of ecosystems and the long-term preservation of biodiversity and environmental, social and economic benefits, and in our Wood Acquisition Policy we declare and reinforce this commitment.

Impact of activity on the status of ecosystems and habitats

Relevance & inclusion

Relevant, always included

Please explain

Due to the high cost for creating and maintaining protected natural spaces, these initiatives are almost always promoted by the state. However, most of the world's land, and its biodiversity, is on private property. Thus, private sector engagement in establishing protected areas and protecting natural areas plays a significant role in global efforts to increase conserved surface area. Suzano maintains and protects approximately 960,000 hectares of native vegetation, which corresponds to 40% of its total area. In this territory, Suzano voluntarily identified 69 areas defined as High Conservation Value Areas (HCVA) and seven Private Natural Heritage Reserves (IUCN Category IV), totaling more than 57,000 hectares considered of global or national importance for biodiversity. To assess the eventual impact on the natural ecosystems and habitats Suzano's established a Biodiversity Monitoring Plan and a specific procedure on Assessment and Monitoring of HCV Areas (where we carry out part of our biodiversity monitoring). The Company carries out periodic monitoring of fauna and flora to ensure its perpetuity. This monitoring has been carried out since 2008 in Bahia and Mato Grosso do Sul, since 2009 in São Paulo, since 2012 with a new methodology in Espírito Santo and Minas Gerais, and since 2013 in Maranhão. Such monitoring, in addition to the results on the number of species found, brings a series of recommendations for forest management, which have a deadline to be implemented. An example of this is the mosaic cut in the harvest to benefit the passage of animals from one fragment to another. The environmental risks related to the operational activities is monitored through internal and external audits. The internal audits utilize occurs through field checks of environmental controls established in the Matrix of Environmental Aspects and Impacts. In addition to reduce, prevent and mitigate the adverse impacts arising from production operations, the following processes are also employed: Microplanning of forest operations; Pre and post-operation monitoring; Emergency control and fire-fighting program; Monitoring of socio-environmental occurrences by a specialized team; Property surveillance, which, in addition of registering occurrences, takes protective actions against hunting, predatory fishing, theft of flora, deforestation, fires, among others.

Regulation

Relevance & inclusion

Relevant, always included

Please explain

Suzano has teams and use a software designed called Ambito to monitor Brazilian regulations at municipal, state and federal levels, and maintains contact with stakeholders for risk mapping and decision making. Ambito monitors requirements and also sends updates periodically. The MAF team analyzes and distributes among those responsible for critical analysis and implementation of actions to meet the requirements. The assessment, monitoring and compliance with regulatory matters are also evaluated in Suzano's Integrated Risk Management and meet the strictest national and international standards focused on the theme - FSC® (Forest Stewardship Council®) and PEFC / CERFLOR (Brazilian Certification Program) Forestry) -, which ensure the good conduct of the company when developing forestry products, respecting the environmental, social and economic aspects of the region. In these cases, the company is audited annually, based on pre-established and public environmental, social and economic performance standards. Our industrial certifications, in turn, show the use of best practices in the management of processes in our plants, ensuring, in a balanced way, the generation of value, innovation and efficiency in our operations. They are: FSC®2 and PEFC / CERFLOR for the chain of custody, ISO 9001 (quality), ISO 14001 (environmental management) and OHSAS 18001 (health and safety).

Climate change

Relevance & inclusion

Relevant, always included

Please explain

Suzano recognizes that the impact of climate change on its business is direct, and may, among other effects, affect forest productivity. Therefore, we carry out an intensive monitoring of climatic conditions through a dedicated meteorological network (83 stations, spread in our plantations and mills). All forests over 2 years old are annually inventoried, and the results are analyzed every quarter. In order to map the possible impacts of climate change, the R&D and Forest Inventory teams have developed a hybrid model. This methodology allowed us to estimate forest productivity risks considering the climate change scenarios arising from El Niño and La Niña events over the last 102 years (sea surface temperature provided by NOAA agency, www.noaa.gov). The land and ocean climate time series were sliced into three periods called "very acid", "acid", and "normal" to create climate scenarios. For this analysis, we use Monte Carlo statistical simulations, as well as Poisson and Weibull statistics. Through this modelling, three possibilities of occurrences of drought events during a forest cycle (7 years) were generated, and in each scenario the frequency and intensity of the event varied, being possible to calculate how much would reduce the volume of wood. Depending on the future risk, forestry planning can intensify the supply of wood from third parties, increase the average distance in the supply of wood, demobilize certain low-productivity assets, encourage wood production, among other options, depending on the characteristics of each forest unit. In order to estimate the financial impacts of each of these risk scenarios, it was considered the cost of buying on the market the volume of wood lost due to the drop-in forest productivity. The risk treatment is focused on mitigation through R&D investments regarding silviculture, ecophysiology and genetic improvement. One example of initiatives to mitigate the impact of climate change through the breeding program is the Deployment of Clonal Composites, that is, a mix of clones genetically distinct, but similar in performance. The main expected benefit is reducing genetic vulnerability. We have more than 37 thousand ha planted in the field with clonal composites.

Impact on water security

Relevance & inclusion

Relevant, always included

Please explain

Suzano currently considers IPCC scenarios to predict the risk of forest productivity losses among the unpredictable future climate conditions. Suzano is also focused on understanding the effects of climate change on water availability in its processes. For Suzano, which depends directly on its planted and native forests, the work to systematize, improve and expand management of water use in the field, at the mill and in the vicinity of its operations is a constant concern. So much so that in 2019, the company established a new Long-Term Goal for water (2020 – 2030), approved by the Executive Board. The objective is to carry out the identification of all critical watershed according with availability and sharing of water resources. From there, we will carry out landscape planning with the objective of increasing water availability to the surrounding society by 5-10%. Considering the forest cycle, we will carry out differentiated landscape planning, with management actions to reduce the use of water by eucalyptus plantations, cumulatively reaching 100% of the critical watershed in 2030. Further details can be obtained in the long-term goals panel of company, widely disclosed (<http://centraldeindicadores.suzano.com.br/en/long-term-goals/water/>). Suzano's Technology Center expanded its "open-air laboratory" and called it the Watershed Project 2.0. This is a long-term program that includes 11 watersheds that are intensively monitored in their components of the water, carbon, nutrient and biodiversity cycles. These basins are installed in all environments where we plant eucalyptus and are representative of our production model. All of these data parameterize and validate different forecast models, e.g. climate, hydrological and carbon accumulation models. Internationally renowned NGOs and research institutes are our partners in several PhD thesis. More recently, Suzano created the Project Nascentes do Mucuri, an initiative of Suzano that counts on the partnership of multi-leaders from the private sector, NGOs, government agencies and individuals, to stimulate the restoration and preservation culture of the Mucuri Basin, in favor of the perpetuity of the river and thousands of stories. In partnership with local communities, companies and entities, we are carrying out conservation, socio-environmental education and forest restoration actions.

Tariffs or price increases

Relevance & inclusion

Not relevant, included

Please explain

The Company has a specialized team that monitors the price of wood and analyzes future scenarios, adjusting the projections that contribute to decision making. The main risks monitored are (i) increased demand for wood destined for the production of pig iron; (ii) entry of new cellulose players; (iii) increased demand for timber for export; and (iv) a reduction in the supply of future wood due to the increase in prices of agricultural commodities. To reduce the risk of price increases, the company maintains a policy that strengthens wood supply contracts in the long term.

Loss of markets

Relevance & inclusion

Not relevant, included

Please explain

Suzano has a department responsible for monitoring the status of the wood market in order to take advantage of opportunities and learn about the existing risks, such as understanding how other competing markets for raw materials are heated. The company maintains competitiveness through a policy of relationship with suppliers, with technical and financial support. In addition, the company has contracts with terms that may vary from 1 to 10 years, which guarantee future supply and mitigate risks of market loss. Strategically, Suzano has the support of various technologies to monitor its regions of interest, seeking to understand the supply of wood available to supply its factories, as well as the movement of other market players. Through satellite images, eucalyptus plantations are identified and mapped in the rays of interest for supply. Once identified, these plantations become part of a geographically specialized strategic market base. With that, the field teams, through mobile technologies, go to the places of interest, looking for business opportunities and also for the enrichment of the mapped information. All of these plantations are now frequently monitored by Satellite Image, looking for possible changes in land use, keeping the most up-to-date information possible with the reality of the field. With this centralized database, several strategic analyzes are carried out, using Geoprocessing techniques and other methods, allowing the company to incorporate in its analyzes the reality of the field that directly infers the supply of wood in its regions of interest. This technology allows the company to act quickly in the regions of interest, making us competitive and minimizing risks of not having market wood availability.

Leakage markets

Relevance & inclusion

Not relevant, included

Please explain

They are not relevant, because Suzano has 100% of Suzano wood supply is traceable, from the planting of the seedling, harvesting, transportation, through the process of manufacturing, identification, storage and sales. For this, we have several controls, which are attested by Suzano has a strong and well-documented traceability system, with 100% of wood traceability, ensuring that all products delivered to customers can be traced from the origin. The origin of all the wood received in the factories is previously inserted in our registration system, called "Zenith", and in a georeferenced way, with complete information of the name of the rural property, region, state, transport identification, date and time of receipt at the factory, among other relevant information, and covers own and third-party wood. In the forestry area, Suzano is certified with the PEFC and FSC Forest Management System. The industry has the PEFC and FSC chain of custody certification (FSC-STD-40-004) and FSC Controlled Wood (FSC-STD-40-005) that demonstrate the traceability of the origin of its raw material, identifying forest risks, legal and environmental requirements throughout its supply chain. The FSC® and PEFC forest certification schemes are widely used in the forest sector, being recognized by stakeholders as a sustainable management standard.

Brand damage related to forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

The third wood supply is considered in risk management, due to this for 100% of wood supply Suzano institutes and applies the Due Diligence System, based on the Suzano Wood Supply Policy, Standard for Controlled Wood (FSC-STD-40-005), on the National Risk Assessment for Brazil (FSC-NRA-BR V1-0), and ABNT-NBR 14790 standard, ensuring compliance with all applicable legislation. These principles are observed in the contracted area, from the formalization of the contract, covering the operations of harvesting and transporting the wood, and considering that the regularity of planting is a prerequisite of the contract. Furthermore, we carry out the Background Check of our suppliers before hiring them and, when the due diligence shows a high risk red flag, the Compliance area recommends that the hiring is not made or even, in some cases, it prohibits it from being carried out. External and internal audits are carried out annually, in which FSC-STD-40-005 and ABNT-NBR 14790 standards are verified by an independent certification body. In 2020, Suzano did internal audits in all the scope and external audit in Maranhão and Bahia Units and 2 suppliers were blocked due to a non-conformity related to labor legislation and rural infrastructure. An action plan was implemented in the same week and after a new on-site monitoring visit the suppliers were released to supply.

Corruption

Relevance & inclusion

Relevant, always included

Please explain

Suzano's Compliance Program is based on prevention, detection and remediation pillars and establishes global best practice initiatives related to the subject, knowing that the guideline is zero tolerance for corruption. We periodically carry out a risk management process, including those related to corruption, which involves interviews with all directors. The basis of the Compliance Program is the strengthening and dissemination of the ethical culture, with the Code of Conduct and the Anti-Corruption Policy as its main guidelines. Throughout 2020, we had complaints and 100% of them were investigated. In this case, there were dismissals without and with just cause, warnings and termination of contracts with service providers. As part of our program and culture, we provide anti-corruption mandatory trainings for all employees, and we prepare periodic communications on important and relevant topics for the company, with regard to corruption. Important to mention that we have an external and totally confidential reporting channel, so employees and third parties can report possible suspicions of misconduct, just as we have an investigative area, competent to identify the best measure to be taken by the company. In addition, it is worth emphasizing that Suzano is a signatory to the UN Global Anti-Corruption Pact and follows the Charter of the Business Movement for Integrity and Transparency of the Ethos Institute.

Social impacts

Relevance & inclusion

Relevant, always included

Please explain

As an essential part of its relationship management process and upholding the principle that "it is only good for us if it is good for the world", Suzano understands as "social impact on communities" any change (harmful or beneficial) that is caused, totally or partially, by its forestry operations. The company monitors the adverse social impacts: potential and real arising from its activities in neighboring communities. The social impact management model seeks to eliminate, reduce or compensate for negative impacts, through management practices, socio-environmental investments and continuous control and mitigation actions. For the identification and analysis of social impacts, the occurrences coming from communities that arrive through the 0800 Talk to Suzano, processes of Engagement, Operational Dialogue and via public consultation are considered. All occurrences / complaints are registered in SISPART ("Stakeholder System") for the execution of the deal and then 10% of the completed ones are assessed for satisfaction with Suzano's service. In 2020, satisfaction was 85%. The main impacts identified are related to the Logistics operation, the champion is "Dust", which corresponds to 33% of the occurrences and moves operations in mitigating measures with the intensification of water trucks in the locations. The registered occurrences feed the Social Impact Matrix, which considers factors such as severity, frequency, probability and scope of the identified impacts. This weighting is accompanied by a qualitative analysis and validation of the level of significance of the social impact carried out by the Local Shared Value Commission (CVC) of each unit, a forum formed by operational managers and managers in the Sustainability area of each Suzano unit. The result of the matrix generates improvements for forest management and its operations. In 2020, even with the pandemic, Suzano did not stop, adopted the preventive measures and found ways to maintain a good relationship with the communities. 1,600 operational dialogues were carried out with 9,099 participants, which represents 100% neighboring communities with Suzano operations served.

Other, please specify

Relevance & inclusion

Please explain

F2.1c

(F2.1c) Which of the following stakeholders are considered in your organization's forests-related risk assessments?

Customers

Relevance & inclusion

Relevant, always included

Please explain

Suzano has robust processes to evaluate how its operations and initiatives could impact the company's stakeholders, including customers. Such processes are designed to be part of Suzano's forestry, industrial and corporate routines and decision making. This systemic approach enables an understanding of risk factors and the definition of measures as well as the level of engagement necessary to prevent or mitigate their potential impact on customers and other stakeholders. Our corporate policies and practices are recognized through certificates, which guarantee issues of importance and impact to our stakeholders. For most customers, FSC and/or PEFC certifications are mandatory. In this sense, Suzano seeks to improve processes and products, becoming more and more the environmental quality, fostering risks and living harmoniously while communicating with customers through its several channels, like website, corporate presentations, annual reports and events about its sustainable practices and forest management processes. Additionally, Suzano has implemented voluntary technical standards, such as ISO 9001, ISO 14001, ISO 45001, that contain requirements for quality, environmental, health and safety management systems, as well as the criteria established by the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC). In all cases, the related processes are regularly audited by independent third parties to verify the conformity with such requirements.

Employees

Relevance & inclusion

Relevant, always included

Please explain

Employees are always included in our forest-related risk assessments, since their motivation, engagement and well-being are the basis for good results at work. Therefore, our employees have a key role to improve our forest management performance. Aiming to optimize forest management, in line with Sustainability Strategy, and increase employee engagement, the company expanded the incentive innovation program called i9, with financial recognition to employees who launch the most innovative ideas, in order to encourage the operational team to contribute to sustainable forest management practices. Employees are very important because they help to identify risks and opportunities related to forest, as well as they can be affected by the company's activities and performance. Therefore, the Suzano's Environmental Training Program promotes environmental information and practices to raise awareness among its participants about attitudes and behaviors that are sustainable and help transform its socio-environmental reality. The trainings addressed the main following topics: Biodiversity Conservation and Monitoring, Management of Environmental Aspects and Impacts, Water Resources Management, Solid Waste Management, Conservation of Areas of High Conservation Value, among others.

Investors

Relevance & inclusion

Relevant, always included

Please explain

The company publishes annually and publicly the Forest Management Plan, which details the areas of environmental conservation and eucalyptus planting. It also presents the company's commitment to the conservation of the environment, in the adoption of best practices of responsible management, such as, for example, the monitoring of biodiversity and hydrographic basins. Suzano understands the relevance of the Forest issue in its activities and also the importance of the investors' view regarding this matter, because every year researches show that investors are worried about ESG matters and asking for more disclosure about it, and this is a theme in almost every meeting that the management or the IR team attend with investors. Also, the Company knows that nowadays, ESG is a very important topic for investors making decisions regarding investments, and it still has room to grow. The Company maintains through meetings and conferences a close relationship with global investors to better understand their needs and expectations about forest and land issues. As an example of these interactions, in 2020, Suzano has integrated the B3 Corporate Sustainability Index and the Dow Jones Sustainability Index, which highlights the actions of the company related to sustainability commitments. Also, since last year Suzano is participating on CDP (water, climate and forest questionnaires) and also has a good engagement on the TCFD. The Company also created a page on its website called "Indicators Center" where everyone can find complete information about sustainability subjects, follow the GRI methodology.

Local communities

Relevance & inclusion

Relevant, always included

Please explain

Suzano's relationship strategy is to ensure the social legitimacy of its business, by strengthening, in the long term, interaction with neighboring communities and the integration of its interests in the conduct and management of the forestry business. The company's relationship with the communities neighboring its operations follows the following approach: Prioritization matrix: Process of characterizing the locations with Suzano's presence, in order to guide the social impact actions to be adopted in each case. This study contributes to an assertive direction of social investment and other actions of local relationship. Engagement: Structured, inclusive and continuous relationship, in which the company assumes the role of partner in local development. It occurs in the communities most impacted by Suzano's operations. In rural communities, this engagement occurs through the Rural and Territorial Development Program (PDRT), among others. Operational dialogue: It is a direct communication channel, through which the company previously informs residents of neighboring communities about forest operations scheduled for the region, according to an annual activity plan, and discusses the impacts and ways to mitigate them. The process also includes annual visits to ensure an ongoing relationship with neighboring communities. Community Councils: Suzano has encouraged action through Community Councils, which are spaces for dialogue created between the company and other social actors (organized civil society, non-formalized groups, the general population) from locations close to its operations. This involvement aims to promote the council as the main channel of direct communication between the community and the company. The company also establishes the Management of occurrences linked to operational activities with a process of meeting the demands of the impacted community. The main communication channels used are: 0800 Talk to Suzano and Operational Dialogue. After carrying out the actions, a satisfaction interview is also carried out with the community involved, in 2020, the result was 85% satisfaction with Suzano's service.

NGOs

Relevance & inclusion

Relevant, always included

Please explain

Suzano invests environmental studies and continuous monitoring with specialized consultants and NGOs, in order to guarantee the environmental performance of our plantations and to guarantee the conservation of ecosystems and the availability of natural resources in which we operate. This is done through the adoption of conservation measures and improvement in forestry activity plans, considering the environmental conditions of the area. In 2020, we continued with our partnership with the NGO The Nature Conservancy - TNC, which monitors Forest Restoration projects. We also continue, as members, participating actively in the Forestry Forum of the state of Bahia, where national and local NGOs are also effective members, and in this collegiate a map of land use and occupation of the territory was built, an important planning tool and environmental actions. In 2020, Suzano established another two partnership with NGOs. With SOS Mata Atlântica for the development of Municipal Plans for the Conservation and Recovery of the Atlantic Forest (PMMA) in 30 municipalities where Suzano operates in the states of São Paulo, Espírito Santo, and Bahia. And with WRI and IMAZON for the development of the project "Promoting and implementing Large-Scale Assisted Natural Regeneration in the Brazilian Amazon."

Other forest risk commodity users/producers at a local level

Relevance & inclusion

Relevant, always included

Please explain

All producers should have their properties regularized according to the rules of the Forestry Code and state laws, the program also encourages the natural areas recovering sharing knowledge and donating native seedlings. Approximately, 148,000 hectares from 1,380 producers participate in the forestry development program, covering 150 cities in Brazil (2021). Suzano encourages its suppliers to seek certification and assess the origin of raw material (timber) by using the FSC due diligence system to ascertain the legality, environmental and social issues in areas that are not in the scope of certification. Additionally, in order to evaluate the areas of forest producers and suppliers of timber, Fibria establishes a due diligence system which is a set of activities to monitor the sources of raw material (timber) in compliance with CERFLOR / PEFC, FSC standards and applicable laws. The Due Diligence System (Verification Program) addresses the requirements: definition of responsibilities, procedures, training, list of sources of raw material (wood), public policy commitment not to acquire illegal timber and have a system for receiving and dealing with complaints about wood suppliers. The verification program is conducted by our internal team and covers 100% of the wood suppliers. Means to verify the relevance, effectiveness or adequacy of the Program are conducted internal and external audits. The contracts with the suppliers include clauses for compliance with current legislation even, Suzano helps the providers to regulate their situation before signing the partnership. In order to stimulate rural producers located close to the pulp factories to plant eucalyptus, the company maintains a Forestry Development Program, which brings benefits in exchange for a guaranteed supply of wood.

Regulators

Relevance & inclusion

Relevant, always included

Please explain

Regulatory agencies are key players in the analysis of forest-related risks. Suzano seeks to maintain a harmonious relationship and collaborative discussions at the federal, state and municipal levels. The relationship with regulatory agencies is fundamental to align internal and external expectations and ensure that the company's business strategy is aligned with the society interests. In addition, this relationship reinforces the dialogue and commitment with cooperation topics between the company and the regulatory staff. Suzano integrates several environmental groups - Florestar, Brazilian Institute of Trees (Ibá), Reflore-MS, World Business Council for Sustainable Development (WBCSD), Brazil Coalition on Climate, Forest and Agriculture, Hydrographic Basin Committees, among others - and contributes with sectorial themes and global interest that encourage commitment and cooperation agreements for sustainable development. At the municipal level, Suzano participates in the Municipal Environment Councils and seeks to maintain an open dialogue with city halls, unions and representatives of the population's environmental and social rights.

Suppliers

Relevance & inclusion

Relevant, always included

Please explain

At Suzano, we can separate the purchase of the wood in two: The first one is the one with long contracts (7 years or 14 years), Mato Grosso do Sul particularity. For these cases, in which Suzano owns or lease is entitled to a part of production and 70% of surplus of what that funds produces. On the other hand, Suzano has spot market, present on all sites, which varies from small producer (100/200 hectares) to that producer more than 15 thousand hectares. The purchase of market wood, whether from big players such as investment funds or from small local producers, accounted for 40% of wood consumption in 2020 across Brazil. In some cases, it can reach ~ 60% in some locations, such as Mato Grosso Sul, showing the importance of this process. From the perspectives of risk, initially by the socioenvironmental Suzano constantly seek alternatives and tools for the responsible production through voluntary certification and socio-environmental commitments. Certification systems are initiatives for continuous improvement of processes, environmental conservation and responsible development practices that benefit our relationship with society, government agencies, customers, suppliers, employees and other stakeholders. Suzano has internationally recognized certifications in its operations, such as ISO 9001, ISO 14001, OHSAS 18001 and forest certification as FSC® and Cerflor/PEFC certifying responsible practices. Furthermore, Suzano has internal audit process in the wood purchase process, which is necessary to fulfill a series of requirements to sell to Suzano. For example, environmental and operational licenses, property adequacy to environmental and real state legislation, among others. The risk assessment in purchase of the wood is essential because verifies whether the wood is produced according to high standards that protect the environment, and Chain of Custody, which verifies that the Company uses only certified wood as raw material.

Other stakeholders, please specify

Relevance & inclusion

Not considered

Please explain

F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

	Risk identified?
Timber products	Yes
Palm oil	<Not Applicable>
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F3.1a

(F3.1a) How does your organization define substantive financial or strategic impact on your business?

Based on Suzano's integrated risk management policy, a combination between impact and probability indicates which risks are considered substantial, both strategic and financial. Based on that, we classify impacts' risk in minor, moderate, major and extreme, being the rules and definition of percentages applied to the calculation of Materiality of Risks consist of use of EBITDA percentages (Earnings Before Interest, Taxes, Depreciation and amortization), following the curve:

1. Extreme: Above R\$600M during risk time-horizon
2. Major: From R\$200M to R\$600M during risk time-horizon
3. Moderate: From R\$40M to R\$200M during risk time-horizon
4. Minor - Lower than R\$40M during risk time-horizon

Otherwise, probability of occurrence follow these classes: remote, possible, likely and very likely.

Impact must be analyzed in the following categories: financial, health and safety, environmental, social/cultural, reputational, organizational and legal.

Therefore, the combination between impact and probability generates our Risk Matrix, and those risks with major or extreme impact and likely or very likely probability are classified as substantial for Suzano's business.

The management of climate change related risks is integrated into our overall risk management, which follows the guidelines defined in our

integrated risk management policy with respect to the process of communicating, prioritizing, treating, monitoring and analyzing risks. Priority risks associated with climate change are managed by certain internal departments in charge of monitoring the risk and are periodically monitored by our risk management department through an integrated multi-disciplinary ERM (Enterprise Risk Management) process.

In addition, Suzano is a supporter of the Climate Related Financial Disclosures Task Force (TCFD) and was the first company in the pulp and paper sector to be the protagonist of a case study published in the TCFD Knowledge Hub.

From the point of view of forestry technology, after a comprehensive review of the theme, a technological roadmap will be

prepared with actions to quantify the risk and impacts on forest productivity, with a focus on actions to form resilient forests and reposition the forest base.

In additional, Suzano does not have insurance coverage for its forests. To mitigate the risk of fire, the Company maintains internal fire brigades, a watchtower network, and a fleet of fire trucks. There is no history of material losses from forest fires.

F3.1b

(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Forest risk commodity

Timber products

Type of risk

Physical

Geographical scale

Global

Where in your value chain does the risk driver occur?

Direct operation

Primary risk driver

Increased severity of extreme weather events

Primary potential impact

Increased operating costs

Company-specific description

Most of the wood used in our production processes is supplied by our own forestry operations, which include planted forest areas located in close proximity to our production facilities. The wood market in Brazil is very regional and limited in wood availability, as most pulp and paper producers are integrated and utilize wood grown in their own planted forests to meet their wood requirements. Our planted forests are subject to natural threats, such as drought, fire, pests and diseases, which may reduce our supply of wood or increase the price of wood we acquire. Our planted areas are also subject to other threats, considering their wide territorial coverage and proximity to a significant number of neighbors and local communities, including loss of possession due to social unrest or squatter invasion, land title disputes, wood theft, or arson, which may result in real damage to our planting and transit areas and may adversely affect our results. Climatic events such as La Niña and El Niño, may adversely affect our business operations. We input scenarios of changing global climate conditions, in our long-term forest planning analyses, based on Woodstock Remsoft tool, to measure productivity (physical supply) and financial impacts (economic effect). According to our model, Suzano's pulp mills located in Espírito Santo, Bahia and Maranhao may be more impacted comparing to those located in Sao Paulo and Mato Grosso do Sul.

Timeframe

4-6 years

Magnitude of potential impact

High

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

0

Potential financial impact figure - maximum (currency)

2285640000

Explanation of financial

In order to estimate the financial impacts from extreme weather events like droughts and floods, we calculate the cost of buying wood on the market due to the drop in forest productivity, resulting in R\$1.7, 1.9 and 2.3 billion - to be diluted over the years - for three sensitivity scenarios for losses: moderate, acid and extreme. This estimation is based on different level of potentially productivity's lost for already planted forest, mainly for our mills located in Brazilian Northeast but also considers mills located in Sao Paulo and Mato Grosso do Sul (Southeast area). Therefore, it considers actual wood spot market in these regions multiplied by required additional volume in order to fit forest productivity losses.

Primary response to risk

Implementation of environmental best practices in direct operations

Description of response

Our goal is to continue improving our planted forest productivity and quality in a sustainable manner. With this purpose, our research group is selecting new eucalyptus clones based on growth, cellulose content and wood quality, making use of state of art techniques like genetic recombination through controlled pollination, use of genomic tools in the selection of new clones, extensive field evaluation (700 ongoing experiments) and laboratory analysis. In 2020, our Forestry Breeding and Digital teams developed a system – called Tetrys – to help the silviculture team allocate the clones more precisely in available areas for planting. Using the power of Machine Learning algorithms combined with Forest Inventory and Research data, this system defines the best clone(s) to be planted in a specific planting unit. The system predicts the risk of productivity loss for each clone, considering both biotic and abiotic stress factors. Tetrys allowed the robust elaboration of plantation program for 2021, with more than 90 thousand hectares, and it helped the planning of our operational nurseries and the maximization of productivity, reducing the risk of productivity losses. Also, the future plantation programs will use the recommendation that comes from Tetrys. In addition, Suzano maintains 83 weather stations distributed among its forest base, watersheds, land use, occupation, and evapotranspiration monitoring ("open-air laboratories").

Cost of response

163400000

Explanation of cost of response

Suzano maintains 83 weather stations distributed among its forest base, watersheds, land use, occupation, and evapotranspiration monitoring ("open-air laboratories"). This physical structure, as an example, costs R\$ 1,28 million (yearly) and allows us to measure with elevated accuracy the impacts of the prediction models in the climate change scenarios arising from the events of El Niño and La Niña in the last 102 years. Considering all investment done for R&D&I, Suzano invested R\$163.4M by 2020. Part of that is invested in forest R&D&I initiatives.

Forest risk commodity

Timber products

Type of risk

Physical

Geographical scale

State or equivalent

Where in your value chain does the risk driver occur?

Direct operation

Primary risk driver

Forest fires

Primary potential impact

Increased production costs

Company-specific description

2020 was an atypical year compared to previous periods in terms of fire occurrences. This is mainly due to the following factors: -Rainfall well below the historical average - Extended drought period -Very high temperatures and higher-than-normal water deficit -Severe drought, associated with large fires By 2020, number of fires in Suzano's areas grew from 4,904 to 7,830, comparing with previous year. In area, the total forestland affected by fire, in hectares grew from 11,233.30 to 20,349.16. The Midwest region had the worst drought in recent years and, as a result, we experienced major forest fire episodes, with strong repercussions in the country and the world. In the States of Espírito Santo and Bahia, there were incidents of fires in regions that did not used to have these occurrences and, for this reason, were distant from our main focus of action. In addition, total number of conservation areas affected by fire also grew significantly - from 4,316.9 to 8,462.31 hectares. As reference, Suzano owned or leased approximately 2.5 million hectares of land, of which approximately 1.3 million hectares were used for eucalyptus cultivation and 1 million for forestry reserves. So despite growth, risk from fires is not considered high.

Timeframe

1-3 years

Magnitude of potential impact

Low

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial

Although we have an estimate of the impact of forest fires in the short term, it is still necessary to measure via forest inventory what is the effect of such fire outbreaks on forest productivity and the respective impact on conservation areas. Therefore, we understand that it is premature to disclose any number.

Primary response to risk

Adopt regenerative agriculture policies

Description of response

Fire outbreaks are controlled with the support of our fire brigades and monitoring equipment in all the company's operating units. A network of surveillance towers spread over our forests allows us to quickly detect forest fires. In addition, we have a large team of trained firefighters, a fleet equipped with kits for the first firefighting, as well as water trucks and a truck that acts as a CAF (compressed air foam). With the support of this technology, we have made firefighting more effective and reduced the volume of water used in operations. We also work to engage the neighboring communities through the Floresta Viva (Live Forest) Program, which brings information, raises awareness, and provides a contact channel for anyone to report any occurrence of fire outbreaks in our forests. For 2021, in line with Suzano's strategy to control and suppress forest fires, reduction targets for the burned area will be defined to be managed by the responsible teams. To this end, the specificities of each region where the company operates will be taken into account, with specific plans of action for each scenario.

Cost of response**Explanation of cost of response**

In recent years, in Três Lagoas mill, as an example, the company has invested in the installation of 21 fire towers and 2 frequency repeater towers in the forest modules in Três Lagoas, Brasilândia, Água Clara, Ribas do Rio Pardo and Selvíria. Powered by solar energy, the towers are equipped with digital cameras with 360 ° rotation, providing control, 24 hours a day, of 96% of the company's more than 450 thousand hectares of forest areas in the State. The range of the towers, which measure between 54 meters and 72 meters in height, reaches a radius of 15 kilometers each, which brought a reduction of 31% in the average response time to fires when compared to the period prior to the towers. Suzano has also invested in the training and education of its brigade members. At the end of 2019, the company trained 117 new brigadiers. As a result, the Fire Brigade now has 429 highly trained professionals to work in fire-fighting and other emergency actions, which corresponds to a 37.5% increase in the number of brigade members. The teams have a fleet of three high capacity fire fighting trucks (15 thousand liters), nine 4x4 trucks with a capacity of 600 liters, two multitasking trucks (4 thousand liters) in exclusive dedication, all equipped with modern equipment firefighting equipment and individual protection items. In addition, 57 water trucks used in the forestry silviculture operation are able to intervene in possible occurrences.

F3.2**(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

	Have you identified opportunities?
Timber products	Yes
Palm oil	<Not Applicable>
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F3.2a**(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic**

impact on your business.

Forest risk commodity

Timber products

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Direct operation

Primary forests-related opportunity

Increased availability of products with reduced environmental impact (other than certified products)

Company-specific description & strategy to realize opportunity

Moving ahead with our long-term strategy through our strategic avenue of maintain relevance in Pulp, Suzano announced Cerrado Project (a new pulp mill located in Ribas do Rio Pardo, Mato Grosso do Sul, Brazil), with capacity of 2.3 million tonnes of hardwood market pulp, in a market that is expected to growth 4.6 million tonnes by 2025. By this project, Suzano will improve competitiveness with the lowest cash cost, provide attractive returns even in more adverse scenarios, advance in economies of scale, increase leadership position in the pulp market, supply long-term demand increase and highlight for contributing to company's sustainability goals. Cerrado Project brings many benefits aligned with our business strategy and our long-term goals for climate. Providing more pulp, Suzano not only supplies growth in market demand but also contribute for single-use plastic substitution. Some examples of benefits for this increase in capacity from a new project: renewable energy generation of approximately 180MW and considered in the industry as free from fossil fuel - a new milestone for Suzano in eco-efficiency that shows its commitment to society and the planet. In addition, due to structural average radius of only 60 km, inbound logistics will be provided mainly by hexatrem - innovation launched in 2019 by Suzano —the world's first trailer truck with six semitrailers that is able to transport up to 200 tons of wood in one haul. This innovation only can be used in internal roads. Hexatrem consumption in liters of diesel per m³ transported is 21.5% lower than the traditional tritrem model. This means that, for every 1 million m³ transported, there is a reduction in emission of approximately 600 tons of CO₂ equivalent (greenhouse gas reflection standard). Suzano has already started investment at the project and Cerrado project is expected to start-up by 2024.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

High

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

5975400000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Considering Cerrado's Project announced capacity of 2.3 million tonnes of hardwood pulp by year and based on LTM 1Q 2021 net average price for Suzano of R\$2,598/tonne, multiplying production capacity and revenue by ton (historical assumption), the annual revenue in actual basis for Cerrado production is up to R\$5,9 billion.

Forest risk commodity

Timber products

Type of opportunity

Products & services

Where in your value chain does the opportunity occur?

Direct operation

Primary forests-related opportunity

Increased R&D and innovation opportunities

Company-specific description & strategy to realize opportunity

With approximately 2.5 million hectares of land, of which approximately 1.3 million hectares were used for eucalyptus cultivation and 1 million for forestry reserves, Suzano faces growing challenges for management of eucalyptus pests and diseases, that caused bilionaire damages in Brazilian forest sector over the last 20 years and consequently losses for Suzano. To carry out an efficient management to combat pests and diseases, three examples of strategies are adopted at Suzano. The first is the use of genetic resistance to control major diseases and some pests. Through specific protocols, resistant clones are efficiently selected. In this case, as the main opportunity, it is possible to intensify this process and make this evaluation even earlier in the breeding program. The second example concerns the use of biological control. The biological control market is growing rapidly, and we are in the same direction. Finally, Suzano has a monitoring system to assess the environment (weather stations - Suzano maintains 83 weather stations distributed among its forest base), the host (satellite and drones) and pests and diseases (traps and field inspections), in order to support better control decisions. Taking the second example as the highlighted opportunity, as a pioneer in the use of biological control techniques, Suzano is one of the companies that most invest in this area. Currently, the company has two laboratories for the production of natural enemies: one in Aracruz (Espírito Santo state) and the other in the municipality of Alambari (São Paulo state). In 2020, our production reached 49 million natural pest enemies, which were released in 56,376 hectares. With this, not only do we no longer have damage caused by pests in Suzano's areas, but we also use a much more interesting alternative from an environmental point of view: without using agrochemicals, we put groups of pests in balance in these areas. Again, we have a good example of shared economic and environmental gains in managing our forests.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential impact

Low

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

14000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

In 2020, we reached the production of 49 million natural pest enemies, which were released on 56,376 hectares, exceeding R\$ 14 million in net avoided cost in the 2019/2020 biennium. In 2021 we will expand the biological control technique, through the installation of laboratories in Mato Grosso do Sul and Maranhão, in addition to those already existing in São Paulo and Espírito Santo.

Forest risk commodity

Timber products

Type of opportunity

Products & services

Where in your value chain does the opportunity occur?

Direct operation

Primary forests-related opportunity

Increased R&D and innovation opportunities

Company-specific description & strategy to realize opportunity

The generation, selection, multiplication and planting of superior eucalyptus trees is one of the pillars for the production of wood for the pulp and paper sector. The development of each eucalyptus clone, within the genetic improvement programs, requires the work of researchers and technicians in the laboratories and in the field. Suzano has been investing in eucalyptus plantations since the 1960s and currently we have one of the largest databases for this genus in the world. In addition to selecting trees that are superior in wood quality, with high productivity and resistance to the main pests and diseases, it is also necessary to carry out a correct clonal allocation, positively taking advantage of an interaction between the clones and as environmental characteristics of the planting areas. This step considers a dimension and the variability of the conditions of climate, relief, altitude and soil of the planting areas. Crossing all these data is something quite complex, but necessary to ensure the sustainable forest management of our planted forests. It is at this point that the advance of digitalization of processes in the industry has brought gains. In this sense, in 2020 we developed Tetrys, an unprecedented digital tool in the forest sector, which generates productivity and risk scenarios for each eucalyptus clone, allowing for the best match between the clones and the environments, boosting gains and owing to the volatility of the forest production. The complex spatial distribution of almost all classes of tropical soils in the Suzano units results in a veritable "puzzle" of "genotypes x environments x managements". In addition, a forest base is extremely dynamic, with prospecting and demobilization of assets being constantly evaluated. We are using artificial intelligence to have more security in the production process since, using Tetrys, it is possible to capture the risks to productivity due to climate change. The results so far demonstrate that we have increased our capacity to generate productivity vs. risk scenarios by 15 times. With this, we were able to estimate an expected gain of 2% in IMAccl - Average Annual Pulp Increment - in the plantations carried out in 2021.

Estimated timeframe for realization

>6 years

Magnitude of potential impact

Medium

Likelihood

Likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The tool offers competitive advantages that Suzano decided to protect it as an industrial secret. So at this moment we are not allowed to divulgate potential financial impact.

F4. Governance

F4.1

(F4.1) Is there board-level oversight of forests-related issues within your organization?

Yes

F4.1a

(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.

Position of individual	Please explain
Board-level committee	The Sustainability Committee, which is led by the President of the Board of Directors that oversees periodically assessment and mitigation of all material issues indicated in Suzano's materiality, one of which is Sustainable Forest Management. Some forest-related decisions made by the committee were the long-term goals announced in the 2020 Annual Report: offer 10 millions tons of products from renewable source and connect half a million hectares of priority areas for biodiversity conservation in the Cerrado (Brazilian Savannah), Atlantic Forest and Amazon.

F4.1b

(F4.1b) Provide further details on the board's oversight of forests-related issues.

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing major capital expenditures Reviewing and guiding corporate responsibility strategy Reviewing and guiding risk management policies Reviewing innovation / R&D priorities Setting performance objectives	The Board and the Sustainability Committee that answers directly to the Board are key to reviewing and guiding strategy, corporate responsibility, risk management, innovation and performance regarding forest management and biodiversity protection.

F4.2

(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on forests-related issues	Please explain
Chief Sustainability Officer (CSO)	Both assessing and managing forests-related risks and opportunities	As important matters arise	The CSO is responsible for overseeing the Forestry Environmental Department that manages restoration projects, monitors and controls environmental aspects, impacts and risks, ensures compliance with legislation and certifications and is responsible for the integrated management of forestry, industrial and regulatory certifications. Suzano's CSO reports to the CEO and is responsible for four main fronts in sustainability: Corporate sustainability: sustainability strategy, transparency, stakeholder engagement, sustainable finance, climate strategy Forest environment: biodiversity monitoring, water projects, restoration projects and recommendation of environmental improvements to the forest operations Social Development: engagement with and investment in local communities Ecofuturo Institute: a civil society organization focused on conservation In three scheduled meetings the CSO presents to board what has been defined at Sustainability Committee and the long-term goals progress.
Chief Executive Officer (CEO)	Assessing forests-related risks and opportunities	More frequently than quarterly	The CEO is the responsible to sign the commitments that include commitment to responsible practices of forest management that promote the sustainability of ecosystems, the maintenance of biodiversity and environmental, social and economic benefits in the long term.
Other C-Suite Officer, please specify (Chief Innovation Officer)	Both assessing and managing forests-related risks and opportunities	As important matters arise	The Chief Innovation Officer seeks to improve practices and processes in the forest and in the mill to ensure forest protection and growth.
Sustainability committee	Assessing forests-related risks and opportunities	Quarterly	The Sustainability Committee, which is led by the President of the Board of Directors that oversees periodically assessment and mitigation of all material issues indicated in Suzano's materiality, one of which is Sustainable Forest Management. Additionally, as Suzano is a forest-based company, it is important that the oversight on forest-related topics stays with the CEO

F4.3

(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

	Provide incentives for management of forests-related issues	Comment
Row 1	Yes	This goal is an offshoot of the long-term ones as disclosed on the suzano website.

F4.3a

(F4.3a) What incentives are provided to C-Suite employees or board members for the management of forests-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive?	Performance indicator	Please explain
Monetary reward	Other C-suite Officer	Achievement of commitments and targets Other, please specify (Forests Productivity)	R&D Executive Director has a performance indicator related to this theme, which impact his variable remuneration at the end of the year. His goal is to increase IMACEL-Average Annual Pulp Increment per hectare per year (including the use of advanced tools eg genomics; digital) and it represents 3,8% of the total score and justifies the selection of the items "Achievement of commitments and targets" and "Other, please specify: forests productivity". The Executive has a quantitative goal, which Suzano prefers to keep in privacy, with a baseline considering the minimum to be reached to receive the bonus. The measurement uses IMACEL average of clonal recommendations from all units over the previous year's and the data source is the Technology and Innovation (SGS consolidated results) and Forest Inventory Department.
Non-monetary reward	Please select	Please select	

F4.4

(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?

Yes (you may attach the report – this is optional)

20 F 2020.pdf

20F PAGE 11 OF THE PDF

F4.5

(F4.5) Does your organization have a policy that includes forests-related issues?

Yes, we have a documented forests policy that is publicly available

F4.5a

(F4.5a) Select the options to describe the scope and content of your policy.

Scope	Content	Please explain
-------	---------	----------------

	Scope	Content	Please explain
Row 1	Company-wide	<p>Commitment to eliminate conversion of natural ecosystems</p> <p>Commitment to eliminate deforestation</p> <p>Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)</p> <p>Commitment to remediation, restoration and/or compensation of past harms</p> <p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to transparency</p> <p>Commitment to stakeholder awareness and engagement</p> <p>Commitment to align with the SDGs</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>Description of business dependency on forests</p> <p>Recognition of potential business impact on forests and other natural habitats</p> <p>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</p> <p>List of timebound milestones and targets</p> <p>Description of forests-related performance standards for direct operations</p> <p>Description of forests-related standards for procurement</p>	<p>Responsible socio-environmental conduct and the generation of shared value are part of Suzano's strategy. Currently Suzano's operations occur in Brazil (in the states of São Paulo, Mato Grosso do Sul, Maranhão, Pará, Tocantins, Bahia, Minas Gerais and Espírito Santo, comprising the Cerrado, Atlantic Forest and Amazon biomes). Due to the high risk of biodiversity loss because of deforestation and the high risk of social conflict by land disputes in Brazil, sustainable wood supply is the most important raw material for Suzano's business. Suzano recognizes the value of its forests and it is committed to a zero deforestation policy and adoption of best forest management practices, establishing its plantations exclusively in areas previously anthropized by other uses. Suzano operates in compliance with all legislation, standards and commitments undertaken and it is committed to international widely-recognized forest initiatives (FSC and CERFLOR/PEFC), both auditable forest certification schemes, which do not accept deforestation, forest degradation or social injustice. Suzano respects indigenous, traditional and local communities rights and other parts involved in the operation. Thus, Suzano's relationship strategy seeks to ensure social environmental sustainability and legitimacy to its business, by strengthening long-term interactions with neighboring communities, and by integrating their interests in the planning and management of the company's operations (e.g., Rural Land Development Program or "PDRT", Colmeias Program, Sustainable Forest Extractivism Program). Recognizing the potential impact of our operations on forests and other natural habitats for our activities, we map and monitor the environmental aspects that can cause impacts; assess risks and determine prevention, mitigation, adaptation, restoration and compensation measures of adverse impacts and expansion of the beneficial ones; and we carry out ecological restoration of degraded areas. The internal development and decision making are disclosed in the company's annual report. Suzano conducts an annual critical analysis to assess the adherence of its practices to its policies, as well as to verify the need to revise them. Alongside the Policies, Suzano has time-bound commitments and targets for forest and biodiversity by 2030, which considered and supports the achievement of the UN's SDGs.</p>

F4.5b

(F4.5b) Do you have commodity specific sustainability policy(ies)? If yes, select the options that best describe their scope and content.

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Timber products	Yes	Company-wide	<p>Commitment to eliminate conversion of natural ecosystems</p> <p>Commitment to eliminate deforestation</p> <p>Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)</p> <p>Commitment to remediation, restoration and/or compensation of past harms</p> <p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to transparency</p> <p>Commitment to stakeholder awareness and engagement</p> <p>Description of business dependency on forests</p> <p>Recognition of potential business impact on forests and other natural ecosystems</p> <p>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</p> <p>List of timebound commitments and targets</p> <p>Description of forests-related performance standards for direct operations</p> <p>Description of forests-related standards for procurement</p>	<p>Due to the high risk of biodiversity loss because of deforestation and the high risk of social conflict by land disputes in Brazil, sustainable wood supply is the most important raw material for Suzano's business. Thus, Suzano is committed to a zero deforestation policy and the adoption of best forest management practices, establishing its plantations exclusively in areas previously anthropized by other uses. As a good practice, we annually publish the Zero Deforestation Report in order to demonstrate compliance with the guidelines established in our Policy (shorturl.at/oKRX8). The Policy covers all Suzano's operations (in the states of São Paulo, Mato Grosso do Sul, Maranhão, Pará, Tocantins, Bahia, Minas Gerais and Espírito Santo, comprising the Cerrado, Atlantic Forest and Amazon biomes) and its supply chain. All of our products are manufactured from eucalyptus trees, planted and harvested exclusively for this purpose, following the principles of our wood supply policy and of internationally recognized certification standards. The purchase of wood is made from legal sources, responsible and of known origin, with traceability being a prerequisite for Suzano. The chain of custody tracking system covers the requirements for forest certification schemes in which we are certified and comply with International Regulations. 100% of the wood suppliers and their subcontractors is evaluated by an internal control system to ensure compliance with the principles of our Policy. We carry out internal audits and prepare corrective action plans, when necessary; we are audited annually by nationally and internationally accredited certification bodies. Suzano carries out the annual critical analysis of its policy to assess the adherence of its practices. This annual review is employed to ensure that the company's strategic drivers, as well as its guiding policy principles, are being properly deployed in Suzano's tactical and operational initiatives. The internal development and decision making are disclosed in the company's annual sustainability report. Suzano is signatory of the Communication from the Brazilian Business Sector, which defends the sustainable development and the fight against deforestation in the Amazon, indicating actions to be taken immediately (shorturl.at/kwyAE).</p>
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F4.6

(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

Yes

F4.6a

(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?

Other, please specify (STATEMENT FROM THE BRAZILIAN BUSINESS SECTOR Business for Nature One trillion trees by 2030 (Advisory Council) The Brazilian Coalition on Climate, Forests and Agriculture)

F4.6b

(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

Forest risk commodity

Timber products

Criteria

No conversion of natural ecosystems
Zero gross deforestation/ no deforestation
Zero net deforestation
No new development on peat regardless of depth
Restoration and compensation to address past deforestation and conversion
Avoidance of negative impacts on threatened and protected species and habitats
No trade of CITES listed species
No land clearance by burning or clearcutting
No conversion of High Conservation Value areas
No conversion of High Carbon Stock forests
Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
Operations are in accordance with the UN Declaration on the Rights of Indigenous Peoples
Promotion of gender equality and women's empowerment
Remediate any adverse impacts on indigenous people and local communities
Adoption of the UN International Labour Organization principles
Resolution of complaints and conflicts through an open, transparent and consultative process
Facilitate the inclusion of smallholders into the supply chain
No sourcing of illegally produced and/or traded forest risk commodities
No sourcing of forest risk commodities from unknown/controversial sources
Restricting the sourcing and/or trade of forest risk commodities to credible certified sources
Recognition of legal and customary land tenure rights

Operational coverage

Direct operations and supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2008

Commitment target date

2020

Please explain

Suzano operates in compliance with all legislation, standards and commitments undertaken and it is committed to international widely-recognized forest initiatives (FSC and CERFLOR/PEFC), both auditable forest certification schemes, which do not accept deforestation, forest degradation or social injustice. Suzano has also a strong and well-documented traceability system, with 100% coverage of FSC and PEFC Chains of Custody and CW/DDS systems globally of wood traceability, ensuring that all products delivered to customers can be traced from the origin. In 2020, Suzano developed the Zero Deforestation Report to demonstrate compliance with the guidelines established in our Wood Supply Policy and we will annually publish it. There was no deforestation due to eucalyptus plantations in 2020; however in the states of Maranhão and Pará there were 114 ha of suppressed native vegetation by trespassers who occupied the areas illegally. In 2020, Suzano joined Call to Action, organized by Business for Nature. The purpose of the initiative is to mobilize companies worldwide to advance their practices promoting biological diversity, in addition to encouraging governments to create public policies that contribute to reversing the degradation of biodiversity. To support this agenda, the WEF promotes 1t.org, of which Suzano is a member of the Advisory Council. The goal of the platform is to connect leaders in reforestation with leaders in science, technology, business, politics, and finance to reforest biomes worldwide. In 2020, aware of the different levels of fragmentation that the biomes in which Suzano operates face – which is one of the main threats to the loss of biodiversity in Brazil and in the world, we defined our target for biodiversity conservation by 2030, which considered our entire representativeness extent and territorial influence and went beyond our fences, focusing on priority areas for biodiversity conservation in Brazil. Based on this, we will measure our positive impact on biodiversity by promoting the connection of half a million hectares (500,000 ha) of priority areas for biodiversity conservation in the Cerrado, Atlantic Forest and Amazonia biomes, measuring yearly the connected fragments (in hectares) and other benefits, such as wildlife corridors implementation; protected areas network creation; key species conservation; anthropic pressures relief; among others. Suzano also reinforces the importance of biodiversity in its business strategies through the Brazilian Business Commitment to Biodiversity, launched by the Brazilian Business Council for Sustainable Development (CEBDS). As part of the Business for Nature movement, the commitment contains nine goals to be achieved by 2030 with a focus on the pillars of prevention, mitigation, compensation, and generation, in addition to information sharing. Our environmental restoration model was considered by the UN to be one of the 15 most transformative projects in Brazil in terms of economic, social, and environmental sustainability worldwide. The selection was made by specialists in sustainable development from the Economic Commission for Latin America and the Caribbean (ECLAC), linked to the UN, the Institute for Applied Economic Research (IPEA), and the federal government. In total, the group evaluated 131 studies, from which 66 cases were chosen to compose a publication called Big Push for Sustainability. Among these studies, emphasis was given to Suzano's Rural Land Development Program (PDRT). In 2020 Suzano also took an important step with the approval of its Indigenous Rights Policy, which establishes the general guidelines and principles for the relationship with indigenous peoples and traditional communities to be applied in all areas of influence of the operations of Suzano (considering Secure Free, Prior and Informed Consent), and also mapped all the indigenous lands inside the Suzano's influence territory.

F5. Business strategy

F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	>30	Suzano has a forest planning area responsible for building and analyzing long-term studies that guarantee the sustainability of the business. The purpose of these studies is to evaluate the different aspects involved in the production of fibers and to generate scenarios supported by executive decisions. Such scenarios exist the existing ones that affect the supply of wood and marked as existing. In order for these studies to be carried out, all the premises related to the plant's demand, existing base, age and productivity of plantations, costs for investments in forestry formation, be it own or third, and costs to operate in these areas, proximity to areas of high conservation value, watershed management, among others, are inserted in the mathematical model, and through specific tools (Woodstock from Remsoft) we generate the scenarios for analysis. Business rules and restrictions are also considered so that the scenarios are operationally viable, such as, for example, the planting capacity of the site, the maximum area to be leased per year. Restrictions from the environmental point of view are included in the model, such as, for example, maximum area to be harvested in critical watersheds. The optimization is highly complex, since the choice of the logistics modal, product and destination site are also model decisions. Variables such as age and productivity of the forests foreseen for cutting are evaluated so that we do not have harvests in our own plantations that are not yet mature. The main objective is whenever we have to produce over the years with our own plantations and that regional wood production, carried out by independent producers, can be part of the production blend, considered these producers in the region's economy. The Cerrado project was a study carried out internally, in which the construction of a new 2.3 M ton pulp mill in Ribas do Rio Pardo (Mato Grosso do Sul) was evaluated. The project will receive an estimated investment of R\$ 14.7 billion, with disbursement distributed between the years 2021 and 2024.
Strategy for long-term objectives	Yes, forests-related issues are integrated	11-15	Forest is highly connected into our three vision's long-term strategy : - Continue being a benchmark in the sector in efficiency, profitability and sustainability, from the forest to the client. - Be a transformational agent in the expansion into new markets for our biomass (forest based) - Be a reference in sustainable and innovative solutions for the bioeconomy and environmental services, based on planted trees Our long-term strategy is supported by the long-term wood supply plan (31 years' study done by forest planning area). Therefore, we have clear competitiveness objectives (ambition "be best in the class" in total pulp cost). Also, our forest strategy is connected to our long-term goals, such as "increase water availability in 100% of critical watersheds by 2030". We monitor the evolution of the plan on a monthly basis, with annual forums for review and deployment into goals for the entire organization (e.g forest operations management). As of December 31, 2020, we owned or leased approximately 2.5 million hectares of land, of which approximately 1.3 million hectares were used for eucalyptus cultivation and 1 million for forestry reserves, ensuring compliance with Brazilian law that determines the percentage of area required for legal and permanent preservation reserves, located mainly along the rivers. Our forests units are certified by the Forest Stewardship Council ("FSC") and the Programme for the Endorsement of Forest Certification ("PEFC"), which attests that our forest management is environmentally correct and socially just. Some practical examples of forest based strategic initiatives are: approval and announcement of Cerrado Project (a new 2.3 forest pulp mill plant to be installed in Brazil), partnership with Spinnova to build a plant in Finland to make a sustainable textile fibre from wood, development of a tool called Tetrys – to help the silviculture team allocate the clones more precisely in available areas for planting.
Financial planning	Yes, forests-related issues are integrated	5-10	Suzano plans to expand its pulp production from eucalyptus by 20%, through Cerrado project, that requires R\$ 14.7 billion in investments to be done between 2021 and 2024. In addition to this great initiative, long-term financial planning connects to operational supply planning. Therefore, for financial planning, premises such as medium radius, productivity, quality of the wood, harvested areas, planted areas, are part of our future perspective of competitiveness and viability of the continuity of operations. By M&A moves, our investment in a joint-venture operations with Spinnova in order to build a commercial plant in Finland to make a sustainable textile fibre from wood. This type of fiber has differentiated characteristics compared to other fibers (such as viscose and cotton) in terms of environmental impact, since its production requires significantly lower volumes of chemicals and water, reinforcing our compromise to "Be a transformational agent in the expansion into new markets for our biomass". In addition, Suzano supports and seeks to lead the discussion on the regulation of the carbon market in Brazil. It is important to mentioned that we are already carbon positive, in other words, the company's CO2 removals are greater than its emissions, due to our forest related position, which is an opportunity from which Suzano can benefit from capturing CO2 and offer carbon credits, generating revenue from this practice. Also, for financial perspective, Suzano completed a US \$ 1,250 million issuance of sustainability-linked bond in the international market. In this issue, the company commits itself to achieve sustainability targets connected to our Long-term goals, that are forest related, such as our ambition of "net removal of 40 million tons of carbon from the atmosphere".

F6. Implementation

F6.1

(F6.1) Did you have any timebound and quantifiable targets for increasing sustainable production and/or consumption of your disclosed commodity(ies) that were active during the reporting year?

Yes

F6.1a

(F6.1a) Provide details of your timebound and quantifiable target(s) for increasing sustainable production and/or consumption of the disclosed commodity(ies), and progress made.

Target reference number

Target 1

Forest risk commodity

Timber products

Type of target

Ecosystem restoration

Description of target

In order to attend legal requirements and its certifications and voluntary commitments, Suzano launched a Ecological Restoration Program in 2010. The Program contemplates three biomes of Brazil: the Atlantic Forest; Cerrado; Amazon. Suzano's restoration program includes all of its sites, which, depending on their successional stages of vegetation in the conservation areas and particularities of legal obligations, have specific targets for each site. The activities of Suzano's ecological restoration program are grouped into implementation and maintenance packages. In general, there are five different restoration methods employed in all units, which are described below. There may be adaptations to these methodologies, according to the particularities of the units, so that the operationalization of the methodologies is used in applicable procedures. They are: Planting native species; Conducting natural regeneration; Exotic / invasive control; Isolation.

Linked commitment

Other environmental commitments

Traceability point

<Not Applicable>

Third-party certification scheme

<Not Applicable>

Start year

2010

Target year

2035

Quantitative metric

Absolute number

Target (number)

82.47

Target (%)

<Not Applicable>

% of target achieved

40

Please explain

As mentioned in this question, Suzano's restoration program includes all of its sites and has specific goals for each site. To carry out the management of achieving the goal, as well as study and process alignment, Suzano, within the management of the forest environment, created a thematic working group for the restoration of habitats. This group has a representative from each unit on the topic. The restoration work carried out in this group is reported to the management, which manages the action plans for the restoration goals. The habitat restoration goals for all Suzano sites are motivated to comply with legal requirements. Below are listed the restoration goals in hectares per unit, the year the work started, the years established for reaching it and the rate of completion of each site. Target 1: Mato Grosso do Sul Site; Project type: Forest ecosystem restoration; Start year: 2015; Target year: 2035; Project area to date (Hectares): 736 ha; Project area in the target year (Hectares): 1,906 ha; Monitoring frequency: Every two years. Target 2: Espírito Santo / Bahia / Minas Gerais Site; Project type: Forest ecosystem restoration; Start year: 2010; Target year: 2035; Project area to date (Hectares): 20,440 ha; Project area in the target year (Hectares): 39.000 ha; Monitoring frequency: Six-monthly or more frequently; Target 3: São Paulo Site; Project type: Forest ecosystem restoration; Start year: 2010; Target year: 2035 Project area to date (Hectares): 11,719 ha; Project area in the target year (Hectares): 24,431; Monitoring frequency: Annually; Target 4: Maranhão Site; Project type: Forest ecosystem restoration; Start year: 2018; Target year: Under evaluation; Project area to date (Hectares): 123 ha; Project area in the target year (Hectares): Under evaluation; Monitoring frequency: Annually.

Target reference number

Target 2

Forest risk commodity

Timber products

Type of target

Traceability

Description of target

100% of Suzano's wood must be - and it is - traceable, ensuring that all products delivered to customers can be traced from the origin. Thus, as a target, 100% of wood consumed by Suzano must be traceable annually. The origin of all the wood received in the factories is previously inserted in our registration system, called "Zenith", and in a georeferenced way, with the name of the rural property, region, state, transport identification, date and time of receipt at the factory, among other relevant information, and covers own and third-party wood. In the forestry area, Suzano is certified by PEFC and FSC Forest Management System. The industry has the PEFC and FSC chain of custody certification and FSC Controlled Wood. External and internal audits are carried out annually. In 2020, Suzano did internal audits in all the scope and external audit by independent certification body in Maranhão and Bahia Units and were not identified non-conformities with traceability.

Linked commitment

Zero net/gross deforestation

Traceability point

Forest management unit

Third-party certification scheme

<Not Applicable>

Start year

2004

Target year

2020

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

100

Please explain

100% of Suzano wood supply is traceable, from the planting of the seedling, harvesting, transportation, through the process of manufacturing, identification, storage and sales. To ensure 100% traceability, Suzano conducted field audits on all 614 wood suppliers in 2020. Suzano has a strong and well-documented traceability system, with 100% of wood traceability, ensuring that all products delivered to customers can be traced from the origin. The origin of all the wood received in the factories is previously inserted in our registration system, called "Zenith", and in a georeferenced way, with complete information of the name of the rural property, region, state, transport identification, date and time of receipt at the factory, among other relevant information, and covers own and third-party wood. In the forestry area, Suzano is certified with the PEFC and FSC Forest Management System. The industry has the PEFC and FSC chain of custody certification (FSC-STD-40-004) and FSC Controlled Wood (FSC-STD-40-005) that demonstrate the traceability of the origin of its raw material, identifying forest risks, legal and environmental requirements throughout its supply chain. The FSC® and PEFC forest certification schemes are widely used in the forest sector, being recognized by stakeholders as a sustainable management standard. This traceability system is used to recover information and provide proof of compliance for EUTR (European Timber Regulation). External and internal audits are carried out annually, in which FSC-STD-40-005 and ABNT-NBR 14790 standards are verified. In 2020, Suzano did internal audits in all the scope and external audit by independent certification body in Maranhão and Bahia Units and were not identified non-conformities with traceability.

Target reference number

Target 3

Forest risk commodity

Timber products

Type of target

Assess and/or verify compliance

Description of target

For non-certified areas (Controlled/Controlled Sources), Suzano institutes and applies the Due Diligence System, based on the Suzano Wood Supply Policy, Standard for Controlled Wood (FSC-STD-40-005), on the National Risk Assessment for Brazil (FSC-NRA-BR V1-0), and ABNT-NBR 14790 standard. For this, Suzano needs to verify compliance in 100% in all wood suppliers by field audit. Thus, we ensure: compliance with all applicable legislation, respect for the right to property, ownership and land use, the non-commitment of areas of high conservation value, the non-conversion of native areas into commercial timber plantations, respect for human rights and the rights of indigenous peoples and traditional communities. These principles need to be observed in the contracted area, from the formalization of the contract, covering the operations of harvesting and transporting the wood, and considering that the regularity of planting is a prerequisite of the contract.

Linked commitment

Zero net/gross deforestation

Traceability point

<Not Applicable>

Third-party certification scheme

<Not Applicable>

Start year

2004

Target year

2020

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

100

Please explain

For non-certified areas (Controlled/Controlled Sources), Suzano institutes and applies the Due Diligence System, based on the Suzano Wood Supply Policy, Standard for Controlled Wood (FSC-STD-40-005), on the National Risk Assessment for Brazil (FSC-NRA-BR V1-0), and ABNT-NBR 14790 standard, ensuring: compliance with all applicable legislation, respect for the right to property, ownership and land use, the non-commitment of areas of high conservation value, the non-conversion of native areas into commercial timber plantations, respect for human rights and the rights of indigenous peoples and traditional communities. These principles need to be observed in the contracted area, from the formalization of the contract, covering the operations of harvesting and transporting the wood, and considering that the regularity of planting is a prerequisite of the contract. When non-conformities are identified, action plans are established for treatment. Depending on the criticality of the non-conformity, the operation is stopped until it is solved and validated in a new on-site monitoring visit. In 2020, 100% (614) of wood suppliers were verified by a field audit in accordance with the criteria established by Suzano's procedure "PG.25.03.0008 Controlled Wood Management - FSC and PEFC/Cerflor" and document and field checklists (procedures "FOR.25.0001 – 'Fomento' documentary checklist" and "FOR.25.0003 – field checklist"). Besides, external and internal audits are carried out annually, in which FSC-STD-40-005 and ABNT-NBR 14790 standards are verified. In 2020, Suzano did internal audits in all the scope and external audit by independent certification body in Maranhão and Bahia Units and were not identified non-conformities related to deforestation.

F6.2

(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

	Do you have system(s) in place?	Description of traceability system	Exclusions	Description of exclusion
Timber products	Yes	100% of Suzano wood supply is traceable, from the planting of the seedling, harvesting, transportation, through the process of manufacturing, identification, storage and sales. Suzano has a strong and well-documented traceability system, with 100% of wood traceability, ensuring that all products delivered to customers can be traced from the origin. The origin of all the wood received in the factories is previously inserted in our registration system, called "Zenith", and in a georeferenced way, with complete information of the name of the rural property, region, state, transport identification, date and time of receipt at the factory, among other relevant information, and covers own and third-party wood. In the forestry area, Suzano is certified with the PEFC and FSC Forest Management System. The industry has the PEFC and FSC chain of custody certification (FSC-STD-40-004) and FSC Controlled Wood (FSC-STD-40-005) that demonstrate the traceability of the origin of its raw material, identifying forest risks, legal and environmental requirements throughout its supply chain. The FSC® and PEFC forest certification schemes are widely used in the forest sector, being recognized by stakeholders as a sustainable management standard. For raw materials supplied without FSC® and PEFC certification, due diligence is carried out to ensure traceability through checks on environmental and social issues in the supply chain. All forestry suppliers are evaluated before supplying the wood to Suzano and they are annually audited by sampling by the certification body. In case of non-compliance, Suzano stops supplying immediately and sends a suitability recommendation. These traceability systems are used to provide information and demonstrate compliance with international EUTR (European Timber Regulation) regulations to our customers; The invoice documents sent to our customers identify the products sold, quality information, batch numbers and geographic region of origin of the product. In 2020, certified wood accounted for 72% of the supply of wood to industrial units	Not applicable	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.2a

(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).

Forest risk commodity	Point to which commodity is traceable	% of total production/consumption volume traceable
Timber products	Country	100
Timber products	State or equivalent	100
Timber products	Municipality or equivalent	100
Timber products	Forest management unit	100
Timber products	Tree plantation	100

F6.3

(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?

	Third-party certification scheme adopted?	% of total production and/or consumption volume certified
Timber products	Yes	72
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.3a

(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.

Forest risk commodity

Timber products

Third-party certification scheme

FSC (any type)

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

71.04

Form of commodity

Hardwood logs

Volume of production/ consumption certified

26059376.31

Metric for volume

Cubic meters

Is this certified by more than one scheme?

Yes

Please explain

The certified base involves the volumes of entry into Suzano's industrial units. Suzano also has Chain of Custody certification (FSC-C003231 license), which means that all wood used for the production of pulp has traceability, attesting that it has been properly produced and acquired from a legitimate source. In the case of independent forest producers, who have a partnership with Suzano to supply timber, the Controlled Wood Verification Program exists. The company conducts field audits on the properties of these partners to identify the points of service for their wood acquisition policy, which include criteria for legal assistance, respect for the environment, human and traditional rights, among others.

Forest risk commodity

Timber products

Third-party certification scheme

PEFC (any type)

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

63

Form of commodity

Hardwood logs

Volume of production/ consumption certified

20540602.6

Metric for volume

Cubic meters

Is this certified by more than one scheme?

Yes

Please explain

The certified base involves the volumes of entry into Suzano's industrial units. Suzano also has Chain of Custody certification (FSC-C003231 license), which means that all wood used for the production of pulp has traceability, attesting that it has been properly produced and acquired from a legitimate source. In the case of independent forest producers, who have a partnership with Suzano to supply timber, the Controlled Wood Verification Program exists. The company conducts field audits on the properties of these partners to identify the points of service for their wood acquisition policy, which include criteria for legal assistance, respect for the environment, human and traditional rights, among others.

Forest risk commodity

Timber products

Third-party certification scheme

FSC Controlled Wood

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

28.96

Form of commodity

Hardwood logs

Volume of production/ consumption certified

9503738.49

Metric for volume

Cubic meters

Is this certified by more than one scheme?

Yes

Please explain

In order to process wood from partnerships and purchased from markets that do not have the certification, Suzano evaluates the wood using the Standard for Controlled Wood, FSC-STD-40-005, ensuring that: complies with all applicable legislation, comes exclusively from plantation, respect the right to property, peaceful possession and use of land, do not compromise recognizes areas of high conservation value, respect human rights, guarantee the rights of indigenous people and traditional communities, ensure worker's rights, including issues related to health and safety, following the Fundamental Principles of the International Labour Organization, and non-conversion of native areas into commercial timber plantations. External and internal audits are carried out annually, in which FSC-STD-40-005 and ABNT-NBR 14790 standards are verified. In 2020, Suzano did internal audits in all the scope and external audit by independent certification body in Maranhão and Bahia Forest Units to maintain the FSC Controlled Wood certification and were not identified non-conformities.

F6.4

(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?

	A system to control, monitor or verify compliance	Comment
Timber products	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.4a

(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).

Forest risk commodity

Timber products

Operational coverage

Direct operations
Supply chain

Description of control systems

For wood supply, Suzano applies: 1) Analysis of documents proving rights, land use and no conversion. In the event of any restriction, it will be properly dealt with prior to the formalization of the contract; 2) Analysis of land use limits with priority for conservation, indigenous and traditional communities officially demarcated, to establish an action plan aimed for protecting these areas; 3) Field visits to demonstrate documentary compliance. For the owned and leased properties, Suzano applies: 1) Prior to the operation, analysis of documents proving rights, land use and no conversion; 2) Planting and harvesting permissions; 3) Compliance of operational activities to human rights and applicable labor legislation; 4) Controls definition to mitigate socio-environmental impacts; 5) Field assessment to demonstrate compliance with the FSC principles and action plan. The control is assessed by clients, investors, FSC / CERFLOR and internal auditories.

Monitoring and verification approach

Geospatial monitoring tool
Ground-based monitoring system
Community-based monitoring
First-party verification
Second-party verification
Third-party verification
Other, please specify (Environmental Agencies)

% of total volume in compliance

100%

% of total suppliers in compliance

100%

Response to supplier non-compliance

Exclude

Procedures to address and resolve non-compliance with suppliers

Other, please specify (Go/No go contrato)

Please explain

All Suzano forestry units underwent to external audits carried out annually by organizations standards that assess deforestation and forest conversion. Suzano has Chain of Custody certification, which traces the wood, attesting that it was produced properly and acquired from a legitimate source. Through the Controlled Wood Verification Program, the company conducts field audits on partner properties to identify the points of compliance with its wood acquisition policy. Aspects such as: Environmental licensing and other legal authorizations for wood production. Full compliance with the civil rights of workers. Use of Personal Protective Equipment, Protective measures for environmental conservation areas and Evidence that there was no conversion of native forests into eucalyptus plantation areas. Major Non-Conformities issued in evaluations or re-certifications must be closed before the certificate is issued. Major Non-Conformities issued in monitoring audits must be completed within the defined deadlines or will cause the suspension of certification. Action plans are developed when non-conformities are identified, in order to carry out regularization. All Suzano wood supply areas are monitored, based on environmental, social and legal requirements. Part of these areas are certified FSC and/or CERFLOR, in which assessments are made by the certifying body, in accordance with forest management standards.

F6.5

(F6.5) For your disclosed commodity(ies), indicate if you collect data regarding your own compliance and/or the compliance of your suppliers with the Brazilian Forest Code.

	Do you collect data regarding compliance with the Brazilian Forest Code?	Please explain
Timber products	Yes, from both suppliers and owned/managed land	Suzano maintains the certifications of Forest Stewardship Council – FSC and Brazilian Forest Certification Program (Cerflor/PEFC), whose premise is to attend the Brazilian environmental legislation, considering the Brazilian Forest Code (CFB) as the main reference. Our forestry units have management systems coordinated by teams that act on the environmental issues, which guides the whole company to perform in accordance with our policies, goals, guidelines, legal requirements and standards. To ensure the responsible origin of our production in terms of compliance with the CFB and mentioned certifications, internal and external audits (outsourced staff) are carried out annually. Field audits are carried out to confirm the information presented in the property's Rural Environmental Registry - CAR, after comparing the information declared with satellite images of the area (Remote Sensing and GIS Tool) and other legal compliance. The documentary analysis that refers to the verification of all documentation relevant to the property (authorization acts, documents of possession and ownership, among other items). The conformity of wood from our suppliers is assessed by a specific procedure and have third-party verified Chain of Custody certificates, in accordance with FSC and PEFC/CERFLOR standards for the assessment of controlled wood, which both ensure commitment to all legal obligations and commitments with biodiversity conservation, no conversion of natural areas and identification of high conservation value forests. Certified Chain of Custody systems provide mechanisms of traceability, an information link between the wood raw material included in the product and its origin. This procedure refers to documentary analysis of the property and the owner, analysis of satellite images, analysis of the information declared in the CAR and the mapping of land use of the property. Suzano is audited annually by nationally and internationally accredited certification bodies and receive assessments from interested parties. In addition, as a good practice, we prepare and publish the Zero Deforestation Report on an annual basis in order to demonstrate compliance with the guidelines established in our wood supply policy (committing to a zero deforestation policy).
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.5a

(F6.5a) For your disclosed commodity(ies), indicate which Key Performance Indicators (KPIs) you use to measure your own compliance with the Brazilian Forest Code and your performance against these indicator(s).

Forest risk commodity

Timber products

KPIs

% of owned and/or managed properties registered on the Rural Environmental Registry (CAR) database, with active status

Performance against indicators

91-100%

Please explain

Suzano has 1530 properties registered on CAR which includes its own areas, 94% with active status. Properties that don't have an active registration go through the process of review and registration. In 2020, 234K of hectares were updated. The information is collected from official databases, such as the total of registration, Legal Reserve and APP area and its status (active, pending or cancelled). This procedure is performed with the support of a specialized service whom developed an internal tool to automatically manage this information on a monthly basis. Further, Suzano adopts a procedure to review the CAR registry quarterly by downloading the municipalities bases where operates and monitors the use and occupation of the land quarterly in order to guarantee the execution of the planned actions and adequate use of the areas. Suzano institutes and applies the Due Diligence System, based on the Suzano Wood Supply Policy, Standard for Controlled Wood (FSC-STD-40-005), on the National Risk Assessment for Brazil (FSC-NRA-BR V1-0), and ABNT-NBR 14790 standard, ensuring compliance with all applicable legislation. These principles are observed in the contracted area, from the formalization of the contract, covering the operations of harvesting and transporting the wood, and considering that the regularity of planting is a prerequisite of the contract. External and internal audits are carried out annually, in which FSC-STD-40-005 and ABNT-NBR 14790 standards are verified. In the audits, documents of compliance with the cited standard and legal documents are verified, in addition to on-site visits to evaluate the practice of the standard on-site. When non-conformities are identified, action plans are established for treatment.

Forest risk commodity

Timber products

KPIs

% of owned and/or managed properties with signed Terms of Commitment of the Environmental Regularization Program (PRA)

Performance against indicators

91-100%

Please explain

During the CAR's self-declaration, the company's interest in adhering to the PRA is indicated for all Suzano properties, when applicable and according to the states programs. Although, PRA has not yet been properly regulated in Brazilian states. Suzano monitors the implementation of the PRA in states such as Pará, Mato Grosso do Sul, São Paulo, Espírito Santo, Maranhão, and Bahia and awaits the definition in the other states for adherence and definition of the Terms of Commitment (when applicable). The monitoring of the implementation of the programs takes place by direct contact with environmental agencies and monitoring the dissemination of new environmental legislation through the system for monitoring legal requirements. It should be noted that, despite the PRA not being implemented, Suzano has an Environmental Restoration Program, recognized as one of the country's greatest biodiversity conservation and environmental restoration strategies. This program prioritizes the areas declared as a Permanent Preservation Area and Legal Reserve on their properties in all Brazilian biomes. Even though the PRA Environment Program Regularization has not been implemented in all Brazilian states, Suzano has anticipated the activities of ecological restoration of habitats and has already presented to the environmental agencies PRAD Recovery Plan for Degraded Areas (BA), PRADA - Degraded or Altered Area Restoration Project (MS), SARE - Computerized Support System for Ecological Restoration (SP).

Forest risk commodity

Timber products

KPIs

% of owned and/or managed properties with no gross deforestation after July 2008

Performance against indicators

91-100%

Please explain

Suzano carries out planting exclusively in areas classified as Consolidated Use, according to definitions and guidelines established by the Brazilian Forest Code. To meet this determination, when the property environmental microplanning is done, the GIS team does the analysis with high-resolution satellite images, including the year 2008 to the present day, to check for possible conversions. From this analysis, the areas of consolidated use, RL and APP deficits are identified, areas that have undergone conversion in the period under analysis and the strategies for using the property are defined, respecting the BFC and the principles established by the certifiers, as well as the Company's internal policies. In addition, Suzano neither acquires nor leases properties that underwent deforestation after 1994, as per the criteria of the Forest Stewardship Council (FSC). The GIS team is responsible for processing this information. Therefore, the conversion analysis is one of the requirements to proceed with the land negotiation, amongst the analysis of the official documents (CAR). If the conversion of forests is identified, the negotiation process is ceased. Suzano institutes and applies the Due Diligence System, based on the Suzano Wood Supply Policy, Standard for Controlled Wood (FSC-STD-40-005), on the National Risk Assessment for Brazil (FSC-NRA-BR V1-0), and ABNT-NBR 14790 standard, ensuring compliance with all applicable legislation. These principles are observed in the contracted area, from the formalization of the contract, covering the operations of harvesting and transporting the wood, and considering that the regularity of planting is a prerequisite of the contract. External and internal audits are carried out annually, in which FSC-STD-40-005 and ABNT-NBR 14790 standards are verified. In the audits, documents of compliance with the cited standard and legal documents are verified, in addition to on-site visits to evaluate the practice of the standard on-site. When non-conformities are identified, action plans are established for treatment.

Forest risk commodity

Timber products

KPIs

% of owned and/or managed properties with Legal Reserve (RL) and/or Permanent Protected Area (APP) deficit

Performance against indicators

91-100%

Please explain

The areas of Legal Reserve (RL) and Permanent Protected Area (APP) are defined and identified during the microplanning stage of the property. The project is based on environmental zoning, environmental legislation and the principles of forest certification. After the microplanning of the area, the registration and/or updating of the CAR registry is carried out. Deficits in RL and APP identified are assessed by satellite images with the support of GIS tools, images obtained by UAV's (Unmanned Aerial Vehicle) and field visits. In compliance with the Brazilian Forest Code, the actions to be taken in the medium and long term for the necessary adjustments to the APP's and RL's are defined, according to the specificities of each property. Suzano also has an Environmental Restoration Program, recognized as one of the country's greatest biodiversity conservation and environmental restoration strategies. This program prioritizes the areas declared as a Permanent Preservation Area (APP) and Legal Reserve (RL) on their properties, in all Brazilian biomes. Suzano total owned/manage area is 1,4 million hectares; 532 thousand hectares refers to native vegetation destined to conservation, so 38% of Suzano area is conserved (PPA and LR). Brazilian Forest Code requires that at least 20% of the property area must be intended for conservation (PPA and LR). Therefore, is possible to affirm that there is no Legal Reserve (LR) and/or Permanent Protected Area (PPA) deficit. Suzano institutes and applies the Due Diligence System, based on the Suzano Wood Supply Policy, Standard for Controlled Wood (FSC-STD-40-005), on the National Risk Assessment for Brazil (FSC-NRA-BR V1-0), and ABNT-NBR 14790 standard, ensuring compliance with all applicable legislation. These principles are observed in the contracted area, from the formalization of the contract, covering the operations of harvesting and transporting the wood, and considering that the regularity of planting is a prerequisite of the contract. External and internal audits are carried out annually, in which FSC-STD-40-005 and ABNT-NBR 14790 standards are verified. In the audits, documents of compliance with the cited standard and legal documents are verified, in addition to on-site visits to evaluate the practice of the standard on-site. When non-conformities are identified, action plans are established for treatment.

F6.5b

(F6.5b) For your disclosed commodity(ies), indicate which Key Performance Indicators (KPIs) you use to measure the compliance of your suppliers with the Brazilian Forest Code and their performance against these indicator(s).

Forest risk commodity

Timber products

KPIs

% of suppliers with no gross deforestation after July 2008

Performance against indicators

100%

Please explain

Suzano has a Wood Supply Policy, in which the principles and initiatives related to the supply of the wood used in the manufacture of its products are described, in order to guarantee the responsible origin and its traceability. The policy covers all suppliers and the criteria of legality and non-conversion of native areas for timber forest plantations are observed for all properties, considering the regularity of plantations as a prerequisite for signing supply contracts. The evaluations are carried out according to the criteria established in the CFB, through the temporal analysis of satellite images, in order to evaluate any conversions carried out after July / 2008. The conformity of wood from our suppliers is assessed annually by specific procedure, and, in accordance with FSC and PEFC / CERFLOR standards for the assessment of controlled wood, ensuring the traceability of the wood and the legality of the operation.

Forest risk commodity

Timber products

KPIs

% of suppliers registered on the Rural Environmental Registry (CAR) database, with active status

Performance against indicators

100%

Please explain

The presentation of the active CAR registration is a mandatory requirement requested by Suzano for the beginning of the wood purchase transaction from suppliers. In addition, authorization documents, debits/embargoes with environmental authorities are analyzed, among other specific documents for each region/state. Commercial team is responsible to manage this information. The GIS team assists by analyzing satellite images to verify if the land use and the preservation are adequate according to Brazilian Forest Code. The information declared in the CAR is compared with satellite images of the property and with the mapping of land use to prove the legality of the wood obtained. The wood conformity of our suppliers is assessed by specific procedure, and, in accordance with FSC and PEFC / CERFLOR standards for the assessment of controlled wood, ensuring the traceability of it and the legality of the operation. Suzano institutes and applies the Due Diligence System, based on the Suzano Wood Supply Policy, Standard for Controlled Wood (FSC-STD-40-005), on the National Risk Assessment for Brazil (FSC-NRA-BR V1-0), and ABNT-NBR 14790 standard, ensuring compliance with all applicable legislation. These principles are observed in the contracted area, from the formalization of the contract, covering the operations of harvesting and transporting the wood, and considering that the regularity of planting is a prerequisite of the contract. External and internal audits are carried out annually, in which FSC-STD-40-005 and ABNT-NBR 14790 standards are verified. In the audits, documents of compliance with the cited standard and legal documents are verified, in addition to on-site visits to evaluate the practice of the standard on-site. When non-conformities are identified, action plans are established for treatment.

Forest risk commodity

Timber products

KPIs

% of suppliers with Legal Reserve (RL) and/or Permanent Protected Area (APP) deficit

Performance against indicators

91-99%

Please explain

The CAR is a require for all contracts of Suzano. During the CAR analysis the location of RL and APP are evaluated. , with the support of the land use map required by Suzano, the information is compared with satellite images of the property, in order to verify if the property is in accordance with the Brazilian Forest Code and with certification standards. Suzano's commitments regarding responsible wood purchasing are expressed in a corporate policy (Wood Supply Policy) and covers its own and third parties' supply. The Policy was developed in compliance with the Brazilian Forest Code, the criteria of the FSC Association Policy, the FSC Standards for Forest Management and Chain of Custody and PEFC / CERFLOR, FSC controlled wood, controlled sources PEFC / CERFLOR, EUTR - European Timber Regulation, Lacey Act (USA), Australian law prohibiting illegal logging and the fundamental principles of the International Labor Organization. Suzano institutes and applies the Due Diligence System, based on the Suzano Wood Supply Policy, Standard for Controlled Wood (FSC-STD-40-005), on the National Risk Assessment for Brazil (FSC-NRA-BR V1-0), and ABNT-NBR 14790 standard, ensuring compliance with all applicable legislation. These principles are observed in the contracted area, from the formalization of the contract, covering the operations of harvesting and transporting the wood, and considering that the regularity of planting is a prerequisite of the contract. External and internal audits are carried out annually, in which FSC-STD-40-005 and ABNT-NBR 14790 standards are verified. In the audits, documents of compliance with the cited standard and legal documents are verified, in addition to on-site visits to evaluate the practice of the standard on-site. When non-conformities are identified, action plans are established for treatment.

Forest risk commodity

Timber products

KPIs

% of suppliers with signed Terms of Commitment of the Environmental Regularization Program (PRA)

Performance against indicators

91-99%

Please explain

This step is evaluated in conjunction with the other information in the CAR. Although, it should be noted that PRA Environment Program Regularization has not been implemented in all Brazilian states. Suzano does not purchase wood from areas identified as APP or RL, only from areas for consolidated use, as established by the Brazilian Forest Code.

(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.

	Assess legal compliance with forest regulations	Comment
Timber products	Yes, from both suppliers and owned/managed land	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.6a

(F6.6a) For you disclosed commodity(ies), indicate how you ensure legal compliance with forest regulations and/or mandatory standards.

Timber products

Procedure to ensure legal compliance

Suzano has a preventive approach and complies with all the applicable federal, state and municipal legislation, engaging the company's employees in meeting its requirements. By doing so, the company currently assesses its compliance utilizing a system for surveying and monitoring applicable legal requirements (Ambito System). The system captures the relevant legislation with a significant number of laws, decrees and regulatory standards at Federal, State and Municipal levels. From the survey of the pertinent legislation, a frequency for monitoring and updating the compliance is defined (30 days to 3 years, depending on the norm). Within each regulation, there are a series of obligations, which are addressed to an employee of the company responsible for the topic. The employee will have a deadline (established by the environmental department of the company, which monitors the progress monthly) to comply with what is being requested by the obligation and to present evidences. Suzano is committed to the principles established by the FSC and PEFC CERFLOR. All Suzano's Units goes through internal audits, utilizing auditing principles and internal standards and occurs through field operational activities checks and also to external audits of certification. For 100% of wood supply Suzano institutes and applies the Due Diligence System, based on the Suzano Wood Supply Policy, Standard for Controlled Wood (FSC-STD-40-005), on the National Risk Assessment for Brazil (FSC-NRA-BR V1-0), and ABNT-NBR 14790 standard, ensuring compliance with all applicable legislation. These principles are observed in the contracted area, from the formalization of the contract, covering the operations of harvesting and transporting the wood, and considering that the regularity of planting is a prerequisite of the contract. External and internal audits are carried out annually, in which FSC-STD-40-005 and ABNT-NBR 14790 standards are verified. In 2020, Suzano did internal audits in all the scope and external audit by independent certification body in Maranhão and Bahia Units and were not identified non-conformities related to forest regulations. Base document – Attachments: Wood Supply Chain: <https://storage.googleapis.com/stateless-site-suzano-en/2020/08/a6f0cae8-wood-supply-policy.pdf>

Country/Area of origin

Brazil

Law and/or mandatory standard(s)

General assessment of legal compliance

CITES

Other, please specify (Código Florestal Brasileiro)

Comment

F6.7

(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Timber products	Yes, working with smallholders	Supply chain mapping Capacity building Financial and commercial incentives	Developing or distributing supply chain mapping tool Supplier audits Offering on-site technical assistance and extension services Providing agricultural inputs Disseminating technical materials Long term contracts linked to forest related commitments	1197	Suzano buys wood from smallholders in the regions of Bahia, Espírito Santo, São Paulo and Maranhão in Brazil. Meetings and technical guidance with producers are often held by Suzano professionals. These meetings are valuable possibilities for promoting responsible forest management practices. Seedlings are also provided and advanced payment is made to encourage and support producers in the initial production phase. Suzano institutes and applies the Due Diligence System, based on the Suzano Wood Supply Policy, Standard for Controlled Wood (FSC-STD-40-005), on the National Risk Assessment for Brazil (FSC-NRA-BR V1-0), and ABNT-NBR 14790 standard, ensuring: compliance with all applicable legislation, respect for the right to property, ownership and land use, the non-commitment of areas of high conservation value, the non-conversion of native areas into commercial timber plantations, respect for human rights and the rights of indigenous peoples and traditional communities. These principles are observed in the contracted area, from the formalization of the contract, covering the operations of harvesting and transporting the wood, and considering that the regularity of planting is a prerequisite of the contract. External and internal audits are carried out annually, in which FSC-STD-40-005 and ABNT-NBR 14790 standards are verified. In 2020, Suzano did internal audits in all the scope and external audits were in Maranhão, Bahia and Units and it was not identified non-conformities related deforestation and/or conversion of natural ecosystems.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.8

(F6.8) Are you working with your direct suppliers to support and improve their capacity to comply with your forests-related policies, commitments, and other requirements?

	Are you working with direct suppliers?	Type of direct supplier engagement approach	Direct supplier engagement approach	% of suppliers engaged	Please explain
Timber products	Yes, working with direct suppliers	Supply chain mapping Capacity building	Supplier questionnaires on environmental and social indicators Supplier audits Offering on-site training and technical assistance	100%	Suzano strengthens rural producers through various types of contracts, such as land lease, purchase and sale of wood and forestry promotion. The rural landowners in the states of Bahia, São Paulo, Espírito Santo, Mato Grosso do Sul, Maranhão, Piauí and Tocantins must follow the eucalyptus planting and cultivation practices in compliance with the current legislation, such as the Forestry Code, CONAMA Resolutions, the State Environmental Policy, the Rainforest law, environmental rules and regulations, Municipal, State and Federal), emphasizing the prohibition of interference in areas covered by primary or secondary native forests, legal reserves and permanent preservation, respecting the principles of conservation of renewable natural resources, according to the best environmental practices). In 2020 Suzano assisted 1377 landowners to use their land responsibly, encouraging the recovery of remnants of native forest; forestry with responsible methods, reduce rural exodus, helping to improve the quality of life and improve regional forest development. The promotion programs are aimed at small and medium-sized regional producers and, varying according to each modality, include: Technical guidance and monitoring of the forest throughout the cycle; Incentives for seedlings and inputs; Financial advances. The ultimate goal is to form productive forests that convert into a later purchase of this wood, always following the best available silvicultural practices and the quality and safety standards required by Suzano. Besides, supporting landowners, including smallholders, has a critical effect on environmental preservation and social development. For this, Suzano stimulates the local economy and helps the environmental sustainability through the "Forest Partnership" program ("FP"). The FP is a large program based on incentive categories that depends on the landowner's interests. E.g., by the "Renda Verde" model, Suzano supports farmers to implant and maintain a high productivity forest, such as providing Eucalyptus seedlings, logistics, technical assistance, agricultural and financial resources. Besides, according to the farmers choices, Suzano can advance money before the forest harvest per se. Thus, depending on the category chosen by the forest owners, Suzano supports them with the best practices in responsible forest management.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

(F6.9) Are you working beyond your first-tier supplier(s) to manage and mitigate deforestation risks?

	Are you working beyond first tier?	Type of engagement approach with indirect suppliers	Indirect supplier engagement approach	Please explain
Timber products	Yes, working beyond first tier	Supply chain mapping Capacity building	Supplier questionnaires on environmental and social indicators Supplier audits Offering on-site training and technical assistance	The management and mitigation of deforestation risks is carried out through our wood purchase contracting process, where conversion analysis is carried out and through the field evaluation when applying the due diligence program. Suzano works in collaboration with its wood suppliers and applies the Due Diligence System, based on the Suzano Wood Supply Policy, Standard for Controlled Wood (FSC-STD-40-005), on the National Risk Assessment for Brazil (FSC-NRA-BR V1-0), and ABNT-NBR 14790 standard, ensuring: compliance with all applicable legislation, respect for the right to property, ownership and land use, the non-commitment of areas of high conservation value, the non-conversion of native areas into commercial timber plantations, respect for human rights and the rights of indigenous peoples and traditional communities. All these principles are observed in wood suppliers and in their suppliers (beyond first-tier). To mitigate the risk of deforestation, Suzano applies the Due Diligence System, which assesses – besides natural forest deforestation – legal compliance, health and safety, Human Rights violations etc. on tier-1 wood suppliers and tier-2 wood suppliers (our direct suppliers' suppliers). For example, in the city of Salesópolis, in São Paulo state, Suzano purchases controlled wood from a warehouse (tier-1 supplier) which purchases wood from other suppliers in the region (tier-2 suppliers). In 2020, during an audit, we assessed that one tier-2 supplier did not present first aid kit and chainsaw licence for its operations and, thus, the tier-1 supplier (the warehouse) was suspended from providing wood to Suzano until the tier-2 supplier was compliant. For this, an action plan was established and completed, and then the tier-1 supplier was unsuspected and started to supply wood to Suzano back again. It is important to point out that in 2020 no wood supplier (tier-1 and tier-2) was suspended by natural forest deforestation. All these evidence our actions go beyond direct suppliers, as these suppliers are responsible for ensuring that their supply chain meets the requirements of the FSC controlled wood standard.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.10

(F6.10) Do you participate in external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

Other, please specify (The Brazilian Tree Industry (Ibá))

Jurisdictional approaches

<Not Applicable>

Please explain

The Brazilian Tree Industry (Ibá) works in a structured way to represent the industry to governmental bodies, entities within the planted tree productive chain, and important sectors of the economy, environmental organizations, universities, schools, consumers, and the press. The association maintains active participation in the most important national and international forums and councils, with manufacturing and the forest base, as well as debates, meetings, and public consultations. The main topics of discussion are best practices in forest management, environmental services, technology and innovation, sustainability in the industry's production chain, and engagement with civil society in decision making. Ibá participates in technical groups and prepares documents to define a common agenda and represent the interests of the sector.

Suzano is a company associated to IBÁ and actively participates, among other initiatives, to the Water Resources Working Group, which discusses and influences public policies on the topic. An example of publication related to water to inform society about planted trees and water resources:

<https://iba.org/eng/datafiles/publicacoes/infograficos/en-info-agua-2018.pdf>

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Funding research organizations

Initiatives

<Not Applicable>

Jurisdictional approaches

<Not Applicable>

Please explain

The IPEF Cooperative Program on Environmental Monitoring in Hydrographic Basins (PROMAB) is a research program coordinated by the Forest Hydrology Laboratory of the Department of Forest Sciences at ESALQ / USP. PROMAB's beginnings were research projects by the Forest Hydrology Laboratory, of the Department of Forest Sciences at ESALQ / USP, the first of which was installed in 1987, in two experimental watersheds located in areas of the then FLORIN Integrated Reforestation (today Fibria Celulose S / A), at Fazenda Bela Vista, Santa Branca, in the Paraíba Valley, SP. Over the years, other companies have joined the program, gradually increasing the number of experimental watersheds. Today, each project is coordinated, maintained and analyzed individually. Thus, the data collected in the microbasin or in the experimental microbasins of a given participating company are analyzed and stored in a database management system, located on the IPEF server, and are made available to the company in the form of a report. The global results of the set of micro-basins also allow hydrological analyzes to identify similarities, trends and behaviors of the relationships between the management of planted forests and water, in terms of quantity (water consumption by planted forests) and quality (hydrological impacts of the management activities), as well as the indication of the hydrological similarity of the different regions. <https://www.ipef.br/apresentacao/associadas.aspx>

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

Other, please specify (The Brazilian Coalition on Climate, Forests and Agriculture)

Jurisdictional approaches

<Not Applicable>

Please explain

The Brazilian Coalition on Climate, Forests and Agriculture is a multi-sector movement formed by leading organizations in the Brazilian agribusiness, the main civil organizations in the environment and climate area, important representatives from the academic community, sectoral associations and leading companies in the wood, cosmetics, steel, pulp and paper areas, among others. Currently has over 170 members. The main role of the Brazilian Coalition is to articulate and facilitate actions for the country to promote a new economic development model based on low-carbon economy and, consequently, respond to the challenges of climate change. For this purpose, the movement: <http://www.coalizaobr.com.br/home/index.php/en/sobre-a-coalizaobr-2/who-we-are/participantes>

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

Other, please specify (The Forest Dialogue)

Jurisdictional approaches

<Not Applicable>

Please explain

The Forests Dialogue (TFD) is a platform and process for multi-stakeholder discussion and collaboration on the most pressing local and global issues facing forests and people. Our primary tool – focused dialogue – is simple and powerful. Consistent with established principles of successful multi-stakeholder dialogue processes, and based on its decade of experience, TFD pursues its mission by following a structured, phased approach to each of its initiative topics. The Purpose of the TFD is to contribute to sustainable land and resource use, the conservation and sustainable management of forests, and improved livelihoods by helping people engage and explore difficult issues, find collaborative solutions, and make positive changes. And to pursue the purpose, through constructive dialogue processes among all key stakeholders, based on mutual trust, enhanced understanding and commitment to change. Our dialogues are designed to build relationships and to spur collaborative action on the highest priority issues facing the world's forests. Suzano is signatory to this multistakeholder platform where actively participates to the dialogue on the water theme.

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

Other, please specify (The Brazilian Business Council for Sustainable Development (CEBDS))

Jurisdictional approaches

<Not Applicable>

Please explain

The Brazilian Business Council for Sustainable Development (CEBDS) is a non-profit civil association that promotes sustainable development through coordination with governments and civil society, in addition to disseminating the most current concepts and practices on the subject. CEBDS was founded in 1997 by a group of great Brazilian entrepreneurs, aware of the changes and opportunities that sustainability brought, mainly from Rio 92. Today it brings together about 60 of the largest business groups in the country, with revenues equivalent to about 45% of GDP and responsible for more than 1 million direct jobs. Representative in Brazil of the World Business Council for Sustainable Development (WBCSD) network, which has almost 60 national and regional councils in 36 countries and 22 industrial sectors, in addition to 200 business groups operating on all continents. <https://cebds.org/empresas/>

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Engaging with non-governmental organizations

Initiatives

<Not Applicable>

Jurisdictional approaches

<Not Applicable>

Please explain

The Mucuri Springs project, idealized by Suzano with the participation of several relevant organizations such as The Nature Conservancy (TNC), together with other multi-leaders from the private sector, NGOs, government agencies. The Mucuri Springs project counts on the partnership and individuals from local communities to stimulate the restoration and culture preservation of the Mucuri Basin, in favor of the perpetuity of the river and thousands of stories. <https://www.nascentesdomucuri.com.br/>

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Funding research organizations

Initiatives

<Not Applicable>

Jurisdictional approaches

<Not Applicable>

Please explain

Suzano has a research partnership with USP / Esalq – São Paulo University in the Tropical Silviculture Laboratory, which participates in Environmental Adequacy Program and in the Ecology and Forest Restoration Laboratory, which is involved with projects focused on evaluating the Silviculture models of native species for the economic feasibility of forest restoration in the extreme south of Bahia and Espírito Santo. The Environmental Adequacy Program, developed through agreements established between the Laboratory of Ecology and Forest Restoration with companies, governmental and non-governmental organizations, has obtained promising results in the recovery of degraded areas, in the dissemination of recovery technologies with lower implementation costs and in the preparation of plans necessary to achieve ISO 14000 certification, among other results. The results for the institutions involved include the definition of new and more committed consumer markets, non-recurrence in environmental crimes (through fines or assessments by inspection agencies), better zoning of productive activities and assistance in the training of qualified professionals for the management of natural resources. Add to that the gradual restoration of natural processes in areas under restoration or in fragments of conserved native vegetation, contributing to the conservation of nature and the continuity of its natural evolution. <http://lerf.eco.br/capa.asp?j=2> The Laboratory of Tropical Silviculture (LASTROP) seeks with the project of Silviculture models of native species for the economic feasibility of forest restoration to evaluate whether the cost reduction resulting from the use of eucalyptus (cheaper seedlings and faster shading of the soil, reducing maintenance costs) and the return of the exploitation of its wood allow to cover the costs of planting restoration of the Legal Reserve and areas of low agricultural aptitude, for later use of noble native woods in single and double lines, depending on what is more advantageous from the silvicultural point of view. <http://esalqlastrop.com.br/capa.asp?j=23> <http://esalqlastrop.com.br/capa.asp?j=21>

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Involved in jurisdictional approaches

Initiatives

<Not Applicable>

Jurisdictional approaches

Other, please specify (Support in the preparation of Municipal Plans for the Atlantic Forest ("PMMA") in 35 municipalities in the states of SP, ES, BA and MG (Brazil), through the "Planos da Mata" project, in partnership with SOS Mata Atlântica Foundation and IBÁ)

Please explain

Suzano, in partnership with the SOS Mata Atlântica Foundation (SOSMA) and with the support of IBÁ – (Brazilian Tree Industry), launched the "Planos da Mata" project, which aims to strengthen the governance of 35 priority municipalities in which Suzano operates to protect the Atlantic Forest biome – coupled with economic and social development – via the elaboration of the "PMMA's" (Municipal Plans of the Atlantic Forest). The PMMA was established by the Atlantic Forest Law (Federal Law 11.428/2006), which, according to decree No. 6.660/2008, must include: I - diagnosis of native vegetation (...); II - indication of the main vectors of deforestation (...); III - indication of priority areas for conservation and recovery of native vegetation; and IV - indications of preventive actions against deforestation (...) and conservation and sustainable use of the Atlantic Forest in the municipality. Also, the PMMA must be approved by the Municipal Councils for the Environment (CONDEMA), a collegiate body, represented by members of the local municipality and civil society. Thus, the objectives of the "Planos da Mata" project are: • Technically and politically guide local actors who carry out actions related to municipal public policies, so that they can coordinate the entire process of elaboration and implementation of the PMMA, collaboratively. • Institute principles and good practices in corporate sustainability in local participatory public policies. • Design a strategy for articulation with different actors to expand subsidies to municipalities to implement actions established by the PMMA. • Assist in the enforcement of the Atlantic Forest Law and legal certainty for forestry activities in the municipalities. • Disseminate good practices acquired by the project to replicate in other municipalities. In the project, Suzano's role consists of transferring resources to SOSMA and local environmental NGOs and in the dissemination of good conservation, recovery, and sustainable use practices of the Atlantic Forest biome to encourage municipalities to structure public policies. This project is in line with the organization's environmental strategy, which seeks to "identify, create and develop best practices to contribute to the management of the business and environmental assets, generating value for the company and society, aiming at a sustainable future".

F6.11

(F6.11) Is your organization supporting or implementing project(s) focused on ecosystem restoration and protection?

Yes

(F6.11a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).

Project reference

Project 1

Project type

Forest ecosystem restoration

Primary motivation

Required by regulation

Description of project

Due to the high cost for creating and maintaining protected natural spaces, these initiatives are almost always promoted by the state. However, most of the world's land, and its biodiversity, is on private property. Thus, private sector engagement in establishing protected areas, restoring degraded habitats and protecting natural areas plays a significant role in global efforts to increase conserved surface area. Suzano's protected areas were established and are managed in accordance with the Brazilian Forestry Code (Law 12.651 / 2012), which requires the restoration of protected areas of the properties that possess Permanent Preservation (APPs) and Legal Reserve (RLs) areas. In order to attend legal requirements and its certifications and voluntary commitments, Suzano launched in 2010 the Ecological Restoration Program. The program operates in three of the six Brazilian biomes (Amazon, Cerrado and Atlantic Forest). With more than 900 thousand hectares of conservation areas, Suzano in almost a decade, planted more than 10 million native seedlings, starting the restoration process in more than 30 thousand hectares of these areas. Together with a network of strategic partners, which includes NGOs (for example, WWF, TNC, WRI), academia (for example, UNESP and USP-ESALQ), financial institutions, customers and neighboring communities, the program has innovated in technology and restoration methodologies, seeking to improve efficiency, reduce environmental impacts, generate job opportunities and share knowledge to create specific habitat restoration methodologies for each of the performed biomes. Suzano understands that ecological restoration is a commitment and a responsibility in the regions where it operates. Currently, it is responsible for one of the largest private ecological restoration programs in the country, which operates mainly in areas degraded by pasture use of cattle grazing, making up the company's current conservation areas (in the categories of Permanent Preservation and Reserve Areas Determined by the Brazilian Forest Code). Thus, the program has contributed to the increase of forestry and native reforestation in Brazil, for the conservation of habitats, including their biodiversity and watersheds, as well as the adaptive capacity of these environments to climate change.
<https://sustainabledevelopment.un.org/partnership/?p=30660>

Start year

2010

Target year

2031-2035

Project area to date (Hectares)

33018

Project area in the target year (Hectares)

82473

Country/Area

Brazil

Latitude

-19.08

Longitude

-39.99

Monitoring frequency

Annually

Measured outcomes to date

Biodiversity

Carbon sequestration

Other, please specify (First to fifth year: operational monitoring; from the fifth year: ecological monitoring. Indicators: Canopy cover, density and richness of adult and regenerating native trees and shrubs, density of exotic trees, number of jobs)

Please explain

The Suzano's environmental restoration model was considered by the UN to be one of the 15 most transformative projects in Brazil in terms of economic, social, and environmental sustainability worldwide. The selection was made by specialists in sustainable development from the Economic Commission for Latin America and the Caribbean (ECLAC), linked to the UN, among other institutions (Big Push for Sustainability (<https://sustainabledevelopment.un.org/partnership/?p=30660>)). Suzano's Environmental Restoration Program was also recognized as best practice in line with UN's Sustainable Development Goals (SDGs) and became part of the select publication Inspiring Examples to Drive Change, which contains 16 success stories from around the world (<https://sdgs.un.org/events/good-practices-sdg-implementation-inspiring-examples-drive-change-24999>). Currently, the areas under restoration maintained by the company total 33,017 hectares, with 10.43 million seedlings planted in different areas, among other techniques such as conducting natural regeneration; Exotic / invasive control; Isolation. The program aims to restore the ecological processes responsible for the formation of a functional and sustainable forest. These actions are predominantly applied in the Permanent Preserves and Legal Protection Areas in order to comply with the legislation. After carrying out the key activities in the "to be restored" areas, the status of the areas turns into "in the process of being restored" and are subject to the monitoring and maintenance process, which in average has an annually frequency. The maintenance package includes covering fertilization, crowning, ant control, replanting, eliminating weeds, among others. Therefore, the Suzano's habitat restoration program activities so far has been recovering natural ecosystems and the formation of wildlife corridors, which preserves Biodiversity of those native areas. The program has also benefited climate change mitigation by saving 131,782.40 metric tons CO₂e during 2020 (considering 33,017 hectares under restoration). For the future, it is estimated that after 30 years, Suzano's areas under restoration will contribute to the removal of approximately 22 million tCO₂e (~ 709.29 TonCO₂e / ha) from the atmosphere. With a perspective of increase, as the company will continue the initiative in other areas under its management.

Project reference

Project 2

Project type

Agroforestry

Primary motivation

Voluntary

Description of project

Conducted since 2017 by Suzano, the project called Nascentes do Mucuri (Mucuri Springs) encourages the protection of the springs of the Mucuri River and its surroundings, thereby promoting the perpetuity of this water resource so valuable for maintaining the ecosystem services in the region, which even has remnants of the Atlantic Rainforest, one of the most diverse biomes on the planet. The river originates in the northeast region of the state of Minas Gerais and discharges in the South of the state of Bahia, extending for 446 kilometers in an area of approximately 15,400 square kilometers and a population of 537,000. The project promotes environmental education and training of local producers to consolidate a culture of preservation in the region. We believe that the recovery of degraded areas for greater water security is only possible if the planning takes into account both natural and productive areas. Therefore, Nascentes do Mucuri's methodology is to promote the agroecological transition in existing agricultural and livestock farming in the region, promoting greater autonomy for farming families and encouraging them to preserve their natural areas and water springs. In 2020, we continued to evolve and improve the Nascentes do Mucuri Project, reassessing its focus and methodology. In this sense, more than 100 families started the Agroecological Transition Plan, a methodology of Suzano's Rural Land Development Program (PDRT - Programa de Desenvolvimento Rural Territorial), a consolidated practice in several regions of the country. With this improvement, we believe we can generate greater economic, food and environmental security in properties in the Northeast situated in the state of Minas Gerais, where the Mucuri River basin is located.

Start year

2017

Target year

Indefinitely

Project area to date (Hectares)

19182

Project area in the target year (Hectares)

2500

Country/Area

Brazil

Latitude

-20.5768

Longitude

-80.58236

Monitoring frequency

Six-monthly or more frequently

Measured outcomes to date

Soil

Water

Financial

Please explain

The monitoring of areas that are in the process of restoration is carried out every six months in order to assess whether natural regeneration is taking place or whether any intervention will be necessary, such as direct planting, enrichment planting, among other possible methodologies. The results reached up to now were: 1,506 properties visited; 402 springs under restoration; 30,061 seedlings planted; 15,625 people engaged; 3,753 hours dedicated to social and environmental education.

<https://centraldeindicadores.suzano.com.br/en/material-topics/forest-management/#mucuri-springs> The people which have already participated in the events held by the project, as well as people who have already been informed about the project is considered as people engaged. Financial controls are also carried out, where the monthly disbursement with the project's actions is monitored. In 2020, a study was carried, applying modeling, which considered the areas (in hectares) in which the project intends to operate, with Environmental Restoration / Conservation initiatives, as well as in productive areas of rural properties using sustainable management techniques. The projection estimated the potential of water infiltration increase into the soil, as well as the loss of soil avoided in the Mucuri river basin.

F7. Verification

F7.1

(F7.1) Do you verify any forests information reported in your CDP disclosure?

Yes

F7.1a

(F7.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module

F6. Implementation

Data points verified

Systems in place to control, monitor or verify compliance with regulation and commitments

Verification standard

ISAE 3000

Please explain

According to the statement issued by Bureau Veritas regarding the independent verification of Suzano's 2020 Sustainability Report, the following activities were contemplated in the verification process: 1. Interviews with those responsible for material issues and the content of the Report; 2. Visits to the main office in São Paulo - SP and the following operational units: Limeira - SP; Aracruz - ES and Imperatriz - MA; 3. Visits to the following locations to verify investments and social projects involved in the Report: Aldeia Irajá, municipality of Aracruz / ES (Tupi-Guaraní Sustainability Program) and Boa Vista community, district of Santa Rosa, municipality of Aracruz / ES (Program Rural and Territorial Development) 4. Analysis of documentary evidence provided by Suzano for the period covered by the Report (2020); 5. Evaluation of the systems used to compile data; 6. Analysis of engagement activities with investigated parties (stakeholders) developed by Suzano; 7. Evaluation of the system used to determine the aspects included in the Report, considering the context of sustainability and scope of the published information.

F8. Barriers and challenges

F8.1

(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

Forest risk commodity

Timber products

Coverage

Supply chain

Primary barrier/challenge type

Supply chain complexity

Comment

Small wood suppliers find it difficult to implement certification requirements. Forest certification has an evaluation mechanism related to forest conversion verification. The difficulty of maintaining the costs of audits and periodic evaluations makes it difficult for small producers to seek certification.

Forest risk commodity

Timber products

Coverage

Direct operations

Supply chain

Primary barrier/challenge type

Other, please specify (Legislation Complexity)

Comment

Brazilian environmental legislation applicable to forestry and to industrial operations is complex because it encompasses federal, state and municipal regulations, which involve different requirements and restrictions for each location where the company operates. As such, the Company may be obligated, among other requirements, to obtain specific permits issued by governmental authorities. The requirements contained in these permits can increase the operating costs in order to limit or adjust effects or potential effects on the environment or the health of the Company. On the civil side, entities that are proven to have contributed to the harm can be held liable for its remediation, which could result in substantial costs for the Company. As a consequence, when the Company engages third parties to act in connection with its operations, such as final disposal of waste, it can be held liable for eventual environmental damage caused by these third parties. Administrative infractions can result in substantial fines, suspension of operations, suspension of operating permits and imposition of restricted rights (such as barring entering into contracts with public entities, credit restriction, among other), in addition to criminal penalties for the Company. Failure to fulfill these laws, rules and authorizations also can result in the loss of certifications of forestry managements—Forest Stewardship Council® (FSC®) and Cerflor/Program for the Endorsement of Forest Certification (PEFC), resulting in restrictions on the export of cellulose. In addition, environmental laws and regulations in certain countries may be more stringent than the ones we are subject to in Brazil, which may lead to such countries imposing trade related sanctions against Brazil or our industry. Furthermore, our limited ability to comply with more stringent foreign environmental laws and regulations may prevent us from seeking lower financing cost from foreign governmental related or multilateral development organizations, which may condition future financing on our compliance with more stringent environmental laws and regulations.

Forest risk commodity

Timber products

Coverage

Other parts of the value chain

Primary barrier/challenge type

Lack of regulatory control and enforcement from local governments

Comment

The Brazilian Forest Code (Law No. 12.651 / 2012) presents the concept of areas of permanent preservation (APP) and legal reserve (RL), defining cases in which the suppression is acceptable and the minimum area that must be conserved on properties for each biome. Besides, the Law No. 11,428, of December 22, 2006, known as the Atlantic Forest Law, prohibits the conversion of areas with native vegetation primary care, except in cases of public interest, scientific research and preservation. Areas with secondary native vegetation in stages of medium and advanced regeneration can only be converted into circumstances special. When suppression is permitted, the person responsible must compensate for damage through the reforestation of an area of the same size, in the same biome, with the same ecological characteristics and in the same hydrographic basin. The regulation and prohibition of conversion, however, do not impede illegal conversion activities from taking place, as can be seen in data disclosed in the biome deforestation reports in 2019. Organizations such as SOS Mata Atlântica and INPE help by generating information for the public authorities' inspection. The bodies responsible for the inspection and applying of penalties are Ibama, in the federal level, and the State and Municipal environmental bodies, in the State and Municipal levels respectively. Due to the country's extensive territory and the lack of resources by responsible bodies, as well as difficulties such as threats and violence associated to illegal logging in the Legal Amazon (as stated in the report Blood-Stained Timber, by Green Peace), the government has been unable to cease illegal activities. As shown by several reports on deforestation, illegal conversions are still a systematic and widespread problem. It is important to note that Suzano does not run this risk, as it has mechanisms (as mentioned in previous questions) to stop the conversion of native forests. However, this is still a sad and catastrophic Brazilian reality that reveals the inefficiency of environmental agencies in curbing and penalizing illegal cutting. This reality means that the company cannot count on the public authorities and, in itself, controls these requirements in order not to contract illegal timber.

F8.2

(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.

Forest risk commodity

Timber products

Coverage

Supply chain

Main measure

Greater supplier awareness/engagement

Comment

In order to process wood from partnerships and purchased from markets that do not have the certification, Suzano evaluates the wood using the Standard for Controlled Wood, FSC-STD-40-005, ensuring that: complies with all applicable legislation.

Forest risk commodity

Timber products

Coverage

Direct operations
Supply chain

Main measure

Increased knowledge on commodity driven deforestation and forest degradation

Comment

All of our wood comes from tree plantations rather than from native forests. Since the 1980s, we have been harvesting eucalyptus through uniform propagated seedlings from carefully selected trees, planted in already degraded pasture lands, which is assured by our forest management certifications. The characteristics of the seedlings we select are matched to different regions. This method allows us to (1) greatly increase forestry productivity, reducing the demand for new lands, (2) comply with environmental regulations, and (3) contribute to carbon reduction in the atmosphere. Pursuant to the Brazilian Forestry Code (Federal Law No. 12,727/ 2012), we are required to set aside a minimum percentage of our areas for preservation, conservation and environmental recovery. The Company is located in the Atlantic Rain Forest, Cerrado and Amazon and maintains approximately 900 thousand hectares of our forest base for conservation purposes. These areas consist of either natural forests, riparian buffer zones, or natural vegetation with specific ecological characteristics. Furthermore, we maintain a restoration program to recover degraded areas and endangered flora species. We also invest in environmental studies and continuous monitoring, together with national and international universities, research centers, specialized consultants and NGOs, in order to assure the environmental performance of our plantations and ensure the conservation of ecosystems and the availability of natural resources where we operate. This is done by imposing conservation and improvement measures in the forestry activities plans considering the area environmental conditions. We are also member of important associations and multistakeholder platforms that discuss issues related to deforestation and forest degradation, such as the Brazilian Tree Industry, The Brazilian Forest Dialogue and the Brazil Climate, Forest and Agriculture Coalition, that dialogue with the different governmental spheres, trying to propose evolution in public policies and regulations in Brazil. We are signatories of important pacts for the restoration of ecosystems, like Pacto pela Restauração da Mata Atlântica (Atlantic Forest Restoration Pact) and Aliança pela Restauração da Amazônia (Alliance for the Restoration of the Amazon), where we reinforce our commitment to the recovery of degraded ecosystems.

Forest risk commodity

Timber products

Coverage

Direct operations
Supply chain

Main measure

Greater enforcement of regulations

Comment

Suzano is an absolutely transparent and legalistic company. By doing so, it only operates in areas that have the authorization of the environmental agencies. Suzano maintains an open channel of communication with representatives of the environmental agencies at federal, state and municipal levels, sending reports and all relevant information whenever is requested. By conducting prior environmental studies required by environmental agencies in accordance with its terms of reference, Suzano offers to these entities consistent studies, which assists its technical decision and assesment, facilitating its internal process. Besides, in order to protect its properties Suzano constantly monitors its areas and when identify irregular activities such as illegal hunting and fishing, wood theft, among others, inform the relevant bodies, collaborating with its environmental the inspection.

F17 Signoff

F-FI

(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

F17.1

(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	Chief Financial Officer	Chief Financial Officer (CFO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms