Título:	**Integrated Risk Management Policy**		
Área emitente:	**00.Políticas Corporativas**	Data:	**Oct 18, 2019**
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Summary

1 - PURPOSE

The purpose of this Integrated Risk Management Policy ("Policy") is to provide the Corporation's Risk Management guidelines, conceptualize, detail and document related activities, as well as the main responsibilities assigned to the various management bodies or areas of the Corporation.

2 - SCOPE

It covers all areas of Suzano that, directly or indirectly, participate in the Risk Management process.

3 - DEFINITIONS

- Risk Appetite means the level of Risks that the Corporation's management is willing to accept in conducting its business strategy and/or operations.
- Risk Area and Compliance means Suzano's Risks and Compliance department, which reports to the Corporation's Financial Board.
- Internal Audit means Suzano's Internal Audit department.
- Corporation means Suzano Papel e Celulose S.A., together with its subsidiaries.
- Compliance means adherence to and compliance with legislation and other applicable standards.
- Board of Directors means Suzano's Board of Directors.
- Board or Board of Executive Officers means Suzano's Board of Executive Officers, elected in accordance with its By-laws.
- Risk Management means the activities carried out for the purpose of identifying, classifying, formalizing, monitoring and/or managing the identified Risks. Risk Management must be aligned with the Corporation's objectives, strategies and business.
- Risk Impact means the financial impacts, health and safety impact, environmental impact, social and cultural impact, image and reputation impact, impact on the organizational climate and/or legal impact involving the Corporation arising from the materialization of a Risk.

- **Materiality of Risk** means Risk the materialization of which results in (i) significant loss in the Corporation's financial statements or income statement; or (ii) significant impact on its operations, in any case generating a significant loss to the Corporation's shareholders. Risk Management Policy or Policy means this Integrated Risk Management Policy, as amended from time to time.
- **Risk Management Process** means the application of practices and procedures aiming at identifying, assessing, treating and monitoring events that may represent a Risk, based on formal documents, such as forms, minutes and manuals, aimed at communicating and sharing knowledge.
- **Risks** mean uncertain factors or events, which may cause negative impacts, making it difficult or impossible to meet the Corporation's purposes.
- **Critical Risks** mean all Risks the materialization of which results in a Risk Impact greater than the Materiality of Risk, and risk management must be treated with high priority, as well as the monitoring of the main risk indicators carried out on a constant and regular basis.
- **Risk Owner** means Employee defined as responsible for monitoring and/or dealing with risk.
- **Suzano** means Suzano Papel e Celulose S.A., together with its subsidiaries.
- **Risk Tolerance** means the spectrum or range, in monetary value, that the positive or negative result associated with an assumed Risk may generate, spectrum or range defined in terms and within the Corporation's limits.

4 – GUIDELINES

4.1. Types of Risk

Suzano categorizes its Risks as follows:

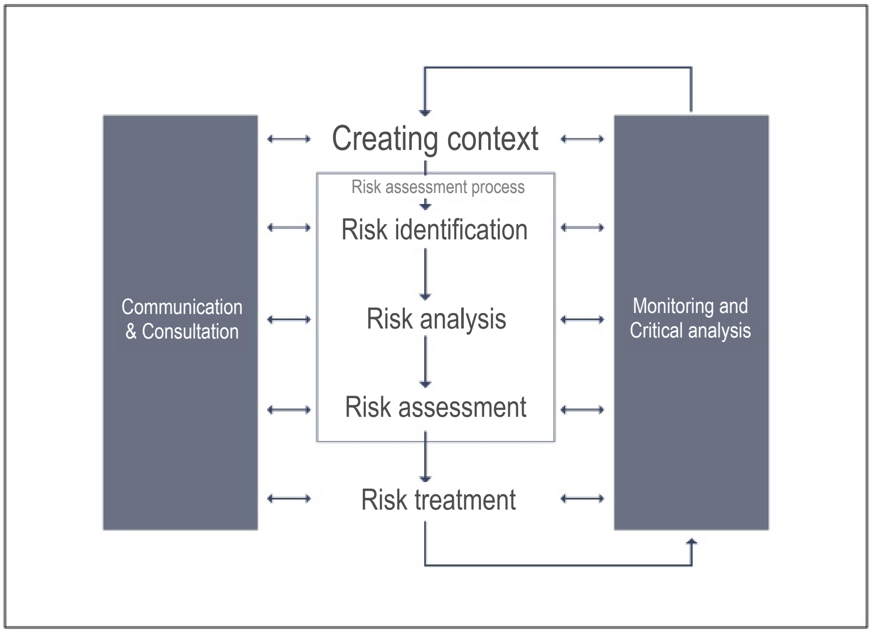
- Strategic Risks: mean Risks the materialization of which results in losses to the Corporation due to the failure of the adopted strategies, taking into account the dynamics of business and competition, as well as political and economic changes, both nationally and internationally.
- Financial Risks: mean Risks the materialization of which results in losses of financial funds by the Corporation, subdivided into three categories:

- Market Risks: mean Risks the materialization of which results in losses caused by changes in the behavior of interest rates, exchange rates, share prices and commodities prices and/or other products purchased and/or sold by the Corporation.
- Credit Risks: mean the Risks the materialization of which results in the loss of amounts agreed with borrowers or customers of products sold by the Corporation at term with counterparties of contracts or that have issued securities in favor of the Corporation.
- Liquidity Risks: mean Risks the materialization of which results in: (i) the Corporation's inability to carry out transactions in a reasonable time and without significant loss of value; or (ii) the lack of funds to honor the commitments assumed due to the mismatch between available assets and past due liabilities.

- Operational Risks: mean Risks the materialization of which results in losses due to failure, deficiency or inadequacy of internal processes, people and systems, or external events.
- Compliance Risks: mean Risks associated with legal or regulatory sanctions, financial loss or reputation, resulting from any failure to comply with laws, agreements, regulations, the Code of Conduct and/or Corporation’s internal policies or standards.

4.2. Risk Management Process

Suzano's Risk Management aims to standardize the Corporation's concepts, definitions and practices through information systems so that they can support the Corporation at the time of decision making, increasing the transparency of information for the Corporation and its stakeholders, as applicable.



- Figure 1: Risk Management Process

4.2.1. Creating context

Definition of Risk management criteria, analyzing the internal context, which involves the organizational structure, processes, responsibilities, internal information systems and relations with internal stakeholders, as well as the external context, involving the analysis of the cultural, legal, social, political, financial, technological and economic environment.

4.2.2. Risk identification

Comprehensive risk mapping based on the perception of the Board and the executives involved with Risk management, considering business objectives and Risk Impact.

4.2.3. Risk analysis

Risk analysis involves assessing the causes and sources of Risk, their consequences, whether positive or negative, and the likelihood that they may occur. Accordingly, all events, whether internal or external, related to the Corporation's strategies and business objectives must be mapped and monitored to ensure that any materializing Risk that may occur is known and managed at an acceptable level.

4.2.4. Risk Materiality

The rules and definition of percentages applied to the calculation of Risk Materiality consist of:

- Use of EBITDA percentages (Earnings before interest, taxes, depreciation and amortization) considering low, moderate, high and extreme impacts.

The Risks related to fraud the judgment to be used by the Risks and Compliance area will not be limited to the values calculated in the formula above.

4.2.5. Risk assessment

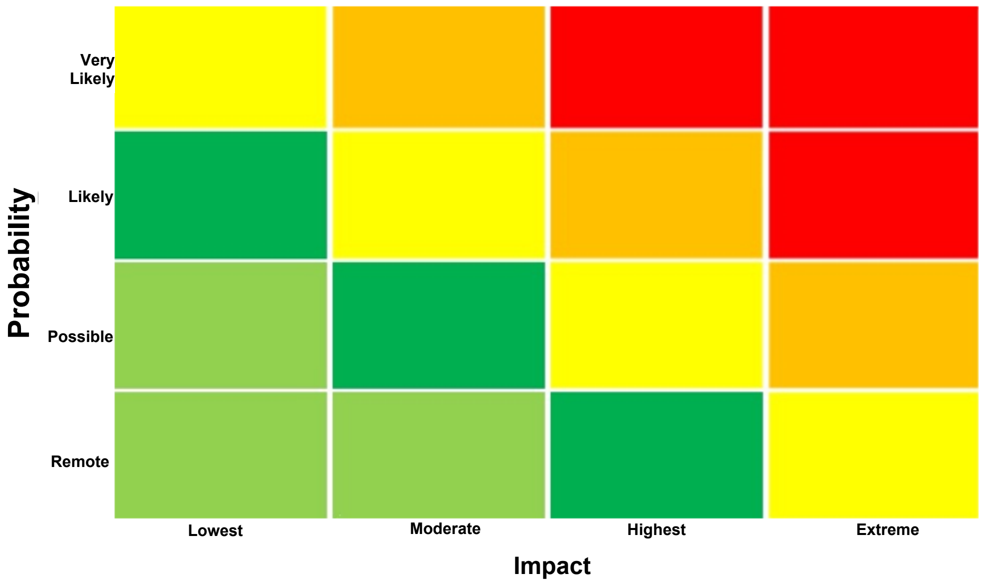
Risk assessment is a process that serves as a basis and assists in decision making, identifying priority Risks that need monitoring and treatment.

As for the probability of occurrence, the risks are also classified into four different degrees according to the following criteria:

- Remote: Remote chance that the event occurs/History of few occurrences or has no history of materialization of risk.
- Possible: The event is more likely not to occur than it does/Moderate frequency history of risk materialization.
- Likely: The event is more likely to occur than not/High frequency history of risk materialization.
- Very Likely: It is almost certain that the event will occur/History of intense frequency of risk materialization.

Impact must be analyzed in the following spheres: financial, health/safety, environment, social/cultural, image/reputation, organizational and legal climate, setting the level to lowest, moderate, highest and extreme.

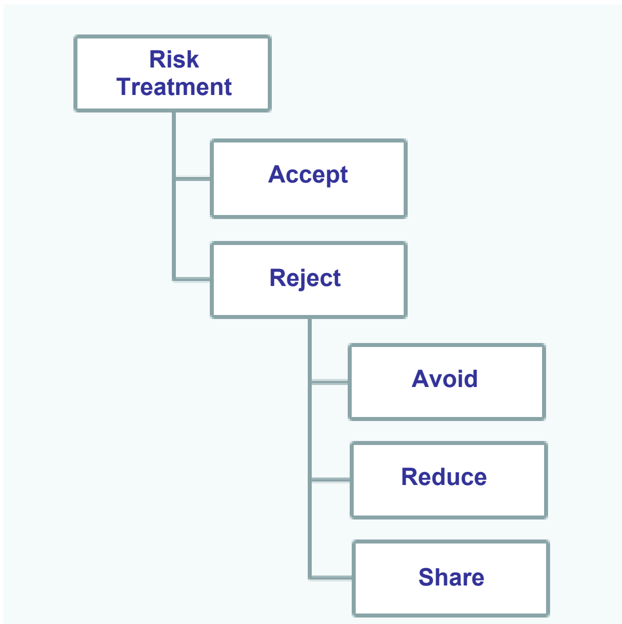
According to the impact and probability classification, a Risk matrix was generated confronting these two variables:



- Figure 2: Impact Matrix vs. Probability of Occurrence

4.2.6. Risk Treatment

Definition of Suzano's behavior on the Risks identified, involving an option selection step with the following line of reasoning:



- Figure 3: Risk Treatment

- Accept: The Corporation, within the limits of the authority, decides to live with the Risk, thus not taking actions that will treat it.
- Reject: The act of rejecting Risk means that Suzano does not wish to live with it, thus requiring a treatment to be addressed by the Risk Owner (Employee defined as responsible for monitoring and/or treating the risk). The fact that a Risk is rejected assumes that Suzano treats it according to the following options: Avoid, Reduce or Share:
  - Avoid: The activities that originate the Risk must be interrupted, either through the sale of the risk generating asset or through commercial redirection, for example;
  - Reduce: Seek alternatives for process restructuring to reduce the Risk Impact in case of materialization, the probability of materialization, or both;

- Share: Take actions to transfer the Risk to a third party, paying a certain amount for such, such as insurance or hedging.

4.2.7. Communication and Consultation

The process of managing Risks must be an integral part of all organizational processes, so it is necessary to develop a good communication plan for all phases of the process, always continuously and interactively, so that all stakeholders may share, provide or obtain information.

4.2.8. Monitoring and Critical Analysis

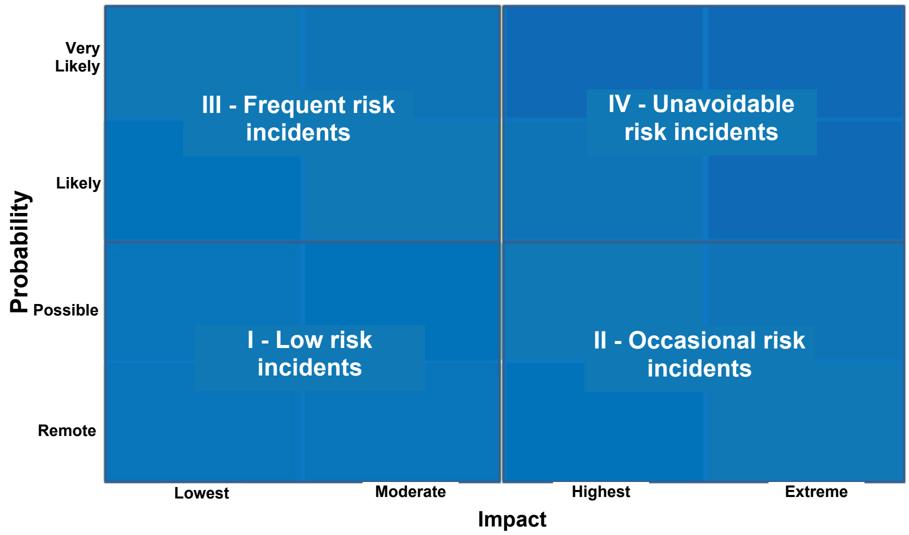
The purpose of monitoring is to monitor its evolution over time by checking whether actions taken by Suzano or changes in the external environment will have an effect on the Risk assessment, increasing or decreasing its significance or the impact of the Risk, given the assessment factors, probability and timing.

4.3. Risk Prioritization

After compiling and classifying the Risks considering the Risk Impact, probability and timing, the main risks that the Corporation must focus on one year period are listed. These Risks, after being validated by the Risk and Compliance Area, will be effectively attacked for their reduction and/or mitigation.

4.3.1. Prioritization Matrix

The prioritization matrix allows to graphically view the selected Risks and group them according to the loss or associated Risk Impact, if the risk event occurs.



- Figure 4: Risk Prioritization Matrix

4.3.2. Risk Characteristics per Chart

- Chart 1 - Relatively Little Risk Materialization

Low impact and frequency risks, no need for continuous monitoring.

- Chart 2 - Occasional Risk Materialization

These are unexpected risks with high impact and low frequency. Risks must be quantified and monitored regularly to continuously adopt mitigation strategies and/or contingency plans. The goal is to be prepared if the event happens.

- Chart 3 - Frequent Risk Materialization

Lower Critical Risks due to lower impact on business value - Focus must be on defining acceptable levels of loss by events and limits of competence that prevent the impact level from rising over time. Treatment subject to the feasibility of insurance as a response to these risks.

- Chart 4 - Risk materialization almost unavoidable

  Risks are unavoidable and require priority management action to eliminate the risk component or reduce its severity and/or frequency.

5 – RESPONSIBILITIES

5.1. Board of Directors

- Establishes the level of risk appetite for the Corporation based on the risk/return ratio it intends to assume.

5.2. Audit Committee

- Supervises the risk management and monitoring process, ensuring that the Corporation has internal mechanisms capable of identifying and monitoring them as a way of managing the Corporation's Risk profile.
- Evaluates the parameters of the Corporation's Risk management model, as well as its human resources and financial funds allocated to the Risk management process, in addition to the maximum tolerance determined by management.

5.3. Executive Board

- To act in solidarity and committed to risk management through knowledge, understanding and monitoring of the Corporation's main risks.
- To maintain an appropriate organizational structure to operate and reasonably manage the Risks to which Suzano is subject.

- Ratify the prioritization of risks to be addressed/managed.

5.4. Risk Executive Management and Compliance

- To continuously disseminate the risk management culture in the Corporation.
- To develop planning and ensure the systemic operationalization of risk management, considering all dimensions of the defined structure, encompassing strategic, tactical and operational activities.
- To monitor Risks in partnership with other areas of the Corporation.
- To validate the scope of Risk management work with the Board of Executive Officers and Board of Directors.
- To advise business areas in identifying and assessing the impact of the various types of risks involved.
- To support business areas in defining the action/contingency plan.
- To ensure the maintenance of the risk management policy and verify its compliance.

5.5. Functional and Business Area Managers

- To identify and manage the risks of the respective areas according to mitigation strategies;
- To implement the plans and monitor corrective and/or preventive actions in the areas responsible for risks.

5.6. Functional or Business Area Interface

- To act as the interface of the functional and business areas with the Risk Management Area;
- To report directly to the Area Manager.