

Report 2020



Our purpose: renewing life inspired by trees.



Moving Forward
Together

#proudtobesuzano

 suzano

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*Message from the Chairman
of the Board of Directors*

We plant
THE FUTURE

GRI 102-14



Photo: Suzano Image Bank

*AS MY FATHER, MAX FEFFER, WOULD
SAY: THE KIND OF LIFE WE WANT
DEPENDS ON WHAT WE DO.*

The year 2020 was marked by a challenging scenario, unprecedented in the past four decades. Our way of life, work, and how we relate with others were transformed, and in the blink of an eye, we were forced to learn and adapt to this new reality. If there ever was any doubt, now there is none: people, communities, the environment, businesses, institutions, governments—we are all interconnected. We impact and we are impacted.

In this context, the role played by organizations like Suzano was and is even more important. We are responsible for the changes we want to see in the world, and we are part of something bigger. As my father, Max Feffer, would say: the kind of life we want depends on what we do.

If, in the past, the main purpose of organizations was to generate shareholder value, our view is that this is not enough anymore. We understand that we need to create and share value with the various audiences whom which we relate: the stakeholder value. We have been adopting this vision for almost two decades now, and 2020 was proof that we are on the right track.

With strength and kindness, we put our Drivers into action and communicated our purpose: **renewing life inspired by trees**. It is precisely in these challenging moments that we reveal our essence. We take care of our 15,000 employees, we work on behalf of the environment and society with “*innovability*” (innovation + sustainability), while delivering exceptional results and making a difference in the lives of billions of people with our products.

In this report, we highlight our main achievements and business challenges in 2020, as well as the initiatives that contributed to health and safety so that we could face this pandemic together.

I would also like to point out our contribution to help Brazil assume its global leading role on environment and bioeconomy. We believe that part of this task should be taken on by the private sector, and the planted tree sector is one of the most relevant on this front.

At Suzano, we are committed to a series of long-term goals, such as replacing 10 million tons of plastics and petroleum products with products from renewable sources by 2030. It is with challenging goals like this, courage and a robust plan to face them, that we will continue working to become part of the solution to the great challenges of the 21st century.

I am an optimist and I see every crisis, regardless how severe, as an opportunity. It's time to review our course, make adjustments, and prepare for a different—and better—future. Waves of growth and recession have been around since the beginning of time; the world is cyclical, and we must be prepared to weather any storm, always learning from our experiences and guided by our values and purpose.

After all, we plant the future.

David Feffer

Chairman of the Board
of Directors of Suzano

BEYOND our walls

[GRI 102-14]

What could have been more challenging in 2020 than working in a totally uncertain scenario, under a constant threat to life? At the beginning of the year, none of us could measure the impact of COVID-19 on public health, economy, and society. And it was in the midst of this inhospitable setting that Suzano simultaneously had to deal with several issues, without knowing for sure what the outcome would be. The first and most urgent matter was taking care of the people in our organization. How to provide them with physical and emotional support to keep them healthy? In just a few days, we put nearly 4,000 employees in home office and closely monitored approximately 11,000 people who work every day in our operations, even before the government's restrictive norms.

Once again, our Cultural Drivers were put in place and tested. We organized a set of initiatives to help society mitigate the problem, since we know that Suzano's role is not bound to the company's walls. We imported masks and ventilators from China, we directly contributed to the local production of 6,500 ventilators in four months in partnership with other companies, we put together emergency actions in collaboration with neighboring communities and regional governments, we worked in the construction of field hospitals, we supported suppliers to help them maintain the financial health of their businesses, and we created a specific plan for our paper customers who, within our business environment, were the most affected by the pandemic due to the closing of schools and stationery stores, along with other factors. We did all of this without affecting the services provided to our customers, ensuring the supply of our essential products.

The pandemic revealed the essential nature of our products, such as personal hygiene items, health, medical, and food packaging, masks, and other products that are necessary to fight the crisis. On the other hand, it caused a sudden change on each of our operating fronts. We have dealt with a significant drop in global demand for printing and writing paper, which required a prompt response in redefining inventories and production. However, the growing global demand for tissue has led our customers to operate close to maximum capacity, directly driving demand for pulp. Despite the difficulties in 2020, forestry, industrial, and logistics operations had an exceptional year, benefiting from the synergies resulting from the merger, a process that contributed to cost reduction for the organization. As a result, even in a challenging market environment in which pulp prices were below expectations, the company obtained significant cash generation.

*OUR PURPOSE IS
RENEWING LIFE INSPIRED
BY TREES. THIS PURPOSE
DRIVES US, TAKES US
FORWARD, MOVES US,
AND PLACES US AS PART
OF THE SOLUTION TO
THE CHALLENGES FACED
BY SOCIETY.*

With the impact on the lives of more than 2 billion consumers worldwide, we now have a responsibility that transcends the role of managing businesses and creating jobs. Our role is to help society find solutions to its structural problems. We are working hard on topics of global interest and we announced ambitious long-term goals that need to be attained by 2030. Through our strategic actions, we want (among other goals) to mitigate the problem of income distribution, making it possible for 200,000 people to rise above the poverty line in the areas where we operate; replace plastic and oil-based products with the supply of 10 million tons of products obtained from renewable sources; and become even more climate positive, removing 40 million tons of CO₂ from the atmosphere.

We were pioneers in the issuance of a Sustainability-Linked Bond (SLB) in the Americas, raising US\$1.25 billion in the market. This assurance is unprecedented in the world for the forest industry, linking financial resources to the company's environmental performance. In our case, we linked this issuance to the goal of reducing greenhouse gas emissions (GHGs) intensity by 15% by 2030 in order to directly contribute to the fight against climate change. This reinforces that we are taking on challenging risks to assert our culture and our social and environmental role, becoming a reference in the market. Another important step linked to this aspect was the inclusion of sustainability goals for 100% of the Executive Directors in 2021.

Diversity and inclusion is other material topic that have gained prominence in the past year. We moved forward with the debate and implementation of a series of initiatives through affinity groups, and we also established short- and long-term goals for the company. We are aware of the work required to get where we really want to be, and we are committed to evolving in this topic at Suzano.

DIVERSITY AND INCLUSION IS A PROMINENT TOPIC IN 2020. WE ADVANCED IN THE IMPLEMENTATION OF A SERIES OF INITIATIVES AND ESTABLISHED SHORT- AND LONG-TERM GOALS FOR THE COMPANY. WE STILL HAVE A LONG WAY TO GO TO GET WHERE WE WANT TO BE, AND WE ARE COMMITTED TO EVOLVING THESE TOPICS WITHIN SUZANO.

Last, but far from least, we closed the year sharing our newly created Corporate Purpose with all our employees. After almost two years of listening to professionals and several other stakeholders, we have come to the conclusion that our reason for existing lies in trees. And through trees, their preservation, our planted forests, and our work, we have a responsibility to lead the movement to regenerate and oxygenate our planet.

Our purpose is **Renewing Life inspired by Trees**. This purpose drives us, takes us forward, moves us, and places us as part of the solution to the challenges facing society. In 2021, we will continue this journey of renewal. I invite you to come with us and renew your vision, your ideas, and your perspective! May it be a year of learning and great achievements.

Walter Schalka
CEO of Suzano



Photo: Sergio Zacchi

About this REPORT

GRI 102-1, 102-40, 102-42, 102-45, 102-46, 102-47, 102-49, 102-53, 102-54, 102-56S

The Annual Report 2020 contains Suzano's main financial, social, environmental, and governance results, as well as the company's obstacles, challenges, and learning experiences during this complex year for the world. It was prepared following the Global Reporting Initiative GRI Standards: Core option, the reporting methodology adopted since our first annual report. The company is also inspired by the principles of the International Integrated Reporting Council (IIRC), which promotes the communication of value generation, with a focus and conciseness, as well as a balance between the positive and negative aspects of the report. The document is also organized following the Sustainable Development Goals (SDG)—17 global goals established by the United Nations (UN) in 2015.

The content of the report was defined considering the most relevant topics for the business and our stakeholders, in line with the commitments assumed by Suzano until 2030. Constantly evolving, our report looks to reflect the way the company impacts and is impacted by its initiatives and by its relationship with the various stakeholders. Increasingly, companies are recognized for values that go far beyond financial aspects. A reflection on this can be found in Section 3 of this document. In a letter signed by the Executive Directors responsible for the Sustainability and Finance and Investor Relations areas, we show how Suzano is positioned—and how it has been working strategically for many years—in relation to the concept of stakeholder value and sustainability issues, which are becoming increasingly important.

Based on this assumption and inspired by our purpose—*renewing life inspired by trees*—we understand that, more than showing our



activities and performance in 2020, we need to show our transformation capacity within the business environment of which we are a part. We want to lead the development of solutions to build a more fair and sustainable society and, to this end, we discuss these issues in the sections according to their relevance and the impacts generated for a specific audience: employee, customer, supplier, investor, government, and civil society and community. Topics that affect more than one stakeholder are dealt cross-sectionally and may appear in more than one section from the perspective of the audience in question. Resources such as links and “learn more” are used to guide reading, facilitating an integrated approach to the information. The material topics and SDGs are highlighted throughout the text and are also related to the topics of each section.

Suzano's materiality is the result of navigating relevant topics for the business from the standpoint of our stakeholders. **These topics** were identified in 2019, during an extensive active listening process involving all of our stakeholders. The result of this work guided the development of our sustainability strategy and the structure of this report.



Aline Conceição dos Santos, Nursery Assistant, Mucuri Unit (Bahia state). Photo: Márcio Schimming

Suzano understands that the creation of long-term value depends on constant dialogue. For information on how the company's engagement process with its stakeholders works, [click here](#).



GRI information is related to the respective content throughout the sections and organized in our [Indicators Center](#), a digital platform in which data are disclosed in accordance with their relation to material topics, SDGs, GRI disclosures, recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD)¹, and new this year, in accordance with the disclosure standards of the Sustainability Accounting Standards Board (SASB)² and recommendations of the World Economic Forum (WEF). Some of the information provided on the platform also meets some of the main ESG indexes and ratings, such as Sustainalytics, MSCI Index, Dow Jones Sustainability Index (DJSI), Corporate Sustainability Index (ISE), and Carbon Disclosure Project (CDP).

In this version³, available in a microsite and in pdf for download, we also present an infographic containing our value generation model, which summarizes the main information from 2020 in an informative and convenient format.

The content of this publication was submitted for analysis by external readers, invited by the company to express impartial opinions on the quality and transparency of the information. The document was also independently assured by Bureau Veritas.

Enjoy your reading!

¹ Initiative that deals with the availability and quality of financial information related to climate change, formally supported by the company.

² SASB disclosure standards allow companies to identify, manage, and communicate sustainability data in a standardized, comparable, and specific manner for each type of industry and sector, facilitating communication between companies and investors about relevant financial information for decision making.

³ With the exception of financial data, installed capacity, total number of mills and energy export data, the other indicators provided throughout this material do not include information on Veracel's operations.

Material topics for Suzano are

- > Climate Change
- > Ethics, Governance, and Transparency
- > Financial Management
- > Forest Management
- > Human Capital
- > Innovation and Technology
- > Operational Excellence and Eco-efficiency
- > Social Development
- > Value Chain (customers and suppliers)
- > Water

The material topics are arranged in alphabetical order, not in order of significance.

This reporting process is a central part of Suzano's transparency and sustainability strategy and, therefore, we encourage and appreciate suggestions, critiques, and comments to help us improve the process. For questions or suggestions about our report, please contact us by email at relatoriosuzano@suzano.com.br.





Laila dos Santos Carneiro and Hermenegildo Angelo dos Santos, participants of the Cerâmica Vargem do Tanque project, in Cunha (São Paulo state). Photo: Márcio Schimming

Suzano and SHARED VALUE



Sustainability is an essential part of Suzano's strategy. The company understands that as important as creating value for shareholders is creating value that is shared with society right from the start. In 2020, important steps were taken in this direction.





THE ERA OF CONSCIOUSNESS

Suzano's sustainability strategy lies at the core of our Cultural Drivers. Due to the nature of our business, which depends directly on natural cycles, and to the positive relationship with the communities in the locations we operate, this topic has always been essential for us. In 2019, after our merger process, we began to analyze our social, environmental, financial, and governance performance in an even more systemic manner, leading to a structural change in our operating standards, in new product and market developments, and in how we engage with our stakeholders. Therefore, we aim to consolidate our role as a reference in this important movement, summarized today through our finances with the acronym ESG, meaning Environment, Social, and Governance.

In Suzano's evolutionary journey, we understand that sustainability is an essential part of the business. How, then, can we progressively materialize it in all of our deliverables, processes, and relationships? In February 2020, the company released its Long-Term Goals, publicly making

ambitious commitments that must be carried out by 2030, in line with the Paris Agreement proposals and the United Nations' Sustainable Development Goals (SDGs). The year 2020, however, brought an unprecedented crisis, accelerating the notion that the role of leading companies like Suzano—present in the lives of more than 2 billion consumers on the planet—is to contribute, through its operations, to the construction of a better and more sustainable future for all.

The concept of stakeholder value is based on the principle of creating shared value, which means that as important as creating value for shareholders is creating value that is shared with our various stakeholders who are part of the ecosystem in which we operate.

All society benefits, for example, when our organization works to replace raw materials of fossil origin with more sustainable solutions, extracted from our renewable forests. Society is further strengthened by education and income generation programs geared toward neighboring communities or through



*Mãos que Valem Project, Jacareí (São Paulo state).
Photo: Márcio Schimming*

Click [here](#) to watch the Cultural Drivers video.



ambitious actions to reduce and capture CO₂ originating from the company's production processes. The fronts seeking this convergence are many and growing.

Thus, in 2020, we also continued to expand and strengthen our operations in the area of sustainable finance. For the first time, Suzano issued a Sustainability-Linked Bond (SLB) in the capital market, becoming a pioneer in the Latin American market and in the pulp & paper sector. According to the principles of this instrument, the company associated the use of these financial resources to achieving the goal of reducing the intensity of greenhouse gas emissions by 15% by 2030. The total amount raised funds for the implementation of the company's strategy, allowing us to strengthen our operations in the constant and growing creation of shared value.

As a result of this dynamic sustainability agenda, Suzano's activities have been recognized by renowned external evaluators. In 2020, the company was chosen to be a part of the Dow Jones Sustainability Index - Emerging Markets

(DJSI Emerging Markets) and the Corporate Sustainability Index 2021 (ISE) of B3, Brazil's Stock Exchange. These are important messages signaling that we are on the right track. But we know that we can and need to continue in order to advance in our strategy, practices, and transparency to improve these and other indexes.

Businesses impact and are impacted. At this point of no return, social and environmental concerns are becoming increasingly more relevant in our forestry, industrial, and logistics operations, in the offices, and in the areas of finance, research and development, and new products, among other sectors that are instrumental to our business. We have entered the era of the regenerative economy, which, in addition to financial returns, favors the recovery of the environment and the perpetuation of life, with quality and well-being for society.

Malu Pinto e Paiva*

Former Suzano's Executive Director of Sustainability

Marcelo Bacci

Chief Financial, Investor Relations, and Legal Officer

**Malu left Suzano in March 2021. She led the Sustainability area throughout 2020, a period that comprises the content contained in this report.*

Outputs *Results generated in the period + deliveries that impact the company's value creation*

FINANCIAL CAPITAL

- EBITDA (adjusted): R\$15 billion
- CAPEX: R\$4.2 billion
- Operating cash generation: R\$11.5 billion
- Presence in B3's Corporate Sustainability Index (ISE)
- Presence in the Dow Jones Sustainability Index (DJSI Emerging Markets)
- Other structured transactions
- **ISSUANCE OF SUSTAINABILITY-LINKED BOND US\$1.25 BILLION RAISED IN THE MARKET**

US\$ 1,25 BILLION RAISED IN THE MARKET

MANUFACTURED CAPITAL

- Vertere: logistics project developed together with a partner company at the Port of Santos (São Paulo state)
- Production of pulp, paper, and consumer goods
- New units in Cachoeiro de Itapemirim (Espírito Santo state) and Ribas do Rio Prado (Mato Grosso do Sul state)
- Improvements in equipment and infrastructure with gains in productivity
- Provision of protection equipment to tackle COVID-19 in partnership with other companies and the government (R\$50 million earmarked for initiatives such as the purchase and donation of 159 ventilators and 1 million hospital masks)

INTELLECTUAL CAPITAL

- Startups and open innovation (10 projects with startups in progress)
- Academia
- Training of "digital scientists" (37 from different business areas)
- New products from eucalyptus fiber
- Revealing Suzano's Essence and Purpose strengthening reputation and brand
- Reputation survey and stakeholder profile
- Lines of research focused on innovation in forest plantations, in the industry, in new products and markets

• 400 PATENTS

AND PATENT APPLICATIONS;

- protected cultivars and nearly 150 new cultivars in the protection phase; 51 partnerships with universities and research centers.
- Improvement of methodology for quantifying carbon removal
- Improvement of forestry and industrial techniques and processes

HUMAN CAPITAL

- Evolution of the Diversity and Inclusion Program - Plural
- HRX, attraction of new talent and development and career plans
- New initiatives in health, safety, and quality of life
- Structured actions to combat COVID-19 among employees and family members
- Training (e.g. UniverSuzano Platform)
- 360° assessment and other performance analysis formats for the entire organization
- Included in the ranking of the best companies to work for

SOCIAL AND RELATIONSHIP CAPITAL

- Development, income, and education programs
- **50,250 PEOPLE AND 10,181 FAMILIES BENEFITING FROM INCOME GENERATION PROJECTS IN 2020** (average income generation of R\$944)
- Results of investments made to combat the pandemic: field hospital in Teixeira de Freitas (Bahia state), production of 6,500 ventilators in partnership with other companies, donation of products, etc.
- Development of Methodology of resilient territories
- Creation of the Suzano Education program (in place in 29 municipalities in six states, assisting 898 schools and benefiting 11,713 educators and 205,504 children and young people)
- 2 billion+ people impacted by Suzano's products
- Supplier development programs, such as Semear
- Collaboration and incentive in the creation, advancement and access to public policies
- 121 projects approved by the Emergency Call for Proposals and 53,469 people benefited
- Research and extension, works published, partnerships established

NATURAL CAPITAL

• 40 CRITICAL BASINS

MAPPED AND CONSTANTLY MONITORED

- 499 hectares of areas with restoration process initiated in 2020
- Approximately 960,000 hectares of conservation areas, with monitoring of fauna and wildlife
- Projects in Imperatriz (Maranhão state) and Três Lagoas (Mato Grosso do Sul state) for waste treatment and development of soil acidity correctives
- Production of 49 million natural pest enemies for biological control and carbon stock





LONG TERM Goals

GRI 103-2, 103-3

More than just saying that there is a commitment to sustainability, we have to demonstrate it, take action, and engage in it. Suzano's Long-Term Goals are commitments that will add value to the company and to society as a whole.

Material topics:

- › Ethics, Governance & Transparency;
- › Human Capital;
- › Water; Climate Change;
- › Innovation & Technology;
- › Social Development;
- › Operational Excellence & Eco-efficiency;
- › Forest Management.



*Valdeci Alves da Silva, R&D Technician,
Limeira Unit (São Paulo state).
Photo: Márcio Schimming*

GOVERNANCE OF LONG-TERM GOALS AND SUSTAINABILITY INDEXES

The process of integrating Suzano's sustainability strategy in its business areas accelerated in 2020. Shortly after the disclosure of its Long-Term Goals (LTG), the company started to mobilize the various teams involved in the topics covered and to build a governance model for the goals. The idea behind this initiative is to allow the company to systematically monitor the main indicators, risks, and opportunities of the commitments made, as well as its performance in the sustainability indexes. At the same time, the governance model allows the teams involved to act in an integrated manner, contributing to the dissemination and inclusion of these topics in the company's decision-making processes.

The governance structure has a group composed of Directors, responsible for strategic management and a critical analysis, and eight working groups, composed of representatives from different

areas who work on the achievement of the goals. In this case, the methodology used was built taking into account management criteria from international standards.

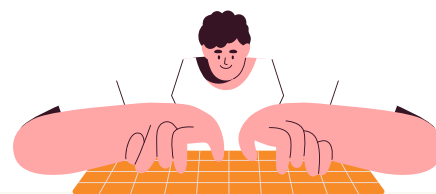
In 2020, in a continuous effort to integrate the sustainability strategy at all levels of the business, Suzano linked the variable pay of Directors and Managers (both at the executive and functional levels) to the development and results of the Long-Term Goals associated with their respective areas of operation. This is one of the decisions that demonstrate the company's commitment to achieving the goals by 2030. As a result, the variable pay of 100% of the Managing Directors is now linked to at least one of the Long-Term Goals.

Stakeholder engagement significantly contributes to the evolution of the organization's sustainability agenda. In 2020, it contributed to establishing a goal related to the topic of biodiversity, which had not been directly covered in the set of goals previously announced.

Júlia Trevisan Cerignoni, Administrative Assistant, Limeira Unit (São Paulo state). Photo: Márcio Schimming



Long-Term Goals - by 2030



EVEN MORE CLIMATE POSITIVE



NET REMOVAL OF 40 MILLION TONS OF CARBON FROM THE ATMOSPHERE.

PERFORMANCE

In 2020, we removed 15,200,311.6 ton of CO₂eq from the atmosphere. This volume of removals results from the expansion of planted and native forest areas in our forest base and from increased productivity in our eucalyptus forests.

Baseline: 0 (Jan/2020)*.

Progress in relation to the baseline for the goal: 38%.

** This does not mean that Suzano did not remove carbon from the atmosphere prior to 2020. It only means that, for the purpose of the goal, removals will be accounted for as of this year.*

OUR PLANS FOR 2021

Our goal is to once again achieve a significant balance in net carbon removal, thus maintaining our positive balance. To make this happen, we will expand conservation areas and planted base areas, in accordance with actions designed for the first years of the goal.

PRODUCTS FROM RENEWABLE SOURCES



OFFER 10 MILLION TONS OF PRODUCTS FROM RENEWABLE SOURCES THAT CAN REPLACE PLASTIC AND PETROLEUM PRODUCTS.

PERFORMANCE

We supply the market with products from renewable sources that can replace plastics and other petroleum products, maintaining the level offered in 2019 of about 200 thousand tons. Despite the fact we have not observed representative results towards the target, we have advanced in the development of food contact paper, with the Bluecup Bio® and Loop® lines, and flexible packaging for the cosmetics and food industries.

Baseline: 0 (2020)*.

Progress in relation to the baseline for the goal: 0%.

** This does not mean that Suzano did not offer products that replace oil products prior to 2020. It just means that, for the purposes of the goal, this replacement started to be calculated and recorded as of that year.*

OUR PLANS FOR 2021

We plan to continue investing in the development of new possibilities using our eucalyptus trees.

MITIGATE THE INCOME DISTRIBUTION PROBLEM



LIFT 200,000 PEOPLE OUT OF POVERTY IN OUR AREAS OF OPERATION.

PERFORMANCE

With our job and income generation programs in priority municipalities, we lifted 2,285 people out of poverty, which corresponds to 746 families.

Baseline: 0 (Jan/2020).

Progress in relation to the baseline for the goal: 1.14%*.

** Despite having reported in 2020 that we were going to develop the goal using as a baseline 32,000 people who had already been lifted out of poverty until 2019, we chose to start from zero to ensure a more effective assessment of our contribution to poverty eradication.*

OUR PLANS FOR 2021

We will continue to expand our actions to generate work, income, and social action in order to lift another 8,000 people out of poverty throughout 2021.

Long-Term Goals - by 2030

EMISSIONS



15% REDUCTION IN SCOPE 1 AND 2 EMISSIONS PER TON OF PRODUCTION.

PERFORMANCE

In 2020, our specific emissions intensity per ton of production was 0.1929 tCO₂e/t. This number was achieved thanks to numerous initiatives related to efficiency and reduction in the use of fossil fuels.



Baseline: 0.2133 tCO₂e/t (2015*).
Progress in relation to the baseline for the goal: 63.9%.

* Our emissions intensity and goal are in line with the Paris Agreement, established in 2015, and among the lowest in the industry according to the Transition Pathway Initiative.

OUR PLANS FOR 2021

We will continue working to reduce fossil fuel consumption in our operations by means of engineering and efficiency projects and by maximizing self-generation of renewable energy.

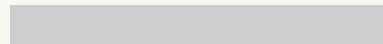
WATER IN THE FOREST



INCREASE WATER AVAILABILITY IN 100% OF CRITICAL WATERSHEDS.

PERFORMANCE

Our focus in 2020 was the characterization of 44 watersheds as critical after assessing 100% of Suzano's areas.



Baseline: 0 (Jan/2020).
Progress in relation to the baseline for the goal: 0%.

* The assessment and identification of critical watersheds was fundamental to define the areas that will require specific actions to increase water availability starting in 2021.

OUR PLANS FOR 2021

Our goal is to implement management actions in 5% (4,500 ha) of the forest areas included in the watersheds deemed critical.

WATER IN THE INDUSTRY



REDUCE BY 15% THE VOLUME OF WATER WITHDRAWN IN INDUSTRIAL OPERATIONS.

PERFORMANCE

The volume of water withdrawn for our industrial operations was 28.6 m³/t*, a reduction of 1.2 m³/t compared to the baseline for the goal.



Baseline: 29.8 m³/t (2018).
Progress in relation to the baseline for the goal: 26.7%*.

* This value is obtained by dividing the volume of water withdrawn for industrial operations, in cubic meters (m³), by the total production of pulp and paper at the units, in tons (t).

OUR PLANS FOR 2021

Our goal is to reduce water withdrawal, aiming for a result that does not exceed the 28.7 m³/t mark in our industrial units. To this end, we are going to implement actions to optimize water use, which include changing equipment to improve water efficiency and using reclaimed water in machinery.



WASTE



REDUCE THE INDUSTRIAL SOLID WASTE SENT TO OUR OWN OR THIRD-PARTY LANDFILLS BY 70%, TRANSFORMING THEM INTO BY-PRODUCTS.

PERFORMANCE

We reduced to 31.7 kg/t* the total volume of solid industrial waste sent to landfills.

Baseline: 44.3 kg/t (2018).
Progress in relation to the baseline for the goal: 40.6%.

* This value is obtained by dividing the volume of solid industrial waste sent to the company's own and/or third-party landfills in kilograms (kg), by the total production of pulp and paper at the units, in tons (t).

OUR PLANS FOR 2021

The expected result is to reduce waste sent to landfills to 28.05 kg/t. To this end, we are going to start the operation of the waste center in Imperatriz (Maranhão state) and develop engineering and technical-economic feasibility studies at the units in Mucuri (Bahia state) and Suzano (São Paulo state).

ENERGY



INCREASE RENEWABLE ENERGY EXPORTS BY 50%.

PERFORMANCE

In 2020, despite the generation losses we had, we supplied 193 MWm of renewable energy to the national system. We also implemented projects to increase the efficiency of steam generation and optimize energy efficiency using data science.

Baseline: 214 MWm (2018).
Progress in relation to the baseline for the goal: 0%*.

* In 2020, we had losses in power generation due to adjustments required by the product quality strategy, which resulted in a new export plan.

OUR PLANS FOR 2021

Our goal is to export 240 MWm** of renewable energy to the national system. We will continue to work on the development of projects to increase the availability of steam for power generation.

** The result of the goal considers 50% of the power exported by Veracel, a joint venture between Suzano and Stora Enso.

EDUCATION



INCREASE THE EDUCATION INDEX (IDEB) BY 40% IN ALL PRIORITY MUNICIPALITIES.

PERFORMANCE

We developed the Suzano Education Program methodology and 15 additional indicators for monitoring the goal. In addition, we mapped 32 municipalities that will be considered as priorities for implementing the goal.

Baseline: to be determined.
Progress in relation to the baseline for the goal: 0%*.

* The definition of the priority scope of the activities of the programs was fundamental for the actions to achieve the planned results as of 2021.

OUR PLANS FOR 2021

We will continue to invest in actions to improve the quality of basic education in the municipalities considered to be priorities for our operations. We will also expand the scope of the program and reach approximately 6,700 direct beneficiaries.

Long-Term Goals - by 2025

DIVERSITY AND INCLUSION



ENSURE 100% ACCESSIBILITY AND ACHIEVE A 100% INCLUSIVE ENVIRONMENT FOR PEOPLE WITH DISABILITIES.

> PERFORMANCE

We defined the baseline for accessibility in offices and industrial units in Brazil, using technical standards as a basis. We also revised the methodology that measures an inclusive environment in order to expand its scope, which now considers all of Suzano's affinity groups. With this, we set a new baseline for the 91.8% goal of a perceived inclusive environment, according to the survey result*



Baseline: 38.4% accessibility (Dec/2020) and 91.8% inclusive environment (Dec/2020). Progress in relation to the baseline for the goal: 0% accessibility and 0% inclusive environment.*

** In 2020, we adopted new methodologies for measuring inclusive environment and accessibility, which generated a new baseline.*

> OUR PLANS FOR 2021

We are going to intensify our actions to improve accessibility, taking into consideration studies and analyses about the need to adapt the existing spaces.

HAVE 30% OF WOMEN IN LEADERSHIP POSITIONS (FUNCTIONAL MANAGERS AND ABOVE).

> PERFORMANCE

We achieved the goals set for 2020 of increasing the number of women in the organization and in supervisory positions and above by 10%. This result contributed to reaching 19% of women in leadership positions.



Baseline: 16% (2019). Progress in relation to the baseline for the goal: 63.3%.

> OUR PLANS FOR 2021

Our goal is to have 21% of women in leadership positions. To make this happen, a mentoring program will be put in place to accelerate women's careers, among other actions.

HAVE 30% OF BLACK* EMPLOYEES IN LEADERSHIP POSITIONS (FUNCTIONAL MANAGERS AND ABOVE).

> PERFORMANCE

Our goal in 2020 was to increase the number of Black employees in non-operational positions by 6% to expand their possibilities for career growth. As a result, we achieved a 3% increase in the number of Black employees in non-operational positions, which, however, did not make a significant contribution to the long-term goal. We ended the year with 21% of Black employees in leadership positions (management and above).



*Baseline: 22% (2019). Progress in relation to the baseline for the goal: 0%**.*

*** No progress was made against the baseline for the Long-Term Goal, but we did make progress in designing and executing actions to achieve the goal, and increased the number of black employees in non-operational positions.*

> OUR PLANS FOR 2021

Our goal is to have 23% of Black employees in leadership positions in 2021. To make this happen, we are going to develop new education and training fronts and implement actions to increase the share of Black employees at Suzano.

** Terminology used by the Brazilian Institute of Geography and Statistics (IBGE), including Blacks and "Pardos". In Brazil, "Pardo" is an ethnic and skin color category used by the Brazilian Institute of Geography and Statistics (IBGE) in the Brazilian censuses.*

ACHIEVE 100% INCLUSIVE ENVIRONMENT FOR LGBTI+.*

PERFORMANCE

In 2020, we increased our communication and engagement regarding this topic, seeking to improve its visibility and representativeness. We also increased the scope of measuring an inclusive environment for Suzano's other affinity groups. This resulted in a 92.4% perception of an inclusive environment by LGBTI+ people.

Baseline: 92.4% (Dec/2020).

Progress in relation to the baseline for the goal: 0%**.

** In 2020, we adopted a new survey methodology to measure inclusive environment, expanding its scope. This led us to establish a new baseline, justifying the result of the goal. This does not mean that we have not advanced in the design and execution of actions to achieve the goal.

OUR PLANS FOR 2021

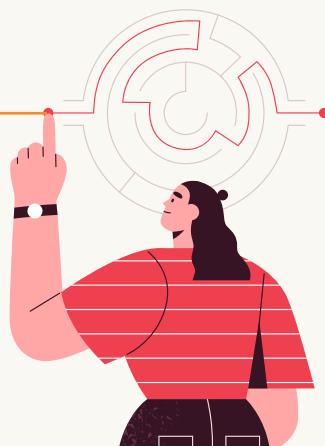
Our goal is to achieve a 93.8% inclusive environment in 2021. To make this happen, efforts will be made to improve the self-reporting process of LGBTI+ people, among other actions.

*At Suzano, we chose to use the acronym LGBTI+, which stands for lesbians, gays, bisexuals, transsexuals, intersexuals, and "+" symbolizing all other sexual orientations, gender identities and expressions.



Vanessa Nascimento Conrado, Forest Machinery Operator, and Fábio Costa Rodrigues, Forest Operations Supervisor, Mucuri Unit (Bahia state).
Photo: Suzano Image Bank

Learn more about
our actions in our
[Indicators Center.](#)



BIODIVERSITY

One of the main threats to biodiversity loss in Brazil and worldwide is the fragmentation of habitats. Changes to ecological interactions in the landscape; isolation of species with a consequent reduction in genetic variability and reproductive success; reduced resilience of species to climate change; imbalance among pests, diseases, and natural enemies are some of the main impacts caused by this fragmentation.

In view of this and aware that the biomes where Suzano operates are facing different levels of fragmentation, in 2020, through a collaborative process developed in partnership with the Ecofuturo Institute and an active listening process (50 interviews conducted with approximately 40 institutions of high relevance in Brazil and abroad,

representing NGOs, the public and private sectors, and academia), we worked to build a long-term commitment to biodiversity conservation in three of the six biomes in Brazil—considering the representativeness of the company's entire territorial extension and influence—that will be launched in 2021.

This process also allowed us to identify, based on the priority areas for conservation (defined by the Ministry of Environment) and on fully protected Conservation Units (according to the National System of Conservation Units - SNUC - 2010), the main areas of fragmented natural remnants in our country.

The structuring of this commitment will be based on three major priorities: connect, engage and protect. And, within them, the following strategic lines of action: biodiversity corridors



at the landscape scale, network of conservation units; conservation of populations of key species; business models that create shared value; biodiverse production models; relief of anthropic pressures on biodiversity. We also believe that, for the success of the strategy we are developing, it is important to rely on the engagement of strategic players, both internal and external, forming a collaborative, diversified and continuous movement.

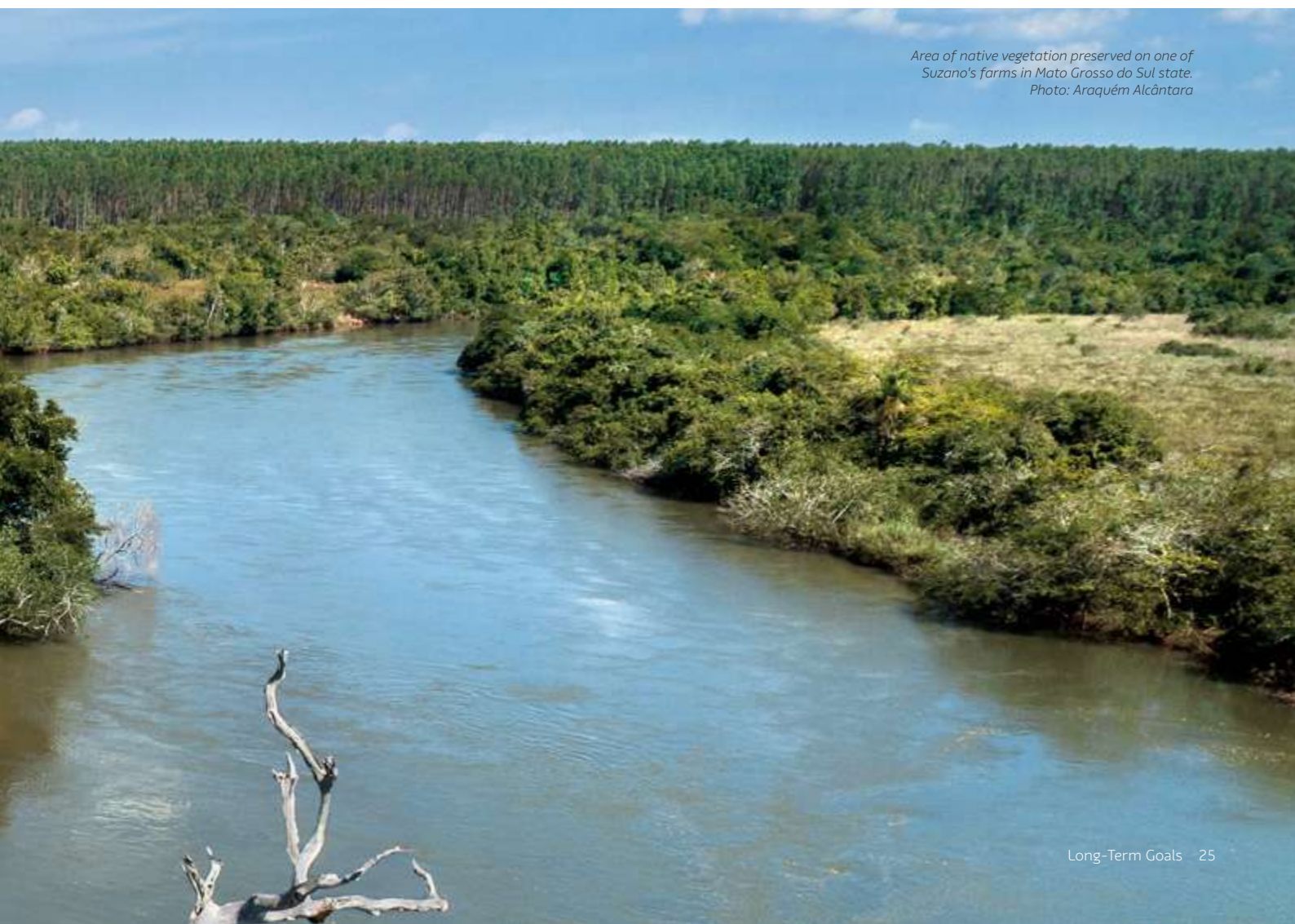
ECOSYSTEM SERVICES

In 2020, Suzano also worked on the topic of Ecosystem Services relating carbon, water, and biodiversity. Because they are intrinsic to our business, these natural resources are considered to be an asset of great value added to the

company, i. e., these are elements that make up our natural capital.

Expanding and evolving the understanding of this topic is part of our sustainability strategy, since the integrity of ecosystem services is a key requirement for the fulfillment of the commitments we have publicly assumed. In order to create and share value based on this topic and ensure that it is increasingly integrated into the company's daily activities, in 2021 we will start the implementation of a structured operation strategy. In the short term, we will work on **the valuation of our natural capital**, which will give us a better understanding of where we are, from a regenerative economy standpoint. In the medium term, this will allow us to consistently introduce this concept into our key processes so that we can monitor and improve their performance based on the same methodology.

*Area of native vegetation preserved on one of Suzano's farms in Mato Grosso do Sul state.
Photo: Araqem Alcântara*





Franciele Albino, Production Assistant, Limeira Unit (São Paulo state). Photo: Márcio Schimming

EMPLOYEE *relations*

GRI 103-1, 103-2, 103-3

People play a major role in Suzano's achievements. In 2020, they exercised their collaborative spirit to overcome the challenges posed by the COVID-19 pandemic. The following pages will show that flexibility and commitment were the key words of the year.

Associated material topics:

- ▶ Human Capital;
- ▶ Ethics, Governance, and Transparency.



OUR NEW BETTER

When we launched our Cultural Drivers, it was impossible to imagine that this set of guidelines could be even more relevant in 2020. During times of global uncertainty, remote work, and adapting operations and routines for those who needed to stay in the units, Suzano's organizational culture proved to be powerful and capable of expanding the dialogue, creating alternatives, and moving forward in the midst of an unprecedented and volatile scenario for everyone. In this context, we understand that flexibility is the key word.

Our people are an essential part of what Suzano is today. Employees are a priority relationship audience with whom we share the value created by our businesses. For this reason, and despite the extra challenges that the pandemic has imposed on everyone, we enforced the collaborative spirit that unites the company, facing the moment with resilience and continuing all projects that aim to develop employees in our organization.

Click [here](#) to watch the Cultural Drivers video.



Beatriz David, Facilities Assistant, Limeira Unit (São Paulo state). Photo: Márcio Schimming

PERCENTAGE OF COMPANY EMPLOYEES AND CONTRACTORS

Total number of employees and third parties	2019			2020		
	Men	Women	Total	Men	Women	Total
Employees ¹	11,133	1,907	13,040	12,628	2,282	14,910
Third parties	21,016	1,641	22,657	20,152	1,356	21,508
Total	32,149	3,548	35,697	32,780	3,638	36,418

1. Number includes Suzano and Instituto Ecofuturo employees.

Total number of employees by region in 2020¹

> NORTH	981
> NORTHEAST	4,282
> MIDWEST	2,061
> SOUTHEAST	7,299
> SOUTH	76
> ABROAD	211
TOTAL	14,910



1. Number includes Suzano and Instituto Ecofuturo employees.

COVID-19 TASK FORCE

Faced with the new and unexpected, we decided it was time to use all our ability to work together with customers, partners, and governments to make a difference in the regions where we operate. Thus, we organized two different work fronts to face the challenges of COVID-19. One of them is much more focused on practical actions on a daily basis (short term), and the other focuses on analyzing future possibilities (long term). The two complementary groups brought together representatives and several areas of the company with the purpose of finding solutions related to the impacts of the pandemic.

SHORT-TERM VISION

From the start, this group discussed and structured initiatives focused on disease prevention protocols. They determined the suspension of all non-essential operational activities of company employees and contractors and the cancellation of trips, events, visits to the units, and face-to-face meetings.

Those who did not need to be in person at the units for the continuity of operations started to work from home, following the social distancing guidelines and, later, they could choose to return to the workplace, according to the schedule established by the governmental agencies.



Nathalia Gracielle da Silva Cruz, Production Engineer, working from home, Mucuri (Bahia state).
Photo: Márcio Schimming

In the case of employees whose presence is essential in operations, since our products are essential for people's lives and for fighting the pandemic itself, the company adopted the priority action of measuring body temperature before allowing access to our operations; the distribution of individual meals and greater spacing between tables and chairs in cafeterias; the adoption of greater distance between chairs in operational control rooms, with visual signage; and the adoption of quarantine if an employee or contractor is suspected of being infected; among other actions, which continue today.

This front also reevaluated, among other issues, the use of the buildings, identifying which floors were redundant and which could be shut down. See below for other important initiatives:

- close follow-up by the medical team of individuals and their families;
- increased sanitation of common areas;
- application of health self-assessment forms;
- distribution of masks;
- provision of virtual psychological support;
- support channels, webinars on health and quality of life, among other topics;
- tracking of all positive and potential cases, with protocols and monitoring of quarantine;

In 2020

SUZANO HAD
1,688 cases
OF EMPLOYEES
 WITH COVID-19
 AND **2 FATALITIES**



- lending of office chairs for the comfort of employees during remote work;
- implementation of the Preventive Interaction Mapping (MPI) app to help prevent COVID-19;
- implementation of "golden rules" to guarantee the quality of life of people who are working from home, such as meeting-free days and respecting lunch and work hours;
- communication plan and protocols established with third-party service providers.

On the short-term front, we are also working to transform the situation of the communities in our area of influence. In several locations, we carried out a series of actions aimed at reducing the negative impacts of the pandemic on local society. To learn about these initiatives, [click here](#).

Efficient communication

Daily information about the pandemic, in real time whenever possible, was sent to Suzano's employees throughout the year to keep them up to date on the health and safety measures taken by the company, both internally and in the communities. In a survey carried out at the end of 2020 to measure the quality of communication, **98%** of employees said they felt well informed about the issues related to COVID-19.



Nedes Alves de Freitas, Panel Operator - Drying, Limeira Unit (São Paulo state).
Photo: Márcio Schimming

In February, even before the outbreak of the pandemic in Brazil, Suzano was the only Brazilian company that donated masks to China, aiming to support the country in coping with the crisis.

LONG-TERM VISION

This front had a group formed by professionals from different areas to discuss the cultural and behavioral changes caused by the pandemic and which will have effects over time. What are these changes and what impacts do they bring to Suzano's way of being? To what extent will work routines be modified in the long run? How will people relate to others? What is the result of this in an extensive and complex production chain like the pulp and paper industry? These and other issues, in addition to being fundamental in the development of future scenarios, started to determine the advances experienced in people management, which were already maturing since the year before, with the launch of the HRX Program, which puts employees on center stage as agents of change.

To learn about all the other initiatives developed for employees and society in relation to COVID-19, click [here](#).



Seedling Nursery in
Mucuri (Bahia state).
Photo: Márcio Schimming.





Watch the video of Suzano's purpose. See the purpose page on the [website](#).



A COMPANY WITH A PURPOSE

GRI 102-16

Purpose. A strong and meaningful word. Having a purpose is knowing what moves and inspires us, what drives us and gives us courage to achieve the unimaginable. Knowing our purpose is knowing our role in the world. Suzano understands that the company's purpose guides its operations and legacy and that an authentic purpose is not created or invented, but rather revealed, because it is an inherent part of a person or organization.

The work to reveal the company's purpose began in 2019, and we heard from approximately 3,500 people, including employees and external audiences, through surveys, interviews, and workshops. All this resulted in reaching an authentic, true purpose that was presented to employees in December 2020 at an online gathering that also celebrated the achievements of this challenging year.

Inspired by trees, Suzano learned that life is always renewed. Trees are part of the solution to society's challenges, such as climate change, scarcity of natural resources, loss of biodiversity, and increases in social inequality.

Therefore, the company understands that it has a duty to strengthen this movement of regeneration, oxygenation, and renewal of the world, living the everyday purpose "Renewing life inspired by trees," the reason of being that connects the company to society and the planet.

Along with the purpose, Suzano launched its new corporate tagline, "Suzano: we plant the future," which marks the commitment to regeneration that the company wishes to expand, influencing and contributing to building a better and more sustainable world.

Seedling Planting, Jacaréi Region (São Paulo state). Photo: Márcio Schimming



Suzano ESSENCE

The dictionary defines the word essence as the most fundamental characteristic of a being or thing. For our company, from the revelation of its purpose, it was also possible to unveil the Suzano Essence, using the Golden Circle methodology, by Simon Sinek, which connects “why,” “how,” and “what.”



EVOLVING JOURNEY

In 2019, when launching the HRX Program, Suzano encouraged the exchange of ideas for the joint creation of an exceptional employee journey in the organization. The project involved 250 company professionals, from different locations, positions, and areas, and in 2020, this work resulted in a new way of operating, a new structure, and some new People and Management products (described below). The area also underwent digital transformation and incorporated into its daily routine the principles of agility (delivering projects in record time with the expected quality), experience centered on the employee (always listening to internal clients to search for solutions that make sense to them), being data-driven (seeking information and indicators for decision making), and change management and skills for the future (developing skills that allow the areas to deliver projects that will contribute to Suzano in the future).

NEW STRUCTURE

To face this new moment, we proposed a hybrid model in the structure of the People and Management Department. We maintained service to the various areas of the company through business partners and added a network structure, which integrates professionals with agile and more collaborative methodologies for the development of People and Management processes and programs. The products coming from this new way of working are connected in four stages of the employee's path within Suzano:

- **onboard and enchant** - strategy for the evolution of the employer brand, talent attraction, and onboarding;
- **empower and guide** - career, performance, development, culture and learning;
- **care and value** - financial and non-financial recognition and reward;
- **debark and leave a mark** – departures, Alumni (groups of former employees who identify with Suzano's purpose and culture) and preparation for continuing a second career or retirement.

SUZANO LEADER PROFILE

As part of this movement, we expanded our view on leadership and defined the attributes of the Suzano Leader Profile, which are connected to our Cultural Drivers:

- **inspires** - has purpose, mobilizes, engages, is a role model (walk the talk), is humble and authentic, generates trust and is reliable;
- **communicates** - shares and positions, guarantees understanding, aligns expectations, is transparent and straightforward, sustains difficult conversations;
- **connects** - has a systemic and long-term vision, understands the whole and the parts, knows how to negotiate, promotes collaboration, mobilizes for the best sustainable result of the company;
- **transforms** - is curious and agile, innovates, stimulates new ideas, values diversity, deals constructively with mistakes, has the courage to change themselves and to adapt to changes;
- **delivers** - sets challenging goals, is passionate about high performance, works together with the team to promote excellence, is meritocratic, recognizes and celebrates everyone's success;
- **forms people** - shows empathy, knows and cares about people, aspires to continuous growth of each individual and the team, forms and develops leaders better than themselves.

360° VISION

In 2020, for the first time, Suzano carried out a 360° assessment, which considers, in addition to the direct manager's vision, the opinions of peers, partners, leaders, and direct reports regarding the employee's performance (valid for all administrative employees and leaders). The company believes that this is one of the fundamental tools for employees

and leaders to build an even more assertive development plan. The first assessment cycle had the participation of 78% of the company's professionals. It should be noted that the 360° vision, the performance forums (that verify the results and potentialities of the employee's performance), and other people-development forums at Suzano now explore, in their analyses, the six attributes that make up the leader profile and the Cultural Drivers for non-leaders.

THE VALUE OF DIVERSITY

Suzano believes that a work environment that values diversity and where people feel truly embraced, are treated with respect and ethics, is much more likely to develop the potential of professionals and, therefore, of the company as a whole. It is through the plurality of our team that we can better understand the various demands of the market and society.

This belief has become stronger within the company since the creation of Plural, an organic and voluntary movement that started in 2016 and institutionalized in 2019. The group looks to encourage the internal audience to create and participate in debates on diversity and inclusion, identify opportunities for action, and support senior leadership to keep important issues on these topics on the organization's radar.

Some of the main issues on the agenda regarding diversity and inclusion are part of the business strategy and are also expressed in the company's Long-Term Goals, as well as in Short-Term Goals and in the remuneration criteria of our leaders at the supervisory level and above. Suzano has advanced in its journey of diversity and inclusion in recent years, but is aware that there is still a long way to go to reach a satisfactory level in terms of equal opportunities in its work environment and to achieve its goal, which is to ensure a 100% inclusive environment.

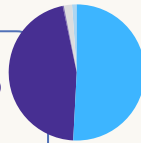


In 2020 and 2021, the goal of diversity and inclusion will have a 20% weight in the individual portion of the variable pay of the executives.

PERCENTAGE OF EMPLOYEES BY RACE¹

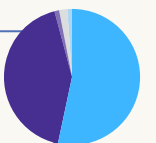
IN 2019

- > 51% BLACK² (42% "PARDOS" AND 9% BLACK)
- > 46% WHITE
- > 0.3% INDIGENOUS
- > 2% ASIAN
- > 1% NOT PROVIDED



IN 2020

- > 54% BLACK² (42% "PARDOS" AND 9% BLACK)
- > 43% WHITE
- > 1% INDIGENOUS
- > 2% ASIAN
- > 1% NOT PROVIDED



PERCENTAGE OF EMPLOYEES BY GENDER¹

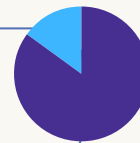
IN 2019

- > 85% MEN
- > 15% WOMEN



IN 2020

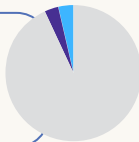
- > 85% MEN
- > 15% WOMEN



PERCENTAGE OF EMPLOYEES

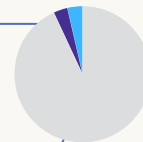
IN 2019

- > 2% LGBTI+
- > 2% PEOPLE WITH DISABILITIES



IN 2020

- > 2% LGBTI+
- > 2% PEOPLE WITH DISABILITIES



RETURN/RETENTION RATE AFTER PARENTAL LEAVE IN 2020

RATE OF RETURN³

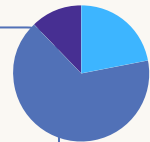
- > MEN 1.00
- > WOMEN 1.15

RETENTION RATE⁴

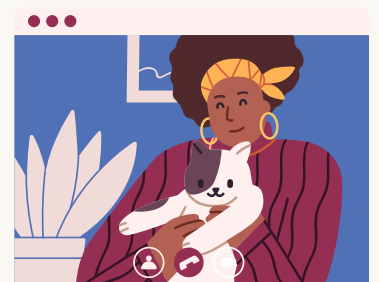
- > MEN 0.92
- > WOMEN 0.95

PERCENTAGE OF EMPLOYEES IN 2020 BY AGE RANGE¹

- > 22% UNDER 30
- > 66% BETWEEN 30 AND 50
- > 12% OVER 50



1. Numbers for 2019 include Suzano and Instituto Ecofuturo employees. In 2020, Facepa was fully incorporated by Suzano, so that as of this year, its data began to be included in the company's numbers.
 2. Terminology used by the Brazilian Institute of Geography and Statistics (IBGE), including Blacks and "Pardos". In Brazil, "Pardo" is an ethnic and skin color category used by the Brazilian Institute of Geography and Statistics (IBGE) in the Brazilian censuses.
 3. Calculated by dividing the total number of employees who actually returned from parental leave in the reporting period (or who are expected to return next year, after the reporting cycle) by the total number of employees who took their leave.
 4. Calculated by dividing the total number of employees who were still working at the company 12 months after returning from parental leave by the total number of employees who returned from leave.
 5. At Suzano, we chose to use the acronym LGBTI+, which includes lesbian, gay, bisexual, transgender intersex, and "+" symbolizing all other sexual orientations, identities and gender expressions.



OUR COMMITMENTS

GOALS FOR 2021

- Increase the share of Blacks in leadership positions (supervision and above) by 3 p.p.
- Increase the share of women in leadership positions (supervision and above) by 3 p.p.
- Increase the share of people with disabilities in the organization by 1 p.p.
- Increase the perception of an inclusive environment for LGBTI+ by 1.4 p.p.

See the four Long-Term Goals for this topic [here](#).



AWARENESS-RAISING PROCESS

To achieve our goals, we structured, among other initiatives, four awareness-raising areas for our professionals, implemented in 2020.

- **Training on unconscious biases** - mandatory course for 100% of the organization. This course teaches how to identify unconscious aspects related to prejudice and discrimination.
- **Training for executives** - all senior management and other executives of great influence in the company are prepared to learn how to properly address topics of diversity and inclusion.
- **Affinity groups** - leaders and other employees with a high capacity to influence are invited to actively participate in one or more of the company's five affinity groups, organized in all units, and each group has one or more sponsors who are Executive Board members. The groups are:

➤ **Women** (gender inclusion)

➤ **LGBTI+** (LGBTI+ inclusion)

➤ **Blacks** (ethnic-racial inclusion)

➤ **Generations** (inclusion and synergy between different age groups)

➤ **PWD** (inclusion of people with disabilities).

- **Diversity and inclusion for the People and Management team** - since 2020, Suzano has offered training on this topic to People and Management professionals, with the support of a specialized consulting firm.

DIVERSITY IN THE HIRING PROCESSES

Suzano's selection processes underwent several changes in 2020. In addition to developing new positioning for employer branding to communicate our commitment to diversity and inclusion to the market, we have established partnerships and have the support of consultants specializing in this area to attract a more diverse audience. From there, we built a talent pool for each affinity group and, in order to encourage the hiring of people who are part of these groups, we have raised awareness among the company's managers on diversity and inclusion.

The Internship Program has also changed: an assessment of positions has been carried out, we have reviewed the selection criteria, such as easing the requirement for English as a second language, and we have expanded the list of colleges considered in our dissemination plan. As a result of these changes, we hired 60% women and 38% Blacks—2% more than in the previous edition of the program. We know that it is possible to reach even higher levels and, therefore, we will continue to invest in the work of attracting an increasingly diverse audience.



Vithor Lucas Dionísio, Production Assistant, and Raphael dos Santos Caffeu, Panel Operator - Wood Preparation, Mucuri Unit (Bahía state).
Photo: Márcio Schimming

The Young Engineers Program was also reformulated and was named Trainee Suzano. We expanded our opportunities to attract more diverse profiles, from different backgrounds and universities, and to recognize the existing talent in the company. The selection process was 100% online, without the need for fluent English, and was also open to our employees who matched the requirements.

Some of the results:

- ▶ we received **applications from 205 people with disabilities**—almost **four times more** than in the **previous year**
- ▶ **32% increase in women's** applications and **43% increase in Black** applications compared with 2019
- ▶ among the 30 employees hired, **53% are women** and **43% are Black**.

● **LGBTI+ Survey**

At the end of 2019, a survey in our units revealed that 60% of the company's LGBTI+ group considers Suzano to be an inclusive company. Our goal is to reach 100% by 2025 and, based on that, our short-term goal in 2020 was to increase this index by 10 percentage points, from 60% to 70%. In January 2021, a new survey revealed that not only did we achieve our goal, but we exceeded it, reaching a **77% positive perception** regarding the inclusive environment for people in the LGBTI+ group. However, after the survey, we reformulated the methodology used to measure inclusive environment with the support of a supplier specializing in the subject. Based on this reformulation, we began to survey not only the perception of the LGBTI+ audience, but also of all Suzano employees in relation to this topic, and to measure the degree of inclusive environment for all affinity groups with which we work. Learn more in [Long-Term Goals](#).



Paulo Vidigal, Paper Production Manager, and David Pereira de Souza, Paper Machine Assistant, Limeira Unit (São Paulo state).
Photo: Márcio Schimming

HEALTH AND SAFETY

GRI 103-1, 103-2, 103-3 (HUMAN CAPITAL)

The safety of our employees has always been a priority at Suzano. In 2020, even in the midst of a terrible pandemic, we achieved significant results in reducing accidents (see the table on the side). These results are due to a proactive and coordinated team effort. The company has a Health, Safety, and Quality of Life team of 275 professionals. Each of Suzano's ten mills has Safety Committees structured and divided into subcommittees. In these groups, employees participate in discussions and evaluate and implement initiatives related to the topic.

In addition, since 2019, the company has been investing in the development of actions that lead to safe behavior through *Programa Cuidar* (Care Program), which is considered to be the backbone of the transformation plan for Suzano's safety culture. Aimed at all Suzano professionals, the program's strategy was adapted to include preventive measures against the coronavirus, and it adopted remote training and distance education approaches. More than 550 actions were carried out for audiences at industrial and forestry units, ports, distribution centers, and offices, which impacted Suzano's nearly 15,000

employees and most of the contractors. In 2021, we want to expand the scope of this group. This is possible thanks to our safety tools that are part of day-to-day operations, such as the Daily Safety Dialogue (DDS), Behavioral Approach, Positive Activity Observation (OPA), and the Eye on the Area (DNA, a system that records deviations in the area and that can be easily accessed by a mobile app), among many others.

Programa Cuidar follows the Hearts & Minds methodology, developed by the Energy Institute, which indicates 18 dimensions in the aspects of work safety and action formats. Following this methodology, we performed diagnostics to assess the company's maturity in terms of the safety culture in all operations and established a baseline. Since the beginning of this work, we have managed to improve our safety culture by 17%. We are at a point where the organization has a strict control system to manage risks in the workplace, with actions aimed at quantifying risks and generating monitoring metrics. Now we must move toward a systemic health and safety vision. With this diagnosis, we are designing more assertive action plans to act directly on the points that require greater attention in order to achieve the desired culture of excellence in safety.

Numbers for 2020 (COMPARED WITH 2019)

GENERAL INDEXES

- > **68% REDUCTION** IN THE SEVERITY RATE OF INCIDENTS
- > **17% REDUCTION** IN THE FREQUENCY RATE WITH AND WITHOUT LOST TIME
- > **25% REDUCTION** IN TOTAL ACCIDENTS

FORESTRY OPERATIONS INDEXES

- > **79% REDUCTION** IN THE SEVERITY RATE OF INCIDENTS
- > **41% REDUCTION** IN THE FREQUENCY RATE WITH AND WITHOUT LOST TIME
- > **46% REDUCTION** IN TOTAL ACCIDENTS

PULP OPERATIONS INDEXES

- > **38% REDUCTION** IN THE SEVERITY RATE OF INCIDENTS
- > **41% REDUCTION** IN THE FREQUENCY RATE WITH AND WITHOUT LOST TIME
- > **21% REDUCTION** IN TOTAL ACCIDENTS

PAPER OPERATION INDEXES

- > **57% REDUCTION** IN THE SEVERITY RATE OF INCIDENTS
- > **8% REDUCTION** IN THE FREQUENCY RATE WITH AND WITHOUT LOST TIME
- > **11% REDUCTION** IN TOTAL ACCIDENTS



To learn more about the safety structure and governance, visit the [Indicators Center](#).

Health and safety rates for company employees and service providers	2019		2020		2021	
	Results	Results	Baseline Goal	Baseline Goal	Baseline Goal	Baseline Goal
Severity rate ¹	104	33	24	24	29	29
Lost time injury rate ²	0.49	0.52	0.44	0.44	0.47	0.47
Cumulative frequency rate/accident rate ³	2.18	1.80	1.96	1.96	1.62	1.62

1. Rate calculation: (lost days) x 1000000 / (number of hours worked).
 2. Rate calculation: (lost time cases) x 1000000 / (number of hours worked).
 3. Rate calculation: (lost time + no lost time cases) x 1000000 / (number of hours worked).

QUALITY OF LIFE

The physical and mental well-being of our employees contributes to healthier and happier working conditions. In a year when people needed to be more attentive to emotional balance, given the feeling of fragility and anxiety caused by the pandemic, this topic gained even more prominence at Suzano. Among the proposed initiatives in 2020, several online events were held, with programs and special guests to explore the matter, including Dr. Drauzio Varella, Leandro Karnal, and Mário Sérgio Cortella. In 2021, the company plans to intensify this agenda. Visit the Indicator Center for more information.

CHALLENGES OVERCOME IN THE INDUSTRY

Throughout Suzano and in the mills, the priority in 2020 was to keep the largest number of employees possible apart, maintaining physically present only those who were essential in the units, and establishing a series of protocols to protect them from COVID-19. In this regard, dozens of measures were taken to keep people healthy, noting that some roles in the industry are extremely specialized and, therefore, performed by few professionals. We had to guarantee the safety of the teams in an environment where most of our products, mainly pulp, were considered essential by the World Health Organization (WHO). Implementing major changes in our routine, with new practices and procedures and keeping production at a normal pace, was our biggest challenge this year.

In order to prioritize the health of our employees, service providers, and the local community, Suzano completely changed the general shutdown schedule of the plants in order to reduce the number of people in operations during the critical period of the pandemic. The decision was to postpone events that were to take place in March and April and resume them from August onward. This gave us the time and confidence to perform maintenance without risk of contagion and to ensure proper planning of protocols for handling general shutdown activities.

General shutdowns are mill maintenance events, governed by specific legislation and technical standards. Shutting down activities for ten days a year means putting an extra 3,000 people in each unit, dedicated to risk monitoring, equipment and personnel safety and, consequently, to the excellence of our operation. Therefore, it is imperative that the shutdowns are enforced.

We reorganized tasks in order to have a smaller number of professionals during shutdowns and created special protocols for that period. We established, for example, individual accommodations and meals in apartments for technicians from other cities, preventing the circulation of people as much as possible. Maintenance activities take place every 15 months in the production units.

IN REAL TIME

Launched at the end of July, the new collaborative online platform **Workplace Suzano** connected all of the company's professionals wherever they were—at home, in the office, in the mills, in forestry operations, in laboratories, at logistics distribution centers, or airport terminals—in Brazil and around the world. The new tool

Workplace Results

One month after the implementation, 58% of the direct employees were already on the platform, a significant result according to market benchmarks. Adherence to the platform was voluntary. One month after implementation, 58% of the direct employees were already on the platform, a significant result according to the industry benchmark. In January 2021, active users of the platform totaled more than 74%. This number rises to 95% among leadership. For 2021, the goal is to make Suzano even more connected, with an increasingly constant presence of leadership on the platform through posts in texts, video, and live streaming.

has become a work instrument that provides more fluid communication, greater integration between employees and units, and greater autonomy and dissemination of content through the network, in addition to enabling widespread communication. All professionals can now access the content and post activities and comments on the platform via cell phone or computer. Adherence to the platform was voluntary.

VOLUNTARIAR PROGRAM

Voluntariar was created more than 20 years ago to bring the company closer to neighboring communities through the mobilization of employees, service providers, family members, and partners in voluntary actions that strengthen social empowerment and promote positive changes in society.

In a year of pandemic, the big challenge was to continue with the volunteering initiatives online, thus protecting the health of volunteers and beneficiaries of the actions. Consequently, the results were less robust compared to previous years. This, however, did not impact the quality of volunteer engagement.

Vanessa Nascimento, Communication Analyst, and Bruna Letícia de Souza Vieira, Participant in the Cerâmica Vargem do Tanque Project, Cunha (São Paulo state). Photo: Márcio Schimming



Voluntariar in numbers in 2020

948
VOLUNTEERS

3,345
HOURS CONTRIBUTED

20,075
BENEFICIARIES

43
LOCATIONS COVERED
(INCLUDING INDUSTRIAL AND FORESTRY UNITS, DISTRIBUTION CENTERS, AND OFFICES)

21%
LEADERSHIP ENGAGEMENT
(FROM FUNCTIONAL AND EXECUTIVE MANAGEMENT TO THE EXECUTIVE BOARD)



To learn more about *Voluntariar*, visit the [Indicators Center](#).





Danielle de Paula, Communication Coordinator, and her children Lorena and Felipe, Mucuri (Bahia state). Photo: Márcio Schimming

CUSTOMER *relations*

Suzano impacts the lives of more than 2 billion people worldwide. A significant part of its products reach consumers through customers spread over the various continents. Our approach tailored to their needs and to the development of biosolutions has led to important advances for the company in customer relations and in the development of new partnerships and products.

Associated material topics:

- › Innovation and Technology;
- › Value Chain;
- › Financial Management.



PULP

DYNAMISM AND FLEXIBILITY

GRI 103-1, 103-2, 103-3 (VALUE CHAIN [CUSTOMERS AND SUPPLIERS])

Suzano started 2020 with excellent prospects from a market standpoint after a very challenging period marked by rising inventories and falling prices. However, the pandemic brought new uncertainties to the pulp and paper sector, in varying proportions for each market segment and region.

The increase in tissue consumption in countries in the Northern Hemisphere and Asia, where we do a significant volume of business, driven by consumers stocking the product and emptying the shelves in retail chains, especially during the first half of the year, generated a demand beyond that expected for market pulp.

On the other hand, given the expansion of social distancing and the economic downturn, the negative impact on printing and writing paper and specialty segments gradually increased, mainly in Europe. Due to this difficult scenario, some integrated pulp producers in the Northern Hemisphere stopped producing paper to produce more pulp. Soluble cellulose producers did the same, affected by the drop in production in the textile industry. The imbalance between market fundamentals, therefore, put additional pressure on prices. Despite all adversities, our focus has remained the same: serve all our customers, seeking to continue supplying our pulp.

SIGNS OF RECOVERY

After a tough period, experienced mainly in the third quarter, the company observed the rebound of all pulp markets. In China, it is worth remembering, the scenario was a little different, as the country quickly recovered and has been growing, generating the opportunity to increase prices.

Since the beginning of the pandemic, Suzano has intensified the dialogue with its customers and

between its internal teams. This is because we understand the relevance of being prepared to implement, at any time and as soon as possible, the contingency plans to avoid disruption in production and logistics. Consequently, we managed to deal with the fluctuations in the period and successfully meet all production demands.

EUCAFLUFF®

Major partnerships consolidated the entry of Eucafluff® into major global customers, strengthening its position in Europe, Asia, and the United States in 2019. The result of more than a decade of research by Suzano, this is the world's first bleached eucalyptus kraft fluff pulp, which can be applied in absorbent and personal hygiene products, in addition to disposable items, such as adult and baby diapers and sanitary pads. The year 2020 was about consolidating what had been started in 2019. However, the prospects for expanding the business were affected by the developments of the pandemic, since the product qualification process is long, interactive, and in-person. As a result, Suzano's plans to open new accounts during this period were compromised.

EU ECOLABEL SEAL

Suzano's Eucafluff® became part of the list of raw materials authorized for use in disposable hygiene products certified with the EU Ecolabel seal. Recognition is granted by the European Union to final producers who meet high environmental standards throughout their cycle, from the extraction of raw materials, through production and distribution, to disposal. The seal certifies to consumers that they are using a product that is sustainable from start to finish.



To be part of this select list, Suzano demonstrated its excellence based on strict environmental criteria, which analyze energy consumption, greenhouse gas emissions (GHGs)



*Felipe, son of employee Danielle de Paula, Communication Coordinator, Mucuri Unit (Bahia state).
Photo: Márcio Schimming*

during production, and release of pollutants into the air and water, among other aspects. Such differentiators were also pointed out in the Life Cycle Assessment study conducted by ACV Brasil, in which Eucafluff® showed favorable environmental performance results in categories such as the use of land, water, and GHG emissions when compared to the environmental performance of the pine fluff produced in the Southeastern United States.

PAPER AND PACKAGING

FLEXIBILITY TO FACE THE CRISIS

GRI 103-1, 103-2, 103-3 (VALUE CHAIN [CUSTOMERS AND SUPPLIERS])

Paper was the business unit most affected by COVID-19. Social distancing led to the closure of offices, schools, and universities, and most commercial activities. In this context, these segments of society have significantly reduced the consumption of one of our main products: printing and writing paper. This market was already suffering in developed countries, due to the

disruption caused by digital alternatives. However, in developing markets, mainly in Asia (especially China), there was still an increase in demand for this product.

By 2020, during the most critical period of the pandemic, consulting firms covering the industry estimated a decline of 15% - 25% in the printing and writing market. However, by the end of 2020, the Pulp and Paper Products Council (PPPC), for example, reported a 29% decline in this segment in Latin America. In other words, from March to December, the decline in this market represented a 1/4 reduction in total demand for 2019.

To face this scenario, the company put an action plan in place, made possible thanks to the combination of some factors that give us agility in decision making: we have about 300 salespeople in Brazil and a differentiated distribution model that keeps us close to our 35,000 customers in the country. With this reach, we managed to act quickly to serve other markets and support our partners. Below are two of our main initiatives.



Renato Gonçalves Pereira, Cutting Machine Operator, and Raricka Moreira Santos, Production Assistant, Mucuri Unit (Bahia state). Photo: Márcio Schimming

E-commerce sales

In the second half of 2020, more than 50% of the sales on the Suzano + Platform to micro and small customers were made via e-commerce.

1. Tamo Junto (We're in it together): A financial support program for printing companies, stationery stores, and publishers in the country, offering credit and debt renegotiation, in addition to the donation of communication materials and prevention kits for daily use at points of sale. The project benefited more than 1,000 partners through four fronts. The first, focused on supporting the business, offered differentiated credit, debt renegotiation, and flexibility of charges. The second donated essential materials to reduce the spread of the coronavirus, such as face shields, adhesive signs with distancing information for points of sale and hand sanitizer dispensers. The third included a

communication package with information on hygiene and cleanliness, social distancing, cash flow, flexibilization and credit by the National Economic and Social Development Bank (BNDES). The fourth front is an online channel where our partners can access specific content.

2. Papers for specific segments: Some sectors became more demanding during social distancing and the pandemic. In this sense, we directed our efforts to paper and packaging in the food, pharmaceutical, and hospital segments. In addition, we developed alternatives to paper for drug instruction inserts, special paper bags (replacing plastic bags), and other packaging.

About the Loop®

Paper produced from renewable raw material (trees planted specifically for that purpose) offers a better paper straw experience due to its high performance and resistance to liquids, ensuring that the product remains intact for up to two hours of use, with an excellent feel for the user. Its production process results in fewer losses and has greater versatility to create more compelling products, in addition to being lightweight and sustainable.



Paper donations

In 2020, a large mobilization was seen in the paper industry to meet the demands arising from the new coronavirus. In this respect, in partnership with other producers, Suzano coordinated the donation of 5 million paper cups produced with our Bluecup®, the first Brazilian card stock developed for cups and made from a renewable source. The donation was made to public hospitals and municipal administrations in the states of São Paulo, Santa Catarina, and Paraná.

In addition, Suzano contributed to the production of face shields made using card stock, conceived by Brasilgrafica S.A. The product was donated to the Ministry of Health. We also donated 8 tons of card stock to make 350,000 hand sanitizer containers, geared for Natura's consultants and truck drivers.

LOOP PAPER® AND DO BEMZINHO

One of Suzano's Long-Term Goals is related to the replacement of plastics (learn more [here](#)). In 2019, we launched Loop Paper®, a specially designed paper for the production of drinking straws as an alternative to plastic straws. In 2020, Suzano and beverage maker Do Bem™ joined forces to replace plastic straws in the 'Do Bemzinho' products, a line of juices for children, which will now use straws made with our paper. In Brazil, Loop® is present in almost every fast-food chain.



WITH A NEW LOOK

After eight years, the Report® paper portfolio, with its complete line of printing and writing paper, gained new positioning and packaging. Based on an understanding of consumer desires, the new visual identity showcases the main qualities of the product: performance and sustainability. The new packaging, with a more modern and clean design, highlights the differences and usability of each product in the line, reinforcing the attributes: sustainable, more resistant, does not smear, and does not jam the printer.



POSITIVE
SUAS
IDEIAS

In 2020, Suzano invested in the restructuring of its platform called *Positive Suas Ideias* (Materialize Your Ideas), a movement created to rethink production and consumption through creative and sustainable packaging. It is worth mentioning the Innovation Day, held together with PepsiCo and L'Oréal, to share our capabilities in terms of packaging and looking to find possible synergies.





Robson de Souza, Packaging Line Operator, Limeira Unit (São Paulo state). Photo: Márcio Schimming

CIRCULAR ECONOMY

GRI 103-1, 103-2, 103-3 (VALUE CHAIN [CUSTOMERS AND SUPPLIERS], INNOVATION AND TECHNOLOGY)

A major concern for Suzano has always been to develop products with the least possible environmental impact and provide solutions to the market based on a systemic vision, driven by facts and data. That is why, in the world of paper, we use tools such as Life Cycle Analysis in our evaluations and product development. Internationally recognized, this approach offers a careful assessment of the potential impact of products. It considers the entire production process, from the extraction of raw materials to the disposal of products, allowing for an extensive assessment of cause and consequence. With this information, we can support our innovation processes on the best alternative.

Thus, we have sought in-depth knowledge in order to understand how we can be relevant players in this transition movement, which values, among other things, a more circular economy (which proposes a shift from the linear model of obtaining resources, producing, and disposing of products), while generating the least possible impact. As a company based on renewable resources, when we

think about closing the cycle, we know that we have many opportunities to explore a biological route (which itself is regenerative and zero waste when the components of the product can return to natural biological cycles), focused mainly on biodegradation processes.

Within a possible technical route that also leads us to circularity, we have sought to increase our active participation in the recycling chain, knowing that this is one of many important attributes that need to be addressed. Since our priority is to ensure that each solution is, in fact, better from a social, environmental, and systemic standpoint, we use Life Cycle Analysis to validate all possible alternatives. We understand that there is no point in addressing the issue of solid waste, for example, while adopting processes that demand more natural resources or result in greater emission of greenhouse gases (GHGs). We live in a time when it is no longer enough to think of one **or** the other, but rather one **and** the other.

Throughout this year, we have worked on the development of TP Cycle, a new card stock that uses post-consumer fibers in its composition,

mainly coming from packaging. For the development of this project, we entered into a partnership with Eureciclo, a **B corporation** specializing in reverse logistics, which mapped the supply of paper trimmings to guarantee the best technical performance of the product. They also approved the labor conditions behind each supplier, thus helping us to secure a solution that promotes a more positive chain.



In a form of complementing TP Cycle, we reinserted post-consumer card stock fibers into the production of our suppliers of cardboard boxes, which are now used to pack our reams of cut size. This alternative has two main advantages: the first is its scalability since, in this case, the production potential of the cardboard chain after absorbing post-consumer material is substantially greater than that of card stock. The second is the mitigation of environmental impacts: since cardboard can now be produced using this type of input without major changes to the process, the reinsertion impacts caused by technical losses in the final product are minimal when compared to the production of card stock of a comparable category.

Scala paper towels at the point of sale. Photo: Suzano Image Bank



CONSUMER GOODS

POSITIVE BALANCE

GRI 103-1, 103-2, 103-3 (VALUE CHAIN [CUSTOMERS AND SUPPLIERS])

Suzano's biggest challenge in 2020 was to keep the operation running smoothly, ensuring the safest conditions for its employees and their families. This level of safety was maintained in consumer goods, which brings together around 1,200 professionals across the country. Trips and visits were postponed, and processes were adapted to the new reality. Fortunately, all projects were maintained.

PRODUCTION AND SALES RECORDS

Suzano operates in the consumer goods market with a focus on the tissue segment, composed mainly of products such as and papers for sanitary purposes (toilet paper), paper towels, and napkins. Across Brazil, demand for this paper line has skyrocketed since March 2020, requiring high execution capacity for the company to quickly redirect mills and its business model in order to respond well to the new needs of customers. As a result, Suzano reached an 8.3% share in value in the toilet paper market in the last year, making it the fifth largest company in this category in Brazil.

We consolidated our leadership in Brazil's North and Northeast regions, expanding the gap with the runner-up, and reinforced our presence in the Southeast and Midwest, where we had a smaller share in 2019. In 2020, we increased our relevance, especially in the states of Espírito Santo, Rio de Janeiro, and Minas Gerais. In the state of Espírito Santo, we are a leader in tissue. The data obtained by Nielsen show in 2020 that the Mimmo® brand is a leader in two-ply tissue, with 28% market share. In 2021, we are looking to expand participation to other states in the Southeast and Midwest.



Débora Rocha Laranja, Sales Promoter in Espírito Santo state. Photo: Suzano Image Bank

BELÉM AND FORTALEZA UNITS

Completion of the integration of units and processes between Suzano Papel e Celulose and Fibria, which was one of the main priorities for 2020. All incorporation processes were applied at the former Fábrica de Papel da Amazônia SA - Facepa, the largest producer in the tissue segment in the North and Northeast regions. Its installed capacity is nearly 50,000 tons per year.

In addition to absorbing the new company from a tax and IT standpoint, we worked on cultural awareness in our two mills, which became Suzano units: Belém (Pará state) and Fortaleza (Ceará state) units. It is also important to highlight the actions related to work safety, which significantly reduced the number of accidents in both locations.

NEW MILL IN CACHOEIRO DE ITAPEMIRIM

When the pandemic arrived in Brazil, Suzano was starting to build its new tissue mill,

located in Cachoeiro de Itapemirim (Espírito Santo state). We interrupted work on construction for a few weeks to understand the new scenario, analyzed the healthcare conditions in the municipality, revised our schedules, and adopted a series of measures until the work could be carried out safely. As a result, on March 2021, we started-up a new plant, which will increase our production capacity by 30%.

The three-ply toilet paper will be the unit's product highlight, following a trend of a higher quality product. The toilet paper segment is in the process of migrating to higher quality products, from one-ply to two- and three-ply tissues. According to data from Nielsen from 2018 to 2020, the share of two ply and three ply tissue in the Brazilian market grew by 6 percentage points. As the category matures, it is natural that consumers will migrate to more sophisticated items.

RESEARCH & DEVELOPMENT

LEADING EDGE KNOWLEDGE

Suzano increasingly works on initiatives with enormous disruptive potential. These are projects that focus on what we call innovability; in other words, innovation at the service of sustainability.

In a year of pandemic, our challenge increased. How could we proceed with dozens of innovative programs that depend on travel and international partnerships? How do we find alternatives for a job that, as a result of the health crisis, needed to be done at a distance? Sending samples, monitoring tests, and on-site evaluation of results—all procedures that involve a technical validation of performance and costs, which would normally take place in the facilities of our customer and prospects—have been altered, becoming much more time consuming. Even so, Suzano managed to advance with all projects, obtaining better than expected results.

Suzano's innovability and research portfolio of innovation and research is based on three pillars: Sustainment, Transformation, and Diversification. See below for the company's main projects on each front and the respective results achieved in 2020.

SUSTAINMENT

This explores solutions to the challenges of the current business, centered on planted eucalyptus forests and on the production and trading of pulp. Below, we highlight three examples of projects geared to this purpose.

> MORE PRECISION IN FORESTS, TRANSPORT, AND INDUSTRY

Regrowth management (regrowth of the eucalyptus tree after it has been cut from one or more sprouts left at the bottom of the trunk close to the ground) is the main alternative for reducing forest formation costs; however, in order to generate productive forests, several different technologies are needed across the entire process. In 2020, we consolidated

the model for selecting areas of greatest potential, based on technical premises; we designed the forest quality control in two phases; and we innovated with the anticipation of regrowth clearing, which already occurs in all forest units with higher quality and production potential.

This type of management is very much in line with the idea of producing more with less natural resources, since a series of field operations now take place every 14 years, and no longer every 7 years.

Currently, nearly 14% of our forest base is managed through regrowth management. There are economic benefits associated with the system, which can cost up to 55% less than a complete new cycle.

In addition, we use digital parameters to optimize clonal allocation and developed a new system, Tetrys, which allows us to make a careful allocation of eucalyptus clones per area, assessing productivity and risk-related aspects due to climate variations, among other possibilities. The tool offers so many competitive advantages that Suzano decided to protect it as an industrial secret.

Forest Logistics, Mucuri Unit (Bahia state). Photo: Suzano Image Bank



In addition, for the integration of the harvest and transport phases, a new digital tool, called iGroot, processes about 25 million variables to understand at what stage of growth the wood should be harvested, where to take it, and which is the correct transport mode, depending on the destination unit. In the industry, a machine learning solution, Thor, helps recover the heat released from the boilers for the operation of the turbines, maximizing the energy generated for the industrial unit.

TRANSFORMATION

This front is intended to generate a competitive advantage for the business through different uses and applications for pulp, in line with the needs of our customers. Next, see the main projects in this area.

➤ MOLECULAR MARKER

The development of a high-precision molecular marker gave Suzano the opportunity to make an early selection of young seedlings adjusted to the climate and soil characteristics of each type of region. With 80% accuracy, we can avoid physiological disturbances due to poor adaptation of the plant to the site, a phenomenon that often takes time to manifest, causing complications and losses in the field.

➤ SPECIALTY PULP PORTFOLIO

We started 2020 with huge demand to service our customers in China. This is because there have been changes in the Chinese legislation regarding the production of paper, forcing Suzano to develop a new pulp portfolio. To meet these demands, we offered two new pulp products to the market—one designed specifically for tissue, called EucaTissue, and the other, a high-quality unbleached pulp that satisfies the most demanding markets in terms of sustainability and can be used for the production of any type of paper, from the tissue to the packaging segment.

Both cases are in line with the practice of using fewer chemicals in the industrial process and delivering very high-quality pulp for paper production, including tissue. Both projects also required testing. But how do we carry out tests in the mills without being able to be there? The way to do this was to increase dialogue and intensify partnerships on the various fronts. The Pulp team formed a collaborative network between Suzano's customers and professionals in the areas of Research and Development and Industrial Operation so that tests could be carried out by the customer in partnership with Suzano.

DIVERSIFICATION

What is the potential of eucalyptus and how can it be widely utilized? Bio-strategy projects are being developed to expand our portfolio of sustainable solutions in different niche markets. These are the main ones.

➤ LIGNIN

For lignin, 2020 was dedicated to reorganizing the strategy and overcoming problems with drying, which occurred at the Limeira (São Paulo state) plant in 2019. We started the process and began commissioning the plant, having already managed to produce lignin within the specifications desired by customers.

In addition to the priority market segments—elastomers and phenolic resins—we started to develop the second wave of lignin applications, contributing to the increased use of raw materials from renewable sources in other value chains. Learn more about [Ecolig](#).

➤ MFC GRI 102-10

The agreement with the Finnish company Spinnova, in which Suzano now has a 50% of the shares, continues to evolve year after year. In 2020, we entered into a global joint venture for the exclusive production and trading of textile fiber from microfibrillated



Geraldo de Almeida, R&D Technician, Limeira Unit (São Paulo state).
Photo: Márcio Schimming

cellulose (MFC), which represents a leap in production from 100 to 1,000 tons/year and will require an investment of approximately €22 million for the construction of a new plant in Finland in 2021 and 2022.

The goal is to reinvent the textile industry using a fiber produced without any type of solvent and with the same amount of water already used in the process, saving from 54% to 100% of water and chemicals and giving us a sustainable product to compete with fossil-based fibers, such as polyester. In addition, CO₂ emissions are up to 60% lower when compared to viscose and cotton. It is estimated that the new unit will enter into operation in 2022. It will be the first step toward having a large-scale plant with our partner in the future.

● *New applications for MFC*

Microfibrillated cellulose, or MFC, is a super-refined cellulose that can be used in several different applications, with good prospects for scaling in the coming years. For this reason, in addition to advancing the production of textile fiber with Spinnova, Suzano has plans to produce MFC at its Limeira unit (São Paulo state) for internal and external application (to the market). Suzano has advanced in the application of MFC to replace fossil raw materials in cleaning products (detergents, softeners, liquid laundry detergents) and in the production of paints and fibre cement shingles (fibrous cement sheet), which were previously using asbestos, a proven carcinogen.



*Bárbara Cristina Pamphilo, R&D Technician, Limeira Unit (São Paulo state).
Photo: Márcio Schimming*

➤ **BIOCOMPOSITES**

Biocomposites are also on the path of innovability, resulting from the mixture of eucalyptus pulp and fossil resins, such as polypropylene and polyethylene. Suzano holds the patent for this process, which has been improved in order to reduce the carbon footprint in the plastic chain, especially in durable goods (roof linings, external decks, vases, garbage bins, etc.). In the composition, we managed to replace up to 60% of the fossil component with pulp fiber.

➤ **BIOPETROLEUM**

Large oil companies showed interest in our product in 2020. In the last few months, we have been conducting tests with two major global oil companies in the U.S. and are approaching final approval for biopetroleum, which includes all the engineering and logistics solutions defined.

Final industrial tests involve the co-processing of biopetroleum, albeit in a reduced proportion, with oil. We are working side by side with the oil companies to raise this proportion to much higher levels. All this is developed in partnership

with Ensyn, a company based in the U.S., in which Suzano has had a 25% ownership stake since 2012.

REPLACEMENT OF PLASTIC WITH PAPER

In the search for sustainable alternatives to replace the plastic used in the drinking straw, cup, and flexible packaging sector, Suzano has been developing innovative solutions based on improving the physical and mechanical properties of the base paper and the application of recyclable and biodegradable barriers on the surface of the paper. These barriers give the paper properties to resist water, fat, water vapor, and oxygen, and are also heat-sealable (heat-sealing machines). These are important characteristics, for example, for food packaging such as for cookies and non-perishable foods. This substitution represents a major technical and economic challenge. In 2020, laboratory and industrial tests were conducted in order to approve the technology in different players in the market. Significant advances have been made, not only in validating the performance and machinability of the products—that is, whether or not they perform well on filling machines—but also in complying with the strict standards established by regulatory agencies.

We hope to continue advancing with the tests in order to offer a high quality product that meets the technical requirements and offers a competitive price to the market, allowing us to migrate to alternatives coming from renewable sources and become more sustainable.



Carolina Cleto and Rafael Pereira, FuturaGene, Itapetininga Unit (São Paulo state). Photo: Fotocontexto

FUTURAGENE

FuturaGene, Suzano's subsidiary and a leader in forestry biotechnology, produced significant advances in its projects in 2020. Despite the limitations imposed by the pandemic, we adapted to the new reality and managed to maintain activities in laboratories, greenhouses, and fields, whilst implementing stringent all protocols for sanitation and distancing between researchers, allowing important projects to follow their normal course.

It is worth highlighting the progression of studies for the completion of the regulatory package aimed at submitting the application for commercial use of herbicide-tolerant eucalyptus. The submission of the regulatory dossier for this technology to the Brazilian Technical Commission for Biosafety (CTNBio) is planned for 2021. In

addition, we advanced with our biosafety studies of insect-resistant eucalyptus, which will continue in 2021 and will be part of the regulatory package for this technology.

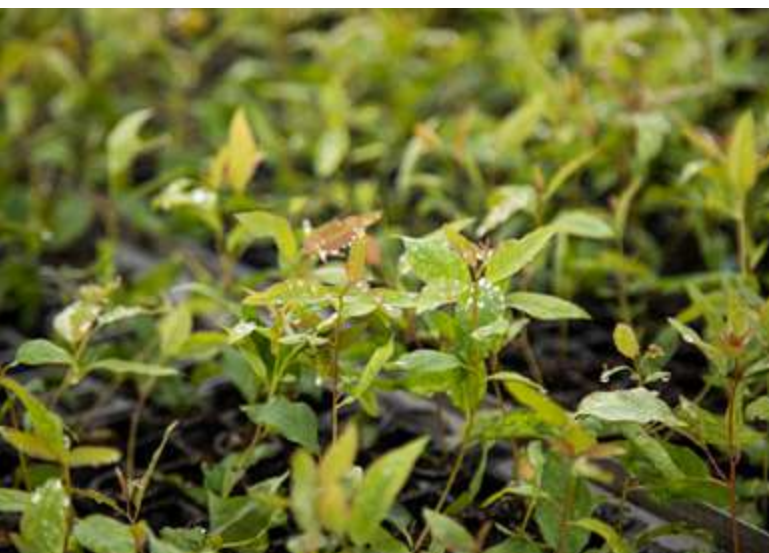
In addition to these advances in the crop protection platform, our platform to increase forest productivity continues to evolve. On this front, we expanded field tests with derivatives of our genetically modified eucalyptus approved by CTNBio in 2015. Experiments with this technology, planted in the different regions where Suzano operates, have shown promising results after more than three years in the field, when compared to the best conventional clones.

Other technologies in FuturaGene's pipeline have also made significant progress, including those focused on wood quality, in addition to advances in the areas of Bioinformatics and Genomics.

Teams from Suzano and FuturaGene maintained an open dialogue with several stakeholders to share information about the safety and potential benefits of biotechnology in trees, elucidating how these tools may contribute to achieving global sustainability. Learn more on the [website](#).

Suzano and its subsidiaries currently perform activities with genetically modified organisms (GMOs) only for research purposes and in areas outside the scope of certification. Learn more about this topic by visiting our [Indicators Center](#).

Seedlings in the Nursery, Mucuri Unit (Bahia state). Photo: Márcio Schimming



DIGITAL TRANSFORMATION

AN INCREASINGLY MORE DIGITAL SUZANO

GRI 103-1, 103-2, 103-3

Digital transformation has become an important movement at Suzano. In 2020 alone, more than 30 projects developed for this purpose impacted more than 4,000 employees and produced cash generation of approximately R\$50 million for the company (see some of the highlights on page 55). In addition, digital training initiatives in 2020 qualified 37 data scientists from different areas of the business.

Since this movement aims to disseminate digital skills throughout the company, several forums were created to enable collaborative decisions. As an example, we cite the governance process, which involves several Functional Directors who convene quarterly to discuss the digital future of the company and a panel formed by representatives from different areas of the business to define the priorities for the year.

This new work format is less bureaucratic and hierarchical. The work becomes collaborative, deliveries are made in less time, there are gains in productivity, and the results appear much faster. Digital initiatives take place on four work fronts, which are analyzed from a strategic and governance perspective. These include:

1. Digital Center

The Digital Center evaluates the strategic projects for the evolution of the company. It then internally organizes processes that associate IT, digital transformation, and business areas to implement these digital technology solutions, such as machine learning and optimization, which stem from artificial intelligence using agile methodology and design thinking techniques associated with digital technology.



Adriana Damasceno, Bridge Crane Operator, employee of the company DPWorld, who works at Vertere, in the Port of Santos (São Paulo state). Photo: Márcio Schimming

2. Open Innovation

In order to make innovation accessible, the Open Innovation front operates on a collaborative solution model, in which Suzano's process improvements, suggested by any employee, are presented as a business case to partners of the company's innovation ecosystem in Brazil (Endeavor, Plug and Play, and Agtech) and in countries such as China, Germany, Israel, and the U.S. With curatorship by these partner companies, seven to ten startups are invited to present their solutions to the problem. Suzano chooses the proposal to be tested, with the prospect of the startup becoming a partner if the solution works. We are currently developing ten projects with startups. One of them, called Sara, tests artificial intelligence in the Procurement area (see more on page 64).

3. Design Thinking

User-centered and focused on expanding the mindset and providing more solution tools, this front uses design-thinking methodologies so the organization can work as a collaborative creation environment, co-creating and prototyping in order to find solutions faster.

4. Agility

Collaborative work format in which multidisciplinary groups, called squads, through various methodologies and analysis of indicators, can deliver solutions every 15 days.

Digital Academy

Decentralizing knowledge requires trained professionals in all company areas. The purpose of the Digital Academy is to train data scientists in the company for the various business segments. In addition to the desire to learn data science, participants develop a case and utilize project-based learning, which is associated with one of Suzano's Long-Term Goals.

LOGISTICS

FLEXIBILITY AND AGILITY IN OPERATION

Suzano's logistics model, which today has 11 mills in four Brazilian regions and operates in three different ports in the country, gave the company flexibility to deal with the impacts of COVID-19, which peaked in March, April, and May 2020, months characterized by high consumption of tissue in the countries of the Northern Hemisphere and Asia, where the company's largest customers are concentrated.

Our strategy to avoid a shortage in pulp supply to our customers was to lower the stock in Brazil, transferring about 300,000 tons of pulp to supply centers abroad. We replicated the same model in the domestic market, and we managed to minimize logistics risks related to problems or disruptions in the road, rail, and maritime systems resulting from the pandemic.

AT HIGH PRESSURE

Other challenges that have nothing to do with the health crisis were also faced by the Logistics team in 2020, making the period even more complex. An interruption on a stretch of

the railway in Três Lagoas (Mato Grosso do Sul state) blocked the operation on this route for six months, which led Suzano to transfer the transport of 450,000 tons of pulp to trucks and to another railway in activity in the region, a move that required enormous efforts from all teams involved.

The increase in the transportation cost of pulp by ship, due to fuel-switching, was also challenging for Suzano. The ships started to operate on low sulfur fuel oil, which led to an increase in cost of approximately US\$100 per ton.

At the Port of Itaqui, located in the city of São Luís (Maranhão state), the construction works for a mooring berth—whose purpose is to facilitate the logistics flow in that terminal, which is under great pressure due to the increase in the volume of competition—started in October 2020. This was six months after the initial schedule due to the difficulty in mobilizing people and equipment at the beginning of the pandemic. At the Port of Santos (São Paulo state), the challenge was to learn and adapt with the start of the Vertere Project. In April 2020, four months ahead of schedule, Suzano's loading in Santos began to take place in a private terminal owned by a partner company, in which Suzano made investments. The new structure has a 35,000 sqm warehouse with a capacity for more than 150,000 tons of pulp. The facilities also include an overpass, the extension of the terminal's pier section, and a railway branch that integrates with warehouse operations. Cargo is handled by overhead cranes, controlled remotely by the operators. The launch of Vertere also provided environmental benefits by reusing water and energy, which are expected to be accounted for throughout 2021.



Daniel Paulo Mattos
Ferreira Barro, participant in
the Hand Sanitizer Production
Project, a partnership with FATEC
Capão Bonito (São Paulo state) -
action to fight the pandemic.
Photo: Márcio Schimming

SUPPLIERS

relations

Suppliers are key to the business. In 2020, Suzano expanded its dialogue with this audience, seeking to strengthen the partnership in a win-win relationship. In addition, in order to be closer to them, the company invested in innovation and technology.

Material topic :

- Value Chain.



STRENGTHENED PARTNERSHIP

Currently, we have 30,015 active suppliers in our base and do business with 11,358 suppliers. They are critical stakeholders for our operations. For this reason, the impacts of COVID-19 on the supply chain were analyzed with great care and depth.

One of the initial measures established by the Procurement team was to expand the dialogue with this audience in order to reinforce the partnership bond. The main concern was to avoid any risk of disruption in supply, which would affect forestry, industrial, and/or logistics activities, causing unpredictable ramifications throughout our supply chain. We also conducted Covid-19 health and safety training for our suppliers and extended all prevention protocols to Suzano's professionals as well.

- **IN 2020, WE TRANSFERRED APPROXIMATELY R\$15 MILLION SO THAT MICRO AND SMALL SUPPLIERS COULD MAKE IT THROUGH THE MOST CRITICAL PHASE OF THE PANDEMIC**

Technology in Procurement

Waves of transformation will change the procurement management model within Suzano. The idea is to provide technology in order to allow much more intelligence and strategy for all activities in the area. In 2020, we implemented an artificial intelligence robot for purchases and renewed the portal to interact with our partners. For 2021, we are looking for systems that support our complete procurement operation and the optimization of inventories and warehouses.

ATTENTION TO MICRO- AND SMALL-SIZED ENTERPRISES

In this case, the approach was to provide support in a moment of crisis. Based on the analysis of the supply chain management, Suzano defined that it would support micro and small enterprises (with annual revenues of up to R\$5 million), as per the definition of size established by Serasa, and largely dependent on revenue from agreements with the company. Approximately 700 suppliers were identified in the states of Bahia, Mato Grosso do Sul, Espírito Santo, and Maranhão. To help these suppliers, the company decided to advance payments of invoices due up to 90 days.

Another important measure was to increase our inventories of inputs in order to keep our operation stable. We advanced up to 20% of the balance in outstanding purchase orders, i.e., contracted, but not delivered. As a result, the company transferred approximately R\$15 million to these partners after April. These were some of the ways found for micro and small suppliers to maintain their working capital and thus survive the most critical phase of the pandemic. In return, we asked them to avoid termination of employees as much as possible.

As part of the initiative, the company also put together a Consultancy Plan to provide training and contribute to the development of suppliers that have more than 50% of their business dependent on contracts with Suzano. Approximately 70 suppliers joined the program and can be trained to make their businesses even more prosperous.

Cost reduction

In addition to the challenge faced because of the impacts caused by Covid-19, we needed to guarantee the continuity of our operations while also reducing the cost in Suzano's supply chain. To this end, we began to renegotiate with the main suppliers, with the support of the technical areas. The result of this joint effort was a reduction of nearly R\$230 million spent during the year, which was invested to improve operational efficiency.

To learn about all the other initiatives developed for society in relation to COVID-19, click [here](#).



Lucas Saiter Bichara, Operator in the Wood Preparation Area, Aracruz Unit (Espírito Santo state).
Photo: Márcio Schimming

Partnership with suppliers to make a difference in society

Actions with larger suppliers were developed in order to find solutions that would help them better navigate the crisis without harming their neighboring communities. We further decided to guarantee, for a period of 90 days, a transfer of 100% of the payroll costs of their employees, whose activities were suspended due to the pandemic.

With large suppliers, Suzano established partnerships that impacted society as a whole. One of the most important involved Magnamed, the largest manufacturer of ventilators in Brazil, which delivered 6,500 units in four months to the Ministry of Health. In order to deliver this volume of ventilators, Magnamed had to change its manufacturing process. Suzano assisted the project in engineering matters and in the search to find global suppliers of inputs, in addition to providing working capital for the acquisition of components. Magnamed was also supported by other companies, such as Positivo Tecnologia, Klabin, Flex e Embraer, Fiat Chrysler Automóveis, and White Martins.

Supplier Relations Portal

Hello! Welcome to our site :)

NEW SUPPLIER PORTAL

In November 2020, Suzano launched the **Supplier Relations Portal**, a platform with relevant information for those who are already partners of Suzano and for those who aspire to be. The tool contains the principles, rules, and processes to hire this critical stakeholder in the business, including our legal, social, and environmental commitments, with which this audience needs to be in agreement for the hiring to take place. In addition to registering and showing their ESG credentials, suppliers have the opportunity to leave comments, questions, and suggestions for the company regarding the procurement process.

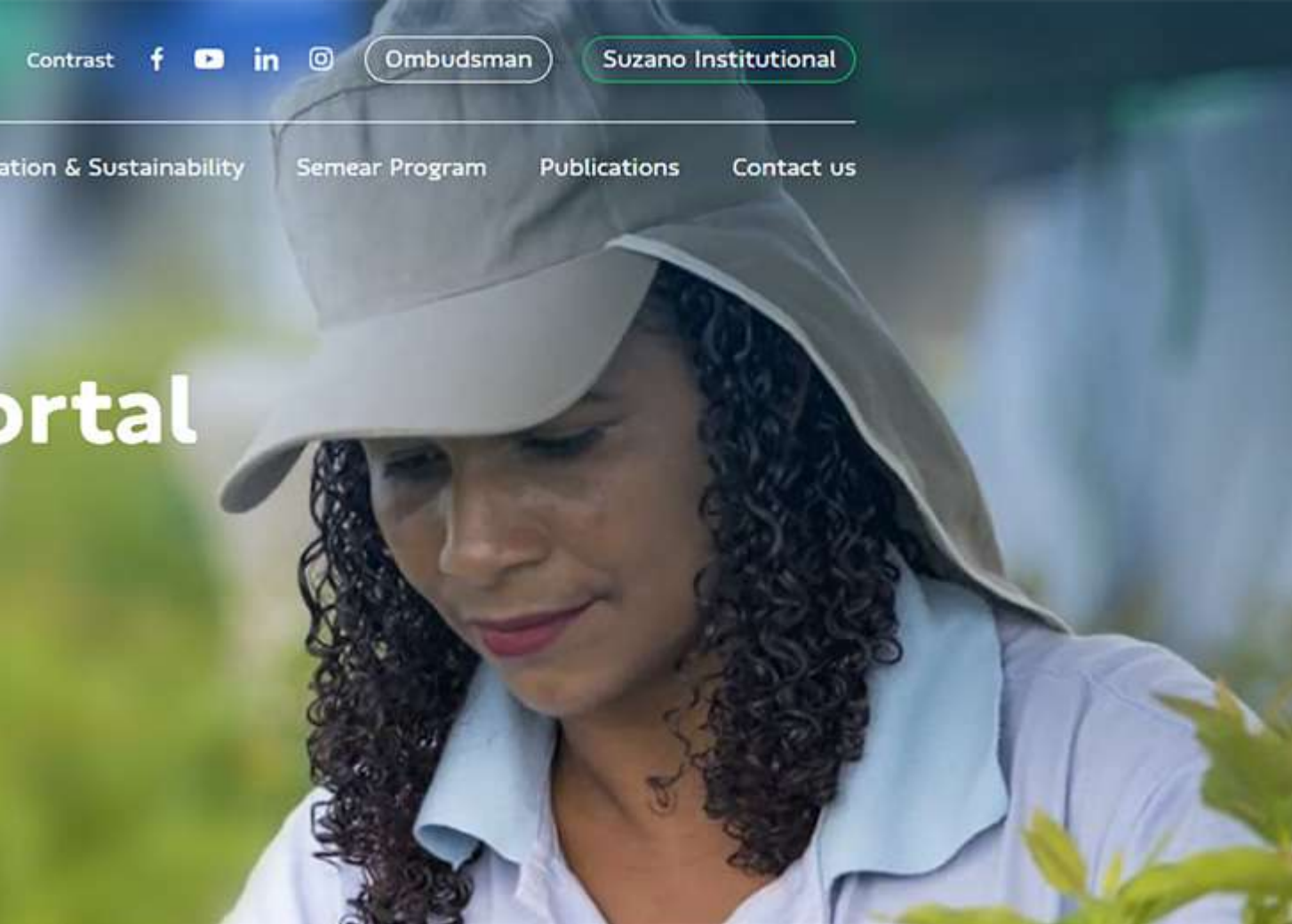
This new tool represents a significant advance in the company's way of hiring, with more comprehensive and controlled requirements and clauses. Soon, Suzano expects to see a major change in mentality in its Procurement area. In 2020, the company approved the Responsible Supplier Management (RSM) Program, which

will be 100% implemented within up to four years. The expectation is that the social, environmental, and governance topic will be considered a decisive aspect in the supplier assessment and selection matrix. This means that in the case of suppliers on equal terms, the one who is best positioned in terms of social, environmental, health, safety, and governance aspects will have the preference of the organization.

CHALLENGES FOR 2021

In 2021, in addition to the challenge of expanding the social, environmental, and governance approach to procurement, we will be committed to the organic growth of the company with the construction of a unit in Ribas do Rio Pardo (Mato Grosso do Sul state). To this end, the development of suppliers will be crucial to the progress of the expansion, which will add 2.3 million tons of pulp per year to the company's current total capacity.

ortal



Josefa Conceição de Oliveira, Nursery Assistant, Mucuri (Bahia state).
Photo: Suzano Image Bank

To learn more, visit the [Indicators Center](#).



SEMSEAR PROGRAM

Semear is a training project for Suzano's micro and small suppliers. Through this project, we select companies from various segments, which receive guidance on how to ensure structured growth through best management practices, methods, innovation, and principles of legal, social, and environmental responsibility. In 2020, we formed the first group in Mucuri (Bahia state), with about 60 micro-companies in the transportation industry in the region. The program is also being carried out in the states of Mato Grosso do Sul, Espírito Santo, and Maranhão, for companies in the fields of transport and forest maintenance.

INVESTOR *relations*

GRI 103-1, 103-2, 103-3

Suzano is recognized by the Market for its solid and robust governance and clear and transparent communication with its investors. In 2020, the company advanced the ESG agenda, and led important movements in sustainable finance.

Associated material topics:

- › Ethics, Governance and Transparency;
- › Financial Management;
- › Climate Change.





Ana Cecília Gomes Silva Malanski,
Biologist, employee of the
company Equilíbrio, Aracruz
Unit (Espírito Santo state).
Photo: Márcio Schimming

ADVANCES IN GOVERNANCE

Suzano's high standards of corporate governance is a determining factor for a company that seeks to lead the movements towards the future of the forestry industry, the sector, and society. In 2020, the ethical, upstanding, and transparent performance of our Board of Directors, guided by consistent policies and the vast knowledge of supporting committees, allowed the company to successfully endure one of humanity's most challenging periods.

We started the year committed to completing the integration of the operations of former Fibria and Suzano Papel e Celulose, which contributed to the company achieving excellent cost reduction, despite the enormous pressure in an atypical year for business. The combination of high volumes and controlled costs, coupled with the depreciation of the Brazilian currency (BRL), led Suzano to achieve a very positive performance in terms of cash generation. We managed to reduce our net debt by more than US\$1 billion over the year.

The advances in 2020 are also reflected in some unprecedented initiatives, such as the launch of our first Sustainability-Linked Bond, with which Suzano obtained the lowest rates in its history in external funding. Also, we were recognized by the prestigious Dow Jones Sustainability Index - Emerging Markets (DJSI Emerging Markets) and B3's Corporate Sustainability Index 2021 (ISE).

OUR GOVERNANCE STRUCTURE

GRI 102-18

In 2020, despite the pandemic, Suzano continued to evolve and improve its corporate governance. In this sense, the company's governance structure maintained its structure with a Board of Directors, supported by an Audit Committee, the Executive Board, and five other advisory committees. The Board of Directors has seven independent members, including two women. To learn more about the composition of these bodies and their respective roles, visit the [Indicators Center](#) or the [Investor Relations website](#).



RISK MANAGEMENT

GRI 102-30

High levels of governance require careful risk management. At Suzano, this management is supported by three complementary fronts, committed to avoiding or reducing the likelihood of risks occurring in the different areas of the business. We have an Integrated Risk Management policy that applies to all areas. This policy defines the criteria for identifying, analyzing, treating, and monitoring these risks, taking into account the internal and external contexts when assessing risks. Those risks defined as priority and their respective action plans are monitored by the Executive Board, the Statutory Audit Committee, and the Board of Directors. For 2021, our priority is to launch our New Compliance Program, based on the nine elements (tone at the top, risk assessment, regulatory follow-up, policies and procedures, training and communications, third-party management, monitoring, consequence management, and reporting) and on our Compliance Guardian Program. To learn more about the company's risk management structure and initiatives to fight corruption, visit the [Investor Relations website](#) and the [Indicators Center](#).

ETHICAL CONDUCT AND MANAGEMENT

Suzano has instruments in place that guide the ethical management of its business. Among them, we have the Code of Conduct, the Ombudsman Policy, the Disciplinary Measures Policy, and the Rules of the Conduct Committee, which establish the guidelines of the company's governance process. All of these documents deal with compliance with legal and normative provisions applicable to the area and to the Ombudsman's Channel, as well as with the corresponding regulations, including specific procedures and confidentiality of information. These rules are intended to protect the person who, in good faith, files reports in order to preserve the company's ethical principles, ensuring non-retaliation.

> CODE OF CONDUCT

Inspired by the Cultural Drivers, the Code of Conduct brings together the six ethical principles that guide our daily actions, focusing on the quality of our relationships, products, and services. The document is a tool that guides and improves our actions and decisions on a daily basis, ensuring that activities with employees, shareholders, customers, suppliers, government officials, and the community are in line with ethical conduct and with the respect that we nurture in our relationships with the different audiences.

> COMPLIANCE

The purpose of Suzano's Compliance Program is to harmonize policies and the main internal controls related to this topic. The program prioritizes the integrity of the corporate environment, whether internally or externally. To this end, it explores the concept of the first line of defense through standards of conduct, worked on and disseminated in the business areas in order to identify and mitigate possible risks in our operations.



Imperatriz Unit (Maranhão state).
Photo: Márcio Schimming

OMBUDSMAN'S OFFICE

GRI 102-17

The Ombudsman Channel is a confidential, independent channel offered to internal and external audiences to answer questions and forward reports and complaints about issues that may violate our Code of Conduct.

Activity is conducted by an independent contractor and guarantees confidentiality, if requested by the whistleblower. Receipt and control of the claims, via internet, are available 24/7, and access can be obtained through any computer, tablet, or cellphone (with internet), by clicking here.

The channel is valid for the company's operations in Brazil and in all other regions worldwide where we have offices.

The information is collected by competent persons and areas in an autonomous and impartial manner in order to identify the validity and applicability of the necessary measures, and no form of retaliation against the whistleblower is allowed or condoned. To find out more about the indicators associated with Suzano's Ombudsman Channel, access the [Indicators Center](#).

Ombudsman in numbers

COMPLAINTS RECEIVED
AND ADDRESSED IN 2020:

912



COMPLAINTS ALREADY
RESOLVED

DURING THIS PERIOD:

870

Ian Pires de Almeida (left), Sergio Roberto Garcia Filho (center) and Kryus Mirandola Longo (right), Operators of the Wood Preparation Area, Mucuri Unit (Bahia state). Photo: Márcio Schimming



SUSTAINABLE FINANCES, TRAIL OF NO RETURN

GRI 103-1, 103-2, 103-3

In 2020, Suzano released its Long-Term Goals and took them a step further: Suzano became the second company in the world, and the first in the Americas, to link one of its public commitments to the company's debt management. In a record 3-week time period, the company put together the issuance of its first **Sustainability-Linked Bond (SLB)**, a security in which the cost of financial resources is tied to one (or more) environmental and/or social goals. In the case of Suzano, the issuance of the security was linked to the goal of reducing the intensity of greenhouse gas emissions (GHGs) by 15% by 2030, which is equivalent to 0.181 tCO₂e/t of product. To materialize its SLB, however, the company needed to set an intermediate target: 0.190 tCO₂e/t of product (pulp and paper, -10.9%) by 2025, when the company will be halfway toward achieving the original goal, with the debt maturing on January 15, 2031.

Suzano went to the market twice: on September 10, when it raised US\$750 million, and on November 16, when it reopened negotiations and raised another US\$500 million. In both instances, it obtained the lowest interest rates in its history in foreign loans of 3.95% and 3.1%, respectively, and a current coupon rate of 3.75%. In practice, this means that the sustainability component has reduced Suzano's cost of money. Combined with the fact that there was a demand of US\$7 billion in the first funding, equivalent to nine times the offering, and US\$2 billion in the second funding, equivalent to four times the offering, these are signs of the soundness and credibility achieved by the company over the years.

If the company fails to reach the intermediate target, the interest rate will increase 25 base points as of the second half of 2025, which will raise the total rate to 4% per year. The average intensity of emission obtained in 2024 and 2025 will indicate whether the company has reached its target and, therefore, whether it will be financially penalized in this transaction.

Learn more about Sustainability-Linked Bond [here](#).



Sustainability-Linked Loan

In February 2021, we carried out another action that combines business and sustainability. We signed an export prepayment agreement in the form of a Sustainability Linked Loan (SLL) in the amount of US\$1.57 billion. The credit operation has environmental performance indicators associated with targets for reducing the intensity of greenhouse gas emissions and reducing industrial water withdrawal, by 9.7% and 2.1%, respectively, by 2025. Both goals are aligned with the roadmap of the Long-Term Goal for Emissions: reduce specific emissions by 15% (Scope 1 and 2 emissions) by 2030.

The financing interest rate is equivalent to the Libor (London Interbank Offered Rate) +1.15% per year. The average term will be 60 months, with maturity in March 2027. If the company reaches the agreed upon goals, there will be a reduction of up to 0.02% per year in the contracted cost. The funds raised will be used for the early settlement of the US\$1.67 billion principal of the export prepayment contract formalized as part of the funding structure for the payment of the merger with Fibria, completed in January 2019.

TRANSPARENCY AND PIONEERING SPIRIT

SLB has voluntary principles, which indicate the best practices for this type of structure. They are as follows: a suitable selection of performance indicators, their material relevance to the issuer's business, adjustments to the goals, transparency, and reporting of operations. In addition to selecting a challenging goal related to climate change and meeting the instrument's accounting, legal, and compliance demands, Suzano was a pioneer in developing a SLB framework: a unique and detailed document on sustainability issues related to the structure of the transaction. The framework was also submitted voluntarily for a second party opinion, made by ISS ESG.

The third-party opinion of ISS ESG gives issuers of green and social sustainability bonds a reliable and independent assessment of quality, in terms of the sustainability of their bonds. Suzano's experience in issuing its first SLB is sound evidence of the trust investors have in the company's ability to reduce its specific emission of greenhouse gases. It is also an incentive for the company to seek new opportunities in the field of sustainable finance. It is worth mentioning that some companies in Brazil followed the path pioneered by Suzano and also issued their first SLBs. This is proof that, in fact, sustainable finance is a trail of no return.

See the ISS ESG report, available in English only, by clicking [here](#).



BNDES SELLS SUZANO'S SHARES

In October 2020, the National Economic and Social Development Bank (BNDES) sold its 150.2 million Suzano shares, equivalent to 11% of the company's capital. Individual shares sold for R\$46.00, totaling approximately R\$6.9 billion. Most of those who bought the shares were not our shareholders, allowing for greater dispersion of our capital and a future increase in the liquidity of the shares, both on B3 and of our ADRs on the NYSE.

In 2020, we joined the Carbon Disclosure Project (CDP) platform, which provides support to investors and governments in their decision-making process based on important information on risk management, opportunities, and social and environmental impacts. It is an initiative created to mobilize these parties in order to build and accelerate collaborative actions for viable development for current and future generations. The good news is that, in our first year, due to the methodology adopted by the organization, we scored a B in the three questionnaires answered on climate, water, and forests.

WE ARE IN THE DJSI AND ISE

Our commitments to sustainability and the creation of long-term value are starting to be recognized by prestigious external evaluators, with relevant influence on the global ESG agenda. In 2020, Suzano was chosen to integrate the 2020-2021 portfolio of the Dow Jones Sustainability Index - Emerging Markets (DJSI Emerging Markets) and B3's 2021 Corporate Sustainability Index (ISE).

The DJSI is composed of the top 10% of companies in each sector, among the 800 largest companies assessed in the 23 countries characterized as emerging markets. In addition to Suzano, only ten Brazilian companies are part of the new portfolios that integrate the DJSI family of indexes.

B3's ISE, on the other hand, is a tool that analyzes the performance of companies listed on the stock exchange from a corporate sustainability, social justice, environmental balance, and corporate governance standpoint. Suzano is part of the current portfolio, effective until December 30, 2021, which is composed of 46 shares of 39 companies.



*Willian Rodrigo Victorio, Paper Machine Assistant, Limeira Unit (São Paulo state).
Photo: Márcio Schimming*

Suzano's case on TCFD

Suzano was the first company in the pulp and paper sector and the first non-financial company in Latin America to be featured in a case study by the Task Force on Climate-related Financial Disclosure. Launched in 2015, the TCFD Knowledge Hub, a page where initiatives related to TCFD recommendations are disclosed, has already posted 14 case studies, developed mainly by companies in the financial and non-financial sectors. In the case of Suzano, the highlight is the Indicators Center, a digital platform with information about the company, including financial data related to climate change, in line with the recommendations for measurement and transparency of results proposed by the TCFD.



Relationship with GOVERNMENT AND ORGANIZED CIVIL SOCIETY

Frequent dialogue with society through institutions, organizations, and governments has always been a common practice at Suzano. In 2020, the company further expanded its communication with the public authorities, in all spheres, to support the fight against the coronavirus. The results of these actions prove that companies play a key role in mobilizing and transforming society.

Material topic in the section:

- ▶ Social development.



Alande Bernardo Santos, Participant in the Community Garden for Women project, in Prado (Bahia state). Photo: Márcio Schimming

RELEVANCE IN SOLUTIONS

GRI 103-1, 103-2, 103-3

Suzano's operation has perhaps never been more relevant than in 2020. During a complex time for the world, our pulp was the raw material for toilet paper, medical packaging, food packaging, gowns, surgical masks, and tissues, among other essential products for society. How can we continue ensuring that our products reach their destinations, benefiting 2 billion end users? Once again, the company opted for a constant, active, and transparent dialogue with all stakeholders. After all, lockdowns and interruptions in our chain were not an option since our business is essential to people's lives. We were successful in several initiatives and, above all, we operated at a level that Suzano has always aspired to— mobilization, in which we join efforts with society to find solutions.

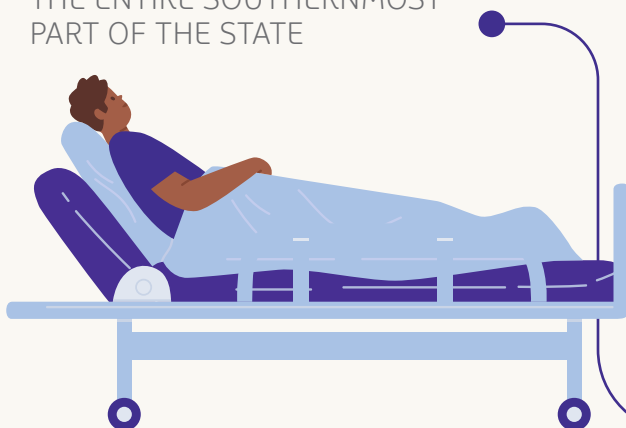
BRAZILIAN GOVERNMENTS

In Brazil, as soon as COVID-19 was confirmed, the Supreme Federal Court (STF) delegated the decision on how to face the pandemic to states and municipalities. Suzano then took action and dialogued with the federal government and other government officials in its areas of influence, 16 states and 88 municipalities. One of the goals was to ensure the company's readiness to contribute to the initiatives aimed at protecting the health of the population. It was also an opportunity to share prevention protocols, implement actions, and provide information about plans and events, giving full transparency about the company's actions and the situation of its employees and contractors, all coordinated with the state and municipal governments, health departments, and health surveillance agencies, among others. Thus, we prepared to answer possible questions from government officials and supported the municipalities in putting together their own protocols

Suzano in the fight against COVID-19

SUPPORT IN THE CONSTRUCTION OF A FIELD HOSPITAL
IN THE CITY OF TEIXEIRA DE FREITAS (BAHIA STATE)

A 450-SQM
TO SUPPORT THE MUNICIPAL
HOSPITAL AND THAT SERVES
THE ENTIRE SOUTHERNMOST
PART OF THE STATE



20 ICU BEDS WERE
PROVIDED IN THIS
ACTION IN SUPPORT OF
THE STATE GOVERNMENT
OF BAHIA

The investments to combat COVID-19, which were made in 2021, will be covered in the next report.

COMMUNICATION AND ACTION

In its direct relationship with Brazilian state governments, Suzano identified shortages in hospitals, personal protective equipment (PPE), and ventilators. One of the most troubling scenarios was in the far south of the state of Bahia and in northern Espírito Santo, given the number of available beds in the Intensive Care Unit (ICU) to cater to COVID-19 cases. This warning sign led Suzano to begin negotiations with the Bahia state government for the joint construction of a field hospital in Teixeira de Freitas, a municipality neighboring Mucuri, which would serve the entire far south of the state.

Opened in June 2020, the unit has 20 ICU beds in an area of 450 sqm adjacent to the Teixeira de Freitas Municipal Hospital. The project was made possible thanks to the partnership between Suzano, Veracel Celulose, and the government of Bahia. The private sector contributed a sum of money to build and assemble the structure,

and the state government was responsible for maintaining the health unit. Its deactivation was scheduled for December 2020, but activities at the site were extended until March 2021 to meet the needs of the region.

Suzano also allocated approximately R\$50 million to initiatives such as the purchase and donation of 159 ventilators and 1 million hospital masks, and it distributed 70% alcohol hand sanitizer, toilet paper, diapers, and napkins to public hospitals and governments at federal, state, and municipal levels. The equipment was donated by the company to the federal government and to the governments of the states of Bahia, Espírito Santo, Mato Grosso do Sul, Maranhão, Pará, Paraná, and São Paulo, and also distributed to some municipalities in the regions where the company operates. At the same time, Suzano supported the production of 6,500 ventilators in four months in a project carried out in partnership with Magnamed.

SUPPORT FOR ACTIONS AT MUNICIPAL, STATE, AND FEDERAL LEVELS



To learn more about these actions by Suzano, click [here](#).



APPROXIMATELY **R\$50***
MILLION ALLOCATED FOR THE PURCHASE AND DONATION OF:

- > **159 VENTILATORS**
- > **1 MILLION HOSPITAL MASKS**
- > **AND DISTRIBUTION** OF 70% ALCOHOL HAND SANITIZER, TOILET PAPER, DIAPERS, AND NAPKINS

6,500
VENTILATORS PRODUCED IN FOUR MONTHS BY MAGNAMED WITH SUPPORT FROM SUZANO

* The R\$50 million figure refers to investments made to combat the pandemic in 2020. Our actions remain strong in 2021. The updated total, as well as all the actions performed, are available at: <https://www.suzanoagainstcoronavirus.com>

PARTICIPATION IN FORUMS AND ORGANIZATIONS

GRI 102-13

In 2020, Suzano joined the collective initiative Call to Action, organized by Business for Nature, a global community that brings together organizations and 30 companies from 11 countries that contribute to nature conservation. 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 during this decade, called the Decade on Ecosystem Restoration (2021-2030) according to the UN, and promote sustainable development.

To support this agenda, the World Economic Forum 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 in Asia, Africa, and the Americas.

In Brazil, one of the ways Suzano reinforces the importance of biodiversity in its business strategies is 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.

FOR A SUSTAINABLE AGENDA IN BRAZIL

Suzano is one of the 40 signatories to the *Comunicado do Setor Empresarial Brasileiro* (Communication from the Brazilian Business Sector), a **document** that defends the sustainable development agenda and the fight against deforestation in the Amazon. In addition to companies from different sectors of the economy, the movement, headed by CEBDS, brings together entities from the various sectors of the economy. The letter was addressed to the Vice Presidency of the Republic and to the National Council of the Legal Amazon, chaired by Vice President Hamilton Mourão, and subsequently filed with the Federal Supreme Court (STF), the Senate, the House of Representatives, and the Attorney General's Office (PGR).

The document highlights the possible impacts on business caused by Brazil's negative image abroad on social and environmental issues. It also indicates immediate actions to be taken to allay the negative perceptions of foreign investors and consumers and defend the necessity of redirecting investments to address Brazil's economic recovery in an inclusive, circular, and low carbon economic model.

CHINA-UNITED ARAB EMIRATES-BRAZIL CONNECTION

Who would have imagined the complexity involved in importing ventilators and hospital masks from China, a country where Suzano has operations? There are no direct flights from China to Brazil. This distance requires a layover in another country, in regions where confiscation of this type of merchandise occurs frequently. A safe route to Brazil and within the national territory needed to be established. This was all made possible through an agreement with the United Arab Emirates, in addition to coordination with the federal government and the seven states to which medical items were donated, which guaranteed the safe arrival of these products at their destinations.



The six-banded armadillo is an animal frequently spotted in Suzano's forests in Mato Grosso do Sul state. Photo: Araquém Alcântara

ZERO DEFORESTATION

Suzano categorically does not practice deforestation. In addition to preserving important fragments of native forest and restoring previously degraded areas, the company uses its vast knowledge in forest management and the most advanced technology to increase production

capacity of eucalyptus clones, occupying exactly the same area that it has for the cultivation of its trees. In 2020, as a way of expanding its area of influence in this important topic, we developed a [Wood Supply Policy](#) and started to publish the company's annual reports specifically on the subject.

● Carbon, a strategic issue

GRI 103-1, 103-2, 103

Suzano believes that one of the main incentives for the recovery and conservation of native forests is the creation of a regulated, global, coordinated, and large-scale carbon market. Brazil can take a leading role in environmental debates for a low-carbon economy. We believe that, in order to achieve a new role in global geopolitics, the country needs, as a nation, to demonstrate its commitment to zero illegal deforestation. This is essential for advancement in the process of creating a global carbon market, an effective instrument for protection against deforestation and a source of resources that could be converted into benefits for the population and the Brazilian territory as a whole.

Suzano continues to dialogue with the production sector, civil society, the Ministry of Economy, and Itamaraty (Foreign Affairs) with the expectation of forming an internal commission and developing a legal framework for the Brazilian carbon market to move forward in 2021. The company also intensified communication with international authorities, looking to support the process until a balance is found in final discussions on the Paris Agreement. We are working on all these fronts and hope that the alignment between countries will materialize in November 2021 at the United Nations Conference on Climate Change (COP 26) in Glasgow, Scotland.



COMMUNITY *relations*

Suzano believes that companies are important agents of transformation in society. Faced with such a challenging scenario caused by COVID-19, the company responded quickly and focused on supporting the communities, without neglecting its social strategy and existing projects.

Associated material topic :

- ▶ Associated material topic.

Claudia Pavaneti dos Santos, participant in the Rural Land Development Program (PDRT), in Nova Viçosa (Bahia state). Photo: Márcio Schimming



CLOSER TO COMMUNITIES

GRI 103-1, 103-2, 103-3

At the beginning of 2020, Suzano's expectation was to dedicate efforts to the evolution of social strategies and processes and proceed with its existing projects and programs related to this topic. The COVID-19 pandemic, however, created complex and urgent needs regarding the company's relationship with communities. The first major challenge was to understand how the company should deal with the problem. Based on analyses of the global scenario and the hundreds of commitments that we have with neighboring communities, we decided to preserve resources and retain our capacity to serve the communities, considering the possibility of an extended crisis.

We continued with our programs and projects and concentrated our efforts on developing new methodologies and new ways of operating. At the same time, based on partnerships and engagement with communities, we studied as many ideas as possible, in order to face the social and economic impacts of the pandemic in the most vulnerable regions where we operate. This task force resulted in a set of initiatives called Emergency Actions, which benefited 55,028 people in 8 states (Bahia, Espírito Santo, Minas Gerais, Mato Grosso do Sul, São Paulo, Maranhão, Pará, and Tocantins), and in the construction of a field hospital in extreme southern Bahia and hundreds of donations of items and equipment used to prevent the disease (see table on the side). The materials were distributed by Suzano, together with the governments, including regions where the company operates. To this end, the needs of each state and municipality were taken into account, as well as the strategy established by health authorities to combat COVID-19.

We know that in 2021 the scenario imposed by the pandemic will continue to be challenging. Approximately 2.9 million people in the country are below the poverty line, according to the 2020 estimated population study conducted by the Brazilian Institute of Geography and Statistics (IBGE). Suzano is fully aware of its role in the joint construction of transformational solutions in society.

Emergency actions

In 2020, we launched a set of emergency actions aimed at three main targets: priority municipalities; groups and institutions with reduced income alternatives at the moment; and neighboring communities (urban and rural) with a high degree of socioeconomic vulnerability. The initiatives were planned to generate jobs and income, fight contagion by the virus and facilitate families' access to aid from the federal government and states. The communities remained engaged and participated throughout the process in a climate of positive cooperation.

See the results of each action and the states benefited:

PROTECTIVE MASKS

(in partnership with other companies)

- **498,000 MASKS**
MANUFACTURED BY THE COMMUNITY FOR SALE
- **R\$900,000** IN INCOME GENERATED
- **30 COMMUNITIES**
INVOLVED IN 7 STATES (BA, ES, SP, MS, MA, TO, AND PA)
- **332 SEAMSTRESSES**
INVOLVED

EMERGENCY CALL FOR PROPOSALS

- **R\$600,000 INVESTED** IN PROJECTS FOR RAPID RESPONSE TO THE IMPACTS CAUSED BY THE PANDEMIC OVER A THREE-MONTH PERIOD
- **70 LOCATIONS** SERVED IN 5 STATES (BA, ES, MG, MA, AND PA)
- **SUPPORT FOR** SMALL BUSINESSES AND LOCAL AND REGIONAL ORGANIZATIONS
- **PARTNERSHIP** WITH THE BRAZILIAN FUND FOR BIODIVERSITY (FUNBIO)
- **469 PROJECTS** RECEIVED
- **53,469 PEOPLE** AFFECTED BY THE 121 PROJECTS APPROVED AND COMPLETED BY DECEMBER 2020

DELIVERY OF FOOD STAPLES BASKETS

- **37,564 BASKETS** SOLD AND DELIVERED BY FARMERS TO LOCAL RESIDENTS
- **MORE THAN R\$1.1 MILLION** IN TOTAL INCOME GENERATED
- **310 FARMERS** FROM 39 COMMUNITIES MOBILIZED IN 5 STATES (BA, ES, MA, MS, AND SP)
- **308 TONS** OF FOOD SOLD

ACCESS TO PUBLIC POLICIES

During the pandemic, most of the families who benefit through our programs were directly affected, either by the reduction of consumer market options for their products or by the difficulty in receiving reliable information on benefits offered by municipalities, states, and the federal government. Thus, the technical teams of our programs established a plan to provide continuous guidance to these families, thereby securing their access to emergency assistance and to guidebooks with preventive measures focused on specific audiences, such as farmers, fishermen, quilombolas, and Indigenous people. We also support the development of projects by associations submitted in response to emergency calls for proposal issued by governments, such as *Bahia Produtiva* (Bahia state government) and the federal government, Food Acquisition Program (PAA - *Programa de Aquisição de Alimentos*).

- **THOUSAND OF FAMILIES** ASSISTED
- **90 ASSOCIATIONS** IN 5 STATES (BA, ES, MA, PA AND TO)
- **R\$400,000** RAISED AND **8 PROJECTS** APPROVED IN THE BAHIA PRODUTIVA CALL FOR PROPOSALS
- **R\$1 MILLION** RAISED, **65 FAMILIES** BENEFITED, AND **16 PROJECTS** APPROVED THROUGH THE FOOD ACQUISITION PROGRAM



RESILIENT TERRITORIES

GRI 103-1, 103-2, 103-3

Since Suzano defined its social strategy, the qualified income generation process has been strengthening year after year. Now, with its Long-Term Goals disclosed in February 2020, the company has established a new level of social performance to be achieved, requiring gains in scale and scope. This is because two of the commitments are directly linked to income generation and education, important aspects for which, hand in hand with communities, we want to build innovative and sustainable solutions.

To learn about the two long-term social goals, click [here](#).



In line with these commitments, we prepared to build and debate the evolution of the Resilient Territories strategy. The goal of this strategy is to use all the knowledge developed by Suzano and other players in the regions where the company operates and has maintained community relations over the years to influence public processes and policies that benefit an increasing number of people and regions.

> THE MEANING OF TERRITORY FOR SUZANO

The group of municipalities with which Suzano maintain close relation and has economic, social, political, environmental, and/or cultural influence.

> WHAT ARE RESILIENT TERRITORIES?

They are socioeconomically diverse territories that are less vulnerable and better prepared to deal with changes, complexities, crises, and multiple disruptions (of an economic, environmental, technological, social, or political nature), avoiding economic collapse and preserving their resource base, which is why they are more sustainable in the long run.

> HOW DOES A TERRITORY DEVELOP RESILIENCE?

It is critical that Suzano has a systemic approach that considers not only all of its operational, institutional, environmental, and social influence and impact, but also its ability to connect with other relevant social players through strategic partnerships that leverage local potential and create environments for mutual cooperation. A company, in this case, can act as process coordinator, but never as the leader. Leadership has to come from the territory.

The development of a region is not limited to social and environmental programs. The company has to understand the extent of its impact upon the territory, which goes beyond the positive return of these projects. Factors such as training of skilled labor, tax collection, and proper supplier relationship management contribute to the resilience of the territory and to pulling people up from the poverty line. In this sense, Suzano plans to take advantage of all the experience acquired through projects such as income generation programs, which today benefit around 4,000 families, to influence the state and, thus, establish partnerships to provide greater reach and coverage of the initiatives in the territories.

The Aracruz (Espírito Santo state) and Mucuri (Bahia state) units implemented a pilot project for Resilient Territories in December 2020, as they are very challenging from a social standpoint. The other units are expected to implement the project throughout 2021.

● A new index

Another concept that Suzano put a lot of effort in 2020, and which complements the resilient territory strategy, is related to the Multidimensional Poverty Index. The purpose of this indicator is to understand which aspects influence or reinforce people's vulnerability, such as education, access to public services, and housing conditions.

Our public commitment to pulling 200k people up from the poverty line is related to economic poverty: household per capita monetary poverty. However, the idea is that Suzano will expand this view in the coming years, based on the multidimensional poverty indicator. The concept is already used by the World Bank, but there are no references of companies that have developed this instrument. Therefore, we are going to establish the parameters and all governance rules, traceability, and audit processes in order to give maximum consistency and transparency in measuring the progress of the goal of pulling people up from the poverty line.

Domingas Rodrigues, participant in the Rural Land Development Program (PDRT), in the Córrego do Macuco Community, in Conceição da Barra (Espírito Santo state). Photo: Márcio Schimming





*Jussara Aparecida Veloso, participant in the Colmeias Program – COAPIS Sorocaba (São Paulo state).
Photo: Márcio Schimming*

COLLECTIVE CONSTRUCTION IN COMMUNITIES

Social organization and autonomy are key for communities to address their socioeconomic demands and evolve in the long run. The company shares knowledge and information with the parties involved and, based on this data, establishes a common vision for the development of a given community and region, based on prioritizing initiatives and defining roles and responsibilities.

Suzano understands that community engagement implies collective construction and, therefore, invests in groups rather than individuals. Thus, in partnership with our neighbors and guided by dialogue and transparency, we put in place action plans for communities and monitor them annually, in

addition to having a short-, medium-, and long-term transition plan, which expresses where families and communities want to be in five years. It should be noted that all actions result from an agreement, in which Suzano makes direct investments or assumes an advocacy role, depending on each situation.

Also, as the groups we work with become more prominent and self-sufficient, the company can reduce investments in structures and equipment. Thus, at the end of the process, we hope to have established a productive relationship between Suzano and the community, with learning and benefits for all those involved.

Suzano's community relations methodologies follow guidelines that can be found in the [Indicators Center](#).

SUZANO EDUCATION PROGRAM

The Suzano Education Program (PSE - *Programa Suzano de Educação*) was launched in 2020. It is an initiative that invests in the improvement of public education through the professional development of Board of Education teams, school administrators, and teachers, as well as through the engagement of families and communities in the education project for the territory.

In its first year, the PSE managed to be present in 29 municipalities in 6 Brazilian states (Bahia, Espírito Santo, Maranhão, Mato Grosso do Sul, Pará, and São Paulo), serving 898 schools and benefiting 11,713 educators and 205,504 children and young people. With these positive results, the idea is to expand the program in the coming years. See more information in the [Indicators Center](#).



Carlimar Souza Santos, maker of Farinha Gentil and participant in the 2020 Emergency Call for Proposals, in Alcobaça (Bahia state). Photo: Márcio Schimming

RELATIONSHIP WITH QUILOMBOLAS AND INDIGENOUS PEOPLE

Suzano's relationship with quilombola communities is more intense in the states of Espírito Santo and Bahia. In addition, the company has a series of initiatives in place and maintains an open dialogue with more than 12 Indigenous tribes. To learn more about this topic, go to the [Indicators Center](#).

ECOFUTURO: ENVIRONMENTAL KNOWLEDGE AND CONSERVATION

In line with Suzano's sustainability strategy and reinforcing Suzano's social and environmental commitments, Instituto Ecofuturo—an organization founded by the company in 1999—develops actions focused on environmental conservation and promotion of knowledge. As the manager of Parque das Neblinas, our reserve with 7,000 hectares of Atlantic Forest, the Institute gave support to two on-site surveys in 2020, in partnership with the Luiz de Queiroz School of Agriculture, of the University of São Paulo (Esalq/USP), and with USP's Biosciences Institute. It also launched the mini-documentary *Onde a Natureza Faz História* to disseminate the work carried out with rural landowners and, adapting to the changed scenario, provided a distance learning platform with free courses on environmental education and incentives for reading. More information is available on Ecofuturo's [website](#).

To learn about the main company initiatives in social and land development, such as PDRT, go to the [Indicators Center](#).



Relationship with the PLANET

Suzano has one of the largest forest bases in the world and its activities are directly linked to the cycles of nature. Topics such as climate change, forest management, and innovation to achieve better practices and results are some of Suzano's highlights in 2020.

Associated material topics:

- › Operational Excellence and Eco-efficiency
- › Forest Management
- › Climate Change.





Grace Kelly Mendes de Almeida,
participant in the Pencil of the
Atlantic Forest Project, in Capão
Bonito (São Paulo state).
Photo: Márcio Schimming

EFFICIENCY AND SUSTAINABILITY IN FOREST MANAGEMENT

GRI 103-1, 103-2, 103-3

Suzano's view of forest efficiency is increasingly based on the innovability concept, i.e., having innovation at the service of sustainability, seeking to harmonize operational and environmental gains in production processes. The company has sought innovations to ensure greater efficiency in forest management processes, aiming at greater productivity per planted area and cost reduction, while trying to reduce the use of natural resources in this operation.

In order to achieve greater efficiency, in 2020 the company's entire forest base was reclassified based on environmental parameters and climate risk. This reclassification of production environments is key to ensuring sustainable performance. With the new environmental classification, it will be possible to generate recommendations on management, clonal allocation, and forest-based repositioning with important gains in productivity and optimized

use of resources. A good example in 2020 was the project to revise the principles of soil preparation, aiming at greater savings in this process. These improvements consider, among other aspects, reduced use of machines in the field and/or adoption of equipment that requires less power. This means that, in addition to lower costs, the operation now emits less CO₂ into the atmosphere.

A similar approach is applied when we demobilize areas and concentrate our forests in regions with the greatest potential and minimal risk in production. Instead of having forests in a larger area, but with low productivity, the company opts for smaller areas with high productivity, that are lower risk and close to the mills, thus optimizing the transportation of wood and the use of natural resources. In addition, considering the new classification and environmental risk, all forests are planned following specific technical recommendations, in which planting density, fertilization, and type of management are defined, among other recommendations to reduce costs and use of resources and to boost forest productivity.

TOTAL AREAS MAINTAINED BY SUZANO BY TYPE OF LAND USE IN HECTARES (HA)

	2019			2020		
	Company areas	Leased areas and partnerships	Total	Company areas	Leased areas and partnerships	Total
Forest and available	699,128.50	576,187.11	1,275,315.61	754,465.00	591,688.00	1,346,153.00
Areas for conservation	481,042.86	405,757.96	886,800.82	527,224.00	433,634.00	960,858.00
Infrastructure	57,066.40	47,331.71	104,398.11	51,982.00	38,586.00	90,568.00
Total	1,237,237.76	1,029,276.78	2,266,514.54	1,333,671.00	1,063,908.00	2,397,579.00



Marcelly Florêncio Francisco (at the back) and Vanusa Ferreira da Silva de Oliveira, Research Assistants, employees of the company Equilíbrio, Unidade Aracruz (Espírito Santo state). Photo: Márcio Schimming

In our forest scope, three work fronts particularly stood out in 2020:

1. WATER RESOURCES

The risk of water shortage is one of the highest priority subjects for Suzano. This is because, in addition to having a public goal related to the use of water, cultivation of eucalyptus requires a series of precautions concerning the proper use of this resource. By 2030, the company will manage 100% of the watersheds identified as critical in its studies, i.e., those that are most demanded by the company and by its neighbors and, therefore, require the most attention. Currently, 40 watersheds are classified as critical, in a total of 2,006 where the company has forests, i.e., 2% of the total. Suzano has the technology to make recommendations for reducing the use of water resources in critical areas and, mainly, to certify (based on remote sensing) the effectiveness of these recommendations in the regions where the company operates.

2. BIOLOGICAL PEST CONTROL

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, exceeding R\$14 million in net cost avoided in the 2019/2020 period. With this, not only do we avoid damage caused by pests, but we also use a much more interesting alternative from an environmental standpoint: without using agrochemicals, we reestablish a balance between groups of pests in these areas. Again, we have good examples of shared, economic, and environmental gains in managing our forests. In 2021, with the installation of laboratories in Mato Grosso do Sul and Maranhão states, we will have new resources to expand biological control.

3. DISEASE CONTROL

Suzano does not apply fungicides to control the vast majority of diseases. As part of our integrated management strategy, we assess the level of resistance of genetic materials, which allows us to select only those clones resistant to the most common diseases for large-scale planting. In 2020, we defined the guidelines and strategies of the FenomicS program, which aims to intensify resistance assessments, making them more mature, robust, and large scale, and expanding the scope for characteristics of resistance and tolerance to biotic and abiotic stresses.



Lucimar Kosanke, Research Technician, Aracruz Unit (Espírito Santo state).
Photo: Márcio Schimming

● Drought in Mato Grosso do Sul

The severe drought, associated with large-scale fires, was one of the main difficulties experienced by Suzano in 2020, mainly in Mato Grosso do Sul state. The drought alone affected productivity in this region and, as a result, we had to deal with forest fires. However, through our fire prevention and fire fighting network, we managed to minimize the impacts on our forests. From a management and improvement standpoint, based on the most severe drought conditions, valuable information was collected and adjustments were made to reduce future risk. The two main examples were the revision of the planting spacing and the adjustment in the recommendation of clones, respectively. For these, the climate risk, the distribution and intensity of damage in the forest, and the differentiated response of eucalyptus clones were considered. Based on studies of climate anomalies, we have also redefined the risk of new events of future drought and the possible impacts on forest productivity. This measure is key for greater assertiveness in the future planning of wood supply.

NUMBER OF FIRES IN SUZANO'S AREAS BY STATE

	2019	2020
Bahia	1,037	1,121
Espírito-Santo	1,143	3,105
Maranhão	1,860	2,453
Mato Grosso do Sul	62	137
Minas Gerais	0	3
Pará	369	169
Rio de Janeiro	4	15
São Paulo	322	788
Tocantins	107	39
Total	4,904	7,830

REAL-TIME MONITORING

Our environmental monitoring relies on sophisticated equipment capable of assessing, at a high frequency and totally remotely, climatic conditions, carbon sequestration, use of natural resources in our forests, forest health, and the occurrence of weeds. With this information, our teams identify when, where, and whether there will be positive or negative impacts on our future productivity so we can propose actions in the short term and mitigate risks. Below are the main initiatives in the use of these technologies.

1. WEATHER STATIONS AND RADAR

Suzano has a network of weather stations dedicated to monitoring the weather across all forest areas managed by the company. Approximately 70,000 daily records are generated by 167 stations, of which 71 are company-owned and 96 belong to the National Institute of Meteorology (INMET), a federal government agency. In addition to this monitoring network, we have developed a specific climate forecasting system for the company's operations, which, in addition to forecasting rainfall, gives us

predictions about the ideal conditions for forestry operations, including soil preparation, application of herbicides, and planting. The climate monitoring and forecasting system allows us to reduce uncertainty in forestry operations and to evaluate different scenarios on the impact of climate change in our production.

In 2021, Suzano plans to implement an integrated climate and fire monitoring solution in Três Lagoas (Mato Grosso do Sul state) by issuing alerts based on the use of weather radar.

2. OUTDOOR LABORATORIES AND EDDY FLUX TOWERS

Suzano closely monitors the growth of its forests. The environmental sensors installed in its six eddy flux towers, in addition to the experimental micro-watersheds, enable a daily assessment of carbon, energy, and water use. Eddy flux towers are considered to be the most advanced technology in the world for this type of study. Currently, the outdoor laboratory project includes 11 experimental micro-basins, located in the states of Maranhão, Espírito Santo, and Mato Grosso do Sul.

Barão de Santa Branca Farm (São Paulo state). Photo: Adriano Gambarini (WWF)





Gilson Fraga Vicente, farmer participating in the Rural Land Development Program (PDRT), and Gerson Peixoto, Program Consultant by the company Cedrago, in the Community of Cachoeiro do Riacho, in Aracruz (Espírito Santo state). Photo: Márcio Schimming

3. REMOTE SENSING OF FORESTS

Suzano has become a pioneer investor in remote sensing technologies in order to expand sample monitoring for census, which will guarantee higher quality and savings of resources. In 2020, we consolidated the monthly monitoring of forests through the Leaf Area Index (LAI). This index accurately measures the density of leaves on a tree and is an important indicator of forest quality. The periodic monitoring the LAI allows for the

detection of changes in the upper forest cover and helps identify necessary adjustments.

We have also developed an indicator and alerts for areas competing with weeds. This technology allows us to prioritize critical locations that require intervention and helps us optimize the use of resources. In 2020, we monitored more than 1.24 million hectares of forests using satellite imagery, consolidating remote and near real-time monitoring.

● Triple partnership

Suzano, the WWF, and Procter & Gamble (P&G) joined efforts to establish cooperation for the recovery of degraded environments and greater autonomy for farming families in the state of Espírito Santo. Started in late 2020, the project began by mapping vulnerable areas in the state that are under pressure from deforestation and reduced water availability. The project also relied on local partnerships to gain scale. After prioritizing the areas, cooperation advanced in 2021 with the strengthening of local crops through agroecological techniques and transfer of knowledge to farming families in favor of conservation. With this, our company, the WWF, and P&G will jointly promote more resilient territories, generators of financial wealth and increasingly larger and better ecosystem services.

Among the best in the world

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).

ENVIRONMENTAL GOVERNANCE

Important advances marked Suzano's environmental governance in 2020, such as the operational integration of the units into a corporate operating model and the establishment of a joint vision of the company's environmental and social agendas. In addition, in a company that owns 1.3 million hectares of plantations and nearly 960,000 hectares set aside for conservation of native forests, biodiversity is an asset with high strategic value for business sustainability. With this belief, in early 2021 we publicly launched our Long-Term Biodiversity Goal and were recognized by our stakeholders as an actual contributor to reducing or not losing the biodiversity of Brazilian ecosystems. This positioning strengthens the global ambitions of the United Nations to improve biodiversity and legitimizes Suzano's leading role in this area.

With an up-to-date plan, the company intends to maintain the excellence of what has been developed in-house while expanding multisector partnerships to gain greater relevance in Brazil. With this, we expected to become a reference in the preservation of our natural capital and in other topics of greater impact for the country.

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. The program has one of the most efficient strategies for biodiversity conservation and environmental restoration in the country and, with the use of customized techniques and methodologies, resulted in the planting of approximately 11 million native seedlings over a period of ten years. The seedlings were planted on more than 39,000 hectares of degraded areas in three Brazilian biomes: Amazon, Cerrado, and Atlantic Forest.

GREATER PROTECTION FOR THE ATLANTIC FOREST

Just as there are master plans for cities, the Brazilian legal framework provides master plans for biomes such as the Atlantic Forest. In partnership with SOS Mata Atlântica, Suzano will develop 30 municipal plans for this biome, which is recognized as one of the most biodiverse in the world. Thus, in the next two years, the company's role within the project will be mainly to share its knowledge in environmental planning and management with NGOs and the 30 municipal governments located in the Atlantic Forest region.

MUCURI SPRINGS PROJECT

Created in 2017, the purpose of this initiative is to promote environmental conservation and water security through the empowerment of families toward more sustainable agriculture and actions to recover degraded areas. The river originates in the northeast of Minas Gerais, one of the poorest regions in the state, and flows into southern Bahia, covering a total of 446 kilometers in an area of approximately 15,400 square kilometers with a population of 537,000. 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.

At the end of 2019, this was a booming initiative. However, in 2020, with the pandemic, and to protect the health of farming families, we reduced the intensity of work in the field.



Learn about our aggregate results throughout the program in the [Indicators Center](#).



2020 Results

76
RURAL PROPERTIES
VISITED

72
SPRINGS BEING
RECOVERED

489
PEOPLE
INVOLVED

1,464
HOURS DEDICATED
TO SOCIAL AND
ENVIRONMENTAL EDUCATION





Mucuri River (Bahia state). Photo: Ricardo Teles

ENVIRONMENTAL COMMITMENTS

One of the goals assumed by Suzano for 2030 is to reduce the volume of industrial waste sent to landfills by 70%, transforming it into by-products. To achieve this, the company now has important reinforcements in its industrial operation. As an example, in 2020 we invested approximately R\$40 million in the construction of two waste treatment and composting plants, which will enter into operation in early 2021.

At Três Lagoas unit (Mato Grosso do Sul state), the company will have a soil correction center in which industrial waste is enriched and applied to forests as nutrients, helping to balance the pH of the soil and, consequently, the development of plants. There is a similar system in Imperatriz (Maranhão state). The surplus will be sold to producers of varied crops in the region.

Regarding the use of water in industrial operations, in 2020 projects were mapped in

order to optimize water use at each unit. These projects should be implemented by 2030 to achieve the Long-Term Goal: reduce the water withdrawn by the industrial area by 15%. To prepare this mapping, Suzano researched best practices, water balance, and management tools, and analyzed possible innovation projects through the i9 Foco em Água (i9 Focus on Water) program. i9 is an innovation program that encourages employees to share ideas for improvements related to specific topics. At i9 Foco em Água, the operational team was encouraged to make suggestions that could lead to a reduction in water consumption at the units.

In addition, considering the expected water reduction curve by 2030, annual targets were defined for each industrial unit, with monthly monitoring of results. Any deviations are dealt with according to the management tools adopted in the Suzano Operational Excellence model. The results are released monthly to the employees of the units, ensuring commitment to this topic.



Imperatriz Unit (Maranhão state). Photo: Márcio Schimming

ENERGY EFFICIENCY

Two projects related to increased energy exports stood out in 2020. The first, Thor, is a tool that recommends, through algorithms and in real time, the best allocation of steam available for each turbine, optimizing energy generation. The project was jointly developed with the Digital team for the Três Lagoas mill and subsequently replicated in other Suzano plants. Once fully operational, the project should generate a gain of 7.75 MW of average power in 2021.

The second project was developed to increase the specific production of steam by the boilers in the industrial units per amount of fuel consumed, enabling higher generation of electric energy. The opportunities found and the gains captured vary according to each facility, i.e., they are specific to each unit. To learn about the main challenges faced by the units and the prospects for 2021, go to the [Indicators Center](#).

● Energy exports

In 2020, Suzano exported, on average, 193 MWe of energy from renewable sources to the grid, approximately 10% more than in 2019 (including 50% of the energy exported by Veracel, a joint venture between Suzano and Stora Enso). With this, the company advances in its goal of increasing the export of renewable energy by 50% by 2030, contributing to the expansion of the Brazilian renewable energy mix. Learn more in the section "[Long-Term Goals](#)."

OUR CERTIFICATIONS

Management of the company's certifications is broken down into forestry and industrial operations, attesting to our responsible social and environmental conduct through the whole production chain.

Our forestry certifications ensure better use of natural resources and quality human relations, respecting the environmental, social, and economic aspects in the regions where we operate. Currently, 83% of the company's planted areas are certified*.

Our industrial certifications showcase the use of best practices in process management in our production units, ensuring a balanced creation of value, innovation, and efficiency. To learn more about how the company manages this topic, visit our [Indicators Center](#).

FOREST CERTIFICATIONS:

- > FSC® (Forest Stewardship Council®)** - forest management
- > PEFC/Cerflor (Brazilian Forest Certification Program) - forest management

INDUSTRIAL CERTIFICATIONS:

- > FSC® (Forest Stewardship Council®)*** - chain of custody
- > PEFC/Cerflor (Brazilian Forest Certification Program) - chain of custody
- > ISO 9001 - quality
- > ISO 14001 - environmental management
- > OHSAS 18001 - health and safety

* The calculation of the percentage of certified forest areas considers only operational areas, where eucalyptus is planted under Suzano's management, and excludes areas for development, areas transferred to investment funds, and areas not considered by procurement planning for supplying the industrial units (such as the areas located in Piauí and Urbano Santos).

** Forest management licenses codes FSC-C110130, FSC-C118283, FSC-C100704, FSC-C009927, and FSC-C155943.

*** Chain of custody license code FSC-C010014.

Crab-eating fox or bushdog, in Mato Grosso do Sul state. Photo: Araquém Alcântara





Cочи heron and capybaras in the pond on Barra da Moeda farm, in Mato Grosso do Sul state. Photo: Araquém Alcântara

CLIMATE CHANGE: MATURITY AND COMMITMENT

The topic of climate change is equally complex and strategic for Suzano. It is complex because, despite being a major challenge for society, companies and organizations are still studying and developing methodologies and systems to quantify emissions and removals in a more accurate way. It is strategic because the company has one of the largest forest bases in the world, including eucalyptus forests and preserved areas, and therefore wants to be part of the solution to the problem of climate change and lead, among other initiatives, the creation of a carbon market.

At Suzano, according to the Enterprise Risk Management (ERM) methodology, climate change is also one of our main risks. From a forestry technology standpoint, for example, after a comprehensive review with this focus, a technological roadmap will be prepared with actions to quantify the risks and impacts on forest productivity, focusing on actions for the development of resilient forests and repositioning of the forest base.

Also in this regard, 2020 was marked by reinforcing the topic of climate change after the disclosure of the Long-Term Goals. Among the initiatives carried out in the company for this subject to gain even more relevance and scope, we highlight the proximity of the Sustainability area to key areas in the company through forums, meetings, training sessions, and participation in workshops. In these meetings, Suzano's professionals had the opportunity to learn more about technical aspects, understand the company's role in this movement, better understand its performance, and identify opportunities to contribute to the topic, internally and externally, so that the subject of climate change becomes a theme that goes beyond the environmental area to permeate the routine of the entire company.

Another initiative worth mentioning is the creation of a working group (WG) formed by representatives from the areas of Sustainability, Corporate Relations, New Business, Finance, and Technology & Innovation to discuss Suzano's role in this topic, internally and externally. Depending on the agenda, other areas are also invited to participate in the discussions and action fronts.

One of the great opportunities being analyzed by this WG is the company's participation in the voluntary carbon market, offering credits that provide benefits beyond removal of greenhouse gases (GHGs) to other organizations that have commitments to reduce their emissions. We want to share our goals and the gains already achieved with companies that are also committed to developing a less carbon-intensive economy.

In line with Suzano's objective of being recognized as a leader and agent of transformation in the joint development of innovative and sustainable solutions, the CEO and the Industrial, Sustainability, and Corporate Relations Directors now have on their list of goals (linked to their variable pay) the ones related to the company's climate change strategy. This will be cascaded, in 2021, across the organizational structure, reaching, for example, the executive areas of Risks and New Businesses and Forest Inventory.

Another important advance is the development of a Multidisciplinary Climate Change Strategy, which is still being prepared. This strategy takes into account the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) as well as our role in the face of climate mitigation and adaptation needs, future regulatory scenarios, and our commitment to this topic.

We act to create a business model that is resilient (working with adaptation, which involves practical responses to current and potential impacts of temperature change, aiming to minimize any losses and damages) and catalyzes opportunities (incorporating carbon as a critical variable in our operations). The goal of this model is the creation of shared value, since we work to offer real solutions, focused on the transition to a low-carbon economy. Our goals, which are consistent with scientific precepts, have been structured in a more substantive way than the goals of the Paris Agreement.



Incorporate climate change into our business model, driving our vision and the transition to a low-carbon economy

Create a business model that is resilient (adaptation) and an opportunity catalyst

Incorporate Carbon as an aspect in operations (risks and opportunities)

Create shared value based on solutions for the transition to a low-carbon economy

Our goals, which are science based, have also been more substantively structured compared to the goals of the Paris Agreement.



Burrowing owl in Mato Grosso do Sul state. Photo: Araquém Alcântara

INTERNAL CHALLENGES

Performance indicators related to GHG emissions are well established. A major challenge, however, is to internalize the entire methodology in the company, so that the areas not only take ownership of the measurement systems and data analysis, but also understand the dimension of the achievement of the goals by 2030. Given the relevance of this aspect, in

2020 Suzano worked on a data collection system for the company's emissions calculations, a project that involved around 170 people.

In addition to simplifying the day-to-day collection of information, the goal is to have data management that contributes to a critical analysis of emissions and, thereby, generate more robust indicators for the areas to monitor and adjust their strategies. Thus, in a global view, it is expected that each part of the business involved can contribute to the achievement of the goals.

If on one side we manage carbon emissions, on the other we manage carbon removal. In this case, another company initiative resulted in an update in the model for calculating carbon sequestration (which considers the characteristics and indicators of Suzano's eucalyptus forests and the classifications of native forest areas) and revised removal factors applied to the calculations. The most commonly known data and indicators for removal per hectare do not include the specificities of productivity in Brazilian soil or factors of tropical forests, whose sequestration volumes are higher than those of temperate forests. The removal calculation methodology was verified by a third party, and its results can be seen in the [Indicators Center](#).

ADVANCES IN WATER MANAGEMENT IN 2021

Suzano has been investing in a portfolio of projects for reducing water consumption in all industrial units. This year, we will prioritize engineering, technical and economic feasibility studies for each initiative, considering the strategic importance for reaching the Long-Term Goal.

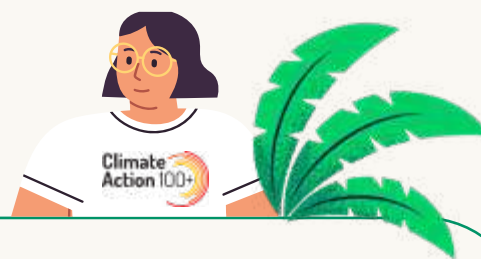


Forwarder machine stacking eucalyptus logs after harvest, in Mato Grosso do Sul state. Photo: Araquém Alcântara

See the results of our Greenhouse Gas Inventory - base 2020 in our [Indicators Center](#).



● Our partnerships



Suzano has collaborated in different forums. In Brazil, it maintains partnerships with the Brazilian Business Council for Sustainable Development (CEBDS), the Global Compact, the Brazil Climate Forestry and Agriculture Coalition, and the Brazilian Tree Association (IBÁ). The company also integrates a WG of the GHG Protocol, which has been working to propose new methodologies for calculating emissions and removals related to land use in order to monitor and contribute to the development of this global reference.

In 2020, Suzano also joined the Climate Action 100+. A global initiative by investors who represent more than US\$52 trillion combined assets under management and express an interest in engaging companies in building sound climate change governance, including an action plan towards carbon neutrality by 2050 and transparency of indicators related to this topic.



Laila dos Santos Carneiro,
participant of the Cerâmica
Vargem do Tanque Project, in Cunha
(São Paulo state).
Photo: Márcio Schimming

External READER

Suzano invited an external reader to analyze the content of this publication and express his opinions on the quality and transparency of the information. Check the statement of Tasso Azevedo.



TASSO AZEVEDO



Forest engineer, consultant, advisor, and social entrepreneur in sustainability, forest and climate. Coordinator of the Greenhouse Gas Emissions Estimation System of the Climate Observatory (SEEG) and of the Annual Mapping of Land Cover and Use in Brazil (MapBiomas), columnist for O Globo newspaper. Visiting scholar at the Brasil Lab at Princeton University. He was General Director of the Brazilian Forest Service, Executive Director of Imaflores and curator of Blog do Clima. He received the Bright Award from Stanford University.

The year 2020 was an immense challenge for everyone: governments, companies, and civil society. The COVID-19 pandemic has imposed a profound and radical change in how organizations plan and operate.

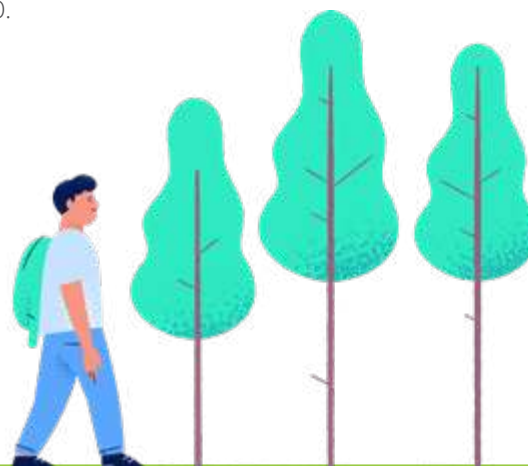
In a year with a massive loss of human lives, Suzano fulfilled the role that is expected of the largest Brazilian agribusiness company by acting to adapt to the conditions imposed by the pandemic while showing solidarity and taking action to support the most vulnerable groups in society.

Nevertheless, it is commendable that even in the midst of this turmoil, the company has maintained its long-term vision by launching ambitious goals regarding the climate agenda, the conservation of water resources, and the expansion of diversity. An important highlight is the net removal of 40 million tons of CO₂ by 2030, including direct and indirect emissions (Scopes 1, 2, and 3), which goes far beyond the increasingly common commitments to zero emissions by the middle of the century.

If this commitment inspires the entire agricultural sector, it is possible that Brazil will no longer be among the largest emitters of greenhouse gases and will become a net contributor to removals long before 2050.

Another highlight is the goal to replace 10 million tons of petroleum-based plastics with substitutes from renewable sources by 2030. This volume is equal to almost one year of the current production of plastics in Brazil. The substitution of oil and gas products is one of the great challenges in transitioning to a low-carbon economy. The initiative to develop bio-oil to replace oil by leveraging the existing refinery infrastructure is especially interesting.

Also worthy of note is the disclosure policy on the commitment to zero deforestation. The company published a report containing an analysis of all the deforestation events identified in its areas by independent analyses (MapBiomass and SOS Mata Atlântica) and describing the actions taken in relation to each event. All cases identified are the result of squatting in the states of Bahia, Espírito Santo (6 ha), and Maranhão (114 ha). This level of transparency and clarity is a benchmark for the entire Brazilian rural sector.



ASSURANCE STATEMENT

BUREAU VERITAS



INTRODUCTION

Bureau Veritas Certification Brazil ('Bureau Veritas') was engaged by Suzano S.A. ('Suzano') to conduct an independent assurance of its Annual Report for the year 2020 (hereinafter referred to as the Report).

This assessment was conducted by a multidisciplinary staff with expertise in non-financial data.

SCOPE OF WORK

The scope of this verification encompassed:

1. The Standards¹ of the Global Reporting InitiativeTMGRI for Sustainability Reports, for the period from 1 January to 31 December 2020;
2. The Verification of Long-Term Goals, regarding the correct parameter settings of the associated indicators and analysis regarding the accuracy of the data obtained;

3. Verification of the 2018 and 2019 Long-Term Goal data of (1) lifting 200 thousand people over the poverty threshold and (2) the data obtained in 2019 of the participation (percentage) of women in leadership positions within the company, related to the Diversity & Inclusion Long-Term Goal.

SUZANO'S AND BUREAU VERITAS RESPONSIBILITIES

The collection, calculation and presentation of the data published in the report are Suzano's management sole responsibility. Bureau Veritas is responsible for providing an independent opinion to the Stakeholders, pursuant to the scope of work defined in this declaration.

METHODOLOGY

The Assurance covered the following activities:

1. Interviews with the personnel responsible for material issues and involved in the Report content;

1. Materiality, Stakeholder Inclusiveness, Sustainability Context, Completeness, Balance, Comparability, Accuracy, Periodicity, Clarity, and Reliability

2. Remote interviews on corporate processes (Central Administration office located in São Paulo – SP) and processes regarding the following operational sites: ; Mucuri – BA; Suzano – SP and Três Lagoas – MS;
3. Review of documentary evidence provided by Suzano in relation to the reporting period (2020);
4. Evaluation of the systems used for data compilation;
5. Analysis of Suzano’s stakeholder engagement activities;
6. Evaluation of the method used to define material topics included in the Report, taking into account the sustainability context and the scope of the information published.

The level of verification adopted was Limited, according to the requirements of the ISAE 3000 Standard², which were incorporated to the internal assessment protocols of Bureau Veritas, except for the data verification of the poverty threshold Goal and data on Diversity & Inclusion, both mentioned in item 3 of the Scope of Work. For this assessment we use the Limited Scope, which brings certain restrictions regarding the accuracy of the data.

LIMITATIONS AND EXCLUSIONS

Excluded from the scope of this work was any assessment of information related to:

- Activities outside the defined assessment period;
- Statements of position (expressions of opinion, beliefs, goals, or future intentions) on the part of Suzano;
- Economic and financial accuracy of information contained in this Report which has been taken from financial statements verified by independent financial auditors.

The following limitations apply for this assurance engagement:

- The Accuracy and Reliability of data were assessed on sampling basis, related to material aspects published within the Report;
- The specific data and indicators of the Task Force on Climate-Related Financial Disclosure (TCFD) and Sustainability Accounting Standards Board (SASB) were not subject to our verification, except when these data and indicators were common to those of the GRI;
- Economic and financial data presented within the report were assessed against the GRI reporting principle of Balance and Completeness;
- Suzano's Greenhouse Gas (GHG) Emissions Inventory was verified by us in a distinct process in accordance with the criteria of ISO 14.064-1 / 07 and GHG Protocol. A Verification statement was issued exclusively regarding the verification of the GHG inventory.

2. International Standard on Assurance Engagements 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information

TECHNICAL OPINION

- Suzano's Report consists of a complete edition and an Indicators Center, both available on the company's website. The scope of our verification covered the 2020 data and indicators on the material topics presented in these publications, with the exception of the specific indicators of TCFD and SASB;
- The Report is based on 10 material topics defined in a materiality assessment carried out in 2019. In our understanding, the topics remain reflecting the impacts of Suzano's activities in a balanced way;
- During our Verification we found that Suzano's Long-Term Goals were structured in an objective and challenging way;
- We verified the results obtained in 2018 and 2019 in relation to the Goal of lifting 200 thousand people over the poverty threshold by 2030. We found a reliable system for obtaining the income data of the participants of projects regarding income generation, supported by Suzano. However, we noted that the company is still looking for a consolidated procedure for monitoring the poverty threshold target, with data analysis capacity compatible with the target scale;
- We verified the results obtained in 2019 linked to the Diversity and Inclusion target, specifically related to the increase in the participation (percentage) of women in leadership positions within the company. We found a robust calculation system with accurate data;
- Suzano systematized the processes for collecting and consolidating performance data for social projects supported by the company, adherent to a recommendation from the previous Verification cycle;
- The Indicators Center presents detailed information of the main operational impacts of Suzano's activities (GRI indicator 413-2), on surrounding communities, using data available in the SISPART system. These social impact performance data meets a recommendation from Bureau Veritas from the previous Verification cycle;
- Regarding the GRI 403-7 Indicator (Prevention and mitigation of occupational health and safety impacts directly linked by business relationships), we evidenced that Suzano presents the health and safety actions and tools used in the company's processes and not those related to the products and services;
- Related to the proportion of spending on local suppliers (GRI 204-1 indicator), although we have seen progress in internal procurement practices, we noted that Suzano is still looking for effective procedures to improve its performance in this field;
- Regarding the material topic "Forest Management", we noted progress in the definition of biodiversity strategies and a promise to establish, in 2021, a long-term commitment to biodiversity conservation;
- We evidenced appropriate actions in relation to the recommendations issued in our previous Verification Statement. In the actual Statement we launch new challenges for the company;
- It is our understanding that sufficient indicators have been reported, to achieve the Core option of the GRI Standard for Sustainability Reports.

RECOMMENDATIONS

- Define strategic actions to increase the proportion of spending on local suppliers, in accordance with GRI indicator 204-1;
- Obtain data and information on Prevention and mitigation of occupational health and safety impacts directly linked by business relationships (related to products and services);
- Regarding the Goal of lifting 200 thousand people over the poverty threshold: Implement a consolidated procedure for monitoring the poverty threshold target, with data analysis capacity compatible with the target scale.

CONCLUSION

As a result of our assurance we concluded that:

- The information presented in the Report is balanced, consistent and reliable;
- Suzano established appropriate systems for the collection, aggregation and analysis of quantitative and qualitative data used in the Report;
- The Report adheres to the Principles for defining report content and quality of the GRI Standards and meet its Core level;
- The Long-Term Goals were established in a structured and challenging way.

DECLARATION OF INDEPENDENCE AND IMPARTIALITY

Bureau Veritas Certification is an independent professional services firm specializing in Quality, Health, Safety, Social and Environmental Management, with more than 185 years' experience in independent assessment.

Bureau Veritas has a quality management system that is certified by a third party, according to which policies and documented procedures are maintained for the compliance with ethic, professional and legal requirements.

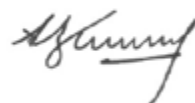
The assessment team has no links with Suzano and the assessment is performed independently.

Bureau Veritas implemented and follows a Code of Ethics throughout its business, in order to assure that its staff preserve high ethical, integrity, objectivity, confidentiality and competence/ professional attitude standards in the performance of their activities. At the end of the assessment, a detailed report was drawn up, ensuring traceability of the process. This Report is kept as a Bureau Veritas management system record.

CONTACT

Bureau Veritas Certification is available for further clarification on www.bureauveritascertification.com.br/faleconosco.asp or by telephone (55 11) 2655-9000.

São Paulo, Brazil, April 2021.



Alexander Vervuurt

Lead Auditor; Assurance Sustainability Reports (ASR)
Bureau Veritas Certification – Brazil

GRI AND SASB

Content Index

GRI 102-55



GRI Standards	Disclosure title	PDF Page/Link to the Indicators Center or Direct disclosure	Omission	Principles of the Global Compact	SDG
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GRI 101: Foundation 2016

GRI 102: General Disclosures 2016

GRI 102: General Disclosures 2016s	102-1	Name of the organization	8		
	102-2	Activities, brands, products, and services	Indicators Center		
	102-3	Location of headquarters	Headquarters: Av. Professor Magalhães Neto, 1752 – 10th floor, rooms 1010 and 1011 Salvador - BA - Brazil Zip Code: 41.810-012 Central Office: Avenida Brigadeiro Faria Lima, 1355 – 8th floor São Paulo - SP - Brazil Zip Code: 01.452-919		
	102-4	Location of operations	14		
	102-5	Nature of ownership and legal form	Suzano S.A. is a publicly traded, forest-based company controlled by Suzano Holding, with shares traded on B3 (Brasil, Bolsa, Balcão) and NYSE (New York Stock Index).		
	102-6	Markets served	Indicators Center		
	102-7	Scale of the organization	Indicators Center		
	102-8	Information on employees and other workers	Indicators Center		
	102-9	Supply chain	Indicators Center		
	102-10	Significant changes to the organization and its supply chain	52		
	102-11	Precautionary Principle or approach	Indicators Center		
	102-12	External initiatives	76, Indicators Center		
	102-13	Membership of associations	Indicators Center		
	102-14	Statement from senior decision-maker	4		
	102-15	Key impacts, risks, and opportunities	Indicators Center		
	102-16	Values, principles, standards, and norms of behavior	32, Indicators Center		
	102-17	Mechanisms for advice and concerns about ethics	68, Indicators Center		
	102-18	Governance structure	66, Indicators Center		
	102-22	Composition of the highest governance body and its committees	Indicators Center		
	102-23	Chair of the highest governance body	Indicators Center		

GRI Standards	Disclosure title	PDF Page/Link to the Indicators Center or Direct disclosure	Omission	Principles of the Global Compact	SDG
GRI 102: General Disclosures 2016 (cont.)					
General Disclosures 2016s	102-24	Selection criteria and nomination processes for the highest governance body and its committees	Indicators Center		
	102-25	Conflicts of Interest	Indicators Center		
	102-35	Remuneration policies	Indicators Center		8
	102-36	Process for determining remuneration	Indicators Center		8
	102-37	Stakeholders' involvement in remuneration	Indicators Center		8
	102-38	Annual total compensation ratio	Indicators Center		8, 10
	102-39	Percentage increase in annual total compensation ratio	Indicators Center		8, 10
	102-40	List of stakeholder groups	14, Indicators Center		
	102-41	Collective bargaining agreements	Indicators Center		
	102-42	Identifying and selecting stakeholders	14, Indicators Center		
	102-43	Approach to stakeholder engagement	Indicators Center		
	102-44	Key topics and concerns raised	Indicators Center		
	102-45	Entities included in the organization's consolidated financial statements or equivalent documents	8		
	102-46	Defining report content and topic Boundaries	8, Indicators Center		
	102-47	List of material topics	8, Indicators Center		
	102-48	Restatements of information	Restatements of information, if available, are presented throughout the Report and the Indicators Center.		
	102-49	Changes in reporting	During the reporting period, there were no significant changes in the limit and scope of material issues.		
	102-50	Reporting period	January 1, 2020 to December 31, 2020.		
	102-51	Data do relatório mais recente	2019 Annual Report, covering the period from January to December of the reference year		
102-52	Periodicidade dos ciclos de relato	Annual.			

GRI Standards	Disclosure title	PDF Page/Link to the Indicators Center or Direct disclosure	Omission	Principles of the Global Compact	SDG
GRI 102: General Disclosures 2016 (cont.)					
GRI 102: General Disclosures 2016	102-53	Contact point for questions regarding the report	8		
	102-54	Claims of reporting in accordance with the GRI Standards	8		
	102-55	GRI content index	110		
	102-56	External assurance	8, 106		
Material topic: Water					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	17, 88, Indicators Center		8, 12
	103-2	The management approach and its components			
	103-3	Evaluation of the management approach			
GRI 303: Water and effluents 2018	303-1	Interactions with water as a shared resource	Indicators Center	8, 9	8, 12
	303-3	Water withdrawal	Indicators Center	8, 9	8, 12
	303-4	Water discharge	Indicators Center	8, 9	8, 12
	303-5	Water consumption	Indicators Center	8, 9	8, 12
Material topic: Value Chain (suppliers and customers)					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	17, 44, 45, 48, 49, Indicators Center		8
	103-2	The management approach and its components			
	103-3	Evaluation of the management approach			
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Indicators Center		8, 12
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Indicators Center	7, 8, 9	12
	308-2	Negative environmental impacts in the supply chain and actions taken	Indicators Center	7, 8, 9	12
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Indicators Center		8, 10, 16
	414-2	Negative social impacts in the supply chain and actions taken	Indicators Center		8, 12

GRI Standards	Disclosure title	PDF Page/Link to the Indicators Center or Direct disclosure	Omission	Principles of the Global Compact	SDG
Material topic: Human Capital					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary			3, 5, 8, 10, 16
	103-2	The management approach and its components	17, 27, 38, Indicators Center		
	103-3	Evaluation of the management approach			
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Indicators Center		8
	202-2	Proportion of senior management hired from the local community	Indicators Center		8
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Indicators Center	6	8
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Indicators Center		8
	401-3	Parental leave	Indicators Center	6	5, 8
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Indicators Center		8
GRI 403: Occupational Health and Safety 2016	403-1	Occupational health and safety management system	Indicators Center		3, 8
	403-4	Worker participation, consultation, and communication on occupational health and safety	Indicators Center		3, 8, 16
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Indicators Center		3, 8
	403-8	Workers covered by an occupational health and safety management system	Indicators Center		3, 8
	403-9	Work-related injuries	Indicators Center		3, 8
	403-10	Work-related ill health	Indicators Center		3, 8

GRI Standards	Disclosure title	PDF Page/Link to the Indicators Center or Direct disclosure	Omission	Principles of the Global Compact	SDG
Material topic: Human Capital (cont.)					
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Indicators Center	1, 6	8
	404-3	Percentage of employees receiving regular performance and career development reviews	Indicators Center	1, 6	5, 8
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Indicators Center		5, 8, 10
	405-2	Ratio of basic salary and remuneration of women to men	Indicators Center		5, 8, 10
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Indicators Center	1, 2, 3, 4, 5, 6	5, 8, 10, 16
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers where the right to freedom of association and collective bargaining may be at risk	Indicators Center	1, 2, 3, 4, 5, 6	8, 16
GRI 408: Child Labor 2016	408-1	Operations and suppliers with significant risk of incidents of child labor	Indicators Center	1, 2, 6	8, 16
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Indicators Center	1, 2, 3	8, 16
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	Indicators Center	1, 2, 5	8, 16
GRI 412: Human Rights Assessment 2016	412-2	Employee training on human rights policies or procedures	Indicators Center	1, 2, 3, 4, 5, 6	8, 16

GRI Standards	Disclosure title	PDF Page/Link to the Indicators Center or Direct disclosure	Omission	Principles of the Global Compact	SDG
Material topic: Social Development					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	74, 80, 82, Indicators Center		1, 2, 4, 8, 10, 11, 16
	103-2	The management approach and its components			
	103-3	Evaluation of the management approach			
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Indicators Center		1, 4, 9, 11, 12
	203-2	Significant indirect economic impacts	Indicators Center		2, 4, 8, 9, 10, 11, 12
GRI 411: Rights of Indigenous and Traditional Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	Indicators Center	1, 2, 4	10, 16
GRI 413: Local communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Indicators Center		1, 2, 4, 10, 11, 16
	413-2	Operations with significant actual and potential negative impacts on local communities	Indicators Center		8, 16
Material topic: Ethics, Governance, and Transparency					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	64, Indicators Center		8, 16
	103-2	The management approach and its components			
	103-3	Evaluation of the management approach			
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Indicators Center	10	16
	205-2	Communication and training about anti-corruption policies and procedures	Indicators Center	10	16
	205-3	Confirmed incidents of corruption and actions taken	Indicators Center	10	16
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, antitrust, and monopoly practices	Indicators Center	1, 5	16

GRI Standards	Disclosure title	PDF Page/Link to the Indicators Center or Direct disclosure	Omission	Principles of the Global Compact	SDG
Material topic: Ethics, Governance, and Transparency (cont.)					
GRI 207: Tax 2019	207-1	Approach to tax	Indicators Center		16
	207-2	Tax governance, control and risk management	Indicators Center		16
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	Indicators Center	7, 8, 9	16
GRI 415: Public Policies 2016	415-1	Political contributions	Indicators Center	10	8, 9
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	Indicators Center	10	8, 16
Material topic: Operational Excellence and Eco-efficiency					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	17, 88, Indicators Center		3, 7, 9, 12, 13
	103-2	The management approach and its components			
	103-3	Evaluation of the management approach			
GRI 306: Effluents and Waste 2016	306-3	Waste generated	Indicators Center	7, 8, 9	3, 6, 12
	306-4	Waste diverted from disposal	Indicators Center	7, 8, 9	3, 6, 12
	306-5	Waste directed to disposal	Indicators Center	7, 8, 9	3, 6, 12
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GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	64, 69, Indicators Center		16
	103-2	The management approach and its components			
	103-3	Evaluation of the management approach			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Indicators Center		16
	201-2	Financial implications and other risks and opportunities due to climate change	Indicators Center		13

GRI Standards	Disclosure title	PDF Page/Link to the Indicators Center or Direct disclosure	Omission	Principles of the Global Compact	SDG
Material topic: Innovation and Technology					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	48, 56, Indicators Center		9, 15, 16
	103-2	The management approach and its components			
	103-3	Evaluation of the management approach			
Material topic: Forest Management					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	88, Indicators Center		6, 8, 12, 13, 15
	103-2	The management approach and its components			
	103-3	Evaluation of the management approach			
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Indicators Center	8, 9	12, 15
	304-2	Significant impacts of activities, products, and services on biodiversity	Indicators Center	8, 9	12, 15
	304-3	Habitats protected or restored	Indicators Center	8, 9	6, 12, 13, 15
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Indicators Center	8, 9	6, 12, 14, 15

GRI Standards	Disclosure title	PDF Page/Link to the Indicators Center or Direct disclosure	Omission	Principles of the Global Compact	SDG
Material topic: Climate Change					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	77, Indicators Center		3, 9, 12, 13
	103-2	The management approach and its components			
	103-3	Evaluation of the management approach			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Indicators Center		7, 12, 13
	302-2	Energy consumption outside of the organization	Indicators Center		7, 8, 12, 13
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Indicators Center	7, 8, 9	12, 13
	305-2	Energy indirect (Scope 2) GHG emissions	Indicators Center	7, 8, 9	12, 13
	305-3	Other indirect (Scope 3) GHG emissions	Indicators Center	7, 8, 9	12, 13
	305-4	GHG emissions intensity	Indicators Center	7, 8, 9	12, 13
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Indicators Center	7, 8, 9	3, 9, 12, 13

SASB INDEX

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Sustainability Disclosure Topics & Accounting Metrics					
Topic	Code	Accounting metric	Category	Unit of measure	PDF Page/Link to the Indicators Center or Direct disclosure
Ecosystem Services & Impacts	RR-FM-160a.1	Area of forestland certified to a third-party forest management standard, percentage certified to each standard	Quantitative	Acres (ac), Percentage (%)	Indicators Center
	RR-FM-160a.2	Area of forestland with protected conservation status	Quantitative	Acres (ac)	Indicators Center
	RR-FM-160a.3	Area of forestland in endangered species habitat	Quantitative	Acres (ac)	Indicators Center
	RR-FM-160a.4	Description of approach to optimizing opportunities from ecosystem services provided by forestlands	Discussion and Analysis	n/a	Indicators Center
Rights of Indigenous Peoples	RR-FM-210a.1	Area of forestland in indigenous land	Quantitative	Acres (ac)	Indicators Center
	RR-FM-210a.2	Description of engagement processes and due diligence practices with respect to human rights, indigenous rights, and the local community	Discussion and Analysis	n/a	Indicators Center
Climate Change Adaptation	RR-FM-450a.1	Description of strategy to manage opportunities for and risks to forest management and timber production presented by climate change	Discussion and Analysis	n/a	Indicators Center

FORESTRY MANAGEMENT				
Activity Metrics				
Code	Activity metric	Category	Unit of measure	PDF Page/Link to the Indicators Center or Direct disclosure
RR-FM-000.A	Area of forestland owned, leased, and/or managed by the entity	Quantitative	Acres (ac)	Indicators Center
RR-FM-000.B	Aggregate standing timber inventory	Quantitative	Cubic meters (m ³)	Indicators Center
RR-FM-000.C	Timber harvest volume	Quantitative	Cubic meters (m ³)	Indicators Center

PULP & PAPER PRODUCTS

Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Accounting metric	Category	Unit of measure	PDF Page/Link to the Indicators Center or Direct disclosure
Greenhouse Gas Emissions	RR-PP-110a.1	Gross global Scope 1 emissions	Quantitative	Metric tons (t) CO ₂ -e	Indicators Center
	RR-PP-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	n/a	Indicators Center
Air Quality	RR-PP-120a.1	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO ₂ , (3) volatile organic compounds (VOCs), (4) particulate matter (PM), and (5) hazardous air pollutants (HAPs)	Quantitative	Metric tons (t)	Indicators Center
Energy Management	RR-PP-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage from biomass, (4) percentage from other renewable energy	Quantitative	Gigajoules (GJ), Percentage (%)	Indicators Center
Water Management	RR-PP-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	"Thousand cubic meters (m ³), Percentage (%)"	Indicators Center
	RR-PP-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	n/a	Indicators Center
Supply Chain Management	RR-PP-430a.1	Percentage of wood fiber sourced from (1) third-party certified forestlands and percentage to each standard and (2) meeting other fiber sourcing standards and percentage to each standard	Quantitative	Percentage (%) by weight	Indicators Center
	RR-PP-430a.2	Amount of recycled and recovered fiber procured	Quantitative	Metric tons (t)	Indicators Center

PULP & PAPER PRODUCTS

Activity Metrics

Code	Activity metric	Category	Unit of measure	PDF Page/Link to the Indicators Center or Direct disclosure
RR-PP-000.A	Pulp production	Quantitative	Air-dried metric tons (t)	Indicators Center
RR-PP-000.B	Paper production	Quantitative	Air-dried metric tons (t)	Indicators Center

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Seedling planting, Jacareí (São Paulo state).
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