



Report 2019





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Photo: Adriano Gambarini/
WWF Brasil

1 Message from
Leadership

Photo:
Ricardo Teles



Letter from the Chairman of
the Board of Directors

DAVID FEFFER

We are part of the transformation

[GRI 102-14]

What is the role of companies in building a more just and sustainable society? This question has been the object of debate in various meetings and forums that propose to discuss the future of the planet. If, in the past, the main purpose of organizations was to create shareholder value, today, we go further. It is what we call “stakeholder value”, a new model intended to address the interests of the various stakeholders with which companies interact.

I have no doubt that organizations must be active players in building a sustainable future. We, at Suzano, share this belief. We are aware of our responsibility toward society and the planet, and work to be part of the changes we want to see in the world.

In 2003, we already had this in mind when we defined the three pillars of our governance: merit-based management, high standard of internal control, and commitment to stakeholders. Today, 17 years later, we continue to advance in our governance and social and environmental practices.

By combining innovation and sustainability (which we call “innovability”), we have the opportunity to develop new products for a bioeconomy (this is, an economy based on the use of renewable resources) and offer solutions to help with the transformations our planet so desperately needs.

In this sense, supported, inspired and challenged by the Board of Directors, the company’s management has done an extraordinary job in running the company, which seeks to be ‘best-in-class’ in everything it does today, while planning and reflecting on the future with courage and determination.

Being part of this movement to seek solutions to the major challenges of the 21st century inspires us and brings us an enormous sense of purpose. Change is in our hands and the future is being built now.

Will you join us on this journey?

David Feffer

Chairman of the Board of Directors

Letter from
the CEO | WALTER SCHALKA

Eyes on the future

[GRI 102-14]

Suzano went through one of the most emblematic periods in its history in 2019. Everything we lived and built in the year since the merger, on January 14, will help enable the company's operations in the long term. In this period, we defined and worked on some fundamental aspects: capturing synergies, integrating processes and systems and, not least important, disseminating our Culture Drivers and our strategic vision, which help us build the future we want for ourselves and the world.

Another priority for Suzano in 2019 was to raise the level of corporate governance by aligning our practices with SOX Certification (Sarbanes-Oxley Act), since we started to trade our shares on the New York Stock Exchange. To this end, we carried out a thorough review of processes and activities in order to adjust to these standards, considering the enforcement of a culture focused on management and internal control across the company.

Externally, we were caught by surprise by the sharp drop in pulp price. It is true that, at first, we underestimated the effects of the uncertainties generated by the trade war between the United States and China. The drop in the pulp price and the destocking process that took place in the sector throughout the year impacted our business. We had to take measures, such as reducing production, which implied some changes in logistics, forestry and industrial operations.

On the one hand, the turbulence in the market resulted in loss of profitability and multiple negotiations with suppliers in the various stages of our chain, on the other, our team rallied together to find solutions to overcome these challenges. We transformed difficulties into daily opportunities to exercise our Culture Drivers, which are non-negotiable: we are people who inspire and transform, we create and share value and we believe it is only good for us if it's good for the world.



Photo: Sérgio Zacchi

Throughout 2019, we had a series of relevant events, which required Brazilian companies to adopt a different attitude, and Suzano made its positioning clear. We are aware of our relevance as an agent of transformation and, therefore, we understand the need to be proactive in relation to these issues. Thus, we went public to present our point of view.

We also worked on the long-term strategic vision, analyzing megatrends and opportunities for our business. We prepared our sustainability strategy and understood that we are part of the solution to society's challenges. We develop renewable, recyclable and biodegradable tree-based products tree and we have the strategic vision of expanding the market for our biomass, the most competitive in the world.

We have set ambitious goals to be achieved by 2030: we want to be **even more climate positive**, removing an additional 40 million tons of carbon from the atmosphere; **to mitigate the problem of income inequality**, enabling 200,000 people to rise above the poverty threshold in our area of influence; and **to replace plastics and oil derivatives**, by offering 10 million tons of products from renewable sources.

None of us ended 2019 as we started it. All employees and key partners contributed to building a new future for the company. This journey is just beginning and 2020 will undoubtedly be another year of many challenges and achievements for Suzano.

Walter Schalka
CEO of Suzano S.A.



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About the

Report



*Aldieris de Oliveira
Correia. Fiber Line.
Aracruz Unit
(Espírito Santo state).
Photo: Márcio Schimming*



*José Lázaro dos Santos Júnior,
R&D leader, Jacareí Unit (São Paulo state).
Photo: Fotocontexto*

Suzano's 2019 Report presents the achievements, lessons learned and challenges experienced by the company in its first year of creation. This edition provides an insight into the company's economic, environmental and social practices and presents its corporate and sustainability strategy.

This report was prepared in accordance with GRI standards: Core option, and we were also inspired by the Integrated Reporting (IR) guideline, in terms of focus, balance and conciseness. The GRI disclosures collected relate to the corresponding contents throughout the sections and are compiled in the **Indicators Center**, a digital section especially dedicated to the dynamic and detailed reading of data and information. The company also reports in line with the Sustainable Development Goals (SDGs)—17 global goals established by the United Nations (UN) in 2015.

After the merger, in early 2019, we carried out a study to align the material issues for Fibria and Suzano Papel e Celulose, consolidating a new and

unique list of relevant topics. At that point we evaluated documents that addressed critical issues for the sector, in addition to an initial analysis of the priority market demands for the two former companies. This study was the basis for the 2018 Report.

Today, Suzano's materiality is the result of cross-referencing relevant issues for the business, from the standpoint of our various stakeholders. These issues were captured through a significant consultation process to build our strategy (*learn more on page 86*), correlated with critical topics regarding the forestry sector and the production sectors as a whole, identified by large, company associations that work toward sustainable development.

From left to right: Nilza Aparecida de Castro e Silva, Raiana Marcello Castanho, Marcelo Shigekiyo Sado, Estela Mara de Castro Ribeiro and Nilton Carlos Santos Araujo, Jacareí Unit (São Paulo state).
Photograph: Fotocontexto

In the Indicators Center, the search for information can be done by Material Issues, related SDGs, GRI disclosures, and information from the Task Force on Climate-Related Financial Disclosures (TCFD)¹.



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

At the end of 2019, we also cross-referenced the output from this rich consultation process with a thorough analysis of Suzano's priority market demands (such as assessments by ratings agencies and sustainability indices) and, at the end, we arrived at the ten material issues that support the development of our 2019 report.



Alice Regina Moreira Santos, Assistant Operator in the Baling area, Jacareí Unit (São Paulo state). Photo: Fotocontexto



Material issues

[GRI 102-47]

- 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

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





From left to right:
Willians Silva Rodrigues,
Layane Bonfim dos Santos,
Ana Célia Araújo da Silva, Jeylsy Bandeira de Oliveira,
Gina Kercia de Sousa Pimentel, Jessyca Cleanne da Mata
Araujo, and Izabela Lobato de Souza, Occupational Safety,
Imperatriz Unit (Maranhão state).
Photo: Márcio Schimming

In addition, in the second half of 2019, we implemented a work front to prioritize and harmonize corporate indicators in order to consolidate a satisfactory amount of quality information – something difficult to achieve during a year of integration, when we started from distinct management bases. This process involved the analysis, prioritization and alignment of the capacity to harmonize the indicators collected by the various areas that provide corporate information in their main external questionnaires and periodic reports (such as public reports, indices, investor demands). The main purpose of this effort was to prepare the areas to meet demands already mapped as priorities, with continuity in the medium and long terms. Part of these indicators, including the GRI disclosures, is provided in our Indicators Center, as per link above.

To guide readers along this journey on our challenges and achievements in 2019, we divided the Report into seven chapters, with chapters 4 and 5 containing most of the initiatives carried out by the company over the reporting period. In chapter 4, entitled “The first year of the new Suzano”, we talk about the main initiatives carried out by the organization throughout 2019 in terms of people, products, innovation, social performance and eco-efficiency in forests and industry. In chapter 5, “The journey continues”, readers will learn about the path we are taking to build our purpose, and the sustainability and business long-term strategies – all developed from a consultation and co-creation process that involved Suzano’s external and internal stakeholders.

The content of this publication has been subjected to external assurance by Bureau Veritas (see letter on [page 94](#)). In addition to the full online PDF edition, available for download at www.suzano.com.br/en/r2019, the Report has a printed version and an infographic where the main information is an instructive and summarized manner. More information about Suzano can be obtained on our institutional website www.suzano.com.br/en/.

Enjoy your reading!
[GRI 102-46, 102-54]

For questions or suggestions about our Report, please contact us by email relatoriosuzano@suzano.com.br.



Covid-19

The 2019 Report was based on interviews and field analyses conducted before the coronavirus outbreak became a global emergency, resulting in significant changes to our way of life. As a global company, we have been closely following the evolution of Covid-19 since its onset, adopting internal and external measures to ensure the health and safety of our employees and the delivery of our products – considered essential for hygiene, cleaning and care for the family and home – to our customers, in addition to a series of actions to support society, either through the sharing of information and best practices in this scenario, or through donation of materials and equipment to the healthcare network. Since this crisis is not yet behind us, its impacts on business, on our sector and across the world will be duly covered in the 2020 Annual Report.

For more information on this topic, visit our website:
www.suzanocontraocoronavirus.com.br/.

Forest mosaic in
Mucuri (Bahia state).
Photo: Ricardo Teles



3 Suzano in numbers²

[GRI 102-7, 102-8]

36,547¹

EMPLOYEES
(COMPANY AND
OUTSOURCED WORKERS)



R\$ 73 million¹

IN SOCIAL INVESTMENTS
(SUZANO + PARTNERS) IN
NEIGHBORING COMMUNITIES



10 mills
+ VERACEL

(JOINT VENTURE
WITH STORA ENSO)

PULP

ARACRUZ (ES),
IMPERATRIZ (MA),
JACAREÍ (SP), LIMEIRA (SP),
MUCURI (BA), SUZANO (SP),
TRÊS LAGOAS (MS)

PAPER

LIMEIRA (SP), MUCURI (BA),
RIO VERDE (SP), SUZANO (SP)

CONSUMER GOODS

BELÉM (PA), FORTALEZA (CE),
IMPERATRIZ (MA), MUCURI (BA)

Installed capacities:

1.4 million
TONS OF PAPER
ANNUALLY

10.9 million
TONS OF PULP
ANNUALLY
(INCLUDING VERACEL)



ALL MILLS CLOSE TO THE COAST
OR CONNECTED BY RAILWAYS

R\$ 10.7 billion¹
OF ADJUSTED **EBITDA**

R\$ 7.1 billion¹
IN OPERATING CASH
GENERATION



NEARLY
35,000¹
CUSTOMERS
IN THE PAPER
SEGMENT



Renewable energy:

AVERAGE TRADING OF
167.2 MWm¹
HIGHER THAN THE AVERAGE
CONSUMPTION OF ELECTRICITY
IN THE MUNICIPALITY OF
SANTOS (SP)³

PAPER SALES VOLUME
(INCLUDING CONSUMER GOODS):

1,256 k ton¹

PULP SALES VOLUME:

9,412 k ton¹

R\$ **CAPEX:**
5.78
billion¹

¹ 2019 data.

² With the exception of financial data, installed capacity and total number of mills, the other indicators presented throughout this material do not include information on Veracel's operation.

³ Data from the Department of Infrastructure and Environment (SIMA) of the Government of the State of São Paulo (base year 2018).



Planted areas:
APPROXIMATELY
1.3 million¹
HECTARES

**Areas set aside
for conservation:**
APPROXIMATELY
900,000¹
HECTARES

87%
**FSC^{®4} AND
PEFC/CERFLOR**
CERTIFIED AREAS⁵

5 INTERNATIONAL
COMMERCIAL
OFFICES
(FORT LAUDERDALE – USA;
LUSTENAU – AUSTRIA;
NYON – SWITZERLAND;
SHANGHAI – CHINA;
BUENOS AIRES – ARGENTINA)

3 PULP EXPORT
PORTS
10 FULLY
DEDICATED
SHIPS

5 RESEARCH
CENTERS
(3 IN BRAZIL,
1 IN CANADA
AND 1 IN ISRAEL)

21
DISTRIBUTION
CENTERS

WHERE WE ARE AND CERTIFICATIONS



⁴ Forest management certificates FSC-C110130, FSC-C118283, FSC-C100704, FSC-C009927; and chain of custody FSC-C010014.
⁵ Calculation of the percentage of certified areas considers only Suzano's operational areas (excluding those under investment fund management, under forestry partnership and not intended for supplying mills).



4 The first year of the
new
Suzano

*Forest mosaic in
Mucuri (Bahia state).
Photo: Ricardo Teles*



*Joelma Araujo, Operator,
Wood Preparation, Aracruz Unit
(Espírito Santo state).
Photo: Márcio Schimming*

It is no exaggeration to say that 2019 was one of the most intense years in Suzano's history. During this period, three achievements were fundamental to enable the results obtained: capturing synergies between the processes of the two former companies, creating the new culture and integrating the systems. In parallel, the areas worked intensively to keep the business running on all company fronts.

The following pages present some of the main initiatives in governance, people, forestry, logistics and industrial operations, products, innovation, sustainability and forestry, logistics and industrial operations that depict Suzano today.

Excellence in governance

[GRI 102-18, 103-1, 103-2, 103-3]

Raising Suzano's level of corporate governance was one of the priorities for 2019, even amidst so many challenges to integrate people, processes and systems and deliver results.

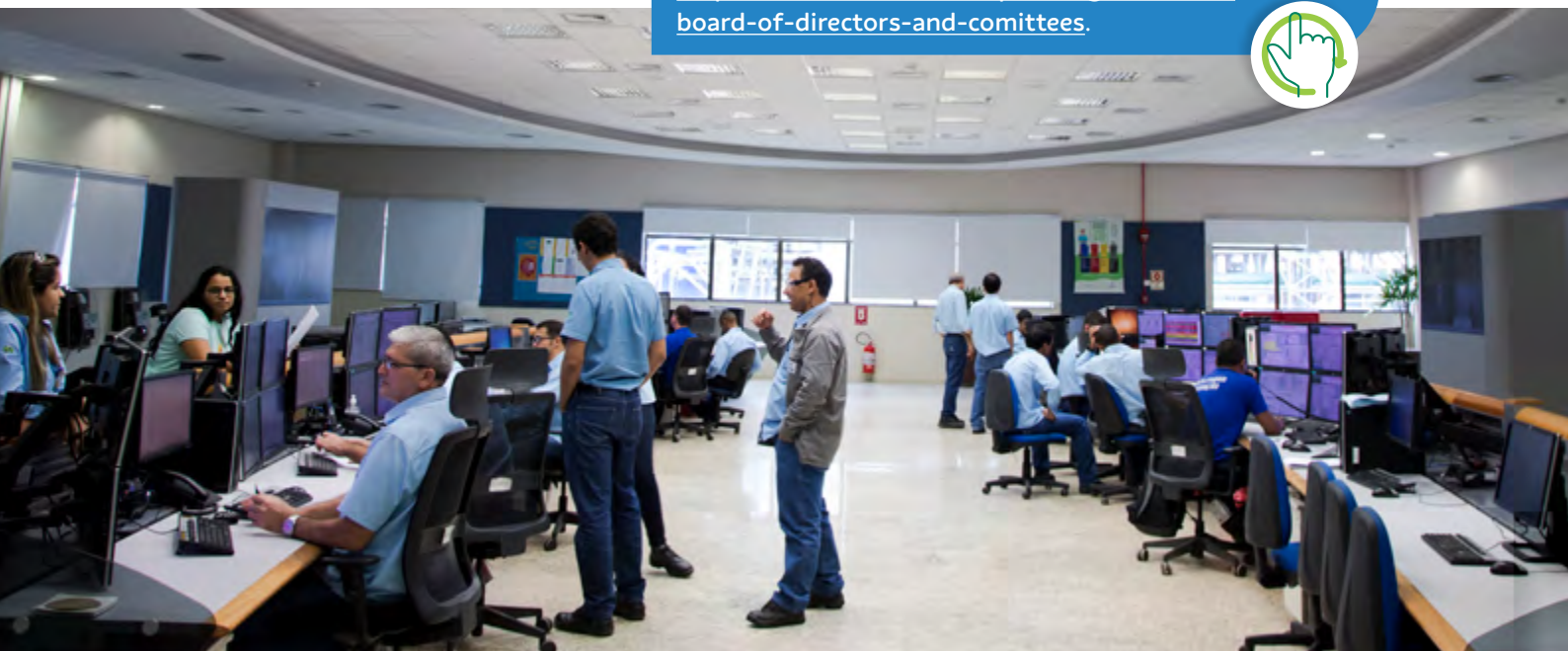
The year 2019 was also the first year when the new company began trading its shares on the New York Stock Exchange, which represents an important evolution in terms of governance for the company, subjecting us to strict American rules, such as the SOx Certification (Sarbanes-Oxley Act). This certification imposes high internal control standards, and aims at the integrity of our financial statements and the soundness of the company's processes. Additionally, we have in place corporate policies to guide the ethical, integral and transparent performance of directors, officers, employees and other stakeholders.

In view of this scenario, we divided our work into two main lines of action:

- We consulted with specialists and investors in order to structure governance at a level even higher than that required by Brazilian and American laws;
- We structured committees with clear roles to contribute to the duties of the Board of Directors and brought in external professionals to form these committees, adding diversity of knowledge and experience to the discussions for decision making. Thus, we reconciled a short-term agenda, focused on efficiency, scale and profitability, with a look to the company's future.

*SDCD Industrial. Imperatriz Unit (Maranhão state).
Photo: Ricardo Teles*

To get to know the members of the Board of Directors and Executive Board and their resumes, visit:
<http://ir.suzano.com.br/corporate-governance/board-of-directors-and-comittees>.





Rodney Schmidt, Operator, Fiber Line.
Aracruz Unit (Espírito Santo state).
Photo: Márcio Schimming

Based on this work, we reached the end of 2019 with the following governance structure:

Board of Directors

It is responsible for preparing and approving the company's global strategies. It is formed by nine Board Members, five of whom are independent. Board Members do not hold executive positions in the company. They are elected and removed from office at any time by the General Meeting and have a unified two-year term, with reelection permitted.

The Board of Directors has the support of the Audit Committee, whose main objective is to oversee the acts of the administration; of the Executive Board, responsible for addressing the company's strategic issues; and of five other advisory committees. All the committees count on external members participation bringing different perspectives to the discussions.

Statutory Audit- aims to ensure strict internal controls and best administrative practices in the company.

Sustainability- advises Suzano to think strategically, including discussions on global and latent themes, and to what extent we can contribute to the transformation of specific scenarios, and their impacts, such as the climate change issue.

Strategy and Innovation- has several external members, including executives from other industries, who contribute to the company's reflection on its long-term vision and actions that promote innovation within the company.

People- when assessing the organizational structure and development models, remuneration, succession and career practices, the idea is to connect the employees' profile to the company's long-term strategies and goals.

Management and Finance- aims to provide technical advice to the Board of Directors for the best performance of its activities.





Antonio Marcos Coelho Lunardi (standing) and Leonardo Gomes de Abreu, Production, Recovery and Utilities, Jacarei Unit (São Paulo state). Photo: Fotocontexto



New corporate policies

In 2019, we worked to build our new corporate policies, mainly in relation to topics such as Human Rights, Integrated Risk Management Policy, Ombudsman's Office, Disciplinary Measures, Stakeholders, Anti-Corruption, Securities Trading, Intellectual/Industrial Property and on Cultivars, Environmental Management, Diversity & Inclusion, Health, Safety and Quality of Life. The documents, developed with the participation of several areas of the company, contain the guidelines adopted by Suzano in all its operations and relationships and can be accessed on the company's website. See the result of this work on www.suzano.com.br/en/the-suzano/documents/.

MAPPED RISKS

An important exercise performed, which is also in line with the highest governance standards, relates to risk management. At Suzano, risk management is supported by three complementary fronts, committed to avoiding or reducing the likelihood of risks occurring in different areas of the business.

1. INTERNAL CONTROLS

The Internal Controls team works to preventively map and monitor critical areas and processes in a systematic and continuous manner. All risks mapped are mitigated and/or monitored using the Control Self Assessment (CSA) methodology, through which process owners quarterly assess their controls adherence and monitor the compliance of its application. In this first year of the SOx audit at Suzano, procedures related to the culture to manage internal controls received extra attention.

2. STRATEGIC RISKS

In 2019, we consolidated Suzano's risk matrix, according to the Enterprise Risk Management (ERM) methodology. We analyzed the company's risks considering the likelihood of their occurrence and the financial impacts, in addition to six other aspects—health and safety, environment, sociocultural, image and reputation, organizational climate, and legal—all with equal relevance.

To define the risk matrix and the respective action plans, the team interviewed 130 company managers. Additionally, we created Risk and Business Continuity Commissions covering all of our operations in Brazil. The role of these commissions is to map the main risks in the locations where Suzano operated and to define action plans, in addition to preparing business continuity plans that address crisis episodes, should they occur. The next step in forming these commissions was to train people through drills so that they could assess their ability to react quickly and effectively in the event of a crisis. Finally, we identified spokespersons from different units and developed a media training in order to prepare them to deliver the right messages at critical moments.

Compliance

In 2019, we began to redesign the Compliance Program based on the consolidation of previously implemented programs, prioritizing the harmonization of policies and main controls, and having as a guideline an ongoing concern with the integrity of the corporate environment, either internally or externally.

Through the Program, we explore the concept of the first line of defense through standards of conduct, trained and disseminated in the business areas in order to identify and mitigate possible risks in our operations.



*Maria Emilia Drummond Blonski,
Industrial Process Consultant.
Jacareí Unit (São Paulo state).
Photo: Fotocontexto*

3. ETHICAL CONDUCT AND MANAGEMENT

[GRI 102-16, 102-17]

In 2019, we revised the Code of Conduct and published the Ombudsman Policy, the Disciplinary Measures Policy and the Procedure rules of the Conduct Committee, which establish the process guidelines and governance on ethical conduct and management at Suzano. All of these documents address compliance with legal and normative provisions applicable to the area and to the Ombudsman's Channel, as well as the appropriate regulations, including specific procedures and confidentiality of information. Among other goals, all of these rules are intended to protect whistleblowers who report in good faith to preserve the company's ethical principles, ensuring non-retaliation.

Inspired by the Culture Drivers, our 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 new document is a tool that guides

and enhances our actions and decisions on a daily basis, ensuring that our activities with employees, shareholders, customers, suppliers, government officials, and the community are in line with the ethical behavior and respect that we nurture in the relationship with our various stakeholders.



Rosinei Aparecida Santos, Peterson Cristhians Mira and Jonas de Aquino, Jacareí Unit (São Paulo state). Photo: Fotocontexto

Ombudsman Channel

The whistleblowing channel is confidential and independent and is available to employees and the general public for submitting reports and complaints about issues that could violate our Code of Conduct. The work is carried out by a contracted and independent company and guarantees anonymity, if requested by the whistleblower. Receipt and control of the contacts, via Internet, are available 24x7, accessible through any computer, tablet, or cell phone (with Internet access). The model ensures complete anonymity and absolute secrecy of the information provided by the whistleblower, and can be accessed through <https://ouvidoriaexterna-suzano.com.br/>.

The investigation work is carried out by competent people and areas in an autonomous and impartial way to identify the veracity and apply the necessary measures, and no form of retaliation against the whistleblower is allowed or accepted.

Click [here](#) to learn more about the indicators related to Suzano's Ombudsman Channel.

INTEGRATION OF PROCESSES AND SYSTEMS

A fundamental step towards the consolidation of Suzano in its first year was the project to unify processes and systems. The initiative, called 'Integration Project', involved all areas of Suzano aiming to consolidate the company's various processes and systems (coming mainly from the different structures of the two former companies) into a single environment to obtain greater operational efficiency. The benefits of this integration include greater organizational standardization, integrity of information, greater productivity, risk reduction, and greater competitive advantage.

In order for all of this to happen within a challenging schedule, a multidisciplinary team with more than 560 professionals was deployed to work

exclusively on the Project. Beginning in February 2019, the initiative went through several phases until its go live in early 2020 and yielded important gains to the business, such as:

- integration of teams and joint construction of the future processes and systems scenario, bringing a sense of ownership to both sides in the activities defined for each area;
- documentation of all system processes onto a single platform - UniverSuzano -, available online for the entire organization;
- high level of employee empowerment (via training) in the transaction areas day-to-day activities.

Main figures of the Integration Project:

110,000
HOURS DEDICATED
TO THE
PROJECT



PARTICIPATION OF
MORE THAN
560
EMPLOYEES



5,000
PARTICIPANTS
MAPPED FOR
TRAINING



APPROXIMATELY
28,000 TESTS
STEPS



OVER **40**
CONSULTANCIES
INVOLVED



130
TEST DAYS



143 BLUEPRINT
WORKSHOPS
TO DESIGN NEW PROCESS
AND SYSTEM STRUCTURES



123
COURSES



CORPORATE RELATIONS

[GRI 102-13, 102-43]

Suzano recognizes that changing society's perception of the planted forest sector is one of its greatest challenges. And, for this reason, the company has been working more and more for this change to take place successfully, whether by taking a clear position on important issues—such as the case of forest fires in the Amazon, in which we publicly reaffirm the company's commitment to zero deforestation—whether in dialogue with the Ministry of the Environment to share knowledge and information or placing the concept of innovability at the center of our strategy in order to drive solutions in a transition to the bioeconomy, that is, an economy based on the use of renewable resources.

We know that the company is perceived as a key Brazilian company in international trade, in an

industry that needs to renew its image. With this in mind, we want to be leading players in this movement, seeking to maximize the engagement with all our stakeholders.

Brazil is going through an ethical crisis that tends to open a gap between the public and the private sectors. However, our intention goes precisely in the opposite direction, since, together with other players, we are willing to contribute to a positive transformation of society as a whole. To this end, we recognize the importance of further positioning ourselves in relation to topics of great importance for the evolution of the country and the world while maintaining a good relationship with the different government levels and with all other stakeholders, regardless of religious or political ideologies and preferences.

What we did in 2019

- We intensified the dialogue with representatives of municipalities and states so that these political forces understand the new company and our proposal. All meetings are recorded to make the process transparent.
- In the federal and international levels, Suzano's economic activity is of great importance for Brazil and the world and, as such, we increasingly took part in forums and debates explaining about the planted forest sector and where the company stands in terms of bioeconomy.
- We strengthened ties and activities with sector associations such as Brazilian Tree Industry (Ibá - *Indústria Brasileira de Árvores*), in particular working to educate the various audiences on the activities involving this industry, highlighting its positive externalities.

*Raiana Marcello Castanho,
Forest Planning consultant,
Jacaré Unit (São Paulo state).
Photo: Fotocontexto*



Our people

[GRI 102-16, 102-43, 103-1, 103-2, 103-3]

Amidst an intense context of integration, assessment of synergies and major changes in teams (something that requires everyone to be resilient, detached and to adapt), one of our main movements in 2019 was the internalization and dissemination of our Culture Drivers (see below). These Drivers comprise a set of guidelines about who we are, what we do and how we do it, reflecting what the company aims to be.

Thus, in order to keep motivation high and clearly address the Drivers, relating them to daily business, an extensive agenda of workshops, training and communication actions was put into practice. The goal is for, in a growing movement, the Drivers to influence decision-making of our professionals, in their various levels of operation, directly contributing to strengthening the new organizational culture.

Culture Drivers

Who we are



People who inspire and transform

- We have the courage and competence to make it happen.
- Fostering diversity strengthens us.
- We work together and for the whole.
- Exceeding expectations drives us.
- We are 'strong and kind'.

What we do



We creat and share value

- We think big and act globally.
- We are always evolving with agility.
- We innovate to advance.
- We build and share success considering all stakeholders.

How we do it



It's only good for us if it's good for the world

- We dialog to build better.
- We are protagonists in society's evolution.
- We always act sustainably.
- We seek admired profit.

DIALOGUE AS A PRINCIPLE

To support dissemination of the Drivers dissemination, a multidisciplinary culture team was formed, with 15 representatives from different areas, responsible for organizing an agenda with several initiatives throughout the year:

- **cultural fit survey:** 10,000 participants with 88% of people stating that they experience the Drivers in their areas;
- **training Leaders:** 30 workshops geared toward professionals in management positions and higher to discuss the role of leaders regarding the adoption of the Drivers on the organization daily routine;
- **internal communication campaign** involving all company levels to lead to a reflection on how people are experiencing, in practice, these Cultural guidelines;
- **network of influencers:** in another internal consultation, we mapped the network of informal influencers in the organization, at all hierarchical levels, and brought them together to discuss ideas on how to further disseminate the Drivers.

In January 2020, a new engagement survey was conducted to assess how the application of the Culture Drivers is progressing in the daily life of the company. More than 11,000 employees participated in the consultation and the results revealed that:

91% ARE LIVING THE DRIVERS IN PRACTICE, AN INCREASE OF THREE PERCENTAGE POINTS IN RELATION TO THE PREVIOUS SURVEY

92% OF EMPLOYEES PERCEIVE THE POSITIVE ROLE OF LEADERSHIP IN EXPERIENCING THE DRIVERS

90% EXPERIENCE THE DRIVER "PEOPLE WHO INSPIRE AND TRANSFORM",

91% ARE PRACTICING "CREATE AND SHARE VALUE" AND

92% EXPERIENCE THE DRIVER "IT'S ONLY GOOD FOR US IF IT'S GOOD FOR THE WORLD."

Optimized structure

Shortly before the businesses merger, we mapped professionals in overlapping positions and drew up a plan to arrive on January 14, 2019 (merger consolidation date) having all the demobilization needs defined and communicated up to management and coordination levels.

In the Forestry area, especially in the States of Bahia, São Paulo and Espírito Santo, other demobilizations occurred even after all the work carried out prior to the merger. This was in part due to the synergy of operations and to the drop in pulp prices in 2019, which led to a slowdown in production and brought a direct impact on operations.

EMPLOYEE JOURNEY

Suzano believes that a large company results from the people commitment, and this means taking part in building the company. Thus, in 2019, employees from different areas were called to co-create projects and processes:

1. PERFORMANCE EVALUATION

We reassessed this process and reviewed the behaviors expected from our employees concerning the new Culture Drivers. The performance evaluation will take into account the adoption of these behaviors by employees so that they can achieve the expected results. To give an example: one of the behaviors evaluated is to what extent employees adhere to the Driver "It's only good for us if it's good for the world," which gauges the impact of our actions on our various stakeholders. The evaluation started in the second half of 2019 and includes:

- administrative positions and higher - self-evaluation and evaluation by the manager, followed by forums to fine tune and sign off with the Executive Board;
- operational positions (industry and forest) - the evaluation will take place throughout 2020.

*Ronilson Furtado Goncalves,
Portocel port worker, Araacruz
(Espírito Santo state).
Photo: Rogério Sarmenghi*



2. LEADERSHIP PROFILE

Focus groups across all the company units discussed the qualities of inspiring managers who drive the collaborative spirit of their teams. This dialogue and listening practice resulted in seven attributes that will be disseminated among the leaders in training sessions throughout 2020.

3. PLURAL [GRI 103-1, 103-2, 103-3]

The purpose of the Plural program, an internal movement that emerged organically and voluntarily at Suzano in 2016, is to value diversity and encourage inclusion in the company. The program was institutionalized in 2019 and is closely related to the diverse and inclusive environment we wish to build in our operations. Diversity is also included in our Culture Drivers.

Plural relies on five affinity groups, having senior executives as sponsors, and has been working to clarify concepts, analyze metrics and propose internal actions in line with the manifesto that states the company's position regarding this topic. The five groups are: Women, Black¹ (race and ethnicity), Pride (LGBTI+)², People with Disabilities (PwDs) and Generations. In addition, in 2019, Suzano signed the following public commitments to value diversity:

- Forum of LGBTI+ Companies and Rights
- Brazilian Business Initiative for Racial Equality
- UN Women's Empowerment Principles

Signing of the commitment to the Forum of LGBTI+ Companies and Rights, with the presence of Reinaldo Bulgarelli, Director of the Forum, and Walter Schalka, in addition to members of the Diversity & Inclusion Committee and members of the company's Affinity Groups. Headquarters (São Paulo state). Photo: Ricardo Teles

Manifesto

See Plural's manifesto on

www.suzano.com.br/en/the-suzano/people-and-culture/



¹ Terminology used by the Brazilian Geography and Statistics Institute (IBGE). This category includes blacks and pardos.

² At Suzano we have chosen LGBTI+ as our umbrella term. It stands for: Lesbian, Gay, Bisexual, Trans, Intersex and + for all other spectrums of sexuality and gender.

CENSUS RESULTS HIGHLIGHTS [GRI 405-1]

The Diversity Census was conducted for the first time and defined the company's policy on this topic. View the policy on our www.suzano.com.br/en/the-suzano/documents/.

See some of the Census results

RESULT OF THE CENSUS WITH VOLUNTARY PARTICIPATION OF 11,947 EMPLOYEES (85% OF PARTICIPATION)

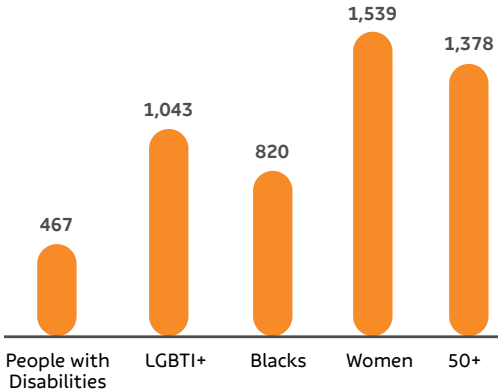


- 5,679 (47.5%) employees self-reported being white
- 306 (2.6%) self-reported being Asian
- 66 (0.6%) employees self-reported being Indigenous
- 94 (0.8%) opted not to declare
- 602 (5.0%) have some kind of disability or limitation
- 265 (2.2%) self-reported being homosexual, bisexual or other
- 5,801 (48.5%) employees self-reported being black



EVEN SO, THE CENSUS REVEALED THAT **MANY EMPLOYEES HAVE WITNESSED OR SUFFERED PREJUDICE** WITHIN THE COMPANY

HAS SUFFERED OR WITNESSED PREJUDICE AGAINST (ABSOLUTE NUMBERS)



4. FAZ BEM (WELL-BEING) PROGRAM

It is the Suzano's quality of life Program, which promotes physical and psychological health and is intended to prevent diseases among company employees. In addition to focusing on ergonomics, with continuous analysis of workstations and workplace exercises, the Program promotes actions to support pregnant women, extends safety concepts to employees' children on special dates such as Children's Day, promotes blood drives and more:

- **Running group** - in 2019, there were 25 races with the participation of 2,500 employees, who had sports advice and costs covered by the company;
- **Suzano Race** - held in Imperatriz (Maranhão state), Três Lagoas (Mato Grosso do Sul state) and Jacaré (São Paulo state) with the participation of employees and the community. More than 2.5 tons of food were collected in 2019 as registration fees, and donations to the institutions were delivered by the 112 employees who participate in the *Voluntariar* Program;
- **Disque Viver Bem** (Live Well Dial In) – support channel with specialized guidance on physical and mental health and financial and legal issues for employees and family members. In 2019, a total of 6,000 people benefitted.

5. SAFETY

All Suzano units are covered by a health and safety management system based on the guidelines of ISO 45001 (2018), OSHAS 18001, ISO 9000, Regulatory Labor Standards, the PDCA (Plan, Do, Check & Act) cycle concept and best local and international market practices related to this topic. We also have in place the Safety in the Area Program—a tool that aims to disseminate concepts based on practical experience among employees and, thus, promote a safer work environment. It also offers a corporate Portal to provide safety data per unit for consultation, as well as internal communications via intranet and emails related to the topic.



*Nilton Carlos Santos
Araujo, Operational
Excellence Consultant.
Jacaré Unit (São Paulo state).
Photo: Fotocontexto*

The units also rely on structured safety committees, divided into subcommittees. In these groups, employees participate in the discussions, analyses and implementations of initiatives related to this topic, as well as in the actions carried out by the Internal Accident Prevention Commissions (CIPA), whose goal is to preserve the physical integrity of employees through actions that minimize risk of occupational accidents and diseases. The responsibilities of the committees include: active participation in meetings for discussion and decision-making related to safety in the units, setting goals and objectives, and addressing matters at strategic level (Management Committee), at operational level (Cell Committee) and at specific level (Technical or Theme Committee). Committee meetings are held according to the calendar defined for each unit.

In 2019, during the process to capture synergies, the Safety team managed to map best practices from both companies through workshops with representatives from all units (Industrial, Forestry and Ports). See the main synergies below:

- preparation of the organization's Occupational Health and Safety Management System Guide;
- implementation of Safety in the Area and Linha Mestra (Master Line) programs in all units;

- establishment of an Occupational Psychologists teams to prepare leaders and encourage safe behavior among all Suzano employees, collect data for analysis, offer feedback to people being monitored, and remove barriers to safe behavior;
- Pact for Safety: a commitment to safety made by every employee, based on the signing of a document and on specific monthly committee meetings to control the actions described in the Pact.

One of the most significant outcomes in safety in 2019 was the 22% reduction in the number of occurrences resulting from investments in safety made by the units, from increasing engagement of leaders with the topic, from the search for preventive actions, and from the procedures and tools implemented in the company. That places us among the best practices when compared to other companies in our sector.

Despite this reduction, in 2019, unfortunately, we recorded a fatality among one of our logistics service providers at the Maranhão state Forestry unit, outside our facilities. Suzano provided all the necessary support to those involved in the case and carried out a comprehensive analysis among all its units to disseminate the lessons learned from the event. It is worth mentioning that all accidents and incidents recorded at Suzano are extensively analyzed and investigated by our Occupational Health and Safety team. The company has safety procedures in place that meet best market practices and are constantly reviewed and perfected. Year after year, our management model has been managing to reduce accidents in operations. Fatalities are unacceptable, and we work to end these occurrences.

Thamires Silva, intern in Organizational Development (HR), and Amanda Cordeiro, intern in Communication. Headquarters (São Paulo state). Photo: Fotocontexto

[Click here to see Suzano's results in safety.](#)



Our products

[GRI 102-2]

PULP

The scenario in the global pulp market in 2019 proved to be challenging due to the sharp drop in the price of this commodity, stemming from a major imbalance in market fundamentals, especially on the supply side, and aggravated by macroeconomic events, such as the trade war between China and the United States and the weakening of the global economy.

Consequently, pulp inventories in the chain rose rapidly in the first months of the year and Suzano

temporarily operated at higher inventory levels. As a reaction, we sought to quickly adjust our production volume and pricing policy in line with the international scenario. With this, we managed to show, at the end of the year, a strong reduction in the levels of inventories while guaranteeing an excellent levels of services for our customers. This demonstrates our resilience in the face of a period of market adversities.

*Eliana A. dos Santos Cerqueira, Chemical Analyst.
Aracruz Unit (Espírito Santo state). Photo: Márcio Schimming*





Limeira Unit
(São Paulo state).
Photo: Ricardo Teles

PAPER

Operational excellence and commercial discipline led Suzano to record its best year in the Paper segment. Given the adverse scenario in Brazil, with a decrease of 5% in the printing and writing segment and 2% in cardstock in the domestic market, and in view of the trade war between China and the United States, we worked on a market flexibility strategy. In addition to staying close to customers, we made detailed analyses of the demands of the niche markets where we operate and of the price shifts in the different countries where we marketed our products in order to take advantage of the best opportunities in terms of price and volume. This flexibility has allowed us to achieve profitability above historical levels.



SUZANO HAS
40%

MARKET SHARE

SHARE IN BRAZIL IN THE
PRINTING AND WRITING
MARKET

E-commerce:

DURING THE YEAR, WE LAUNCHED **SUZANO'S E-COMMERCE AND CRM PLATFORMS** FOR THE PRINTING AND A4 PAPER MARKETS, ALREADY SHOWING GOOD RESULTS IN **ONLINE SALES**

We also completed the conversion of one of our paper machines to produce Eucafluff® pulp. The equipment had a capacity to produce nearly 80,000 tons of paper and, in 2019, it was already operating at full capacity in the production of Eucafluff®. This represented a reduction in the production of coated paper.

However, even facing the challenge of change, we managed to have a better performance than in 2018, based on best practices and operational excellence.



Bluecup was the official cup of the Track & Field Run Series street race, held in São Paulo (São Paulo state) in December 2019. Photo: Suzano image bank

The future of paper



The year 2019 was also one of investments in new technologies that are allowing us to go beyond the traditional printing and writing segment. We managed to give more traction to our product for the cupstock segment, which can be used to make cups, ice cream cartons and packaging for delivery and fast food chains, among other materials. In the Bluecup® line of disposable cups, we launched Bluecup Bio® - a biodegradable, compostable and recyclable solution for a wide range of products, including disposable cups.

Likewise, Loop®, a paper specially designed for the production of straws as an alternative to single-use plastics was introduced in response to the growing demand from converters and consumers in search of more sustainable products. The product can already be seen in the main fast food chains operating in Brazil.

For both the Bluecup® and Loop® lines, we employ cutting-edge technologies in order to obtain maximum quality. This process required

several technical adjustments in the materials used to produce cups and straws, as well as in the converting machines. Thus, Suzano's own researchers and external consultants were directly involved in fine-tuning these materials and our customers' machines.

Together with the introduction of new technologies, we launched the platform called "Positive Suas Ideias", a movement created by Suzano's cardstock line to rethink production and consumption through creative packaging. Available on social networks, the platform introduces to the general public concepts and products with a sustainable edge and contains packaging solutions provided through collaborations with partners, co-creation, prototyping and alternatives for conscious consumers (*learn more at @positivesuasideas on Instagram and on Facebook*).

CONSUMER GOODS

Suzano's results in the consumer goods segment reflect a large part of the company's efforts to create value to society through its products and services. The company's growing share in these markets reflects the efforts made since the acquisition of the Fábrica de Papel da Amazônia S.A. (Facepa), in 2018.

The main task in 2019 was to renew the business fronts throughout the production chain, consolidate and standardize our industrial park with four plants located in the North and Northeast regions, train the internal audience and encourage improvement of relationships with customers and consumers. Revitalizing the product portfolio, with technological investments to leverage quality, was

another major advance in the period, associated with detailed strategic planning of our brand portfolio in the areas of hygiene, cleaning, family and home care.

Also noteworthy is the shift in consumption from single-ply to a greater supply of double-ply paper, which helped consolidate the Mimmo®, Max Pure® and La Vie Blanc® brands as market leaders in some regions and states in Brazil. Supported by these brands, Suzano, which entered the market as a major reference in the production of toilet paper, paper towels, napkins and diapers in the North region and has a relevant presence in the Northeast region - since the acquisition of Facepa -, is today the fifth largest producer of toilet paper in Brazil by volume.

 **LEADER IN VALUE SHARE**
IN THE NORTH AND
NORTHEAST, WITH
56.6% and 21.9%,
RESPECTIVELY¹

WITH
36% VALUE SHARE,
MIMMO® 
REACHED A LEADING POSITION
IN THE DOUBLE-PLY RETAIL MARKET
IN THE STATE OF ESPÍRITO SANTO¹

 SUZANO IS THE COMPANY THAT
CONTRIBUTED MOST TO THE
GROWTH OF THE DOUBLE PLY MARKET IN
BRAZIL COMPARED TO 2018, **ACCOUNTING**
FOR NEARLY
48% OF THE GROWTH OF THIS
MARKET, BY VOLUME¹

 **6.5%** IS
SUZANO'S VALUE SHARE
IN THE TOILET PAPER MARKET IN
THE COUNTRY¹

MIMMO® CAMPAIGN 
REACHED
44 million
IMPRESSIONS² ON YOUTUBE¹

¹ Source: Nielsen - Nov/Dec 2019.

² Social media impressions refer to the number of times the content of a given profile has been displayed to someone, and it is possible that the impression rate considers a same person more than once.



*Eucafluff, the only eucalyptus fluff on the market.
Photo: Suzano image bank*

EUCAFLUFF®

If on one hand, the sharp drop in pulp prices in 2019 brought difficulties for Suzano also in the fluff segment, on the other, important partnerships have consolidated the application of Eucafluff® in global customers, strengthening its position in Europe, Asia and the United States, where the product is mostly sold. Suzano's

eucalyptus fluff, a reference in sustainability (see box), is used in the production of personal hygiene items such as diapers and sanitary pads. Eucafluff's unique characteristics offer, in addition to the high capacity for absorbing and retaining liquids, greater comfort and discretion for end consumers.



Carbon Neutral Fluff

In a growing movement, Suzano seeks to develop innovative and sustainable solutions for its customers. At the same time, one of the long-term goals of Ontex (the fifth largest producer in the personal care segment in Europe and a strategic partner for the consolidation of Eucafluff in the market) is to become carbon neutral by 2030. Therefore, the alignment of goals between the organizations resulted in supplying products with neutral carbon footprint for Ontex's operations in Italy, France, Mexico and Brazil.

Eucafluff's Life Cycle Assessment (LCA), in comparison with the pine fluff produced in the southeastern United States, was the basis for the neutralization project and, in addition, shows that our product presents a favorable result in several environmental impact categories, such as global warming, water use and land occupation. The complete analysis was conducted by ACV Brasil, in accordance with the guidelines set out in NBR ISO 14044, and the process was reviewed by KPMG, an independent consulting company.

Innovability

[GRI 103-1, 103-2, 103-3]

What is the guiding principle behind the development of all these new lines or products from eucalyptus or pulp? What supports the solution portfolio presented by Suzano to its customers? The answers to these questions are grounded in the concept of innovability, which aligns two determining views for Suzano's success - innovation and sustainability. The increasing incorporation of this concept is intended to yield positive impacts for the business and for society at large, which increasingly demands sustainable solutions in the use of fibers, fuels and energy. Thus, we work so that pulp and all the possibilities offered by eucalyptus plantations can take on this role.

With this in mind, our research centers work to develop studies and applications aimed at innovation in the forests and industry, investing in three main fronts:

- **Maintenance**
Explores solutions to the challenges of the current business, centered on eucalyptus plantation, on the production and marketing of pulp and paper.
- **Differentiation**
Seeks to generate competitive advantage to the business through different ways of using and applying pulp and paper, in line with the needs of our customers.
- **Diversification**
How can we use eucalyptus biomass in applications that go beyond the existing products? Biostrategy projects are developed to expand our portfolio of sustainable solutions in different market niches.

Laura Serafim Leite dos Santos and Eduardo Pires Camargo. Itapetininga Unit (São Paulo state). Photo: Fotocontexto



SUZANO RESEARCH AND DEVELOPMENT



11 YEARS
OF RESEARCH ALONG
WITH THE CONSUMER
GOODS INDUSTRY
TO CREATE EUCAFLUFF®



24 WORKING
RESEARCH PLATFORMS



3 RESEARCH
CENTERS IN BRASIL*



10 YEARS
OF RESEARCH AND
INNOVATION **TO CREATE**
ECOLIG®, A SUSTAINABLE
SOLUTION TO REPLACE
MATERIALS FROM FOSSIL
SOURCES ([PAGE 42](#))



2 RESEARCH
CENTERS ABROAD
(CANADÁ AND ISRAEL)



110 RESEARCHERS OF
14 DIFFERENT NATIONALITIES

* The facilities in the Innovation and Technology area were modified in Jacaré (São Paulo state) and, therefore, this unit no longer has a Research Center.

Jacaré Unit (São Paulo state). Photo: Márcio Schimming





Laura Serafim Leite dos Santos and Leticia Castilho Guilhen. FuturaGene (Itapetininga - São Paulo state). Photo: Fotocontexto

FUTURAGENE

In 2019, FuturaGene, a Suzano subsidiary and a leader in research and development of biotechnologies applied to eucalyptus, completed the laboratory development and performance validation in the field of eucalyptus tolerant to herbicides and resistant to leaf-eating caterpillars. This is an

important step towards the protection of forests, with a consequent increase in productivity in the field. The commercial use of these technologies still depends on the completion of the biosafety assessments and approvals by the regulatory agencies.

To learn more about FuturaGene, visit www.futuragene.com.



Intellectual property management

In 2019, Suzano prepared and validated, in the Executive Committee, its new policy on intellectual/industrial property and cultivars. Through this security instrument (which is already being replicated across the organization), it is possible to more accurately assess the best opportunities for protecting the company's intellectual property. Thus, the new policy gives the company support in making the right decision in each case.

Suzano currently has:

- **413 patents granted** and under review;
- **138 cultivars** protected or under protection;
- **58 partnerships** with universities and research centers.



Seedling Nursery. Três Lagoas Unit (Mato Grosso do Sul state). Photo: Araquém Alcântara

NEW BUSINESS

Suzano seeks to explore markets that are often not directly related to its current business, but that allow the company to diversify its portfolio based on new applications of its raw material: eucalyptus biomass. Therefore, it is essential to understand how far the company is capable of advancing in the production chain, i.e., what assets, skills and partnerships turn it into a competitive player or natural owner of a given market. We want to make Suzano a truly diversified company and, with this goal in mind, we made great efforts to serve new markets, with competitive price and performance.

Our principles for new business:

- leverage assets;
- leverage skills;
- establish strategic partnerships;
- scalability;
- flexibility along the way (we move forward safely and gradually);
- sustainability at the core.

Today, we work on development of applications, aiming at scalability of production and the future commercialization of the following materials:

- **microfibrillated cellulose** - used in papers, paints, cosmetics and fabrics;
- **dissolving pulp and derived sugars** - used in fabrics and in the chemical industry in general;
- **biocomposites** - application in several industries, such as automotive, packaging and consumer goods;
- **bio-oil** - heating oil and biopetroleum;
- **lignin** - used in the segments of phenolic resins, elastomers and thermoplastics.



Biopetroleum

In 2019, we supported the product development process in co-processing applications in refineries and worked on updating engineering information and logistics solutions for the project. Throughout 2020, we will continue with the process for the final approval of its use in production in refineries (on a commercial scale), including new final industrial co-processing tests with petroleum together with partners. From a renewable source, produced from wood by-products and commercial eucalyptus plantations, biopetroleum has a lower carbon footprint than traditional petroleum and is one of the solutions for the climate change scenario. All this is developed in partnership with Ensyn, a company headquartered in the United States in which Suzano has had shareholding interest since 2012.

Competitiveness in the textile market

Three years ago, we acquired a stake in the Finnish startup Spinnova, which developed a process capable of transforming kraft pulp fiber¹ into textile fiber. This type of fiber has differentiated characteristics compared to other fibers (such as viscose and cotton) in terms of environmental impact, since its production requires significantly lower volumes of chemicals and water.

In 2019, our microfibrillated cellulose - the product used to create this more sustainable textile fiber - was approved for use in the Spinnova process. It took three years of intense research to reach the quality parameters necessary for the textile fiber obtained to have a quality similar to that of cotton fibers. The next step is to advance the scale to consolidate microfibrillated eucalyptus cellulose as a raw material for the production of textile fibers.

¹ Note: the main factor that differentiates cellulose pulp for dissolving from cellulose pulp for papermaking (kraft) is its high content of alpha cellulose and low levels of hemicellulose, lignin and ash. Before the development of Spinnova's technology, it was only possible to produce textile fiber from pulp for dissolving. Today it is possible to use kraft pulp to obtain textile fiber.



Bio-composites

This is also a segment in high demand for renewable solutions in society, since the use of plastics and other fossil materials has been the subject of major discussions. Therefore, we work to add eucalyptus pulp to polyethylene or polypropylene, thus contributing to reduce the percentage of components of fossil origin in the formulation of final products. To this end, in 2019, we defined technological routes and conducted tests together with our research and innovation partners. In 2020, we will continue to develop products and processes, advancing in the application of pulp in this market.



Lignin

The first wave of industrialization and commerce of the product line based on lignin (the second most important component of the eucalyptus tree), ECOLIG®, serves three main segments: phenolic resins, elastomers, and thermoplastics. In 2019, we continued to establish partnerships with customers and research centers in order to further develop these markets.

2020

The company expects to complete the technical and commercial validation stage with customers in order to regularly offer ECOLIG® solutions at scale. In the first half of the year, we will also make adjustments to our processes at the mill in Limeira (São Paulo state).

Lignin being analyzed in the laboratory. Photo: Suzano image bank



Digital transformation

We want to be a company with a collaborative profile, with expertise to operate in network and have digital initiatives across the business, at all times. In this sense, in order to promote a culture of innovation in processes and results, the company's Digital area was created in 2019, consolidating the various digital transformation initiatives in place at Suzano and establishing a clear strategy to streamline the obtaining of results from data.

DIGITAL ROADMAP

After all, where are the in-house distresses and possibilities for evolution? The Digital team listened to representatives from all company areas, held a large workshop and created a roadmap with more than 80 real opportunities, which are updated monthly, creating a dynamic portfolio of opportunities. We defined which strategic actions will be developed by Suzano's Digital Center and hired data scientists, developers, experts in agile methodologies, and designers. This team, together with the Information Technology (IT) areas, and the business areas worked together through an Agile model with a common objective of capturing value via the digital culture.

In 2019, we executed projects internally to validate the viability of the model. Noteworthy among these projects are clonal allocation (see [page 52](#)) and optimization of transport and forest harvesting (see [page 54](#)), in addition to other fronts.



*Marcos de Souza,
Machine Operator.
Rio Verde Unit
(São Paulo state).
Photo: Ricardo Teles*

Aiming to democratize innovation and empower teams in each process through fast, global solutions using high technology, we are creating an innovation ecosystem together with institutions that foster entrepreneurship and startups. We design processes, establish agreements and, currently, we have a few successful cases at Suzano, the most recent of which is the hiring of a startup that uses artificial intelligence in procurement processes. Our goal is to democratize relationships with these audiences to 100% of the company. We believe that the greater the number of startups with us, the better it will be for Brazilian entrepreneurship and for Suzano.

During the development of Suzano's Digital area, in 2019, we offered a series of online and in-person training courses to more than 600 people with a focus on disseminating content in the areas of advanced analytics, artificial intelligence, big data, design thinking and Agile Work methodology. The goal for 2020 is to expand this generation of knowledge across the company. Thus, together with the Human Resources, we will boost the digital culture to train scientists, specialists in design thinking and agile models, among other skills.

Our industry

Our long-term strategic vision, "To be highly efficient across the value chain: from forest to customer," is directly related to our ability to expand forest productivity per hectare, in addition to seeking advances in the industry, through the reuse of by-products and efficient use of resources. To pursue our strategy, we invested in a series of initiatives in 2019 and mapped dozens of others that will be monitored over the next five years. Learn about the works carried out in our industrial area in the last year.

INDUSTRY 4.0

Suzano is making significant progress towards industry 4.0 by structuring several studies and projects. One such example is at the Aracruz Unit (Espírito Santo state), where we developed an autonomous digester based on the evaluation of different models and sensors throughout the year. The technology should, in the near future, automatically adjust for changes in wood, thus obtaining greater speed and gains in quality. Thus, as soon as the analyses are completed, we expect to increase production stability, reduce consumption of chemicals and obtain higher quality in the final product.

NEW INVESTMENTS

In the last months of 2019, Suzano announced to the market a series of investments in its operations to increase efficiency and productivity. The Aracruz Unit (Espírito Santo state) will receive an investment of R\$ 272.4 million. The mill will be modernized, with gains in efficiency and competitiveness, with less environmental impact. The surplus of clean energy generated



Alexandra Oliveira Barbosa,
Technician in Laboratory Analysis.
Três Lagoas Unit (Mato Grosso do Sul state).
Photo: Márcio Schimming

will be available in the transmission grids of the Brazilian electric energy system. Also in the Aracruz region, we will invest R\$ 531 million in acquisitions or leasing of rural areas and plantation in order to reduce the average distance between the plantation and the mill, which will result in operational and environmental benefits resulting from a reduction in the circulation of vehicles transporting wood over long distances.

Another novelty for the state of Espírito Santo is that the city of Cachoeiro do Itapemirim will receive a new tissue paper conversion unit. R\$ 130 million will be invested in the construction of this mill in the south of the state, with a capacity of 30,000 tons per year in finished products. It is estimated that the operation will generate 200 direct and indirect jobs, in addition to fostering the supply chain.

Furthermore, in order to expand pulp production in the future, Suzano obtained the Installation License for a mill in Ribas do Rio Pardo (Mato Grosso do Sul state) with an annual capacity of 2.2 million tons. In the same region, the company started to manage, through subsidiaries, approximately 100,000 hectares of land, making the future installation competitive.



Kaique Ferreira de Medeiros, Tissue packaging machine operator. Area: Tissue Conversion. Imperatriz Unit (Maranhão state). Photo: Márcio Schimming

Social and environmental variables in project analysis

In line with the sustainability strategy that has systemic views as one of its premises, this theme is considered in all our processes in order to quantify their impacts on both the business and the planet. In this sense, in 2019, we carried out the first pilot project called “Sustainability in Approving New Projects”, which predicts for the analysis of investments beyond financial return. Through analysis and internal tools, it was possible to identify which projects would be recommended for approval in terms of sustainability. With the support of the Financial Planning area (Capex), we analyzed the 2,363 projects registered in 2019 and noted that only 10% of them had a significant positive environmental and social impact. Among these projects, we managed to determine the reduction in greenhouse gas emissions resulting from nine initiatives, which together eliminate 6,960 tCO₂eq/year. We found a way to make these numbers increasingly more representative, incorporating the systemic view into the activities. The idea is to, as of 2020, refine this view from financial, environmental and social aspects in all projects analyzed.



More efficient ports

International competitiveness of Brazilian pulp, greater operational efficiency and job creation are some of the benefits of two of Suzano's strategic projects in port logistics. One of them is the construction of the Itacel Terminal, in the Port of Itaqui, in São Luís (Maranhão state), for the transportation of pulp produced at the unit in Imperatriz (Maranhão state). The concession agreement, valid for 25 years, provides for the construction of a warehouse and a mooring dock, in addition to those that are already operating in the public port.

In the Port of Santos (São Paulo state), we will also have new structures for receiving, storing and exporting pulp produced in Três Lagoas (Mato Grosso do Sul state) and Jacareí (São Paulo state). This is the Vertere Project, which will make possible receiving the bales entirely by rail, with simultaneous access by up to two trains of 1,500 meters each. The operation will also include more dynamic and efficient overhead cranes. In the two port facilities, Suzano works to guarantee the best processes and equipment, in addition to maximum export efficiency, with a focus on safety, quality and costs. In 2020, the projects will involve investments of approximately R\$ 100 million throughout the year.

Porto of Santos*



R\$ 700 million
INVESTMENT IN THE
VERTERE PROJECT



446 meters
OF EXTENSION
ON THE EXISTING
MOORING DOCK



35,000 sqm
WAREHOUSE SPACE



1,200
DIRECT JOBS



170,000
TONS OF PULP
STORAGE CAPACITY

*In operation as of 2020.

Itacel Terminal



R\$ 300 million
INVESTMENT



25-year
CONCESSION TERM



53,545 sqm
GRANTED FOR
CONSTRUCTION



73,000 tons
PULP STORAGE CAPACITY



72 rail cars
PER DAY IS THE CAPACITY
OF THE TERMINAL



650 jobs
GENERATED DURING
THE CONSTRUCTION
PHASE



215 job
OPENINGS ESTIMATED
DURING THE OPERATION,
INCLUDING COMPANY
EMPLOYEES AND
CONTRACTORS



2021 IS THE
ESTIMATED START DATE
OF OPERATIONS



Vertere Project in Santos
(São Paulo state).
Photo: Suzano image bank

OPERATIONAL AND ENVIRONMENTAL EFFICIENCY IN THE INDUSTRY

Operational and environmental efficiency are two concepts that go hand in hand in Suzano's industrial units, with a greater focus on the use of water, energy, chemicals and waste generation. With this objective in mind, the first major challenge in 2019 was to integrate the processes of the company's ten plants - Três Lagoas (Mato Grosso do Sul state); Jacaréí (São Paulo state), Limeira (São Paulo state), Rio Verde (São Paulo state) and Suzano (São Paulo state); Aracruz (Espírito Santo state); Mucuri (Bahia state); Imperatriz (Maranhão state); in addition to Facepa unit, located in Belém (Pará state) and Fortaleza (Ceará state).

This work was conducted by the Industrial Environment Committee, a corporate group involving the technical environmental teams of each of the units, in a detachment and knowledge exchange exercise. In these meetings, it was possible to share and select best practices in industrial operations. A good example was the different metrics identified, since the units had different methodologies. As we standardized criteria and procedures, we managed to identify good opportunities. Below are the main initiatives.

*Pulp Shipment. Imperatriz Unit (Maranhão state).
Photo: Suzano Image Bank*





Effluent Treatment Area. Mucuri Unit (Bahia state).
Photo: Ricardo Teles

1. COMMITMENTS FOR WATER AND WASTE [GRI 103-1, 103-2, 103-3]

Challenged by Suzano's Board of Directors to go further and establish bold commitments in the industrial environment, the Committee set bold long-term goals for water and waste. The initial goal of 64% reduction in industrial waste in landfills rose to 70% by 2030.

With regard to water, we found that the units have different curves for reducing water withdrawal in the next 10 years, considering that they have different realities. However, we consolidated all operations into a single goal: to reach 25.3 m³ per ton of product (pulp and paper), which corresponds to international best practices according to the Integrated Pollution Prevention and Control (IPPC).

Parameters such as specific water withdrawal and quality of treated effluents are monitored daily and reported monthly.

Some units also participate in local river basin committees that bring together representatives of the government, companies and civil society to

discuss local water resource management. Today, Suzano participates, through its units, in the following committees:

- Alto Tietê River Basin Committee (São Paulo state);
- Rio Doce River Basin Committee (Minas Gerais state/Espirito Santo state);
- Litoral Centro Norte River Basin Committee (Espirito Santo state);
- Paraíba do Sul River Basin Committee (Minas Gerais state/Rio de Janeiro state/São Paulo state);
- Piracicaba, Capivari and Jundiá River Basin Committee (São Paulo state).

[Click here](#) to learn more about other initiatives and the performance of the Industrial Environment area on this topic.





View of Plant B, Suzano Unit
(São Paulo state).
Photo: Ricardo Teles.

2. SOLID WASTE MANAGEMENT PROGRAM

In addition to complying with the applicable legislation regarding solid waste, the units have in place a waste management plan and operational procedures and, in some mills, performance in this topic is associated with employee variable income. Waste management has daily monitoring and forums, which focus on reducing solid waste generation, increasing internal recycling and reuse, and reducing waste sent to industrial landfills. The units also undergo internal and external audits.

The Três Lagoas Unit (Mato Grosso do Sul state) has its own program called *Virada Ambiental*, which covers solid waste, among other topics. A highlight for this unit is the installation of a solid waste processing plant, which produces soil correctives and fertilizers through waste processing. In Limeira (São Paulo state), industrial solid waste, previously sent to landfills, is now sent to companies that compost and transform it into an input that can yield gains in productivity in agricultural areas.

In addition, the soil acidity correction program, in place in Jacareí (São Paulo state) and Três Lagoas (Mato Grosso do Sul state), is now being

adopted by the Imperatriz Unit (Maranhão state). It involves the transformation of inorganic waste generated in Suzano's industrial process, such as lime sludge and ashes, into soil acidity correctives. The next step is to introduce organic matter—organominerals—into the process, enabling even more gains in forest management. Another advantage is that the surplus of this organic solution can be marketed according to the rules of the Ministry of Agriculture.

[Click here](#) to learn about other Suzano solid waste indicators. See the company's goal for waste on [page 89](#).



3. OXYGEN INTRODUCTION RATE

Project started in Mucuri unit (Bahia state) starts to be replicated in other units. When the effluent reaches the treatment system, it usually comes loaded with chemicals. We measure, close circuits and adjust the available oxygen rate in the effluent flow of each sector, allowing the inflow of all effluents into the treatment system to be more efficient, thus generating less impact.

4. ENVIRONMENTAL CHAMBERS

Another important step taken in 2019 was the adoption of a model for technical and strategic relationship with state environmental agencies. Our goal is to expand the dialogue with environmental agencies so that legislation and bureaucracy do not become impediments to resolving needs or conflicts. In São Paulo, and with the support of our Industrial Environment and Corporate Relations areas, we have already created the Environmental Technical Chamber, organized with the Environmental Company of the State of São Paulo (CETESB), the Brazilian Pulp and Paper Technical Association (ABTCP) and nine other companies in the forestry sector. In this group, we are discussing, for example, legal mechanisms that allow us to use primary sludge, considered waste, as a raw material. If treated in an environmentally responsible way, primary sludge can be sold for different applications, such as shoe insoles, core for electronic cards and many others. In the coming years, we will replicate the Environmental Chambers model in other states where Suzano operates.

5. ENERGY EFFICIENCY

Suzano's energy matrix is mainly supported by renewable sources. We use eucalyptus biomass, such as bark and wood waste, as our own source for energy generation. In some production units there is surplus production, which is made available to the National Interconnected System (SIN), contributing to the expansion of the renewability level of the Brazilian electric energy matrix.

Our teams are developing projects and initiatives to reduce consumption, maximize generation of renewable energy, and increase the energy efficiency of the production units.

RENEWABLE ENERGY:

AVERAGE TRADING OF

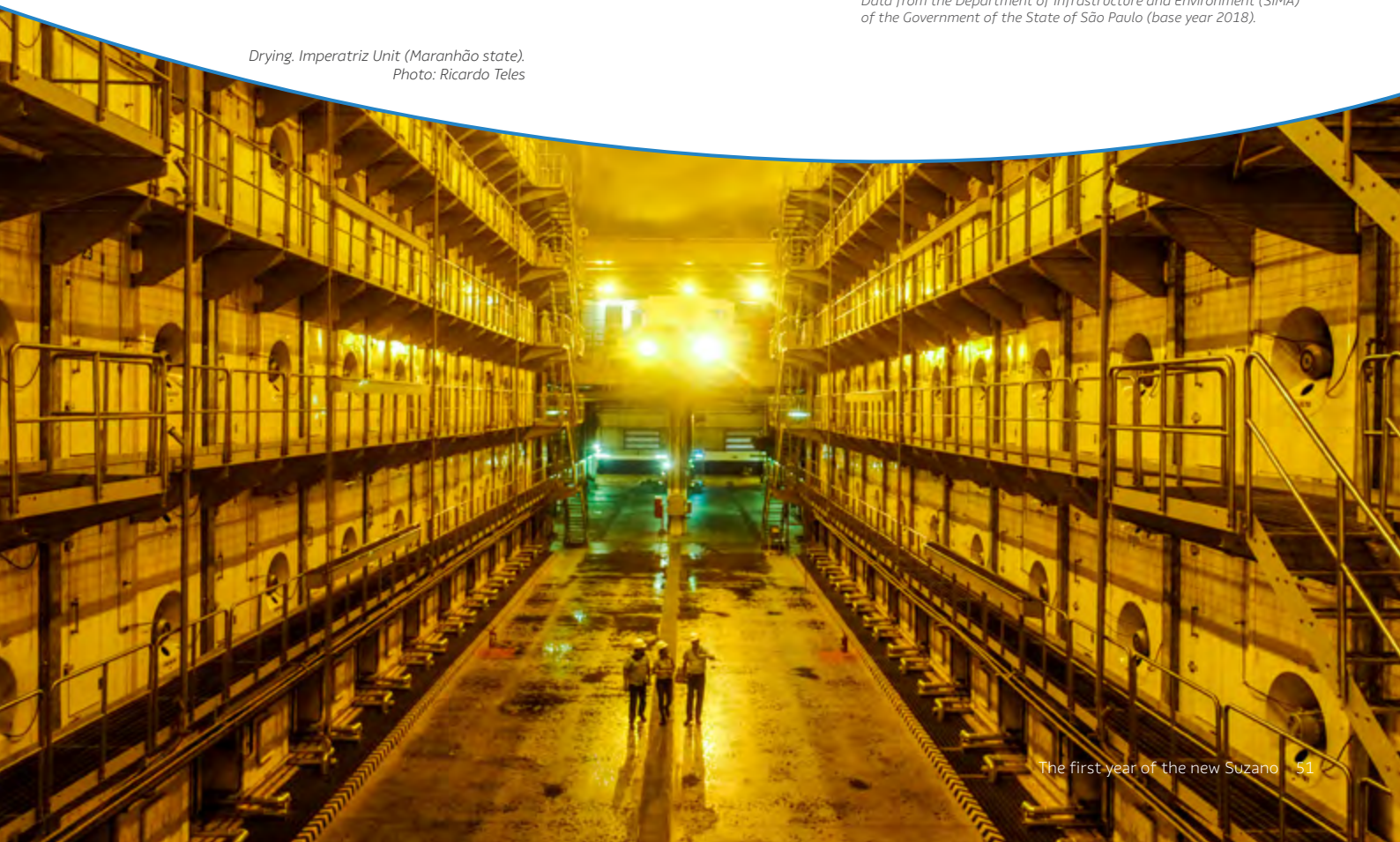
167.2 MWh



HIGHER THAN THE AVERAGE CONSUMPTION OF ELECTRICITY IN THE MUNICIPALITY OF SANTOS (SP)*

* Data from the Department of Infrastructure and Environment (SIMA) of the Government of the State of São Paulo (base year 2018).

*Drying, Imperatriz Unit (Maranhão state).
Photo: Ricardo Teles*





Diego Costa Lima (at the back) and Victor Hugo de Proença Pinto. FuturaGene (Itapetininga - São Paulo state). Photo: Fotocontexto

Our forests

In forestry operations, we also carried out, in 2019, a series of initiatives that allowed for better structured processes, supported by a considerable volume of information from the former companies, with effective gains in productivity. Learn about some of our initiatives in this area.

DIGITAL FOREST

In our forests, technological advances are also positively impacting productivity and sustainable management. In 2019, we consolidated the company's eucalyptus genetic base into a single system, undoubtedly one of the largest in the world. Having quick and safe access to this genetic collection is an important competitive edge. With the merger, we significantly increased the variety of options for better allocation of our genetic materials, according to the specificities of each region. And that's not all: supported by

Suzano's Digital area, we will soon optimize the clonal allocation process even further, in order to continuously increase the productivity of our planted forests, always seeking to produce more with less natural resources.



Specifically with regard to the use of genetically modified organisms (GMOs), Suzano and its subsidiaries conduct activities exclusively for research purposes and in areas outside the scope of certification, in compliance with all applicable laws, conventions and protocols.

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



HIGHLIGHTS

- Suzano today has the largest genetic base (outside Australia) and the largest eucalyptus breeding program in the world. There are thousands of clones under evaluation and/or conservation in the ecosystems where the company operates, which demonstrates our concern with the sustainability of the business.
- Suzano currently uses nearly 130 clones on a commercial scale, which ensures adequate genetic variability to minimize the risks inherent to climate change.
- One of the highlights in 2019 in the area of genetics and breeding was the completion of the "Rede Experimental Sinergia Suzano" ("Suzano's Experimental Synergy Network"), composed of 18 experiments carried out in five units of the company. This unprecedented network of experiments brings together the best clones from the former companies, allowing them to be compared in all our operating environments, seeking new genetic options for these regions.
- Suzano has a nutritional monitoring system for eucalyptus plantations that analyzes the stock of nutrients available in the soil. This information, when compared to the required nutrient demand for the entire eucalyptus cycle, allows us to recommend the amount of fertilizers required, per forest block, in order to achieve productivity goals while ensuring the sustainability of our soils in the short, medium and long terms.
- We conducted detailed assessments of the water, carbon and energy cycles in eucalyptus plantations, which allowed us to understand the plant growth processes. From this point, we developed models to represent these processes, which are used to determine management practices, as well as assessing scenarios of risks that could impact productivity in company areas.
- The new fertilization and conduction strategy for the second forest cycle was approved, with a review of its technical criteria, resulting in a significant cost reduction in the 2020 plantations.
- We expanded our "outdoor laboratories" in the forest, to a network of 6 flux towers (Eddy Covariance system) that measure carbon, water and energy in the forest and to 11 experimental watersheds, monitored by environmental sensors. This allows us to monitor the growth of the forest in detail.
- We have 87 weather stations, distributed across all of our forest management areas. With this structure, we developed the Suzano Weather Monitoring and Forecasting System, whose information is used to reduce uncertainty in forestry operations and evaluate different scenarios on the impacts of climate change on our forest management.
- We have implemented a satellite imagery monitoring system to detect weed competition and damage to tree crowns in a corporate and standardized manner. This streamlined the identification of possible forest occurrences, allowing for active recovery actions.

Anteater (tamanduá-bandeira). Três Lagoas Unit (Mato Grosso do Sul state).
Photo: Araquém Alcântara





*Eucalyptus harvest.
Três Lagoas Unit (Mato Grosso do Sul state).
Photo: Araquem Alcântara*

HARVESTING AND TRANSPORT TO MILLS

The Wood Supply Optimization project is another good example of the technical contributions made by the Digital team to the forestry operation in 2019. Using agile methods, a solution was developed that uses artificial intelligence to optimize the process to plan and allocate resources for harvest and logistics. A pilot project was implemented at the units in the state of São Paulo exploring not only the forest-based synergy, but also the optimization of harvest and logistics freight between the Limeira, Suzano and Jacareí units.

Subsequently, the project was extended to the units in Aracruz (Espírito Santo state) and Mucuri (Bahia state), to optimize the maritime, rail and road modes and explore opportunities for harvest operation models, freight contracts, fleet synergy and, most importantly, optimization of the average radius. Based on

a study that considered 23 million variables, the Digital team guided the development of a supply simulator that takes into account multiple business rules, assessing demand, quality characteristics, harvest and freight contracts, inventories, routes and several other variables and restrictions, to be implemented in 2020 to optimize the average radius of access of wood to the mill across the country.

The state of São Paulo offers another good example: the wood that was supposed to go to the Suzano unit is now delivered to the Jacareí unit and vice versa, which creates opportunities in the mills due to the change in the type of raw material. The wood is being delivered, meeting several production criteria, and the tool helps us to optimize our forest asset, avoiding losses of material. The project will provide efficiency in processes and cost reduction in logistics estimated at approximately R\$ 13 million.

OPERATIONAL AND ENVIRONMENTAL EFFICIENCY IN EUCALYPTUS PLANTATIONS [GRI 103-1, 103-2, 103-3]

In the integration stages of our forest units, we redesigned the entire forest occupation strategy, evaluated the best in each company and managed to exceed all the goals planned for synergies, with emphasis on the following initiatives:

1. FOREST PROTECTION

By unifying the best practices of both companies, we defined a strategy for controlling weeds, pests and diseases, considering the characteristics of each plot of our 1.3 million hectares of planted area. In integrated pest and disease management, the use of biological controls is one of the most important to protect our plantations. In 2019, we produced and released 50 million natural enemies of the pests that are characteristic of eucalyptus, resulting in a R\$ 20 million reduction in forestry costs and in the use of pesticides.

*Eucalyptus forest in
Mucuri (Bahia state).
Photo: Ricardo Teles*

To learn about our management plans visit
www.suzano.com.br/en/the-suzano/documents/.



FIREFIGHTING

According to the National Space Research Institute (INPE), in 2019, there were 197,634 forest fire outbreaks in the country. In Suzano's areas, the fires occurred specially in the state of Maranhão, controlled with the support of our brigades and monitoring equipment in all company units.

A network of **110 observation towers spread across our forest areas** enables early detection of forest fires. The use of this equipment reduced by

30% the average response time for these incidents. In addition, we have 600 trained firefighters, a fleet equipped with kits for initial fire fighting, as well as water tank trucks and a CAF (compressed air foam) truck— and, using this technology, we are able to fight fires more effectively and reduce the volume of water used in the operations. We also engage neighboring communities through the *Floresta Viva* (Living Forest) Program, which provides information, raises awareness and makes available a communication channel for anyone to report fire outbreaks in our forests.



Our positioning regarding Brazilian biomes

The preservation of the Amazon is part of society's main challenges to achieve climate balance, on which the forestry sector, our industry and all life on the planet depend. For this reason, throughout 2019, Suzano reiterated, through interviews with local and international newspapers and meetings with representatives of the Ministry of the Environment, its support to the protection of all Brazilian biomes and their rich biodiversity, supported by various practices and public commitments, including:

- the company does not remove native vegetation. Our raw material comes exclusively from commercial eucalyptus plantations (planted and harvested for this purpose), developed on our own or third parties' farms. Our expansion of cultivation always occurs in areas that have already suffered human interference;
- our forest base, of approximately 1.3 million hectares of planted areas, is supported by best management and cultivation practices;
- we maintain approximately 900,000 hectares of preserved areas, which account for almost 40% of the company's forest area and contribute to carbon sequestration and stock, preservation of biodiversity and regulation of the hydrological cycle, among other benefits. Considering the forest asset base alone, for each hectare planted, we have approximately 0.70 hectares set aside for conservation.
- we contribute to the restoration of native forests, including headwater areas.

2. ADVANCES IN WOOD LOGISTICS

In 2019, Suzano launched the Hexatrem—the world’s first trailer truck with six semi-trailers. This innovation, implemented for wood transportation among the forests in Três Lagoas (Mato Grosso do Sul state), represents important advances in logistics modes, as it removes trucks from the highways, concentrates a greater amount of raw material on the same trip and, thereby, reduces costs and CO2 emission to the atmosphere, since the equivalent fuel consumption is lower per cubic meter of timber transported. All of this technology is also associated with a traffic control center that aims to ensure an effective and efficient management of all of our wood transportation.



Hexatrem. Três Lagoas Unit (Mato Grosso do Sul state). Photo: Suzano Image Bank

Another advance in logistics was the capture of synergies in freight contracting models, fleet sharing and operational experiences. Suzano has over 1,000 trailer trucks in operation in the country for the transportation of wood and the sharing of these structures among its various units—such as Aracruz (Espírito Santo state) and Mucuri (Bahia state) and units in the State of São Paulo (Limeira, Suzano and Jacareí)—made it possible to reduce Capex in assets and Opex in freight costs. In addition, with the synergies, we managed to share projects such as the aforementioned Hexatrem, the super light trailer trucks to reduce total gross weight, and incremental improvements obtained over the years, such as evolution in payload (volume per vehicle), cycle productivity and diesel consumption.



THE HEXATREM IS

52 meters

LONG AND HAS CAPACITY TO TRANSPORT UP TO

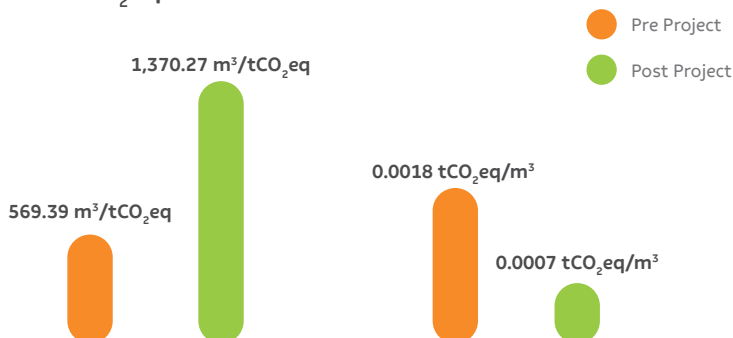
200 tons

OF EUCALYPTUS LOGS

IN ONE HAUL. IT TRAVELS ONLY ON ROADS WITHIN SUZANO’S PROPERTIES



EFFICIENCY OF WOOD TRANSPORTATION PER CO₂eq EMISSION WITH HEXATREM



Considering the introduction of the Hexatrem for the new wood transportation model in Três Lagoas (Mato Grosso do Sul state), which also counts on Tritrem and Pentatrem, our efficiency in cubic meters of wood transported per tCO₂eq released increased by 140% or 2.4 times.

3. WATER RESOURCES IN THE FOREST

The intelligent use of water is a priority in Suzano's investments, as we understand that this is an important natural resource for the balance of the ecosystems and for the continuity of our business. In this sense, we perform regular measurements of quali-quantitative parameters of the main watersheds in which we operate and adopt forest management technologies that favor the efficient use of water resources within these watersheds, which helps us reduce the risks of water shortage in neighboring operations and communities.

Also, in order to advance its processes and improve the notion that natural resources can and should be harmoniously shared with other users, Suzano has made a long-term commitment to implement specific actions in watersheds identified as critical, seeking to increase water availability in these locations. The assessment of supply and possible water scarcity is being conducted considering a historical hydrological records, as well as environmental and social characteristics of all watersheds in Suzano's forest base. The results, to be released in 2020, will be used to prepare the baseline to gauge the evolution of this long-term goal.

Carlos Eduardo Scardua, Almir Rogerio da Silva and Rodolfo Araújo Loos, Forest Ecophysiology. Aracruz Unit (Espírito Santo state). Photo: Márcio Schimming





*Purple-breasted parrot.
Mucuri Springs Project.
Photo: Ricardo Teles*

4. CONSERVATION AND RESTORATION INITIATIVES

Suzano currently has approximately 900,000 hectares of conservation areas, i.e., almost 40% of its total area set aside for this purpose. In addition to complying with preservation laws, we voluntarily defined 69 areas as having high conservation value, known as HCVAs, totaling 58,000 hectares. These are areas in which we recognize important social and environmental attributes, such as the presence of endangered, rare and endemic species; extension of well-preserved forest fragments and rare/endangered ecosystems; and areas that provide environmental services, among others (including sociocultural characteristics).

The protection of conservation areas, which represent different types of ecosystems and are located along rivers and among eucalyptus plantations, forming a mosaic landscape, reinforces our commitment to reducing adverse environmental impacts and improving the quality of the environment. Our forestry activities follow the Forest

Management Plans, which describe forestry operations, available resources, practices and procedures adopted to sustainably achieve management objectives in the short, medium and long terms.

In 2019, we established an internal working group to address the topic of conservation and biodiversity in order to define integrated strategies, optimize and expand the sharing of practices and knowledge, in addition to enabling partnerships with NGOs and other institutions.

We also have in place specific procedures to conduct and analyze forest restoration, protecting areas and monitoring biodiversity. The environmental aspects and impacts related to the production processes are mapped and are supported by control and mitigation actions. For more details on these procedures, see the public summary of the management plan for our units at <https://www.suzano.com.br/en/the-suzano/documents/>.

Monitoring of biodiversity within our areas totals more than 2,700 records of plant, bird and mammalian species, including new and other endangered species. Wildlife and flora are frequently controlled in partnership with NGOs and universities, in order to learn about, identify and monitor the development of biodiversity in the regions where the company operates.

In addition, Suzano has a significant Environmental Restoration Program to regenerate degraded areas and recover native forests. Currently, the areas under restoration maintained by

the company are located within three critical biomes in Brazil —Atlantic Rainforest, Cerrado and Amazon— and total 31,200 hectares, with almost 11 million seedlings planted in in different areas. By 2050, these areas are expected to sequester close to 10,07 million tCO₂e from the atmosphere, thereby contributing to restore the planet's climate balance. Our restoration activities also help generate various environmental services, such as improvements in water quality and availability, soil conservation, control of pests and diseases, and increase in wildlife and flora biodiversity.

*Mucuri River (Bahia state).
Photo: Ricardo Teles*





Mucuri Springs

Conducted since 2017 by Suzano, the project called *Nascentes do Mucuri* (Mucuri Springs) encourages the protection of the springs of the Mucuri River and its surroundings, thereby promoting the perpetuity of this water resource so valuable for maintaining the ecosystem services in the region, which even has remnants of the Atlantic Rainforest, one of the most diverse biomes on the planet. The river originates in the northeast region of the state of Minas Gerais and discharges in the South of the state of Bahia, extending for 446 kilometers in an area of approximately 15,400 square kilometers and a population of 537,000.

The project promotes environmental education and training of local producers to consolidate a culture of preservation in the region. In 2019, we continued to evolve and improve the *Nascentes do Mucuri* Project, reassessing its focus and methodology. In this sense, more than 20 families started the Agroecological Transition Plan, a methodology of Suzano's Rural Land Development Program (PDRT - *Programa de Desenvolvimento Rural Territorial*), a consolidated practice in several regions of the country. With this improvement, we believe we can generate greater economic, food and environmental security in properties in the Northeast situated in the state of Minas Gerais, where the Mucuri River basin is located.



Nilton Rafael dos Santos Rodrigues and Ronaro Figueiredo de Aquino, from Escola Família Agrícola do Setubal EFASET. Mucuri Springs Project. Photo: Ricardo Teles



151 SPRINGS
UNDER RESTORATION



543 PEOPLE
ENGAGED



960 SEEDLINGS
PLANTED



402 RURAL
PROPERTIES
VISITED



1,525 HOURS
DEDICATED TO SOCIAL AND
ENVIRONMENTAL EDUCATION



Aracruz Unit (Espírito Santo state). Photo: Márcio Schimming

CLIMATE CHANGE

[GRI 103-1, 103-2, 103-3]

Suzano's strategic performance in relation to climate change goes far beyond measuring and reducing its greenhouse gas emissions. The company increasingly invests in strategies, processes and people, seeking to achieve a level of excellence that allows it to increasingly influence the sector and society to kick off a low-carbon economy.

After extensive consolidation, analysis and projection work throughout 2019, in early 2020 we reached an important milestone: the release of our two public targets focused on climate (*read more about these commitments on page 88*). This step was taken at a time when climate is changing faster than expected and its effects have been clearly felt around the world. Although positive measures are being taken across an ever-widening spectrum, we know that much more ambitious plans and accelerated actions are needed to globally mitigate and adapt this issue.

Thus, our goals, which are consistent with science, have also been structured in a more substantial way compared to the Paris Agreement goals. One such goal is to be climate positive, on a large scale, by 2030. In other words, we will go beyond achieving net zero carbon emissions to actually create an environmental benefit by

removing additional carbon from the atmosphere, considering not only direct emissions, but also indirect emissions (outside the scope of control).

In addition, the topic is considered material and classified as a priority risk in Suzano's risk matrix. Its representativeness in our business is so significant that the responsibility for this topic goes beyond the Sustainability Department, which is regularly discussed in other broader forums, such as the Sustainability Committee and the Board of Directors. In 2019, we carried out a reporting exercise according to the guidelines of the Task Force on Climate-Related Financial Disclosure (TCFD) and this detail is available in our Indicators Center.

Numerous measures are adopted throughout our production chain, related to processes to adapt to and mitigate climate change. In terms of adaptation, we continue to invest in the use of biotechnology to select more resilient seedlings, in the use of modeling based on climate scenarios, as well as monitoring, research, and primary data analysis to prepare recommendations for prospecting new sites, fertilization, irrigation and management.

In terms of mitigating negative impacts, a series of projects and initiatives aiming at efficiency are implemented in the logistics, forestry and

industrial processes (*many already covered throughout this report*) in addition to ongoing investments in energy efficiency, always focused on maximizing the use of renewable sources rather than fossil sources. We also have one of the largest forest bases and one of the largest protected areas in Brazil (approximately 900,000 hectares), which directly contributes to a significant removal and

storage of existing carbon dioxide (CO₂) in the atmosphere, exceeding the benefits of reducing emissions from our processes.

Learn more about the results and methodologies used in this process at the [Indicators Center](#).

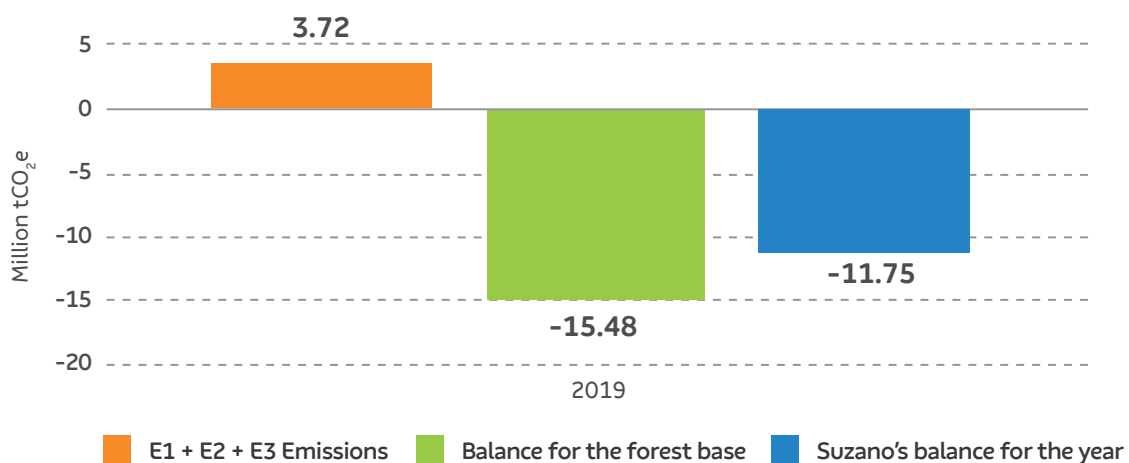


Greenhouse Gas Inventory

Throughout 2019, we devoted significant effort to unifying bases and methodologies to develop Suzano's first Greenhouse Gas Inventory. At the same time, we are also dedicated to automating a large part of this process, which involves collecting vast amounts of data at once, thus reducing the need to mobilize teams and the possibility of human error while ensuring accuracy, traceability of information and agility. This inventory was externally verified according to the standards of NBR ISO 14064 and the Brazilian GHG Protocol Program.

Suzano's total absolute emissions (scopes 1, 2 and 3) totaled 3.724 million tCO₂e and forest base net removal¹ of 15.476 million tCO₂e, of which 3.345 million tCO₂e were from native areas. Thus, from a balance standpoint, we had a higher volume of removals compared to emissions, reaching negative net emissions of 11.751 million tCO₂e. This volume is equivalent to almost all annual emissions by light automobiles and motorcycles in the State of São Paulo².

BALANCE 2019



¹ Calculated by stock difference, which represents the balance between forest carbon flows in the atmosphere (removals by the growth of native and eucalyptus trees, and emissions from the harvest of eucalyptus wood).

² Source: Report of the Environmental Company of the State of São Paulo (CETESB) on Vehicle Emissions of the State of São Paulo in 2018. Visit: <https://cetesb.sp.gov.br/veicular/wp-content/uploads/sites/6/2020/02/Relatório-Emissões-Veiculares-no-Estado-de-São-Paulo-2018.pdf>.



Planting of seedlings. Forestry. Aracruz Unit.
Photo: Araquém Alcântara

The suppliers

[GRI 102-9, 102-43, 103-1, 103-2, 103-3]

Suzano has a structured supplier management and qualification process based on its Culture Drivers as well. This management includes a series of activities to guarantee not only the supply of products and services, but also a relationship based on ethics and integrity with these fundamental links of our value chain. In our supplier performance evaluation process, which is audited internally and externally, Technical Quality, Safety, Environment and Social requirements are applied to 100% of critical suppliers.

Suzano considers as critical those suppliers of inputs and continuous services (performing services for longer than 90 days on company premises) that could have significant impacts on quality, on process performance, on safety and equipment integrity, on the environment, and on the health and safety of employees. As

a result, these suppliers may be classified under degree of “excellence”, “approved”, “approved with restrictions”, or “not approved”. Also, with regard to the commitments and pacts we assumed, 100% of the suppliers hired by the Procurement area agree with the Terms of Commitment and Legal and Social and Environmental Responsibility Standards adopted by Suzano. This group accounts for 5% of the company’s total number of suppliers and corresponds to 36% of the purchasing budget. Thus, different measures are in place to ensure a good relationship with these suppliers and reduce the risk of irregularities on their end.

Concerning social criteria, this analysis involves all scopes of supply and only those approved proceed to the next stages of the process, until registration is completed. In 2019, 100% of Suzano’s new suppliers were hired based on social criteria.

With regard to the development of local suppliers, Suzano conducts some programs in place in specific units:

- **Supplier Development and Qualification Program (Mato Grosso do Sul state):** also known as PQF, this program aims to adapt micro, small and medium-sized enterprises to both basic management requirements and international standards for negotiating with large industries. Suzano is one of the sponsors of the Program, which is intended for any supplier, not only those that work for the company.
- **Integrated Supplier Development and Qualification Program (Espírito Santo state):** a joint action by the main companies operating in Espírito Santo to promote, in an integrated manner, the development and qualification of their suppliers of goods and services. This program, also known as Prodfor, has the participation of important sponsor companies installed in the state, which rely on the support of the Federation of Industries of the State of Espírito Santo (FINDES), and coordination of the Euvaldo Lodi Institute (IEL-ES). Suzano is one of the sponsors of Prodfor, which is intended for any supplier, not only those that work for the company.
- **Development of local partners (Bahia state):** the purpose of the program, in partnership with SEBRAE, the Brazilian institution for supporting SMEs, is to promote the sustainability of the supply chain in the regions where we operate, focusing on micro and small enterprises, expanding the qualification of our local partners, and encouraging the adoption of best management practices and principles of legal and social and environmental responsibility adopted by Suzano. The supplier development program covers topics such as Entrepreneurship, Financial and Business Management and Taxation, Legal Responsibility and Social and Environmental Principles, and our Culture Drivers. This is a pilot project that started at the Bahia unit, but it is under approval to be extended, already in 2020, to other states where the company operates.

[Click here](#) for other indicators related to Suzano's suppliers.



The communities

In early 2019, we invested in mapping projects and strengthening relationships with communities in order to fulfill the commitments already undertaken and to evolve, as the new Suzano. The frequent, transparent and close dialogue continued to be the basis of the relationship with approximately 150 communities. This number exceeds by 30% the sum of the former two companies combined (Suzano Papel e Celulose and Fibria) in relation to previous years. In 2019, we reached the milestone of ensuring 32,000 people were above the poverty threshold due to our social projects – a result of many years of work.

Education and income generation were consolidated as priority topics in our social development work, carried out directly by 30 company employees and 100 third-party professionals in different locations across the country. Our work begins by identifying the vocation of the communities so that we can work on projects that are related to that specific vocation and, thus, generate a high capacity for empowerment, financial autonomy and, consequently, quality of life. In 2020, we will advance our Regional Social Development strategy reflecting the long-term commitments presented on [page 88](#).



Operacional Dialogue

Suzano's harvest operations change the routine of communities around the forest areas. Therefore, before, during and after the harvest period, we promote an Operational Dialogue in these locations. This form of relationship involves our Forestry and Social Development team, community leaders and representatives of the Government, thus enabling sharing information on forest management activities scheduled for the region, as well as the possibility of jointly identifying positive and negative impacts and propose mitigation and improvement actions. As a result, we have in place a thorough action plan: mapping of responsibilities, deadlines and proof of evidence, in addition to assessing effectiveness. After performing these actions, a satisfaction survey is conducted within the community involved.



Eliete Montanha da Silva, participant in the PDRT in the 20 de Março Settlement. Três Lagoas Unit (Mato Grosso do Sul state). Photo: Araquém Alcântara

CHALLENGES IN THE RELATIONSHIP WITH COMMUNITIES

Historically, the company's relationship with land rights movements has been relevant and challenging. In 2019, the dialogue continued, especially where there were disagreements. Ongoing initiatives have progressed, such as the construction of the Egidio Brunheto School of Agroecology, in partnership with the Landless Workers Movement (MST - *Movimento dos Trabalhadores Rurais Sem Terra*), in the municipality of Prado (Bahia state), which is scheduled to open in June 2020. In addition, investments continued in the Sustainable Settlements Program, in partnership with the Luiz de Queiroz School of Agriculture (Esalq) of the University of São Paulo (USP) and with the Landless Workers' Movement (MST), benefiting nearly 800 families in 5 settlements in the Far South of the state of Bahia, who have been producing in the agroforestry system for five years, contributing to the local economy by mobilizing around R\$ 15 million per year¹.

See below some of our main programs.

¹ Information provided by Esalq-USP.

RURAL LAND DEVELOPMENT PROGRAM (PDRT)

Launched in 2012, the PDRT has become a widely recognized program for enhancing rural activities in each region with support in the form of technical assistance in three areas: management, production and commerce through participating associations and cooperatives. The Program follows the principles of agroecology, increases family income, promotes access to public policies and, ultimately, improves the quality of life for producers.

HIGHLIGHTS IN 2019

- Beginning of the PDRT in communities in the states of Maranhão, Tocantins and Pará.
- PDRT shortlisted for the Social Innovation Award of the Economic Commission for Latin America and the Caribbean (ECLAC/UN).
- Start of operation of the Aracruz Family Farmers Cooperative (Espírito Santo state).

NUMBERS IN 2019

- **3,931 families** benefitted in more than 30 municipalities in the states of Bahia, Espírito Santo, Mato Grosso do Sul, Maranhão, and São Paulo.
- **20,139 tons** of food produced.
- **More than R\$ 49 million** sold by beneficiary associations through several fronts, such as the National School Food Program (PNAE - R\$ 2,633,778.01); Food Acquisition Program (PAA - R\$ 756,260.90); at local farmers' markets (R\$ 6,414,523.74); and other channels such as restaurants, food baskets of family farming products, supermarkets and intermediaries, represented an additional R\$ 40 million. There are more than 4.000 participating families, guaranteeing their food safety and feeding their communities with agroecological products.
- **Average monthly income per beneficiary is R\$ 1,125.11¹**, obtained by participants as of their second year with the Program, since in the first year the emphasis is on food safety. As of the second year, the focus is on the autonomous production bases and diversification of sales. Depending on their time with the program, on the region where they are located, and on the characteristics of the communities, the average monthly income can vary between R\$ 600.00 and R\$ 4,500.00.



*Claudio Olímpio and Jocileia Sena Santos, participants in PDRT in Caravelas (Bahia state).
Photo: Araquém Alcântara*

¹ To calculate the average income per beneficiary, 3,669 beneficiaries were considered, as follows: São Paulo - 247; Mato Grosso do Sul - 1,065; Espírito Santo - 626; Bahia - 1,300; and Maranhão - 431



Colmeia (beehive).
Photo: Mario Schimming

COLMEIAS (BEEHIVES)

The purpose of the Program is to strengthen the beekeeping chain in the regions where we operate, contributing to generation of income, improvement of quality of life and environmental conservation. Through this initiative, participants have access to the company's beekeeping pasture (areas reforested with eucalyptus), as well as investments in infrastructure, equipment and necessary supplies. Beekeepers, associations and cooperatives are supported by technical teams that offer quality Technical Assistance and Rural Extension services. Today, the Beehives program is in place in the states of São Paulo, Mato Grosso do Sul, Maranhão, Espírito Santo and Bahia.

HIGHLIGHTS IN 2019

- Integration of existing beekeeping initiatives in the regions where the two companies operated and consolidation of practices and processes into a single methodology.
- Largest private beekeeping program in the country in terms of regions and number of participants (data from the Brazilian Beekeeping Association - CBA).
- More than 70% of the organizations have undergone training in management and are in the process of adapting to the new Regulatory Framework for the Third Sector (MROSC), which facilitates access to public policies and new markets for commercialization.

NUMBERS IN 2019

- **More than 1,000 beekeepers** participating in the Program.
- **42 organized groups** of beekeepers in associations or cooperatives in five states.
- **296 tons of honey** produced within Suzano's areas. In São Paulo alone, *Colmeias* is responsible for 30% of the State's honey production (data from the São Paulo Beekeeping Federation and from the São Paulo State Department of Agriculture).
- **70% of the production** within the company's areas is organic, i.e., it has certification attesting that the product is 100% natural and free from any contamination. The entire production is exported to countries in North America, Europe and Asia, with China as the main destination.
- **The average productivity** of beekeepers served by the program is 21 kilos of honey per hive/year, higher than the Brazilian average, which is 15 kilos (CBA data).

SUSTAINABLE EXTRACTIVISM

The Program aims to strengthen extractivist groups of non-timber forest products and the preservation of traditional practices, supporting management, production and marketing of various products, mainly from the babassu nut and açai, including mesocarp flour, babassu oil and açai pulp, in addition to handicrafts using these raw materials.

Since 2015, the program has been carried out in partnership with community associations, the Chico Mendes Institute (ICMBio) and the Community Development Council of the Babassu Nut Breakers of Estrada do Arroz, in the state of Maranhão. In 2019, the association called *Associação dos Agroextrativistas Familiares e Solidários do Povoado Km 1700* was also integrated to the Program, in the municipalities of Imperatriz, Cidelândia and Davinópolis (Maranhão state) and Carrasco Bonito (Tocantins state).

HIGHLIGHTS IN 2019

- Nut Breakers project selected by the program called Small Grants Program on Amazon (PPP-Ecos). It is a program to support community projects, with operations in 125 countries, financed by the Global Environment Facility (GEF) and implemented by the United Nations Development Program (UNDP).
- Implementation of the Pindowa Project, with 1,000 hours of training workshops on handicrafts for the production of various items such as soaps, babassu straw baskets, among other items. The highlight of the Project was the display of the products at the 2nd edition of the exhibition called *Mostra Matriz Brasileira*, held in São Paulo, in December 2019.
- Monitoring of and technical assistance provided by PDRT to babassu and açai agroextractivist families.



Products from the Sustainable. Imperatriz Unit (Maranhão state). Photo: Fernando Soares



Antônia Francisca de Castro. Sustainable Extractivism Project. Imperatriz Unit (Maranhão state). Photo: Fernando Soares

NUMBERS IN 2019

Açaí:

Information on revenue generated is preliminary, obtained through interviews with family units in the community and considering that in each household has more than one family depending on the extraction of this fruit.

- 1 comunidade 1 community served.
- 156 açaí extractivist families benefited.
- Nearly R\$ 2.8 million is the revenue generated by the Program.
- Average monthly income of approximately R\$ 1,500.00 per family.

Babassu nut breakers::

Technical assistance to the women nut breakers project began in 2019, through the PDRT. With this, greater results will be obtained from the program as of 2020.

- 7 communities benefited.
- 121 families served by the Program.
- 35 families in the Pindowa Project.
- Sale of crafts produced in the first months of the Pindowa Project: R\$ 384.59/family (result from participation in the 2nd exhibit 'Mostra Matriz Brasileira').



Craft Workshop, part of the Tupiniquim and Guarani Sustainability Program. Aracruz Unit (Espírito Santo state). Photo: Suzano Image Bank

REGIONAL SUSTAINABILITY

Agroecology, meliponiculture, handicrafts and education. Through these activities, we nurture coexistence between Suzano and neighboring Indigenous communities in the States of Espírito Santo, Mato Grosso do Sul and Bahia, in order to reestablish the necessary conditions to exercise their socio-cultural habits, affirm their ethnic identity and engage in sustainable economic practices.

NUMBERS IN 2019

- 3,000 families served.
- 31 villages.
- 5 different ethnicities.

RESPONSIBLE NETWORK

Shares information, products, resources and services. Through this network, individuals, companies that are part of Suzano's production chain, social organizations and governments can invest in strengthening social and environmental initiatives for the development of communities where the company operates. In this program, we guide and engage the communities to participate in various grants for government funding.

NUMBERS IN 2019

- 198 forms of financing, between partners and grants, 46 of which are new.
- R\$ 26 million million was the amount raised.

SUZANO EDUCATION PROGRAM

In 2019, Suzano ended its participation in the program called *Programa Parceria pela Valorização da Educação* (PVE - Partnership for the Advancement of Education), an initiative of the Votorantim Institute, held in 25 municipalities that received support from the company. The PVE is being replaced by the Suzano Education Program, which will be launched in the first half of 2020 and will have as technical partner the *Comunidade Educativa* (CEDAC), formed by reference professionals in the field of education. The methodology is being developed by the Suzano team, partners and specialists in the area.

VOLUNTARIAR (VOLUNTEER)

This Program was created almost 20 years ago to encourage employees, service providers, family members and partners to be agents of change in society through initiatives aimed mainly at education. In 2019, the Program also contributed to strengthening the culture of the new Suzano. Learn more about Volunteer initiatives:

28% 
OF THE MANAGERS
PARTICIPATED IN
THE ACTIONS OF THE
VOLUNTARIAR PROGRAM

*Formare's Class of 2018. Suzano Unit (São Paulo state).
Photo: Ricardo Teles*

FORMARE

Developed in partnership with the Lochpe Foundation since 2005, Formare provides professional education for young adults in socially vulnerable situations and their training for the job market. The course offered is to train Production Process Operators and takes place at the Suzano (São Paulo state), Mucuri (Bahia state) and Imperatriz (Maranhão state) units.

NUMBERS IN 2019

- 68 young adults trained.
- 174 people benefited.
- 549 volunteers involved.
- More than 35 operational areas contributing to the practical training process: pulp, paper, logistics, maintenance, forestry, project engineering, environment, and laboratory.
- 35 graduates hired.





Suzano at School. Três Lagoas Unit (Mato Grosso do Sul state). Volunteers standing: Mônica Pereira Catania and Daiana de Lira Pedroso. Photo: Suzano image bank

SUZANO AT SCHOOL

Stimulate the entrepreneurial spirit of young adults in school and share knowledge and experiences in order to broaden their vision for the job market and the business world. This is the objective of the project *Suzano na Escola* (Suzano At School), developed in partnership with Junior Achievement since 2009. The Project is carried out in the States of São Paulo, Bahia, Minas Gerais, Espírito Santo, Maranhão, Mato Grosso do Sul, and Pará.

NUMBERS IN 2019

- **Programs implemented:** Mini-company, Posto da Mata (Bahia state); The Future of Work, in Imperatriz (Maranhão state), Limeira (São Paulo state), Belém (Pará state), and Três Lagoas (Mato Grosso do Sul state); The Advantages of Staying in School in Belém (Pará state); and *JA Startup* at the Office in São Paulo (São Paulo state).
- **5 schools served:** in the units of Três Lagoas (Mato Grosso do Sul state) and Belém (Pará state), children and family members of employees and service providers were served.
- **291 students** benefited.

- **150 volunteers** involved.
- **13 classes** served.

JA STARTUP

In São Paulo, we conducted a pilot project, *JA Startup*, in partnership with Junior Achievement and StartSe. The program encourages the creation of disruptive business models, introducing young people to modern concepts of entrepreneurship and useful tools for the development of innovative ideas. Over the course of eight meetings, 25 students from the State Technical School (ETEC) Guaracy Silveira were challenged to create startups, seeking to solve a given everyday problem. More than 28 volunteer employees guided and coached the students throughout the development of the idea.

Participants in *JA Startup* presented their pitches to a panel of judges and competed for the Best Pitch Award. The winning startup was Agroconnect, which developed an agribusiness sales app, connecting farmers to the market through technology.

ENVIRONMENTAL AND SOCIAL ACTIONS

We performed several mobilization initiatives in partnership with public agencies and social institutions. In 2019, we launched *Voluntariado em*

Ação (Volunteer in Action), a movement that seeks to strengthen the culture of volunteering at Suzano and recognize the dedication of people who work for the common good. In its first year, more than 400 volunteers supported us in these actions, benefiting more than 18,000 people.

NUMBERS IN 2019

- **1,853 voluntary employees** engaged (13% of the company's total number of employees). When considering the participation of service providers, family members and partners, this number rises to 2,885 people.
- **24 participating units.**
- **23 initiatives** developed.
- **41,588 people** benefited.
- **28% of the managers** participated in the actions promoted by Voluntariar.

Investment in Raul Brasil School

Income and decent education for all is one of the causes advocated by Suzano. Therefore, in 2019, the company, together with the Ecofuturo Institute, other companies and the government of the State of São Paulo, integrated the restoration project of the Raul Brasil State School, with a joint investment of R\$ 2.7 million. Located in Suzano (São Paulo state), the School was invaded by two former students in March, who killed 7 people and left another 11 injured. The episode had serious consequences for the school spirit and environment, and the project seeks to enable a new relationship between students and the school, benefiting about 2,300 students.



Guilherme Moro Neto. Forest Environment Analyst and planting volunteer in the Mucuri Springs Project. Photo: Suzano image bank



Ecofuturo Institute

In 2019, the Ecofuturo Institute completed 20 years of operation and was incorporated into the structure of Suzano's Sustainability Department, aiming to intensify synergies and the development of social and environmental projects. A non-profit organization founded and sponsored by Suzano, Ecofuturo exists with the purpose of contributing to the transformation of society through environmental conservation

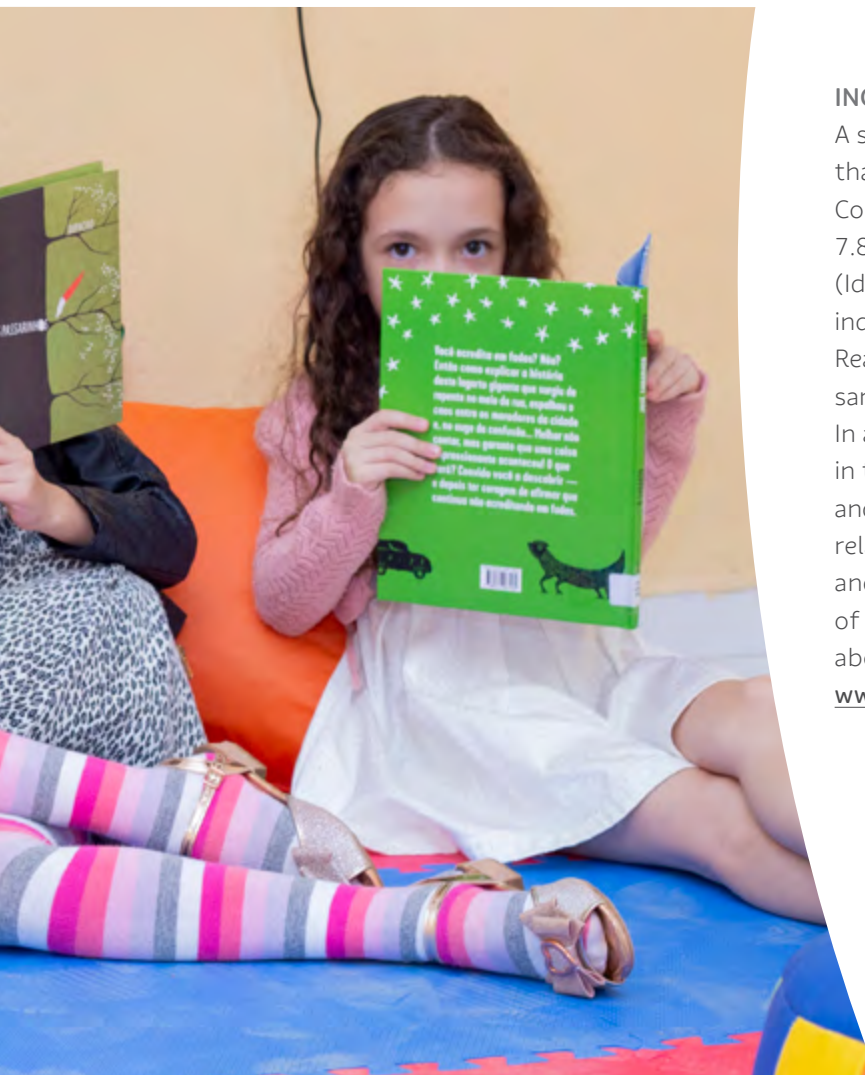
and the promotion of reading, integrating people, books and nature and thus forming true readers of the world. To this end, the Institute is dedicated to the restoration and conservation of natural areas, social and environmental education reading incentive programs, based on the development of projects that nurture relationships, involve local communities and disseminate knowledge. Here are some of them:

Ecofuturo Community Library in Malacacheta (Minas Gerais state). Photo: Ecofuturo image bank



ECOFUTURO COMMUNITY LIBRARY PROJECT

Works to implement libraries in public schools, open to the community, in order to democratize access to books, foster the habit of reading and contribute to public policies on reading and libraries. We are one of the largest community library networks in Brazil.



4 NEW



LIBRARIES WERE OPENED, INCLUDING THREE IN THE STATE OF MINAS GERAIS, WHICH ARE PART OF THE *NASCENTES DO MUCURI* PROJECT

NUMBERS IN 2019

- **3,500 new books** on literature were donated for the initial collection.
- **268 people trained** in free courses offered by the Project.

INCREASE IN THE IDEB IN THE MUNICIPALITIES

A survey by Metas Sociais consultancy showed that the municipalities that have Ecofuturo Community Libraries showed an improvement of 7.8% in the Basic Education Development Index (Ideb) in Middle School, as well as a 2% higher index in Math Proficiency and 4.3% higher in Reading Proficiency, compared to cities of the same size, but which do not have Project libraries. In addition, the study pointed to a 4.2% increase in the approval rate of Middle School students, and 3.4% in Elementary Schools. A positive relationship between the presence of libraries and greater family participation in school life of students was also observed. To learn more about the survey, visit the Ecofuturo website: www.ecofuturo.org.br.

7.8%



IMPROVEMENT IN THE BASIC EDUCATION DEVELOPMENT INDEX (IDEB) OF MUNICIPALITIES WITH COMMUNITY LIBRARIES



Michele Martins, Sustainability analyst at Ecofuturo Institute. Ecofuturo by Pólen Space. Photo: Ecofuturo Image Bank

PARQUE DAS NEBLINAS

Ecofuturo manages this Suzano environmental reserve, located between Mogi das Cruzes and Bertioga (São Paulo state). Forest management and restoration activities, environmental education, scientific research, ecotourism and community participation are held there. With an area of 7,000 hectares, the park plays an important role in the conservation of the natural resources of the Serra do Mar in São Paulo, contributing to the protection of the Itatinga river basin and of the largest continuous Atlantic Rainforest area in Brazil—the Serra do Mar State Park and the Serra of Paranapiacaba. Since 2006, the park has been recognized by UNESCO's Man and Biosphere Program, as an Atlantic Rainforest Biosphere Reserve.

ECOFUTURO BY PÓLEN SPACES

This space was designed to be a place to encourage reading within Suzano's operations. The goal is to contribute to the personal and professional development of employees. The São Paulo Office was the first location to offer the space, in 2019, and has about 250 books, followed by the unit in Rio Verde (São Paulo state). In 2020, this space will be implemented in other Suzano locations.

NUMBERS IN 2019

- **120,000 juçara palm seeds**, spread for the reintroduction of this species that is threatened with extinction.
- **4,800 ecotourists** visiting the park.
- **Four Community Management Workshops** for knowledge exchange, with the participation of 130 rural landowners from the surroundings of the Park and from the Mogi das Cruzes region.

MY ENVIRONMENT PROGRAM

Held since 2010 in *Parque das Neblinas* (Neblinas Park) with educators and students from municipal schools in Bertioga, Mogi das Cruzes and Suzano (São Paulo state), Ecofuturo's environmental education program promotes the appreciation of the natural environment as an educational space, stimulates reflection on social and environmental issues, and encourages the creation of projects and learning content involving nature.

NUMBERS IN 2019

- **900 students** involved.
- **Nearly 40** participating educators.

PROJECT WEAVING SOCIAL AND ENVIRONMENTAL KNOWLEDGE

With the purpose of dialoguing, reflecting and acting, the Project was conducted throughout 2019 through a process to raise awareness and train public school educators about environmental education, in order to foster debates and the participatory development of multidisciplinary projects related to this topic. In Malacacheta (Minas Gerais state), the Project integrated the Mucuri Springs initiatives and involved around 120 teachers in ten schools. Based on this initiative, Ecofuturo fostered and instated a public policy in the municipal environmental law and the creation of the Municipal Interinstitutional In Prado (Bahia state), 70 teachers from the public school network, involving 25 schools, in addition to educators from the Association of Parents and Friends of People with Intellectual and Developmental Disabilities (Apae) participated.

Neblinas Park (São Paulo state). Photo: Eliza Carneiro



In parallel with work to deliver synergies, integrate processes and systems, and build a new culture and performance at Suzano, throughout 2019 we also needed to answer many other existential questions. What bearing will this journey take from this point? What will the new Suzano be seeking? What will be its strategy and long-term vision? To answer these questions, we need to go beyond our walls and listen to our stakeholders.

*Vitoria Dayane Franca Logrado
(Former alumna), intern at the
Process Quality Laboratory,
Imperatriz Unit (Maranhão state).
Photo: Márcio Schimming*

5 The journey continues



Greiciane Silva Costa, Process Quality Laboratory Analyst, in Imperatriz (Maranhão state). Photo: Márcio Schimming

Building our purpose

Throughout 2019, employees, suppliers, communities, investors and many other audiences were consulted so we could jointly discuss the journey of this new Suzano.

In this sense, the company sought answers through consultations with its various stakeholders. And, right from the start, a great listening process was established so we could begin to define Suzano's purpose. This process continues to advance and we hope to identify and reveal our purpose in 2020.

The inputs gathered from listening to our stakeholders also guided the preparation of our long-term and sustainability strategy. For the latter, we have further expanded our listening process (see [page 86](#)). Thus, the purpose and the long-term and sustainability strategy are the pillars for building the company we want to be in the future.

From left to right: Arnaldo Almeida Barroso, André Ricardo da Silva Macedo and Marvyn de Sousa Santiago, SDCD Industrial, Imperatriz Unit (Maranhão state). Photo: Suzano Image Bank



Who did we listen to?

[GRI 102-42]

MORE THAN

50 EMPLOYEES

AT ALL LEVELS OF THE ORGANIZATION, IN PERSON



MORE THAN

3,000

EMPLOYEES THROUGH ONLINE SURVEYS



APPROXIMATELY

10 EXTERNAL PROFESSIONALS,

INCLUDING LEADERS IN THE FORESTRY SECTOR, CUSTOMERS, NGOs AND COMMUNITIES, IN PERSON

THIS LISTENING PROCESS HAS BROUGHT VALUABLE INFORMATION. THE ONLINE SURVEY, FOR EXAMPLE, SHOWED THAT:

WHAT MOTIVATES SUZANO'S EMPLOYEES THE MOST IS THE COMPANY'S **commitment to nature and people**

37.8%





STATEMENT OUR EMPLOYEES MOST AGREE WITH:

WE CAN ONLY BUILD A BETTER FUTURE (MORE JUST, INCLUSIVE AND SUSTAINABLE) IF WE ACT NOW

89%

Phrase that best describes Suzano:

ITS PRODUCTS ARE FROM RENEWABLE SOURCES

77%



TERMS THAT BEST REPRESENT SUZANO:



77%

sustainability



67%

innovation



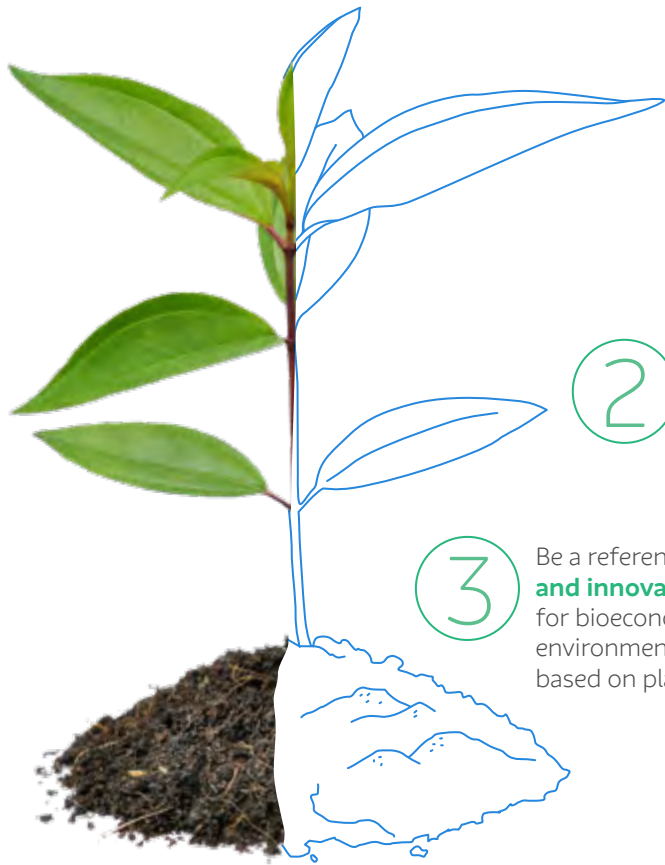
Our long-term business strategy

As Suzano matured in the process of determining its reason for being and developing its sustainability strategy, the need to establish a business strategy capable of enabling the present and future of the new company became imminent. It was up to the Strategy area, especially dedicated to the creation of a more perennial and consistent planning culture for the company, to draw a parallel between long-term projects and Suzano's ongoing search for greater competitiveness in daily decisions.

With the active participation of the leaders in all stages, Suzano built its Business Strategy in a three-level process, considering the company's performance for the next 5, 10 and 15 years.

On a first level is our long-term strategic vision. Prepared together with the members of the Executive Board, Strategy and Innovation Committee and the Board of Directors, this vision shows where Suzano wants to be 15 years from now.

Based on the unique long-term vision, senior management was responsible for breaking it down into five main medium-term ambitions, intended to guide Suzano's path over the next five years. These are the steps that will need to be followed to ensure the company's success.



LONG-TERM STRATEGIC VISION

1

Continue being a benchmark in the sector in **efficiency, profitability and sustainability**, from the forest to the client.

2

Be a transformational agent in the **expansion into new markets** for our biomass.

3

Be a reference in **sustainable and innovative solutions** for bioeconomy and environmental services, based on planted trees.

Five main **medium-term** avenues to guide Suzano's path over the next five years:



Be **"Best-in-Class"** in the **Total Cost of Pulp** vision



Maintain **relevance in pulp**, through good projects



Advance in the links of the chain, always with competitive advantage



Expand **boldly into New Markets**



Play a leading role in **sustainability**

The second level of work involved approximately 60 executives, including directors and managers. In order to achieve the five ambitions, this group reflected on what would be the most important battles to be won.

For a total of 17 major battles mapped, we have defined close to 100 initiatives (third level of the strategy) that will be implemented in two phases—over the next five years and over the five years after that. Short- and long-term metrics and goals complement the work and are fundamental in the analysis of advances and eventual adjustments to the routes. Actions to communicate and mobilize the internal audience to learn about the strategic vision, ambitions, battles and initiatives are already taking place in 2020.

Our sustainability strategy

In tandem with the definition of the purpose and business strategy, throughout 2019 we worked on the process to build our sustainability strategy.

We started a benchmarking process and defined that a fundamental aspect to build our strategy would be to actively listen to the various stakeholders.

WHO DID WE LISTEN TO IN ORDER TO DEVELOP OUR SUSTAINABILITY STRATEGY?

[GRI 102-40, 102-42, 102-43, 102-44]


11 INTERVIEWS WITH SUZANO EXECUTIVE LEADERS

ONLINE SURVEY WITH APPROXIMATELY
200 PEOPLE


 **36** INTERVIEWS WITH STAKEHOLDERS, REPRESENTING ORGANIZATIONS AND COMPANIES WITH WHICH SUZANO RELATES IN BRAZIL, THE UNITED STATES, EUROPE AND ASIA

MEETINGS WITH APPROXIMATELY
90 ORGANIZATIONS


We then initiated a face-to-face engagement phase: it was necessary to introduce in its business strategy the new Suzano and its intent to evolve in terms of sustainability.

In this phase, the idea was to create a bond and explain about the path taken and the existing challenges, in order to capture insights, expectations and criticisms.

What did we do in this engagement phase?

- Internal roadshow - dialogue with **more than 750 employees**;
- Follow-up interviews with **30 key stakeholders**;
- External roadshow - meetings with approximately **90 organizations** in Brazil, the United States and Europe introducing Suzano and talking about the construction of the strategy, representing the diversity of stakeholders in our ecosystem, such as customers, NGOs, investors, academia and experts, amongst others.

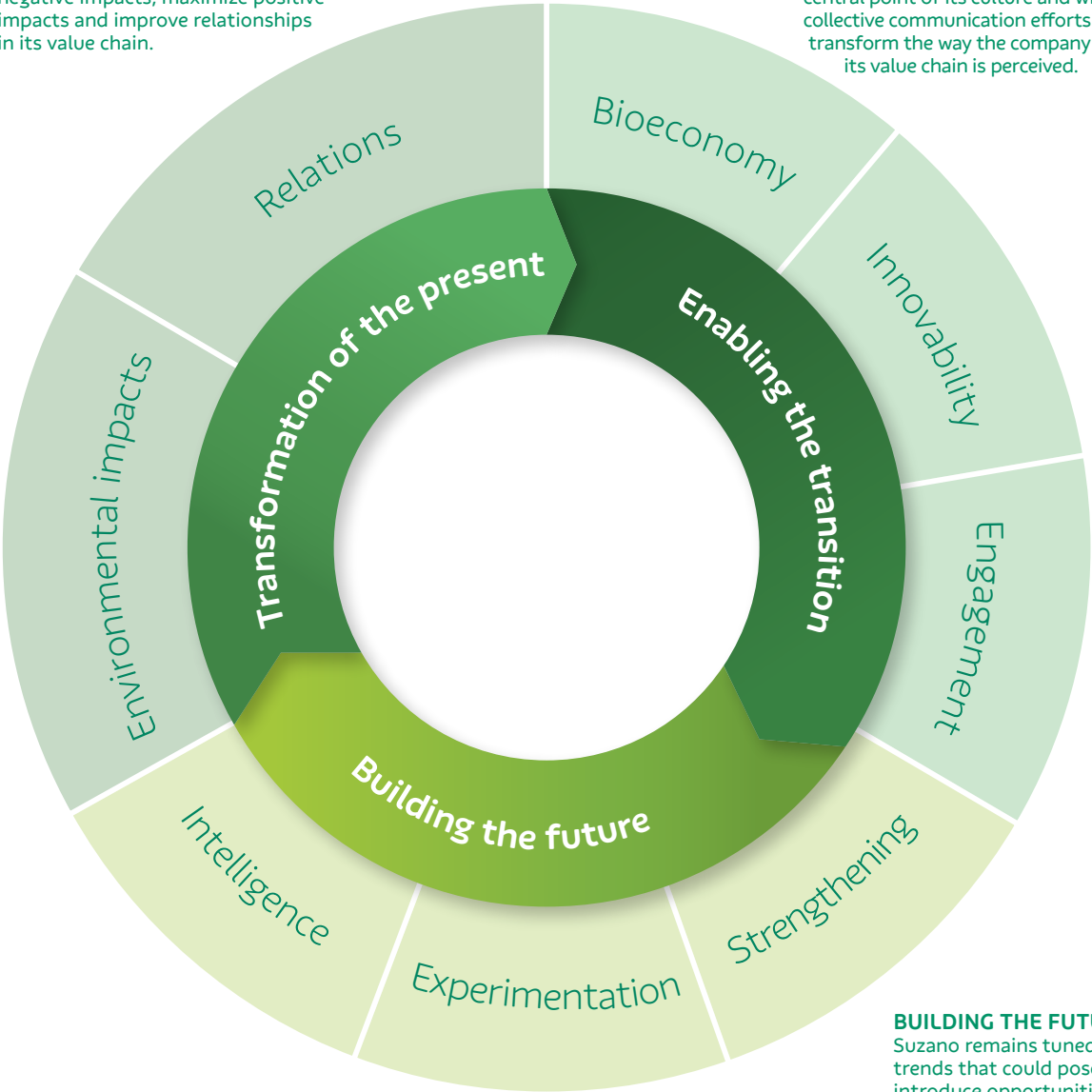
The third phase of this process was to consolidate the main topics mentioned and work on them in multidisciplinary groups in order to define their ambitions. The result of this work was the definition of our long-term public targets. These commitments were approved by the Executive Committee, the Sustainability Committee and the Board of Directors. In addition, during this work, we realized that our ambition aims at three horizons:

TRANSFORMATION OF THE PRESENT

Suzano looks to the future by caring for people and the environment of its business as usual, seeking to minimize negative impacts, maximize positive impacts and improve relationships in its value chain.

ENABLING THE TRANSITION TO THE BIOECONOMY

Suzano invests in the development of biosolutions, with innovation as the central point of its culture and with collective communication efforts to transform the way the company and its value chain is perceived.



BUILDING THE FUTURE

Suzano remains tuned to global trends that could pose risks and introduce opportunities for its business model and for society, and tests new possibilities based on innovation, aiming to make the business viable at scale and resilient in the long-term.



Sustainability Strategy

[GRI 103-1, 103-2, 103-3]

To be a leader and agent of transformation in the combined development of innovative and sustainable solutions contributing to tackle society's challenges.

This strategy is based on six fundamental assumptions:

- Integrated to the business;
- driven by innovability;
- transparent and fostering dialogue;
- generating of shared value;
- in our daily life;
- systemic and cross-cutting.





*Eucalyptus seedling.
Photo: Suzano image bank*

LONG-TERM GOALS

As a result of this journey, we have assumed long-term goals for this moment that the UN calls "The Decade of Action" (from 2020 to 2030)¹.

Monitoring of the execution and achievement of objectives will be under the responsibility of the Executive Board, the Sustainability Committee and the Board of Directors. It is worth mentioning that most of the topics above are part of the goals of the company's senior management (Executive Directors and Managers). The diversity and inclusion goal will be shared by all company executives in 2020. The evolution in performance of each of our commitments will be published annually in our Report.

SDG	GOAL	DRIVERS
	<p>Replace plastics and petroleum derivatives: offer 10 million tons of products from renewable sources</p>	<p>Due to its intrinsic versatility and renewable origin, our products are viable alternatives to fossil-based composites, stimulating, consequently, the increment of a low-carbon economy. Such investments are necessary to help combat the climate crisis and are completely connected to our business.</p>
	<p>Even more climate positive: remove an additional 40 million tons of carbon from the atmosphere (carbon capture - scopes 1, 2 and 3 emissions)</p>	<p>With a forest base of approximately 2.2 million hectares of trees that capture carbon, we understand our role in combating the climate crisis. For this reason, we are committed to going beyond the neutralization of our direct emissions and the emissions of our chain, also working for an additional and significant removal of carbon from the atmosphere.</p>

¹ Goals for 2030, except for Diversity and Inclusion goals (2025).

SDG	GOALS	DRIVERS
	<p>Mitigate the problem of income inequality: lift 200,000 people over the poverty threshold in our areas of influence</p>	<p>Our goal is to contribute to the development of structural fronts, such as generating income and improving the quality of education in the regions where we operate, aiming at their self-sufficiency.</p>
	<p>Education: enhance the Basic Education Development Index (Ideb) by 40% in all priority municipalities</p>	<p>Access to quality education is one of the most important structural challenges in Brazil. Therefore, we comit to fostering the education network and quality teaching in the regions where we operate.</p>
	<p>Climate change: reduce emissions intensity (tCO₂e/adt) by 15% (scope 1 and 2 emissions)</p>	<p>In the search for the efficiency of our processes, we have already managed to considerably reduce the emissions associated with our production. However, we know that we can do more. Thus, we remain focused on developing solutions that lead us to better results.</p>
	<p>Diversity and inclusion:</p> <ul style="list-style-type: none"> • to ensure 100% accessibility and zero prejudice, witnessed or experienced, against people with disabilities • to achieve 100% inclusive environment and zero prejudice, witnessed or experienced, against LGBTI+¹ • to have 30% women and 30% blacks² in leadership positions 	<p>Diversity and inclusion are intrinsic parts of our business strategy, as the maintenance of an environment based on such factors motivate employees to feel more involved and comfortable to explore their creativity, driving the development of collective, original and sustained solutions. Diversity and inclusion are also key aspects in the attraction and retention of talents.</p>
	<p>Water (Forestry): increase water availability in 100% of critical watersheds</p> <hr/> <p>Water (Industrial): reduce water withdrawal by 15%</p>	<p>Access to water is at the heart of sustainable development, essential for the survival of people, businesses and the planet. Suzano's eucalyptus plantations, native forests and mills depend directly on water, and it is everyone's responsibility to take proper care of this resource.</p>
	<p>Industrial waste: reduce by 70% the waste sent to landfills, transforming it into by-products</p>	<p>Today, the waste we generate results in costs and environmental impacts. In the future, this same waste can become a product with greater value added, furthering circularity to the economy. By reducing its destination to landfills, the goal is to enable this new universe of possibilities to become a reality.</p>
	<p>Energy: increase renewable energy exports by 50%</p>	<p>The electric energy generated in the mills is produced from renewable sources, enabling surplus that can supply the national energy system. Thus, through investments in efficiency, research and innovation, we want to increase our contribution to making clean and renewable energy available throughout the country.</p>

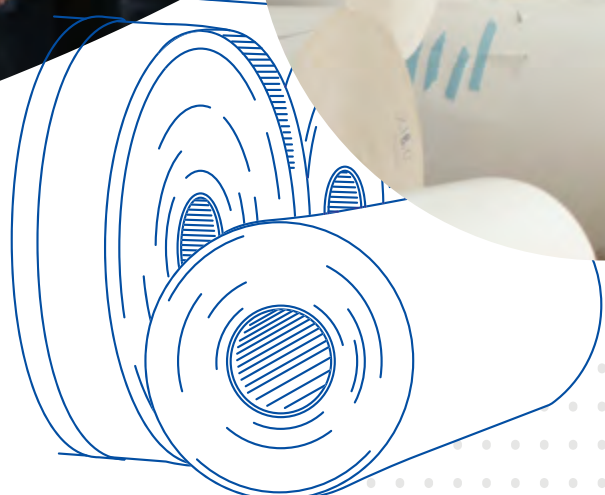
¹ At Suzano, we chose to use the acronym LGBTI+, which stands for lesbians, gays, bisexuals, transsexuals, intersexuals, and "*" symbolizing all other sexual orientations, gender identities and expressions.
² Classification used by the Brazilian Institute of Geography and Statistics (IBGE), including blacks and pardos.

6 Awards and recognition



*William Kaoru da Silveira,
Anderson Ramos do Amaral,
Gabriel de Moraes Pena, Douglas dos Santos Predolin
and Alessandro Murakami de Souza. Logistics Area.
Suzano Unit (São Paulo state). Photo: Photolima Fotografia*





Finishing. Suzano Unit
(São Paulo state).
Photo: Suzano image bank

Main Awards and Recognition in 2019

Inclusion in LinkedIn's ranking of Top Companies - most desired companies to work for

Executivo de Valor (Executive of Value) by Valor Econômico journal - Walter Schalka is awarded in the Cardboard, Paper and Pulp category

Bonds & Loans Latin America Awards - Latin America Investment Grade Bond Deal of the Year and Latin America Syndicated Loan Deal of the Year; Brazil: Corporate Bond Deal of the Year and Syndicated Loan Deal of the Year

RISI Award - CEO of the Year - Walter Schalka chosen the best CEO in the pulp and paper sector in Latin America for the fifth consecutive year

Included in the Great Place to Work (GPTW) ranking - among the 80 best large companies in the country

Exame magazine's Award for Best and Biggest - best in the Pulp and Paper and Agribusiness sector

ABTCP Industry Highlights Award - categories Forest Development, Market Pulp Producer, Printing Paper Producer and Specialty Paper Producer

The Best of Dinheiro Award by IstoÉ Dinheiro magazine

- best in the Pulp and Paper sector and in the Human Resources category



Leonardo Grimaldi, Executive Director for Paper, receives recognition from the Época 360 Yearbook on behalf of Suzano. Photo: Suzano image bank

Award for Companies that Best

Communicate with Journalists - winner in the Forest Base category for the fifth consecutive time

Época 360 Yearbook by Época

Negócios magazine - best company in the Pulp and Paper sector

Ranking of the Best Companies to Work for by Você S/A magazine

- featured in the Recognition and Reward category



Suzano's team in the ceremony of the 2019 Highlight Award of the Brazilian Technical Pulp and Paper Association (ABTCP). Photo: Suzano image bank

Ranking Best Companies to Start a Career by Você S/A magazine
- featured in the Career category

Hugo Werneck Award - Ecofuturo Institute, winner in the Example in Biodiversity Category for the work done at Parque das Neblinas

2020 Ranking of the Best Places to Work for by the Glassdoor website
- ranked 46th among a list of 50 in Brazil, with an overall score of 4.3.

Ranking of the Most Beloved Companies of the Love Mondays website
- ranked among the 50 best companies

Suzano awarded at the International Biennial Book Fair

For its presence in the book industry, due to the development of the Pólen® editorial paper line and its actions to encourage reading and for its investment in Community Libraries, via Ecofuturo Institute, Suzano received the José Olympio Award at the XIX Rio International Biennial Book Fair in 2019. It was the first time that a producer of printing and writing paper received this award, which is in its 11th edition.



External

Assurance

[GRI 102-56]

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 2019 (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 the Standards¹ of the Global Reporting Initiative™ GRI for Sustainability Reports, for the period from 1 January to 31 December 2019.

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;
2. On-site visits to the Central Administration office located in São Paulo – SP and the following operational sites: ; Limeira – SP; Aracruz – ES and Imperatriz – MA;
3. Visits to the following sites to verify social investments and projects presented in the

Report: Aldeia Irajá, municipality of Aracruz/ES (Sustainability Program Tupi-Guarani) and Boa Vista community, municipality of Aracruz/ES (Rural Land Development Program);

4. Review of documentary evidence provided by Suzano in relation to the reporting period (2019);
5. Evaluation of the systems used for data compilation;
6. Analysis of Suzano's stakeholder engagement activities; and
7. Evaluation of the method used to define material issues 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.

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 information contained in this Report which has been taken from financial statements verified by independent financial auditors.

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

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

The following limitations apply for this assurance engagement:

- The principles of Accuracy and Reliability were limited to data samples related to material aspects published within the Report;
- Economic and financial data presented within the report were assessed against the GRI reporting principle of Balance;
- Although we verified the energy and emissions indicators, we did not deliver assurance of the Inventory of Green Gas (GHG) emissions.

TECHNICAL OPINION

- Suzano's Report consists of a full version and a short version (containing infographics), in addition to an online Indicators Center, which contains more detailed data on the company's performance;
- The Report is based on 10 material topics defined in a materiality study carried out in 2019. In our understanding, the topics resulting from the study reflect the impacts of Suzano's activities in a balanced way;
- Suzano published the company's sustainability goals, which will help stakeholders to analyze objectively the company's performance over time;
- Regarding the alignment of sustainability indicators of the two former companies (Fibria and Suzano Papel e Celulose), we observed that Suzano has been successful in unifying methodologies for collecting, monitoring and presenting relevant data and indicators;
- In the process of approval and selection of suppliers, we evidenced a method

implemented that considers sustainability criteria. However, regarding the proportion of spending on local suppliers, we noted that Suzano was still looking for effective procedures, to improve its performance in this regard;

- Regarding the management of information and performance data, of the social projects supported by Suzano, we evidenced ongoing standardization initiatives. However, we found significant differences in the level of management of certain projects, which impacted the accuracy of some data;
- Concerning the impacts of Suzano's activities on communities, we evidenced formal methods of communication, corrective actions and monitoring. The process of engagement with communities was unified, but the data on the main impacts were presented in generic terms in this publication;
- In regard to the material topic "Forest Management", we noticed a lack of information on biodiversity at a strategic level, accompanied by the appropriated actions and eventual associated goals;
- We noted that Suzano addressed the recommendations recorded in our previous Statement. In the current Statement we launched 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 an appropriate strategy to increase the proportion of spends on local suppliers, publishing data in accordance with GRI indicator 204-1;

- Increase standardization in the processes of collecting and consolidating performance data for social projects supported by Suzano;
- Increase the presentation of performance data related to the main impacts of Suzano's activities, on surrounding communities;
- Establish and implement a biodiversity strategy or policy.

CONCLUSION

As a result of our assurance nothing has come to our attention that would indicate that:

- The information presented in the Report is not balanced, consistent and reliable;
- Suzano has not established appropriate systems for the collection, aggregation and analysis of quantitative and qualitative data used in the Report;
- The Report does not adhere to the Principles for defining report content and quality of the GRI Standards and does not meet its Core level.

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 2020.



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



GRI Content Index

[GRI 102-55]



GRI Standard	Disclosure	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 2016	102-1	Name of the organization	Suzano SA			
	102-2	Activities, brands, products and services	32 / Indicators Center (GRI 102-2)			
	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	15			
	102-5	Ownership and legal form	Indicators Center (GRI 102-5)			
	102-6	Markets served	Indicators Center (GRI 102-6)			
	102-7	Scale of the organization	14			
	102-8	Information on employees and other workers	Indicators Center (GRI 102-8)			
	102-9	Supply chain	64 / Indicators Center (GRI 102-9)			
	102-10	Significant changes to the organization and its supply chain	As of January 14, 2019, we started to operate as Suzano SA, a company created from the merger between Suzano Papel e Celulose and Fibria. Therefore, the company assumed the value chain maintained by the two former companies previously.			
	102-11	Precautionary Principle or approach	Indicators Center (GRI 102-11)			
	102-12	External initiatives	15 / Indicators Center (GRI 102-12)			
	102-13	Membership of associations	24 / Indicators Center (GRI 102-13)			
	102-14	Statement from senior decision-maker	5 - 7			
	102-15	Key impacts, risks, and opportunities	Indicators Center (GRI 102-15)			
	102-16	Values, principles, standards, and norms of behavior	22			
	102-17	Mechanisms for advice and concerns about ethics	22 / Indicators Center (GRI 102-17)			
	102-18	Governance structure	18 / Indicators Center (GRI 102-18)			
	102-22	Composition of the highest governance body and its committees	Indicators Center (GRI 102-22)			

GRI Standard	Disclosure	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	102-23	Chair of the highest governance body	Indicators Center (GRI 102-23)		
	102-24	Nominating and selecting the highest governance body	Indicators Center (GRI 102-24)		
	102-25	Conflicts of Interest	Indicators Center (GRI 102-25)		
	102-40	List of stakeholder groups	86		
	102-41	Collective bargaining agreements	Indicators Center (GRI 102-41)		
	102-42	Identifying and selecting stakeholders	86		
	102-43	Approach to stakeholder engagement	24 - 25, 64, 86		
	102-44	Key topics and concerns raised	86		
	102-45	Entities included in the consolidated financial statements	Information referring to the operations of Veracel and Portocel is included in the Financial Statements and financial indicators of the Report. However, the social and environmental information reported does not include these operations.		
	102-46	Defining report content and topic Boundaries	12 / Indicators Center (GRI 102-46)		
	102-47	List of material topics	11 / Indicators Center (GRI 102-46)		
	102-48	Restatements of information	Throughout the Report, we present information consolidated for Suzano SA (based on 2019), differently from the previous report, in which information was presented in a segregated manner between the former companies Fibria and Suzano Papel e Celulose (based on 2018, when the companies were still operating separately). In this sense, this document does not contain a historical series or restatements of information.		
	102-49	Changes in reporting	In 2019, we created our first materiality matrix as Suzano SA, covering all topics considered material by the former companies Suzano Papel e Celulose and Fibria. Significant changes to the boundaries of material topics in relation to the former materialities are described throughout the Report.		

GRI Standard	Disclosure	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	102-50	Reporting period	January 1, 2019 to December 31, 2019.		
	102-51	Date of most recent report	2018 Annual Report, covering the period from January to December of the reference year		
	102-52	Reporting cycle	Annual		
	102-53	Contact point for questions regarding the report	For questions or suggestions about our Report, please contact us by email relatoriosuzano@suzano.com.br .		
	102-54	Claims of reporting in accordance with the GRI Standards	<u>12</u>		
	102-55	GRI content index	<u>98 - 107</u>		
	102-56	External assurance	<u>94 - 97</u>		
Material topic: Water					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary			
	103-2	The management approach and its components	<u>Indicators Center (Material topic management approach)</u>		8, 12
	103-3	Evaluation of the management approach			
GRI 303: Water and effluents 2018	303-1	Interactions with water as a shared resource	<u>Indicators Center (GRI 303-1)</u>		8, 9, 8, 12
	303-3	Water withdrawal	<u>Indicators Center (GRI 303-3)</u>	Suzano SA does not report data regarding withdrawal, discharge or consumption of water broken down by areas of water stress. This information will be collected as of 2020.	8, 9, 8, 12
	303-4	Water discharge	<u>Indicators Center (GRI 303-4)</u>	Suzano SA does not report data regarding withdrawal, discharge or consumption of water broken down by areas of water stress. This information will be collected as of 2020.	8, 9, 8, 12
	303-5	Water consumption	<u>Indicators Center (GRI 303-5)</u>	Suzano SA does not report data regarding withdrawal, discharge or consumption of water broken down by areas of water stress. This information will be collected as of 2020.	8, 9, 8, 12

GRI Standard	Disclosure	PDF Page / link to the Indicators Center or Direct disclosure	Omission	Principles of the Global Compact	SDG
Material topic: Value Chain (suppliers and customers)					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	Indicators Center (Material topic management approach)		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 (GRI 204-1)		8, 12
GRI 308: Supplier environmental assessment 2016	308-1	New suppliers that were screened using environmental criteria	Indicators Center (GRI 308-1)	7, 8, 9	12
	308-2	Negative environmental impacts in the supply chain and actions taken	Indicators Center (GRI 308-2)	7, 8, 9	12
GRI 414: Supplier social assessment 2016	414-1	New suppliers that were screened using social criteria	Indicators Center (GRI 414-1)		8, 10, 16
	414-2	Negative social impacts in the supply chain and actions taken	Indicators Center (GRI 414-2)		8, 12
Material topic: Human Capital					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	Indicators Center (Material topic management approach)		3, 5, 8, 10, 16
	103-2	The management approach and its components			
	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 (GRI 202-1)		8
	202-2	Proportion of senior management hired from the local community	Indicators Center (GRI 202-2)		8
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Indicators Center (GRI 401-1)	6	8
	401-3	Parental leave	Indicators Center (GRI 401-3)	6	5, 8
GRI 402: Labor/ management relations 2016	402-1	Minimum notice periods regarding operational changes	Indicators Center (GRI 402-1)		8

GRI Standard	Disclosure	PDF Page / link to the Indicators Center or Direct disclosure	Omission	Principles of the Global Compact	SDG
Material topic: Human Capital (cont.)					
GRI 403: Occupational health and safety 2016	403-1	Occupational health and safety management system	Indicators Center (GRI 403-1)		3, 8
	403-4	Worker participation, consultation, and communication on occupational health and safety	Indicators Center (GRI 403-4)		3, 8, 16
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Indicators Center (GRI 403-7)		3, 8
	403-8	Workers covered by an occupational health and safety management system	Indicators Center (GRI 403-8)		3, 8
	403-9	Work-related injuries	Indicators Center (GRI 403-9)		3, 8
	403-10	Work-related ill health	Indicators Center (GRI 403-10)		3, 8
GRI 404: Training and education 2016	404-1	Average hours of training per year per employee	Indicators Center (GRI 404-1)	1, 6	8
	404-3	Percentage of employees receiving regular performance and career development reviews	Indicators Center (GRI 404-3)	1, 6	5, 8
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	Indicators Center (GRI 405-1)		5, 8, 10
	405-2	Ratio of basic salary and remuneration of women to men	Indicators Center (GRI 405-2)		5, 8, 10
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Indicators Center (GRI 406-1)	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 (GRI 407-1)	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 (GRI 408-1)	1, 2, 6	8, 16

GRI Standard	Disclosure	PDF Page / link to the Indicators Center or Direct disclosure	Omission	Principles of the Global Compact	SDG
Material topic: Human Capital (cont.)					
GRI 409: Forced or compulsory labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor Indicators Center (GRI 409-1)		1, 2, 3	8, 16
GRI 410: Security practices 2016	410-1	Security personnel trained in human rights policies or procedures Indicators Center (GRI 410-1)		1, 2, 5	8, 16
GRI 412: Human rights assessment 2016	412-2	Employee training on human rights policies or procedures Indicators Center (GRI 412-2)		1, 2, 3, 4, 5, 6	8, 16
Material topic: Social Development					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	Indicators Center (Material topic management approach)		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 (GRI 203-1)			1, 4, 9, 11, 12
	203-2	Significant indirect economic impacts Indicators Center (GRI 203-2)			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 (GRI 411-1)		1, 2, 4	10, 16
GRI 413: Local communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs Indicators Center (GRI 413-1)			1, 2, 4, 10, 11, 16
	413-2	Operations with significant actual and potential negative impacts on local communities Indicators Center (GRI 413-2)			8, 16

GRI Standard	Disclosure	PDF Page / link to the Indicators Center or Direct disclosure	Omission	Principles of the Global Compact	SDG
Material topic: Ethics, Governance and Transparency					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	Indicators Center (Material topic management approach)		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 (GRI 205-1)	10	16
	205-2	Communication and training about anti-corruption policies and procedures	Indicators Center (GRI 205-2)	10	16
	205-3	Confirmed incidents of corruption and actions taken	Indicators Center (GRI 205-3)	10	16
GRI 206: Anti-competitive behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Indicators Center (GRI 206-1)	1, 5	16
GRI 307: Environmental compliance 2016	307-1	Non-compliance with environmental laws and regulations	Indicators Center (GRI 307-1)	7, 8, 9	16
GRI 415: Public policy 2016	415-1	Political contributions	Indicators Center (GRI 415-1)	10	8, 9
GRI 419: Socioeconomic compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	Indicators Center (GRI 419-1)	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	Indicators Center (Material topic management approach)		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	306-2	Waste by type and disposal method	Indicators Center (GRI 306-2)	7, 8, 9	3, 6, 12

GRI Standard	Disclosure	PDF Page / link to the Indicators Center or Direct disclosure	Omission	Principles of the Global Compact	SDG
Material topic: Financial Management					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	Indicators Center (Material topic management approach)		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 (GRI 201-1)		16
Material topic: Innovation and Technology					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	Indicators Center (Material topic management approach)		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	Indicators Center (Material topic management approach)		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 (GRI 304-1)	8, 9	12, 15
	304-2	Significant impacts of activities, products, and services on biodiversity	Indicators Center (GRI 304-2)	8, 9	12, 15
	304-3	Habitats protected or restored	Indicators Center (GRI 304-3)	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 (GRI 304-4)	8, 9	6,12, 14, 15

GRI Standard	Disclosure	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			
	103-2	The management approach and its components	Indicators Center (Material topic management approach)		3, 9, 12, 13
	103-3	Evaluation of the management approach			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Indicators Center (GRI 302-1)		7, 12, 13
	302-2	Energy consumption outside of the organization	Indicators Center (GRI 302-2)		7, 8, 12, 13
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Indicators Center (GRI 305-1)	7, 8, 9	12, 13
	305-2	Energy indirect (Scope 2) GHG emissions	Indicators Center (GRI 305-2)	7, 8, 9	12, 13
	305-3	Other indirect (Scope 3) GHG emissions	Indicators Center (GRI 305-3)	7, 8, 9	12, 13
	305-4	GHG emissions intensity	Indicators Center (GRI 305-4)	7, 8, 9	12, 13
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Indicators Center (GRI 305-7)	7, 8, 9	3, 9, 12, 13

Credits

EDITING

André Magnabosco
Cristiano Oliveira
Guilherme Miranda
Heloísa Predomo Amurov
Lígia Leme
Marcela Porto
Maria Augusta Bottino
Raquel Botinha
Vitória Helena De Benedetti

COORDINATION, TEXTS AND EDITORIAL DESIGN

Quintal 22

GRI CONSULTING

Avesso Sustentabilidade

GRAPHIC DESIGN AND LAYOUT

Adesign

CONTACT

For questions and suggestions, contact us by email
relatoriosuzano@suzano.com.br

PHOTOGRAPHY

Adriano Gambarini (WWF Brasil)
Araquém Alcântara
Bruno Fujii
Eliza Carneiro
Fernando Soares
Fotocontexto
Márcio Schimming
Ricardo Teles
Rogério Sarmenghi
Sergio Zacchi
Suzano Image Bank
Ecofuturo Institute Image Bank

ENGLISH VERSION

Gotcha! Idiomas





*Charles da Silva Gonçalves,
Cutter assistant. Limeira
Unit (São Paulo state).
Photo: Ricardo Teles*



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