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Innovability is the natural calling of our company – a business inspired by the trees we plant and driven by solutions created from renewable resources.

Global transformation has never been faster than in recent years—it is accelerating exponentially and requires people and public and private institutions to act fast and have clarity about the part they want to play in this intense process. More and more, Suzano is positioning itself in the group that wants to participate and lead the construction of a positive world for people and for the planet. To do that, the company decided to put innovation at the service of sustainability. Innovability is the natural calling of our company, a business that is inspired by the trees we plant and driven by solutions from renewable sources.

Suzano pursues innovability in everything it does. In 2021, the company took important steps in this direction, for example, through its strategies for the development of bio-oil, an alternative to fossil fuels made from eucalyptus biomass, and through the joint venture with Spinnova to produce textile fiber made from pulp. Innovability is also manifested in the way the company outlines its investment strategies, such as in the Cerrado Project, which is on its way to becoming a benchmark in ecodesign and local development, and in the fact that it continues to be one of the largest global issuers of sustainability-linked bonds.

While facing one of the most complex and urgent global problems we have ever faced, the climate crisis, Suzano made a public commitment to be part of the solution and took a stand at COP26 in favor of incorporating carbon costs into the global economy. Also, as global leaders in the pulp and paper sector, we understand that we can help Brazil take a leading position on the world stage. Therefore, we strive to be more vocal and organize and engage more and more institutions and people to stand behind this agenda.

In the social arena, despite the challenges brought by the pandemic, we continue to expand our social performance through initiatives to create work and generate income, while developing strategies and metrics to address the issue of poverty in a systemic and structured way.

In a young, almost 100-year-old company, none of these initiatives would be possible without the courage to deal with what I consider to be a significant collective challenge: a change of mindset. In this journey, our solid corporate governance helps our senior leadership—and, consequently, all areas of our business—to further embrace and become more responsible for sustainability. Year after year, our organization’s virtuous circle reflects our advances in governance, which includes an independent and increasingly diverse Board of Directors. Our Sustainability Committee and Strategy & Innovation Committee, for example, which are made up primarily of independent board members that are market references in their areas of activity and have different backgrounds, are currently major catalysts for the transformations undertaken by Suzano. They add different perspectives and point out trends to help us increasingly see beyond business as usual, which will meaningfully accelerate the company’s evolution throughout this decade. Although governance has been a key driver in our company for many years, our commitment to achieving its highest standards is ongoing, cross cutting and long-term, serving as a guide for all of our business practices, from the Board of Directors to the frontline of our operations.

As a company that values business ambidexterity, all initiatives described in this report are anchored in our business strategy (which includes a long-term vision that considers a horizon of 10 to 15 years) and in excellence in the delivery of our results in the short term (learn more in the chapter Suzano). Our strategy is fully aligned with our Commitments to Renewing Life, reflecting our recognition that “it is only good for us if it is good for the world”, and with our ongoing commitment to remain an efficient and profitable company.

To make all this happen, we rely on our 36,000 direct and indirect employees, who are committed to making a difference in the daily lives of the people who consume our products and, most of all, to staying focused on generating and sharing value with our different stakeholders.

Strongly-yet-gently, we will continue to invest in efficiency and in the growth of our current business, while also exploring new opportunities to renew life inspired by trees, as a way of sowing a positive future for all.

David Feffer
Chairman of Suzano’s Board of Directors
I would like to start this message by first thanking Suzano’s more than 36,000 employees and contractors for another year dedicated to our forestry, industrial, laboratory and logistics operations and our administrative areas.

All our people had to adapt their lives to a new reality, whether working remotely or adopting new health and safety practices in operational areas. In an unstable environment, threatened by the pandemic, we managed to impact more than 2 billion people worldwide, who use our products and services daily. Thanks to the high level of commitment and competence of each employee, Suzano was proud to celebrate a year of excellent performance in 2021.

We believe that successful companies are those that can find convergence between efficiency, sustainability and transformation. In light of that, our participation in COP26 is an important demonstration of our commitment to being part of the evolution of society. We left the conference optimistic about the progress made by each country in their commitments in this area. Among the initiatives discussed at COP26 that I would like to highlight is the approval of the regulated carbon market.

We know that our planted trees and the preservation of native forests are part of the solution to the climate crisis. In a growing trend, our raw materials will replace nonrenewable resources. To this end, we will offer new products that, by design, are developed considering performance, competitiveness and sustainability throughout the value chain. A good example of this in 2021 was the announcement of a joint venture with Spinnova. Together, in our mill under construction in Finland, we will produce sustainable fibers from our planted and certified eucalyptus and the pulp we already manufacture for use in paper—unlike any other fiber currently used in the textile industry. In addition to producing lower CO2 emissions and using less water, the production process of this fiber does not use any fossil materials that could generate microplastics.

We also understand that we have an important challenge regarding our commitment to lift 200,000 people out of poverty in the areas where we operate. In 2021, we made progress in the pursuit of this target, but we know that the pandemic has highlighted social inequalities in Brazil, with a serious impact on communities. To overcome this challenge, we are expanding partnerships and further increasing our focus on the social initiatives coordinated by Suzano. We understand that this is our role.

It is extremely important to continue to invest in the production of competitive raw materials and, from there, in disruptive alternatives that can lead us to a better future. In this context, the regulated carbon market is also a key instrument for financing the decarbonization of the global economy. And our company, which has been increasingly vocal on issues that impact the world, has actively contributed to accelerating this process.

We believe that solutions to climate change, the loss of biodiversity and other systemic challenges of the 2030 Agenda cannot be reached by just one company or a small group of organizations. The response to the Sustainable Development Goals (SDGs) involves more than 7 billion people. In other words, this is not a competition agenda—it is an agenda in which everyone wins, or everyone loses.

We are proud to belong to an industry that positively impacts Brazil and the planet. But there is more to be done by Suzano, as it continues to fulfill its purpose of renewing life inspired by trees. In 2020, we made a set of public commitments, in line with the SDGs, to be fulfilled by 2030. We will produce more clean energy in our operations and advance our efforts to reduce our carbon emissions (including those indirectly linked to our activities). We will continue to evolve on issues such as biodiversity conservation, waste and water management, and, not least, diversity and inclusion, especially with regard to women, Black people, LGBTQIA+ and people with disabilities, since we must give everyone the opportunity to have better representation and rise within the company.

All these initiatives earned us 15th place in the ranking of top global companies recognized for their sustainability commitments and practices, according to the 25th GlobeScan / SustainAbility Leaders Survey, conducted by GlobeScan and The SustainAbility Institute by ERM. We have many opportunities to be leaders in the process of transforming society. For this to happen, our daily behavior must reflect the changes we want to see in the world. Like any company, we have challenges. However, they will not be barriers to our performance as a company that is committed to the transformation of society. That is why, to deliver the best results as a company, we are committed to engaging other people, entities, governments and companies in this transformation agenda through innovation. This is what you will see on the next pages of our 2021 Annual Report.

Walter Schalka
CEO of Suzano
This 2021 Annual Report presents Suzano’s main financial, social, environmental and corporate governance highlights, as well as the company’s initiatives to fight the COVID-19 pandemic and its effects, from January 1 to December 31, 2020.

The content of this document covers the most relevant topics for the business and our stakeholders, according to our materiality assessment and our 15 Commitments to Renewing Life, which we have publicly made and must fulfill by 2030, in line with the Paris Agreement and the Sustainable Development Goals (SDGs).

Topics that affect more than one stakeholder group may appear in more than one chapter, according to their perspectives. There is no specific chapter dedicated to investors. However, since the topics of interest for this group are also cross cutting, they are detailed, in particular, in the chapter Suzano.

Seeking to reflect the best practices of transparency to stakeholders, this report is prepared in accordance with the standards of the Global Reporting Initiative (GRI, Core option) and follows the principles of the International Integrated Reporting Council (IIRC), which drive the communication of value creation, with focus and conciseness, and seek to ensure a balance between the positive and negative aspects of the issues reported.

In addition, this report is organized in line with the Sustainable Development Goals (SDGs)—17 global goals established by the United Nations (UN) that are part of the 2030 Agenda.

The Annual Report is part of an information hub that also includes our Sustainability Center (formerly known as the Indicators Center). In it, we publish a comprehensive set of indicators that are based on frameworks of the Sustainability Accounting Standards Board (SASB) for the Pulp and Paper Products, Forestry Management, and Containers and Packaging industries, and the Task Force on Climate-Related Financial Disclosures (TCFD), and are inspired by the World Economic Forum’s (WEF) Stakeholder Capitalism Metrics. In addition to the Annual Report in PDF, we also have a strategic summary that includes two infographics.

**MATERIALITY**

In accordance with the mandatory guidelines established by the GRI and IIRC methodologies, Suzano’s materiality is the intersection of topics that are relevant to the business from the perspective of our stakeholders and the analysis of the impacts related to these topics. In 2021, the materiality matrix was updated, according to the following steps:

1. Identification
   Analysis of internal and external documents, including relevant and benchmark studies and surveys about the industry.

2. Prioritization
   Interviews with five company leaders/executives and external stakeholders and sectoral studies to identify impacts on the industry conducted by relevant organizations, such as the Sustainability Accounting Standards Board (SASB) and the Forest Stewardship Council (FSC), in addition to documents from IFC, WWF and TNC.

3. Analysis
   In the analysis and weighting, the perceptions of each stakeholder, as well as the topics identified, received the weights recommended by the methodology, producing a matrix with internal and external perspectives.

4. Validation of results
   Validation of the list of topics by the Sustainability area and leaders, and definition of level of detail and boundaries established for each topic, according to the methodological recommendation.

It is important to mention that the process of updating Suzano’s materiality took into account the most current concepts related to dynamic materiality and double materiality.

Keep reading to learn about the list of material topics for Suzano:
<table>
<thead>
<tr>
<th>Material topic</th>
<th>Why it is material (GRI 103-1)</th>
<th>Alignment with commitments</th>
<th>Boundaries of the material topic and relevance for the links of the value chain (GRI 103-1)</th>
<th>SDG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate change</td>
<td>Suzano has a significant forest base. Together, native forests and eucalyptus plantations directly contribute to the removal and storage of carbon dioxide (CO2) from the air, preservation of biodiversity and regulation of the hydrological cycle, among other benefits. At the same time, the company has industrial and logistics activities that are highly intensive in terms of greenhouse gas (GHG) emissions. This places great responsibility on the company to mitigate and adapt to climate change, as it works with governments, civil society and other private entities to address this challenge.</td>
<td>Be increasingly climate positive Emissions</td>
<td>Forestry Industry Supply of wood and other inputs Transport and Logistics Marketing and Customers Resale and End Consumers</td>
<td></td>
</tr>
<tr>
<td>Biodiversity</td>
<td>In Brazil, eucalyptus plantations represent two thirds of all forests planted for silviculture. They have been connected to the deforestation of the Atlantic Forest, a biodiversity hotspot, and also pose a risk to other biomes, even though most companies no longer work with deforested areas. Other impacts on biodiversity may include: loss of habitat; fragmentation of biomes by anthropic actions; scaring away and trampling the fauna; changes in native vegetation; loss of individual flora species; microclimate and landscape alteration. On the other hand, in addition to lumber production, forests provide valuable ecosystem services, including carbon sequestration, wildlife habitat, water purification and storage, soil formation and recreational opportunities. Protecting or enhancing ecosystem services within managed forests could mitigate reputation, demand and operational risks related to the potential negative environmental impacts of forestry.</td>
<td>Conservation of Biodiversity Water in the Forest Waste</td>
<td>Forestry Industry Supply of wood and other inputs Transport and Logistics Marketing and Customers Resale and End Consumers</td>
<td></td>
</tr>
<tr>
<td>Land development</td>
<td>Conflicts with communities, including both indigenous and traditional peoples, can affect a company’s ability to operate in certain regions, result in regulatory action, and impact the brand. On the other hand, companies can provide benefits to community stakeholders through employment opportunities, revenue sharing and increased trade. Organizations can adopt various community engagement strategies to manage the risks and opportunities associated with community rights and interests, such as maintaining positive relationships with local stakeholders and accommodating the needs of communities.</td>
<td>Education Mitigating the issue of income distribution</td>
<td>Forestry Industry Supply of wood and other inputs Transport and Logistics Marketing and Customers Resale and End Consumers</td>
<td></td>
</tr>
<tr>
<td>Water</td>
<td>The manufacture of pulp and paper products is typically a water-intensive process, with consumption during the processing of materials, process cooling, and steam generation in on-site power plants. Process water typically contains dissolved organic compounds and other solids, underscoring the importance of its treatment. Water availability is an important consideration for the industry, as shortages can result in higher supply costs, supply interruptions or tension with local users. Scarcity can be even more critical when it comes to forest areas, since it can reduce forest productivity or even create conflicts with neighboring communities. Because of its productivity, eucalyptus converts a large amount of water resources into biomass in a relatively short space of time, which can have a drastic and negative impact on neighboring freshwater sources, including rivers, lakes and underground aquifers.</td>
<td>Water in the Forest Water in Industry</td>
<td>Forestry Industry Supply of wood and other inputs Transport and Logistics Marketing and Customers Resale and End Consumers</td>
<td></td>
</tr>
</tbody>
</table>

**Materiality**

**Highly relevant topic**

**Relevant topic**

**Topic of little or no relevance**
### Human Rights

Human rights are rights inherent to all human beings, regardless of their race, sex, nationality, ethnicity, language, religion or any other status. Human rights include the right to life and liberty, freedom of opinion and expression, the right to work and education, and others. In the case of Suzano and forestry companies, which occupy large tracts of land with eucalyptus or pine monoculture, the right of access to natural resources and land, especially of traditional communities or communities that live off the land, can be violated. In addition, forced and/or compulsory labor and child labor can still be found on eucalyptus plantations in Brazil, particularly in those where eucalyptus is used for charcoal in the production of pig iron. By organizing work through subcontractors, companies can require them to confirm no fault regarding working conditions, as well as carry out audits and certify their chain to reduce risk.

**Why it is material (GRI 103-1)**

- Human rights are fundamental to all aspects of the forestry industry, from the selection of raw materials to the management of labor and working conditions.
- The forestry industry has a significant impact on human rights, including the right to life and liberty, freedom of opinion and expression, the right to work and education, and others.

**Alignment with commitments**

- Diversity and Inclusion
- Water in the Forest
- Water in Industry

**Boundaries of the material topic and relevance for the links of the value chain (GRI 103-1)**

- Forestry
- Industry
- Supply of wood and other inputs
- Transport and Logistics
- Marketing and Customers
- Resale and End Consumers

**SDG**

- 10: Reduced inequalities

---

### Diversity, Equity and Inclusion

For Suzano, diversity, equity and inclusion are not only a duty, but also a business strategy. In a diverse and inclusive environment, employees are more involved, creative and collaborative, and the rates of attraction and retention of new talent increase significantly. The topic must also be considered in all company practices, including while dealing with local communities, managing its suppliers or developing new products. Among the negative impacts of improper management of this topic, we can include operational costs, reputational risks and contribution to increased social inequality. On the positive side, proper management of this topic can lead to gender and racial equality, and the inclusion of historically excluded people. In the context of a country like Brazil, the fight against machismo, racism and various forms of discrimination includes promoting and valuing these minorities in the workplace as well.

**Why it is material (GRI 103-1)**

- Diversity and equity are key components of the forestry industry, which involves the management of large areas of land that may be owned and operated by multiple stakeholders.
- Inclusion is essential to ensure fair and equal treatment of all employees, regardless of their background or identity.

**Alignment with commitments**

- Diversity and Inclusion

**Boundaries of the material topic and relevance for the links of the value chain (GRI 103-1)**

- Forestry
- Industry
- Supply of wood and other inputs
- Transport and Logistics
- Marketing and Customers
- Resale and End Consumers

**SDG**

- 8: Decent work and economic growth

---

### Supplier Management

The traceability of a product is an important feature to ensure that, if there is a quality problem, it is easily traceable, enabling recall. For the forestry sector, having the assurance (by a certifier) that the forest from which the raw material comes is being exploited in compliance with the law and correctly from an ecological, social and economic standpoint, differentiates the product of similar ones and adds value. Among the impacts of properly managing this topic, we can include brand protection; quality control; added value to the final product; the production of forest products in a sustainable way; as well as the cascading of good practices through the chain of custody. On the negative side, impacts may include operational costs and/or remediation costs; non-compliance with legislation; loss of biodiversity; contamination of water resources and violations of human rights.

**Why it is material (GRI 103-1)**

- Supplier management is a critical aspect of the forestry industry, as it ensures the ethical sourcing of raw materials and the traceability of products.

**Alignment with commitments**

- Diversity and Inclusion
- Water in the Forest
- Water in Industry
- Waste

**Boundaries of the material topic and relevance for the links of the value chain (GRI 103-1)**

- Forestry
- Industry
- Supply of wood and other inputs
- Transport and Logistics
- Marketing and Customers
- Resale and End Consumers

**SDG**

- 13: Climate action

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### Innovability

Continuous investment in technology and a culture of innovation that drives the development of solutions for the biggest challenges that society faces (enabling the transition to the bioeconomy) are central elements of this topic, in addition to adding greater competitive advantage. The addition of sustainability to this topic reflects the ability of an organization to innovate in a sustainable way and to leverage sustainability as a pathway for innovation, new business and differentiation. At Suzano, innovability is directly linked to its ambition to be a regenerative company that wants productivity to be part of its chain, from end to end; create a competitive advantage based on customer needs and new ways of using and applying its inputs; and seeks new businesses, solutions and products from trees, for a more renewable future.

**Why it is material (GRI 103-1)**

- Innovability is a fundamental aspect of the forestry industry, which involves the development of new and sustainable solutions to address environmental challenges.

**Alignment with commitments**

- Products from Renewable Sources
- Energy

**Boundaries of the material topic and relevance for the links of the value chain (GRI 103-1)**

- Forestry
- Industry
- Supply of wood and other inputs
- Transport and Logistics
- Marketing and Customers
- Resale and End Consumers

**SDG**

- 7: Affordable and clean energy

---
We believe that this is an ongoing process of transparency and accountability, and we highly value comments and criticisms about our report.

Generating and sharing value with the stakeholders that are part of the ecosystem in which we operate is essential. Therefore, the way the company impacts and is impacted through its initiatives and relationships with the various stakeholders, as well as its challenges and management methods, is presented throughout its narrative.

The issue of innovability—which, for Suzano, means having innovation work in the service of sustainability and vice versa—and its relevance to the company are addressed throughout this report. The main practical examples of how the company has been applying this concept are highlighted throughout the chapters in the form of case studies.

Resources such as links and “learn more” options are used to guide the readers and facilitate an integrated access to information. In addition, the material topics and SDGs related to the subjects detailed throughout the report are indicated in each chapter. This document has been submitted for the analysis of external readers, who were invited by the company to express impartial opinions on the quality and transparency of its content and information. The document also underwent independent external assurance, conducted by Bureau Veritas, whose external validation is included at the end of the report.

To learn more, visit www.suzano.com.br/en/r2021 or our Sustainability Center.
16 Trees are the very essence of Suzano. They inspire our purpose of renewing life inspired by trees and the 15 long-term goals the company calls Commitments to Renewing Life—made, also, as a way to address some of the main challenges facing the world in the 21st century.

Suzano is a global leader in its industry. It has an installed production capacity of 10.9 million tonnes of pulp per year, exports to more than 100 countries and, through its products, participates in the lives of more than 2 billion people around the world. Given this magnitude, it is natural for the company to assume a leading role in the most relevant discussions for society and the planet. And innovability is an attribute for which Suzano wants to be recognized, based on its main asset: its areas of eucalyptus plantations and of native forests set aside for conservation.

This concept is anchored in one of our organization’s cultural pillars (“It is only good for Suzano if it is good for the world”), a value that has influenced all business decisions since 2019, when the company defined its Cultural Drivers. Innovability is reflected not only in the way the company develops projects and processes, but in the governance established to address this issue. Currently, the advisory committees within Suzano’s Board of Directors include a Sustainability and a Strategy & Innovation committee. Together, the two bodies establish convergent agendas, following the principle of “and” rather than “or”. In other words, through the activities of these groups and the management of indicators of quantity, quality and speed of transformation, the agendas of the future are kept alive in the company’s everyday activities, ensuring that short-term needs do not prevent Suzano from thinking in the long term and reaching its next evolutionary level.

Innovation is the “how” of our journey. We want to be a company that exudes this attribute and is focused not only on the co-creation of solutions developed from planted trees, to support a low carbon economy, but also on the way we work with all our stakeholders—in social projects and environmental issues, initiatives with suppliers or in the way we access the financial market. Today, this concept is at the core of every Suzano initiative. Throughout the chapters of this report, you will learn about dozens of projects, of different scales and maturity levels, that, for example, aim to leverage the potential of eucalyptus to replace plastics and other fossil-derived products, apply microfibrillated cellulose technology in textile production or contribute to the creation of a regulated carbon market that can help countries address the effects of climate change.

Currently, 70% of our Research and Development portfolio is made up of short- and medium-term projects—that is, projects that will be implemented in up to five years. We have the ambition to offer solutions that are still under development, such as new applications for lignin, nanocellulose, biocomposites and bio-oil. Our mission is to make these applications viable, through feasible processes. The remaining 30% of our portfolio requires five years or more and the participation of other value chains to be developed.

We remain firmly on the path of transformation, although the company still has a long way to go in partnership with startups, universities, associations, research centers, customers, governments and other companies in Brazil and abroad. This is part of a strong effort to change mindsets, promote collaboration and share knowledge that will help us drive the evolution we want to see at Suzano and in society, for the sake of a better world.
We participate in people’s lives through various products made from our planted eucalyptus trees. We want more: we will create new solutions to respond to the needs of a low carbon economy. Keep reading to learn more about our activities.

GRI 102-1, 102-2

Otávio Augusto de Andrade, Forestry supervisor, Três Lagoas unit (state of Mato Grosso do Sul).

Photo: Márcio Schimming.
Suzano is currently the largest producer of hardwood pulp in the world. The company supplies the market with products from renewable sources that serve as raw material for products that are part of people’s daily lives, such as printing and writing paper; sanitary papers, including toilet paper, tissues and paper towels; packaging papers for various segments; special papers; and many others.

Our fluff pulp, known as Eucatfluff®, caters to the segment of diapers, absorbent products for incontinence, pet mats, sanitary pads and hospital products.

In the paper and packaging segment, in which the company is one of the largest producers in Latin America, we have four product lines: paperboard, uncoated paper, coated paper and cut-size paper. Our products, which are sold and distributed globally, are used in common applications in the segments of packaging, publishing, converting, promotional and the direct use of A4 paper for printing and writing.

MAIN BRANDS IN THE PAPER AND PACKAGING SEGMENT

**Paperboard:** Supremo Alta Alvura, TP White Plus and Super 6 Plus. With regard to paperboard, in addition to the regular sale of paper to printing facilities, converters and distributors, we offer to our customers the service of co-creating new types of packaging, by evaluating raw materials and/or design ideas together with printing facilities and brand owners.

**Uncoated paper:** Pólen, Alta Alvura, Reciclato, Paperfect and Prisma Bright (domestic market only). The uncoated line is also available to the packaging segment through products that can be used to form cardboard sheets and boxes.

**Coated paper:** Couché Suzano, Couché Fit, Couché Design and Couché Press.

**Cut size paper:** the main brand sold in the domestic market is Report. The main brands sold abroad are Artwork, Eclipse and One.

**Packaging paper (coated or uncoated):** Bluecup® family, Greenpack® (for flexible packaging), Loop® (paper used for making straws) and Greenbag®, which is made exclusively of virgin eucalyptus fibers and has tearing, ripping and roughness properties that are ideal for the retail bag segment.

In the consumer goods segment, Suzano offers pulp-based products that meet hygiene, cleaning, and family and home care needs.

MAIN BRANDS IN THE CONSUMER GOODS SEGMENT:

**Toilet paper** Mimmo®, Floral, La Vie Blanc® and Max Pure®.

**Wet wipes** Mimmo®.

**Paper towel and napkins** Scala.

**Diapers** Maxx Baby.

To learn more about our products, visit Suzano’s website.
SUZANO IN NUMBERS – 2021
GRI 102-7

INSTALLED CAPACITY

<table>
<thead>
<tr>
<th>1.4 million</th>
<th>10.9 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>tonnes of paper per year</td>
<td>tonnes of pulp per year (includes Veracel’s production)</td>
</tr>
</tbody>
</table>

21 distribution centers

3 ports to export pulp

10 fully dedicated ships

All units near the coast or connected by rail

7 research centers

R$65 million+ in social investments

35,000 customers in the paper segment

Paper sales volume (including consumer goods)

1.3 million tonnes

Pulp sales volume

10.6 million tonnes

Net revenue

R$41 billion

R$23.5 billion

Adjusted Ebitda

R$18.8 billion

in operating cash flow

Capex

R$6.3 billion

Global Presence and Certifications
GRI 102-4

FOREST BASE

PLANTS

OFFICES

PORTS

International offices

USA and Europe (Austria and Switzerland)

• ISO 9001:2015
• CoC FSC® and PEFC/Cerflor

3 Stenfar and Distribuitors Chain of custody license code: FSC-C003231

Mucuri unit

• ISO 9001:2015
• ISO 14001:2015
• CoC FSC® and PEFC/Cerflor
• ISO/IEC 17025
• SMETA

Aracruz unit

• ISO 9001:2015
• ISO 14001:2015
• CoC FSC® and PEFC/Cerflor
• ISO/IEC 17025
• SMETA

Central Office

• ISO 9001:2015
• CoC FSC® and PEFC/Cerflor

Santos Port

• ISO 9001:2015
• ISO 14001:2015
• ISO 45001:2018
• CoC FSC® and PEFC/Cerflor
• ISO/IEC 17025
• SMETA

Suzano, Rio Verde and Limeira units

• ISO 9001:2015
• ISO 14001:2015
• CoC FSC® and PEFC/Cerflor
• ISO/IEC 17025
• SMETA

Três Lagos and Jacarei units

• ISO 9001:2015
• ISO 14001:2015
• CoC FSC® and PEFC/Cerflor
• ISO/IEC 17025
• SMETA

Imperatriz unit

• ISO 9001:2015
• ISO 14001:2015
• ISO 45001:2018
• CoC FSC® and PEFC/Cerflor
• SMETA

• ISO/IEC 17025

R$1500 GWh (equivalent to the energy consumed in Brazil in one day or in Norway in five days)

Renewable energy contributed to the Brazilian Electric System

International offices

• Buenos Aires, Argentina
• Lustenau, Austria
• Shanghai, China
• Nyon, Switzerland
• Fort Lauderdale, USA

5 International offices

35,000 customers in the paper segment

7 research centers

5 in Brazil

1 in Canada

1 in Israel

73x700
INFOGRAPHIC – Value Creation Model

Following the international Integrated Reporting (IR) methodology, this infographic depicts the value creation process of Suzano’s business through capitals (set of resources). In addition, it displays the combined impact that production process, stakeholders and the business model itself can have on society over time. This infographic also includes the company’s main highlights and results in 2021.

**Inputs**

- Financial Capital
  - Investment in the forest base; expansion and maintenance of commercial plantations and conservation areas
  - Investments in manufacturing; expansion and maintenance of units, purchase of inputs, materials and services
  - Investments in logistics, including chartering ships, acquisitions and renovations of terminals, more efficient vehicles, road maintenance and construction
- Intellectual Capital
  - Systems and platforms (information organization, knowledge management, data control)
  - Tacit knowledge
  - Processes and procedures
- Manufactured Capital
  - Eucalyptus plantations for wood production
  - Offices
  - Nurseries
  - Industrial, research and forestry equipment
  - Logistical modes
  - Distribution centers
- Social and Relationship Capital
  - Academia and startups
  - Shareholders
  - Associations/organized groups
  - Certifiers
  - Customers
  - Company employees and contractors
  - Community
  - End consumers

**Outputs**

- Natural Capital
  - Water, soil, native forests and restored areas
  - Biological controls
  - Climate conditions, biodiversity and natural cycles
- Financial Capital
  - Adjusted Ebitda: R$23.5 billion
  - Capex: R$6.3 billion
  - Operating cash generation: R$18.8 billion
  - Participation in the Corporate Sustainability Index (ISE), Carbon Efficient Index (ECO2) and B3’s Great Place to Work.
  - Other structured transactions

**Results of our total carbon balance (emissions – removal)**

- Launch of a Commitment to Renewing Life related to biodiversity, to be fulfilled by 2030

**Company**

- Company employees: 16,679
- Contracted employees: 20,375

**Human Capital**

- Progress in Diversity, Equity and Inclusion practices
- 19% improvement in safety indicators
- Organized initiatives to fight COVID-19
- Active participation of executives in COP26
- Collaboration of several areas to host the first ESG Call

**Social and Relationship Capital**

- More than 9,000 people lifted out of poverty; 57.7% average income increase

**Manufactured Capital**

- Production of pulp, paper and products such as toilet paper, paper towels, napkins, etc.
- Improvements in equipment and infrastructure
- Measures to fight the pandemic together with governments, in addition to partnerships with other companies (R$24.9 million)
- Creation of Woodspin, a joint venture with the startup Spinmove
_STRATEGY

THE SUZANO OF THE FUTURE

Suzano’s strategic planning is a three-level process that considers our long-term vision, our ambitions and our medium-term battles. At the first level, our vision considers a horizon of 10 to 15 years.

At this first level, the drivers of Suzano’s long-term vision are:

1. Continue to be an industry benchmark in efficiency, profitability and sustainability, from the forests to the customers.
2. Be a transforming agent in the expansion of our biomass into new markets.
3. Be a benchmark in sustainable and innovative solutions for bioeconomy and environmental services, based on cultivated trees.

Based on our integrated long-term vision, the top leadership was responsible for developing five key ambitions that aim to guide Suzano’s path in the coming years and constitute the second level of our strategy. These are the steps that will need to be taken in the next five years to ensure the company’s success. The ambitions that translate the avenues to be pursued are:

- Be best-in-class in total pulp cost.
- Maintain relevance in pulp through good projects.
- Advance in the value chain, while maintaining a competitive advantage.
- Be bold in expanding into new markets.
- Be a leader in sustainability.

On the third level of our strategy are the medium-term battles that will support the achievement of our ambitions and include specific initiatives for each major avenue. This map of initiatives was created through a collaborative process involving leaders and execution teams, to ensure alignment between the company’s strategy and its operations.

SUZANO’S STRATEGY IN CHINA

Suzano’s presence in China will change significantly in the coming years. In 2021, the company created a department to manage our strategy, business, relationships and future in the country, with the goal of ensuring a strong presence for the company, as well as expanding the offering of nature-based solutions and connections with different stakeholders, including academy, the government and civil society, among other local players.

Currently, the Asian market accounts for between 40% and 50% of Suzano’s revenue. This includes China, the country with the highest annual demand and consumption of pulp. Therefore, there is an opportunity to increase the share of hardwood fiber in this market and also in the manufacturing processes followed by our current customers, since some of them use a mix of fibers in their paper production that includes not only hardwood pulp but also softwood pulp and recycled fiber.

Suzano positions itself as a platform that offers multiple solutions to support China in its transition to a low carbon economy. In this sense, there are other business opportunities with the introduction of new solutions by the company that are not yet offered in the country, such as microfibrillated cellulose, or MFC (which can be used as an additive for special papers and cosmetics), as well as the possibility to offer energy products (through bio-oil produced from planted forests) and carbon credits. China currently faces a significant decarbonization challenge—approximately 65% of the country’s energy matrix is made up of fossil fuels.

TO ACHIEVE OUR GOALS, WE HAVE A STRONG GOVERNANCE MODEL IN WHICH:

- Part of the targets that make up leadership bonuses are linked to the battles.
- Battle leaders hold monthly meetings to assess status and course corrections, if necessary.
- The results of the initiatives are reported to the Strategy & Innovation Committee on a quarterly basis.
- The progress of each battle is monitored through specific indicators.
- Investments and startup of new projects are analyzed at annual check points.
FROM 2030 TO 2025
GRI 103-1, 103-2

Understanding the urgency of developing efficient measures to mitigate climate change, we expanded the debate on this issue at Suzano to explore what else we could do, since we recognize that we are part of the solution. One of the concrete measures was to announce the acceleration, from 2030 to 2025, of our commitment to remove 40 million tonnes of carbon from the atmosphere.

In addition, throughout the year, we emphasized that, for Suzano, 2050 is now. Therefore, we need to act in a meaningful way and engage companies, industries and governments to move forward with us in the implementation of strong measures that can ensure that the increase in global temperature will not exceed 1.5 °C. To learn more about the 2050 Now initiative, click here.

SUSTAINABILITY GOVERNANCE AND STRATEGY
GRI 102-10, 102-19, 102-20, 102-31

Sustainability is at the core of every initiative Suzano implements and decision it makes. Therefore, our long-term strategic vision combines the competitiveness of our business with sustainable development.

In 2021, Suzano advanced important aspects of its sustainability governance. The company expanded the discussions of the Sustainability Committee, which is linked to the Board of Directors, coordinated by the Chairman of the Board and has five independent members. The group discussed trends, studies and future market analyses, among other topics, making this an increasingly strategic space for discussion. The impacts of the Cerrado project were also extensively analyzed by the committee.

In addition, we created the Strategic Forum on ESG Commitments and Indices, which happens three times a year to monitor and discuss performance, risks and opportunities related to the Commitments to Renewing Life and to analyze our progress regarding ESG indices. This forum follows a cross-cutting approach, with people from different levels, including members of the Executive Committee, assuming responsibility for all of the company’s sustainability efforts.

We also have Commitment Working Groups (WGs) to manage our long-term goals. Made up of employees from different levels and areas, these groups monitor the quantitative and qualitative indicators, the main projects, advances and the interconnection between the Commitments. In 2021, the WGs met monthly. This governance helps the company address sustainability in a cross-cutting manner.
### COMMITMENTS TO RENEWING LIFE

<table>
<thead>
<tr>
<th>Topic/SDG</th>
<th>Commitment</th>
<th>Performance in 2021</th>
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<tbody>
<tr>
<td><strong>Pillar: PLANET</strong></td>
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<tr>
<td></td>
<td><strong>TACKLE THE CLIMATE CRISIS</strong></td>
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<td></td>
<td><strong>OFFER RENEWABLE PRODUCTS</strong></td>
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<tr>
<td><strong>Remove 40 million tonnes of carbon from the atmosphere by 2025</strong></td>
<td>In 2021, we reached an accumulated carbon balance (emissions minus removals) of -24,096,570 tonnes of CO₂e, thereby achieving 60.2% of our target. Considering our scope 1, 2 and 3 emissions and the removals originating from our planted and conserved forests, we reached a balance of 15,202,312 tonnes of CO₂ removed from the atmosphere in 2020 and 8,896,257 tonnes of CO₂e in 2021. It is expected that there will be a variation in our removal capacity over time, primarily due to dynamics related to forest management and the volume of available wood.</td>
<td><strong>Baseline:</strong> 0 (2020)</td>
<td><strong>Status:</strong> 60.2% <strong>Progress against the baseline:</strong> advanced progress</td>
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<tr>
<td><strong>Reduce the intensity of scope 1 and 2 greenhouse gas emissions by 15% per tonne of production by 2030</strong></td>
<td>There was an increase in scope 1 and scope 2 emissions of 11.4% in 2021, which leads to a 0.1995 tCO₂e/t indicator. The increase in relation to 2020 was due to production increase, but also to an increase in the consumption of fossil fuels in industrial operations, as a result of occasional problems in boilers and a retrofit seeking a better use of biomass in the future and an increase in mobile emissions due to the expansion of forestry operations. Also in Brazil, we had an increase in the emission factor of the energy purchased from the National Interconnected System (SIN in Portuguese acronym). However, the indicator is still within the expected range.</td>
<td><strong>Baseline:</strong> 0.2133 tCO₂e/tonne (2019)**</td>
<td><strong>Status:</strong> 43.06% <strong>Progress against the baseline:</strong> as expected</td>
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<tr>
<td><strong>Offer 10 million tonnes of products from renewable sources that can replace plastic and other petroleum-based products, by 2030</strong></td>
<td>In 2021, we offered approximately 32,000 tonnes of products from renewable sources. This result was driven by high demand in the packaging market. We advanced the Bluecup Bio® and Loop® lines, developed the Greenbag® and Greenpack® papers, and a paper for cardboard liner and fluting medium. We started selling lignin produced at the Limeira unit. In addition, we announced a joint venture with Spinnova and the construction of a plant for the production of textile fiber from microfibrillated cellulose.</td>
<td><strong>Baseline:</strong> 0 (2019)</td>
<td><strong>Status:</strong> progress as expected</td>
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1. The deadline was brought forward from 2030 to 2025 in the understanding that this is an emergency. Learn more in the chapter Suzano.
2. Suzano has removed carbon from the atmosphere in previous years, but for the purpose of this target, removals will be counted from 2020 onwards.
3. The 2021 Greenhouse Gas Inventory was externally verified by an independent third party, according to the standards of NBR ISO 14064 and the Brazilian GHG Protocol Program.
4. Source: https://sciencebasedtargets.org/sectors/forest-land-and-agriculture
6. All the information necessary to set the target was extracted from the greenhouse gas inventories of the former companies Suzano Papel e Celulose and Fibria.
7. The scope of this target includes the accumulated sales of products from renewable sources from 2020 through 2030. This does not mean that Suzano had not offered products from renewable sources before 2020. It just means that, for the purpose of this target, we started to calculate and account for our product offering in 2020.
## COMMITMENTS TO RENEWING LIFE

### Pillar: PLANET

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<td><strong>PROTECT OUR WATER</strong></td>
<td><strong>Increase water availability in all critical watersheds in the areas where Suzano operates by 2050</strong></td>
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<td>In 2021, we implemented management recommendations in 6,492 hectares of critical watershed areas, progress of 7.3% toward our target. We made significant advances in the demobilization of some areas and incorporated management parameters for the implementation of age mosaics and the expansion of forest cycles into our forestry plan. In addition, we expanded our studies to measure forest water use through medium- and high-resolution satellites to determine the amount of water available in critical hydrographic basins.</td>
<td>Baseline: 0 (2020)</td>
<td>We will continue to implement the management recommendations in areas within critical hydrographic basins. In addition, we will continue to work to improve water measurement techniques based on remote sensing data and hydrological modeling.</td>
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<td>Baseline: 0 (2020)</td>
<td>Progress against the baseline: 7.3%</td>
<td>Status: progress as expected</td>
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<td>We will continue to implement the management recommendations in areas within critical hydrographic basins. In addition, we will continue to work to improve water measurement techniques based on remote sensing data and hydrological modeling.</td>
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<td>Baseline: 29.8 m³/tonne (2018)</td>
<td>Progress against the baseline: 77.8%</td>
<td>Status: advanced progress</td>
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<td></td>
<td>We will conduct engineering studies to implement the best available technologies in industrial units where we still have opportunities for improvement. Based on these studies, we will develop a plan to implement the technological solutions that prove to be viable through 2030.</td>
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<td>Baseline: 44.3 kg/tonne10 (201811)</td>
<td>Progress against the baseline: 75.9%</td>
<td>Status: advanced progress</td>
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<td></td>
<td>We will carry out technical and economic feasibility studies for the implementation of soil corrector facilities within the Mucuri and Aracruz units and we will continue to develop studies with representatives from different areas of the business to pursue alternatives for the disposal of our waste, including the use of products for the production of concrete, cement and agricultural products.</td>
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<td>Baseline: 20.8 kg of waste per tonne produced to specific landfills, as a result of the implementation of waste treatment projects and an increase in production volume. The Limeira, Jacareí and Rio Verde units did not send any waste to landfills, since they have alternatives for waste treatment and for the sale of products to other industries. The new waste treatment center at the Imperatriz unit started operating in the first quarter of 2021. In September, at the Mucurí unit, we started a pilot project with another company to compost 54% of the waste that used to be sent to landfills.</td>
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<td></td>
<td>The VINO (Sale of Non-Operating Items) area celebrated an 84% increase in the sale of products from pulp and paper manufacturing.</td>
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</table>

8. Watersheds that are considered critical are subject to water unavailability due to natural characteristics (such as climate and soil type) and type of land use (such as pastures, agricultural crops, etc.). Suzano is focusing on hydrographic basins that are significantly occupied by the company (equal to or greater than 30%), to ensure that forest management practices can have an effect and produce the best results to reverse the criticality of these basins and consequent water unavailability.

9. At the time this target was set, in 2019, we still did not have data for the entire year. Therefore, we used data from 2018 to establish the target and set a 12-year cycle for its achievement.

10. The target KPI is measured by dividing the volume, in kilograms (kg), of industrial solid waste sent to company and/or third-party landfills by the production of pulp and paper, in tonnes.

11. At the time this target was set, in 2019, we still did not have data for the entire year. Therefore, we used data from 2018 to establish this target and set a 12-year cycle for its achievement.
## COMMITMENTS TO RENEWING LIFE

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<tr>
<td>GENERATE CLEAN ENERGY</td>
<td>Increase renewable energy exports by 50% by 2030</td>
<td>In 2021, we used data science to determine the optimal point of steam generation and distribution, with a focus on the energy efficiency of turbogenerator turbines. On the other hand, we were impacted by the shutdown of one of the turbogenerators at the Imperatriz unit in the first half of the year, which significantly affected the total volume of energy exports. The turbogenerator operation was stabilized in early 2022. Despite that, we exported 189 MWm of renewable energy.</td>
<td>Baseline: 214 MWm (2018)(^1)</td>
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<td>Progress against the baseline: 0%</td>
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<tr>
<td>CONSERVE BIODIVERSITY</td>
<td>Connect, through ecological corridors, 500,000 hectares of Cerrado, Atlantic Forest and Amazon fragments by 2030</td>
<td>In 2021, we focused on establishing a governance model to enable structured and transparent execution. We collected information to feed our georeferenced database, to understand the characteristics of the regions within the ecological corridors and determine the main variables to guide the development of action plans. We created metrics to determine priority conservation areas to be connected, considering the best paths and the optimization of resources in the creation of corridors that will support the improvement of biodiversity in these regions. We redesigned the paths of the corridors, seeking the most effective routes to increase the connectivity of the fragments. The process also included interviews with rural landowners in the areas through which the corridors will pass, to devise effective engagement strategies. In addition, we mapped the institutions and leaders of these locations to identify ongoing restoration and sustainable development initiatives, to strengthen the relationship with these stakeholders and identify opportunities for synergy in the development of social and environmental activities.</td>
<td>Baseline: in study</td>
</tr>
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\(^1\) The choice of 2018 as the base year is due to the fact that there were no significant variations in production in our industrial units during that year. As a result, the set amount properly represents the company’s current energy export potential. To ensure transparency and align procedures, we also adjusted the target’s baseline and 2019 results to reflect export data from Veracel, a joint venture between Suzano and Stora Enso, in which each company holds a 50% stake.
## COMMITMENTS TO RENEWING LIFE

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<tr>
<td><strong>REDUCE POVERTY</strong></td>
<td>Lift 200,000 people out of poverty in the areas where we operate by 2030</td>
<td>Despite the challenges created by the pandemic, we were able to expand our initiatives to create work, income and social engagement, helping to lift an additional 9,007 people out of poverty and positively impacting 21,075 people who benefited from the income generation programs. These results were primarily driven by the strengthening of social organizations to facilitate the commercialization of products, institutional support from Suzano to access benefits from different public policies and increased agricultural productivity.</td>
<td>Status: progress as expected</td>
</tr>
<tr>
<td><strong>SUPPORT EDUCATION</strong></td>
<td>Increase the Basic Education Development Index (IDEB, for its initials in Portuguese) in all priority areas by 40% by 2030</td>
<td>We implemented the Suzano Education Program (PSE, for its initials in Portuguese) in 27 of the 31 towns identified as our priority within the scope of the commitment, set the target’s baseline based on the IDEB scores from 2019 and performed the first annual evaluation of the program to measure the success of the initiatives implemented. The IDEB is calculated every two years: the Basic Education Assessment System (SAEB, for its initials in Portuguese) test was administered at the end of 2021. Therefore, we are waiting for the results to be announced to measure our progress toward our target.</td>
<td>Status: ND</td>
</tr>
<tr>
<td><strong>PROMOTE DIVERSITY, EQUITY AND INCLUSION</strong></td>
<td>Ensure 100% accessibility for people with disabilities by 2025</td>
<td>In 2021, we advanced the renovation schedule for adaptations that had been identified in the previous measurement, resulting in an improvement of 34.7 percentage points and an environment 52.9% accessible. One of the highlights was the construction project carried out in our administrative offices to create a single complex that follows the open office concept, with no division of sectors and/or areas, to promote inclusion and synergy between areas and processes.</td>
<td>Status: progress as expected</td>
</tr>
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</table>

13. We use the international poverty line of US$5.50 per day or R$475 per month of per capita income (2020), set by the World Bank and ratified by the IBGE.

14. To ensure more transparency and align our procedures, we set the period of our target to 2020 through 2030. This does not mean that Suzano had not lifted people out of poverty before 2020. It just means that, for the purpose of this target, the impact on poverty reduction was measured starting in 2020 (year when the target was established), to ensure that the results will be evaluated and monitored more effectively.

15. The number was 2,285 in 2020 and 9,007 in 2021. Therefore, we are reporting the accumulated total (11,292 people).

16. We use the normative standard NBR 9050, from the Brazilian Association of Technical Norms (ABNT, for its initials in Portuguese), a regulatory standard that defines accessibility parameters that must be considered in buildings, with the definition of specific technical criteria for areas of circulation, ingress/egress, door width, height of cabinets, furniture, signage, floor types, and others, as well as a clear definition of the scope of common or restricted areas.

17. Correction of the figure reported in 2020. Instead of 38.4%, we had 38.2% accessibility for people with disabilities.
# COMMITMENTS TO RENEWING LIFE

## Topic/SDG Commitment Performance in 2021 What we will do in 2022

### Pillar: PEOPLE

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<td><strong>Ensure a 100% inclusive environment for LGBTQIAP+ people by 2025</strong></td>
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<tr>
<td>In 2021, we improved the perception of an inclusive environment for LGBTQIAP+ people, reaching 93.6%—a 1.2 percentage-point increase compared to the previous year. This result was achieved through the implementation of strategic initiatives planned to address the findings of the previous year’s survey: education and awareness about the issue, active listening, and embracement and engagement in the company’s units, in addition to an increase in the hiring of LGBTQIAP+ people through our entryway programs.</td>
<td>Progress against the baseline: 15.8% Status: progress below expected</td>
<td>We will invest in initiatives that provide better experiences for self-declared LGBTQIAP+ people. To do that, we will use the findings of the most recent survey to identify the areas where we need to improve and create working groups to address them.</td>
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</table>

| **Have 30% of leadership positions (functional managers and above) occupied by women by 2025** | | |
| We had 22.5% of our leadership positions occupied by women, an increase of 3.4 percentage points in relation to the previous year. This result was primarily driven by our career acceleration and mentoring programs for women and the definition of a more diverse shortlist for selection processes, leading to a higher number of women hired. The shortlist must include 50% of female and/or Black candidates. | Progress against the baseline: 15.8% (2019) Status: advanced progress | We will launch the ELOS D+ program to accelerate women’s careers and enhance our initiative to increase the number of resumes from women in our talent pool. We will also continue to work on our target related women in the shortlist for internal and external selection processes for leadership positions. To support the development of future leaders, we want to increase the number of female employees in general and of women in entry-level leadership positions. |

| **Have 30% of leadership positions (functional managers and above) occupied by Black people by 2025** | | |
| In 2021, we had 19.7% of our leadership positions occupied by Black people, an increase of 1.4 percentage points compared to the previous year. This result was primarily driven by career acceleration and mentoring programs for Black people and the definition of a more diverse shortlist for selection processes, leading to a higher number of Black people hired. The shortlist must include 50% of female and/or Black candidates. In addition, the entire leadership team has variable compensation targets linked to this commitment. | Progress against the baseline: 18.7% (2019) Status: progress as expected | We will launch the ELOS D+ program to accelerate the career of Black people and enhance our initiative to increase the number of resumes from Black people in our talent pool. We will also continue to work on our target related to Black people in the shortlist for internal and external selection processes for leadership positions. To support the development of future leaders, we want to increase the number of Black people in entry-level leadership positions. |

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18. In our 2020 Annual Report, we had rounded up the percentage to 16%. Starting from this report, our results will include one decimal place.
19. To increase transparency and to properly address the initiatives related to race/ethnicity at Suzano, we chose not to include our international offices in this target. Therefore, the target’s baseline became 18.7% of leadership positions in Brazil occupied by Black people, in December 2019.
Advances in our governance structure reflect the evolution of the business itself and are crucial for a company that seeks to lead highly important movements for the industry, society and the world. In 2021, our Board of Directors was supported by the Supervisory Board, the Executive Committee and six other advisory committees, including the Sustainability and Strategy & Innovation Committees.

The Board is frequently evaluated and has the support of Suzano’s Executive Committee, which shares responsibilities on social and environmental issues that are relevant to the business. All members of the Executive Committee have at least one sustainability goal linked to their variable compensation (representing at least 10% of their short-term variable compensation).

In 2021, the Board of Directors had ten members, including seven independent directors, as listed below:

- Ana Paula Pessoa (board member)
- Claudio Thomaz Lobo Sonder (vice-chairman)
- Daniel Feffer (vice-chairman)
- David Feffer (chairman)
- Helio Lima Magalhães (board member)
- Maria Priscila Rodini Vansetti Machado (board member)
- Nildemar Secches (board member)
- Paulo Rogerio Caffarelli (board member)
- Rodrigo Calvo Galindo (board member)
- Rodrigo Kede de Freitas Lima (board member)

To read the profile and learn about the experience of each board member, visit our Investor Relations website.

The ethical, honest and transparent performance of our governance bodies is also supported by consistent policies and established risk management practices, which enabled Suzano to advance even in one of the most challenging years in world history, marked by the economic and social challenges created by the pandemic. Whenever necessary, company policies are revised. In 2021, Suzano’s Anti-Corruption Policy was updated.
At Suzano, the Risk area works to ensure that all events with the potential to have a negative impact on its performance and business strategy are properly mapped, classified and monitored, according to established methodologies and governance. This process includes three main lines of action: integrated risk management, compliance and ombudsman.

We have an Integrated Risk Management Policy that applies to all areas.

The analysis of risks considers the following impact parameters: financial, health and safety, environmental, social, cultural, image and reputation, organizational climate and legal, according to levels of probability (very likely, probable, possible and remote).

Periodically, the Risk area conducts an enterprise risk management (ERM) process, which, through workshops and interviews with the main executives, reassesses the company’s main risks and the opportunity to map new ones. Those classified as priorities according to the methodology are periodically reported to the Executive Committee, the Statutory Audit Committee and the Board of Directors, ensuring proper supervision.

It is worth noting that, in 2021, the Executive Board and the members of the Board of Directors were trained in risk management and crisis management. The company also trained key employees who work directly in the management of risks and crises in our locations.

Periodically, the Risk area conducts an enterprise risk management (ERM) process, which, through workshops and interviews with the main executives, reassesses the company’s main risks and the opportunity to map new ones. Those classified as priorities according to the methodology are periodically reported to the Executive Committee, the Statutory Audit Committee and the Board of Directors, ensuring proper supervision.

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Suzano values information security, especially considering the exponential increase in cyberattacks, one of the main global risks highlighted by the World Economic Forum. In 2021, the company restructured the Information Security area. Its mission is to mitigate and prevent vulnerabilities to ensure cybersecurity and the protection of assets, especially information and personal data, providing confidentiality, integrity, availability, authenticity and legality, to reduce the risks that may impact the business.

The company has a Code of Conduct, an Ombudsman Policy, a Disciplinary Measures Policy and Rules for the Conduct Committee, which are all instruments to guide the ethical management of the business and establish the guidelines of the company’s governance process. These documents address compliance with legal and regulatory provisions that apply to each area and the Ombudsman Channel, and the appropriate regulations, including specific procedures and confidentiality.

In 2021, seeking to evolve our corporate governance practices and based on our Code of Conduct, Suzano launched a specific Supplier Code of Conduct, due to the specific characteristics of their participation in the company’s ecosystem. Learn more in the Suppliers chapter or by clicking here.
INTEGRITY

Suzano manages the fight against corruption through the development and implementation of initiatives that are part of its Compliance program. The internal documents that address this issue are: Code of Conduct, Anti-Corruption Policy, Social and Environmental Investments and Donations Policy*, Manual for Engagement with Public Officials; and Background Check Policy. These documents formalize the anti-corruption guidelines that must be followed by all employees in their daily activities, as well as in our relationships with business partners.

The Social and Environmental Investments and Donations Policy establishes the flow that must be followed and the levels of approval for donations, sponsorships and cooperation agreements. The policy also describes the roles and responsibilities of the areas involved in the requests, which must be evaluated and opined on by the Compliance area.

Corruption risk management follows the corporate approach described in the Risk Management section (page 42).

Risks are evaluated and prioritized according to their likelihood and impact.

Anti-corruption training is mandatory for all employees and must be completed within 30 days of admission.

The content is renewed every two years and complemented by specific and customized topics for sensitive areas, that is, those that are exposed to greater risk of corruption in their relationships.

In addition, we implemented improvements in the process of conducting background checks of our business partners. This includes the formalization of risk metrics to measure contracting risks, the standardization of recommendations and enhanced integration between support areas and applicants to enable the company to make more informed decisions.

*Available only in Portuguese

COMPLIANCE

As part of our best practices in corporate governance, our compliance initiatives form the basis that ensures ethics, integrity and transparency in all Suzano’s businesses and in its relationships with stakeholders.

We have a Compliance program that is based on best practices in the market, supported by our senior management and implemented according to the pillars of prevention, detection and response. In addition, we have an Anti-Corruption Policy that applies to all employees.

Throughout the year, we carried out virtual communication and periodic training activities for employees. In 2021, we leveraged our initiatives by launching the Compliance program, hosting Integrity Week, promoting a communication campaign (“thumbs up, thumbs down”), and reviewing the Anti-Corruption Policy, which was previously approved by the Board of Directors.

In addition, a multidisciplinary team with experience in internal controls, risk management and compliance has been allocated to work exclusively in the identification, treatment and mitigation of the risks involved in the planning and execution of the Cerrado project, ensuring the promotion and implementation of our best practices.

To learn about all standards in the area of Compliance, visit our Sustainability Center.
Confidential and independent, the Ombudsman Channel is available to internal and external stakeholders to answer questions and for submitting concerns and complaints. In 2021, 1,079 complaints were filed and addressed, and 1,039 were resolved.

Of the 1,079 complaints received by the Ombudsman Channel, after proper analysis and investigation by the responsible parties, approximately 56% were considered valid. As a result, 528 corrective measures and disciplinary measures were applied, including process improvements/creation of control mechanisms, feedback, guidance and monitoring, just cause terminations, terminations without cause, written and verbal warnings, replacement of contractors and terminations of service contracts. The answers to all complaints made to our external Ombudsman Channel can be accessed through a tracking number that is issued when a complaint is filed.

1,079 complaints were filed and addressed, and 1,039 were resolved in 2021.

To learn more about the grievances and the actions taken, visit our Sustainability Center.

Learn about all indicators in this area by visiting our Sustainability Center.

### Anti-corruption

#### OMBUDSMAN

<table>
<thead>
<tr>
<th>Complaints/demands received and addressed by the Ombudsperson Channel¹</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall number of complaints/demands identified</td>
<td>671</td>
<td>912</td>
<td>1,079</td>
</tr>
<tr>
<td>Number of complaints/demands that were addressed</td>
<td>671</td>
<td>912</td>
<td>1,079</td>
</tr>
<tr>
<td>Number of complaints/demands resolved</td>
<td>631</td>
<td>870</td>
<td>1,039</td>
</tr>
<tr>
<td>Number of pending complaints/requests</td>
<td>40</td>
<td>42</td>
<td>42</td>
</tr>
<tr>
<td>Number of complaints/demands registered before the period resolved within the year</td>
<td>63</td>
<td>40</td>
<td>42</td>
</tr>
</tbody>
</table>

1. The main complaints refer to inappropriate behavior by a manager, fraud, inappropriate behavior by colleagues, physical conditions of the workplace, remuneration, working hours, benefits, labor issues, deviation from function, selection process/admission/disconnection, inappropriate treatment of a service provider, lack of guarantees related to health and safety, and information security. Of the 1,079 complaints received in the Ombudsperson Channel, after our analysis and verification by the eligible professionals, 528 disciplinary measures were applied, including process improvements/control creation, feedback, guidance and monitoring, dismissal with just cause, dismissal without just cause, written and verbal warnings, replacement of outsourced employee and termination of service provider contract. All complaints are answered by the external Ombudsperson channel and the complainant gets his or her answer through his or her protocol number issued when the complaint was created.

#### STANDARDS

**Anti-corruption**

<table>
<thead>
<tr>
<th>Corruption cases¹</th>
<th>2019²</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of confirmed corruption cases</td>
<td>29</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Total number of confirmed cases in which employees were fired or disciplinary measures were taken on account of corruption</td>
<td>22</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td>Total number of confirmed corruption cases in which contracts with business partners were terminated or not renewed on account of corruption-related violations</td>
<td>3</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

1. The indicator does not include employees on leave during the referred period, those hired less than a month beforehand, apprentices and Formare students, which accounts for the divergence in the total number of employees indicators. Advisors do not have access to the Workplace and do not receive internal notices, thus no notices were sent during the period.

2. The 2019 data were reviewed as complaints that were still in the process of investigation within the period were included.

#### Percentage of employees trained on anti-corruption policies and procedures, by functional category¹

<table>
<thead>
<tr>
<th>Category</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative</td>
<td>89%</td>
<td>96%</td>
<td>91%</td>
</tr>
<tr>
<td>Advisor</td>
<td>100%</td>
<td>70%</td>
<td>0%</td>
</tr>
<tr>
<td>Consultant</td>
<td>93%</td>
<td>93%</td>
<td>54%</td>
</tr>
<tr>
<td>Coordinator</td>
<td>88%</td>
<td>97%</td>
<td>93%</td>
</tr>
<tr>
<td>Director</td>
<td>53%</td>
<td>88%</td>
<td>52%</td>
</tr>
<tr>
<td>Executive director</td>
<td>75%</td>
<td>91%</td>
<td>75%</td>
</tr>
<tr>
<td>Specialist</td>
<td>89%</td>
<td>100%</td>
<td>99%</td>
</tr>
<tr>
<td>Executive manager</td>
<td>85%</td>
<td>98%</td>
<td>96%</td>
</tr>
<tr>
<td>Functional manager</td>
<td>83%</td>
<td>97%</td>
<td>93%</td>
</tr>
<tr>
<td>Operational</td>
<td>79%</td>
<td>84%</td>
<td>84%</td>
</tr>
<tr>
<td>Supervisor</td>
<td>89%</td>
<td>95%</td>
<td>91%</td>
</tr>
<tr>
<td>Overall</td>
<td>83%</td>
<td>88%</td>
<td>87%</td>
</tr>
</tbody>
</table>

1. The indicator does not include employees on leave during the referred period, those hired less than a month beforehand, apprentices and Formare students, which accounts for the divergence in the total number of employees indicators. Advisors do not have access to the Workplace and do not receive internal notices, thus no notices were sent during the period.
SUSTAINABLE FINANCE

Suzano is one of the world’s largest issuers of sustainability-linked bonds (SLBs), which are financial instruments that link the cost of funds raised from investors to the fulfillment of sustainability commitments. In 2020, the company issued its first bond based on the SLB Principles, becoming the second company in the world and the first in the Americas to issue a bond of this kind. In 2021, Suzano issued two additional sustainability-linked bonds that, for the first time, were linked to something other than an environmental or social target: a diversity, equity and inclusion target.

The two targets set by Suzano for the bond issued in June were a 12.4% reduction in the volume of water withdrawn for industrial operations, from 29.8 m³/tonne in 2018 to 26.1 m³/tonne by 2026, and an increase in the percentage of women in leadership positions (manager and above), from 16% in 2019 to 30% by 2025. Both targets are in line with our Commitments to Renewing Life.

This US$1 billion bond, maturing in 2032, has a 3.28% yield and a 3.125% coupon per annum, and marked the first time a Latin American company linked a diversity and inclusion target to a SLB.

In September 2021, the company issued another SLB linked to the same commitments and maturing in 2028. The funding attracted a total demand of US$3.4 billion, or 6.8 times the size of the transaction, completed with the issuance of US$500 million in international bonds. The bond issued will have a 2.5% coupon per annum. The total return to investors, of 2.7% per year, is the lowest rate in history for a bond with a seven-year term issued by a Brazilian company.

This bond is structured such that if the company fails to reach the proposed targets, the interest rate for the remuneration of investors will be increased by 12.5 basis points for each target not reached by the deadline, up to an additional 25 basis points.

In addition to the SLBs, in February 2021 Suzano signed an export prepayment agreement in the form of a Sustainability Linked-Loan (SLL) in the amount of US$1.57 billion, at LIBOR plus 1.15% per annum and an average term of 60 months, with final maturity on March 8, 2027. This transaction has environmental performance indicators associated with targets for reducing the intensity of greenhouse gas emissions and industrial water withdrawal.

The funding attracted a total of US$3.4 billion, or 6.8 times the size of the transaction, completed with the issuance of US$500 million in international bonds.

Eucalyptus plantations and native forests in the interior of São Paulo state. Photo: Sergio Zacchi.

To learn more about the bonds based on the SLB Principles issued by Suzano, read the SPO and Framework.
ESG CALL

Suzano’s ESG Call, held for the first time in June 2021, addressed the objectives, issues and challenges related to the major social, environmental and governance commitments made by Suzano to be fulfilled by 2030.

The event was a concrete example of the transparency and open dialogue that characterizes the way Suzano addresses topics that are relevant to the business. The meeting was also an excellent opportunity for the company to announce a new Commitment to Renewing Life related to biodiversity connecting, by 2030, half a million hectares of priority areas for conservation in the Cerrado, Atlantic Forest and Amazon biomes. The meeting was also broadcast live to different stakeholders, including company employees via Workplace.

Year after year, we seek to expand the ways we communicate with our audiences, including via our social media accounts, our various online platforms or, whenever possible, face-to-face discussions facilitated by the company to continuously strengthen our internal and external connections.

Click here to watch the ESG Call.
Suzano has been evolving as an organization that values people and works to create a more diverse, inclusive and respectful work environment. Our "strong-yet-gentle" culture, demonstrated by people who inspire and transform, has enabled us to put into practice our short-, medium- and long-term strategies, through which we will achieve, together, the company’s objectives, while generating and sharing value with the whole society.

GRI 103-1, 103-2, 103-3 (Material topic: Diversity and Inclusion)
CONFIDENT IN A “BETTER NEW”

The year 2021 brought many uncertainties. The collaborative spirit that has been experienced since the beginning of the pandemic was essential for the company to do well during this time. Determined to overcome this crisis together, we continued to implement projects to improve the mental health and quality of life of everyone in the organization.

To improve our approach to health from a global perspective, we created opportunities to enable more active listening and to allow our employees and their families to relax. We reinforced dialogue during these times of remote work and made the topic of corporate happiness a priority on the agenda of our leaders, since we believe that “the better new”—the way we started referring to the post-pandemic world—can, indeed, be better than before.

EMOTIONAL STRENGTH

The new work-from-home model adopted by our employees in administrative functions required adjustments in the routine of our teams. The same was true for operational workers, who, because Suzano’s activities are considered essential, continued to work in person and without interruption in our operations, following all health and safety protocols. Whenever necessary, employees with suspected or confirmed cases of COVID-19 were put on leave, which created a temporary work overload for other people in their team—a fact that was also taken into account by the company.

In 2021, we created a working group focused on corporate happiness and we are increasingly investing in training on humanized leadership. As part of this effort, we invited Tal Ben-Shahar, a Harvard professor of Positive Psychology and a Columbia professor of Happiness Studies, to give a lecture that helped our executive and functional directors understand what happiness is and how to incorporate it into the company.

We also launched the Eoca platform (“Echo” platform), a learning ecosystem in the area of health and safety, through which we guide leaders on how to build bonds of trust within the organization, as well as other behavior aspects that are relevant to the company and our leadership. We remain dedicated to initiatives to improve the quality of life of our employees, who still face the stress and pressure caused by COVID-19. Among them, we continue to offer medical and psychological support for employees and their families, in addition to facilitating physical and mindfulness activities, among other well-being initiatives.

WE ARE PLURAL

Diversity, equity and inclusion (DE&I), a topic that began to be addressed by the company in 2016 in an organic and voluntary way, became more formally structured through the Plural program.

Plural seeks to ensure that employees are respected and can express their uniqueness, to increase representation and to encourage universal participation in five areas: generations, LGBTQIAP+, Black people, women, and people with disabilities.

In 2021, the program included several internal activities within the diversity, equity and inclusion agenda, such as training for executives and employees; surveys; virtual meetings with influencers and experts; employer branding initiatives to attract talent; and networking with executives with an active profile on LinkedIn.
COMMITMENTS ON DIVERSITY, EQUITY AND INCLUSION

A work environment in which people have equal opportunity and feel respected, safe and welcomed helps to develop potential, transform behaviors and generate value for all.

To highlight the importance of this topic to our business strategy, the main aspects of diversity, equity and inclusion are expressed in long-term commitments, which are translated into short-term goals that are linked to the compensation of our leaders. In addition, the target related to the inclusion of women in leadership positions (managers and above) is an indicator in two sustainability-linked bonds.

To fulfill our commitments, we have been working on the three axes described to the right:

**ATTRACTING/HIRING**

The progress of people in minority groups is monitored at each stage of our selection processes, by department and job category. We saw an increase of 1.7 percentage points in the representation of women, which reached 18.4% of Suzano’s total. In 2021, 55% of the people hired for our Internship program were women, 50% were Black and 13% were LGBTQIAP+. For our Trainee program, 60% of the people hired were women, 37% were Black, 30% were LGBTQIAP+ and 3% were people with disabilities.

**DEVELOPMENT**

We trained women and people with disabilities for our industrial and forestry operations, and provided technology training for Black employees through the Afrodev program (click here to learn more). In 2021, our training program also included diversity, equity and inclusion (for 100% of the People and Management team); racial literacy (for Suzano’s directors); how to self-declare in racial and ethnic terms; and the launch of a permanent self-declaration. Finally, we approved a program, called Elôs D+, to accelerate the career of women and/or Black employees, which will include approximately 350 participants starting in 2022.

**ENGAGEMENT/RETENTION**

We launched a survey to measure how inclusive our environment is (learn more below) and hosted lectures on LGBTQIAP+ rights, racism and careers for people with disabilities. We also held discussions with executives and hosted events to celebrate dates and months that are important to each affinity group, reaching more than 40,000 people.

Evâlia Corrêa Silva, Processes and Quality engineering trainee, Imperatriz unit (state of Maranhão). Photo: Márcio Schimming.
In 2021, to continue to advance issues related to diversity, all affinity group carried out specific initiatives. In addition to the activities in the attraction/hiring, development and engagement/retention axes previously mentioned, other initiatives during the year included:

**Women:** endorsement of the Mulher 360 Movement (“Women 360” Movement) and the Mulher Florestal Network (“Forestry Women” Network); monitoring of the representation of women at each stage of selection processes; and literacy and engagement activities; The company made significant progress with regard to the number of women in leadership positions (functional managers and above): from 15.8% in 2019 to 22.5% at the end of 2021.

**Black people:** proactive identification of Black talent in the market for future leadership positions at Suzano; sponsorship of the Yes to Racial Equality Forum; support for the Yes to Quota campaign; and celebration of Black Culture month, which included an external virtual live event on Afrofuturism. Considering just our Commitment to Renewing Life, which focus only on functional management positions and above, the increase was 21%, from 71 Black managers and directors to 86 in December 2021. According to these number, Black people currently occupy 19.7% of senior leadership positions at Suzano.

**LGBTQIAP+:** endorsement of Pride Skill (an initiative by Procter & Gamble to encourage people to add “pride” to their list of professional skills); start of a project to adapt bathrooms in the units; a survey on inclusion in our international offices; adaptation of selection processes and other internal career development initiatives to make them more inclusive; increased use of Brazilian sign language (libras) in events; development of awareness-raising initiatives. We improved accessibility in our common areas, in line with our projected commitments for 2025. Suzano’s accessibility went from 38.44% to 53%. The units where we made the most progress in terms of structural renovations were Suzano and Belém.

**Generations:** revitalization of the affinity group; hiring of a specialized consultant to create the strategic plan for the year; increased discussion on the topic of happiness connected to generations; launch of the web series Hiring 40+, in partnership with Infjobs and Hub40+; and meetings and events to promote education on ageism.

**People with disabilities:** creation of a hiring challenge for business partners and an agenda of recognition for engagement in this area; administration of a survey on inclusion in our international offices; adaptation of selection processes and other internal career development initiatives to make them more inclusive; increased use of Brazilian sign language (libras) in events; development of awareness-raising initiatives. We improved accessibility in our common areas, in line with our projected commitments for 2025.
SURVEY ON INCLUSION

In addition to these reported initiatives that are part of Suzano’s DE&I plan, we carried out a survey to assess how inclusive our company’s environment is. The study, developed by GlobeScan, was conducted by the company in partnership with Goldenberg Diversity and Inclusion Consulting. The objective was to measure the degree of inclusion perceived by our employees with regards to three pillars: governance, culture, and experience.

In 2021, we conducted two rounds of survey, covering all company employees. Our samples included 10% of the total number of employees in our international offices and 30% in Brazil.

The results of this pioneering initiative enabled us to identify the perceptions regarding inclusion in the work environment, not only in the pillars previously mentioned, but also with regard to Suzano’s five DE&I focus areas, as well as per location, job category and other variables. Based on the results, we identified priorities that were addressed throughout the year, through activities linked especially to careers, a common pain point for all affinity groups.

Since our long-term commitments include ensuring a 100% inclusive environment for LGBTQIAP+ and people with disabilities, here are the results of a survey that measured how inclusive our company is regarding these groups:

LGBTQIAP+
92.4% in February
92.6% in August

People with disabilities
91.8% in February
91.0% in August

STANDARDS

Suzano employees by type of employment contract and gender1

<table>
<thead>
<tr>
<th>Gender</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>Female</td>
<td>Total</td>
<td>Male</td>
</tr>
<tr>
<td>Determined period</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Undetermined period</td>
<td>11,750</td>
<td>2,148</td>
<td>13,898</td>
</tr>
<tr>
<td>Total</td>
<td>11,750</td>
<td>2,148</td>
<td>13,898</td>
</tr>
</tbody>
</table>

1. The data include the collaborators of Suzano (which covers Facepa and Futuragene) and of Ecofuturo.

Employees, by region

<table>
<thead>
<tr>
<th>Region</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Region</td>
<td>986</td>
<td>981</td>
<td>889</td>
</tr>
<tr>
<td>Northeast Region</td>
<td>4,376</td>
<td>4,282</td>
<td>4,790</td>
</tr>
<tr>
<td>Midwest Region</td>
<td>1,790</td>
<td>2,061</td>
<td>2,737</td>
</tr>
<tr>
<td>Southeast Region</td>
<td>6,606</td>
<td>7,299</td>
<td>7,918</td>
</tr>
<tr>
<td>Southern Region</td>
<td>86</td>
<td>76</td>
<td>79</td>
</tr>
<tr>
<td>Foreign</td>
<td>255</td>
<td>211</td>
<td>264</td>
</tr>
<tr>
<td>Total</td>
<td>13,898</td>
<td>14,910</td>
<td>16,697</td>
</tr>
</tbody>
</table>

1. The data include the collaborators of Suzano (which covers Facepa and Futuragene) and of Ecofuturo.
### Number of third party employees, by gender¹

<table>
<thead>
<tr>
<th>Year</th>
<th>Men</th>
<th>Women</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>21,016</td>
<td>1,641</td>
<td>22,657</td>
</tr>
<tr>
<td>2020</td>
<td>20,152</td>
<td>1,356</td>
<td>21,508</td>
</tr>
<tr>
<td>2021</td>
<td>18,902</td>
<td>1,473</td>
<td>20,375</td>
</tr>
</tbody>
</table>

¹ The data refers to third party employees of companies that provide services on a permanent basis within Suzano S.A.’s area.

### Employees, by diversity¹

<table>
<thead>
<tr>
<th>Year</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
<td>2020</td>
<td>2021</td>
</tr>
<tr>
<td>Blacks</td>
<td>45%</td>
<td>8%</td>
<td>53%</td>
</tr>
<tr>
<td>People with disabilities (PwD)²</td>
<td>1.7%</td>
<td>0.3%</td>
<td>2%</td>
</tr>
</tbody>
</table>

¹ The data include the collaborators of Suzano (which covers Facepa and Futuragene) and of Ecofuturo.

² PwD is the acronym used to refer to people with disabilities.

### Percentage of Suzano’s LGBTQIAP+ employees¹

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n/a</td>
<td>2%</td>
<td>4.5%</td>
</tr>
</tbody>
</table>

¹ As of 2020, Suzano began mapping the company’s LGBTQIAP+ public, after an initiative to voluntarily indicate sexual orientation, identities and gender expression.

The acronym LGBTQIAP+ stands for lesbian, gay, bisexual, transgender, queer, intersex, asexual, and other non-heterosexual people not covered by the previous letters “+.” The data include the collaborators of Suzano (which covers Facepa and Futuragene) and of Ecofuturo.

### Percentage of Local hiring of higher management members

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>51%</td>
<td>51%</td>
<td>50%</td>
</tr>
</tbody>
</table>

### ENTRY PROGRAMS

Suzano’s initiatives to train and attract new talent prioritize the hiring of local labor to support the development of the municipalities where the company operates. Among these initiatives, we created the Capacitar program (“Training” program), focused on training workers for the industrial area, and the Cultivar program (“Cultivate” program), aimed at employees in the forestry area.

In addition, we have programs for apprentices, interns, trainees and young executives. In our last Raízes do Futuro internship program (“Future Roots” program), for new interns starting in the first half of 2022, we expanded our connections to different regions of Brazil.

See numbers below:

- **140 OPEN POSITIONS**
  - 55% WERE FILLED BY CISGENDER PEOPLE
  - 50% BY BLACK PEOPLE
  - 13% BY LGBTQIAP+
  - 2% IN THE NUMBER OF CISGENDER WOMEN
  - 17% IN THE NUMBER OF BLACK PEOPLE
  - 4% IN THE NUMBER OF LGBTQIAP+
  - 100% IN THE NUMBER OF PEOPLE WITH DISABILITIES

These numbers represent a **138% increase in positions compared to the previous cycle, as well as an increase of**
The Health, Safety and Quality of Life area operates directly in all Suzano units that are covered by the Health and Safety Management System, based on the guidelines of ISO 45001:2018, OSHAS 18001 and ISO 9000, Standard Labor Regulations, the PDCA cycle and in good national and international practices.

In 2021, we continued to implement the Cuidar program (“Caring” program), a people and process development initiative focused on the evolution of a safety culture. We executed 99% of the activities that had been planned for the year (totaling 691 initiatives), as follows:

- 100% of the activities planned for the Paper industrial units, ports and distribution centers
- 99% of the activities planned for the Forestry and Pulp industrial units
- 98% of the activities planned for the Consumer Goods industrial units

The Cuidar program follows the Hearts & Minds methodology, developed by the Energy Institute, which introduces dimensions in occupational safety to guide the creation of effective actions. Following this methodology, we carry out assessments of the maturity of the company’s safety culture in all sites and our progress is monitored by an internal team together with an external consultant. In 2021, the results of this evaluation showed an 8.77% improvement compared to the previous year. This progress demonstrates that this culture continues to evolve as a value that is part of our routine.

We invest in technology and promote a collaborative management model through which all employees and contractors may report situations that deviate from our standards and that must be dealt with by the leader of the responsible area. The measures taken are monitored through the Safety Management Indicator (SMI), which is reported monthly to all levels of Suzano.

We strive to avoid accidents and have a robust structure to evaluate incidents, which ensures that the measures we take are effective.

Suzano’s operational units have structured safety committees that are divided into smaller subcommittees that work in discussions, analyzes and implementations related to health and safety and in the activities carried out by the Internal Commission for Accident Prevention (CIPA, for its initials in Portuguese).

In 2021, we had three fatalities involving outsourced workers within Suzano’s forestry operations. We deeply regret these incidents. Together with the companies responsible for hiring these employees, we offered our support to their families. Each case was extensively analyzed and, based on these assessments, we revised processes and behaviors to incorporate improvements and to ensure that we have even stricter procedures aimed at the safety of our employees.

Visit our Sustainability Center to learn more.

Leonardo dos Passos Rodrigues, Drying operator, Imperatriz unit (State of Maranhão). Photo: Márcio Schimming

### 2021 RESULTS

#### We had a 19% improvement in the indicators used to assess our safety tools.

- **SMI:** 89%, compared to 82% in 2020
- **Safety Quality Indicator (SQI):** 91%, compared to 86% in 2020
- **Overall Safety Indicator (average between SMI and SQI):** 91%, compared to 84% in 2020

#### Suzano’s safety indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>IGS (Safety Management Indicator)</td>
<td>89%</td>
<td>82%</td>
<td>89%</td>
</tr>
<tr>
<td>IQS (Safety Quality Indicator)</td>
<td>91%</td>
<td>86%</td>
<td>91%</td>
</tr>
<tr>
<td>IS (Safety Indicator - average of IGS and IQS)¹</td>
<td>n/a</td>
<td>84%</td>
<td>91%</td>
</tr>
</tbody>
</table>

¹. Data is not available for 2019, as it began to be reported in 2020.

#### Health and safety fees for employees and contractors¹

<table>
<thead>
<tr>
<th>Year</th>
<th>Results</th>
<th>Benchmark</th>
<th>Results</th>
<th>Benchmark</th>
<th>Results</th>
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<tbody>
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<td>2019</td>
<td>1.04</td>
<td>24.00</td>
<td>1.03</td>
<td>24.00</td>
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<tr>
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<td>2021</td>
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<td>1.80</td>
<td>1.96</td>
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</table>

¹. Rate calculation: (days away) x 1,000,000 / (no. of man-hours worked).

#### Health and safety figures for employees and contractors

<table>
<thead>
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<th>Year</th>
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<th>2020</th>
<th>2021</th>
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<tbody>
<tr>
<td>Number of fatalities as a result of work-related injuries</td>
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<td>0</td>
<td>3</td>
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<tr>
<td>Number of injuries with leave of absence</td>
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<td>42</td>
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<tr>
<td>Number of reportable work-related injuries</td>
<td>195</td>
<td>146</td>
<td>120</td>
</tr>
</tbody>
</table>

1. Rate calculation: (leave of absence cases x 1,000,000 / (no. of hours worked).
QUALITY OF LIFE

As Suzano seeks to preserve emotional well-being and balance in situations of insecurity and uncertainty, the company has strengthened its attention to the mental health of its employees. Continuing with the initiatives implemented in 2020, we offered to our employees an online counseling platform completely free of charge. We also concluded the development of our Faz Bem Suzano app (“Good for You Suzano” app), which contains resources aimed at promoting and preserving physical and mental health. At the same time, we continued to host virtual events that discussed issues such as quality of life, mental health and physical health.

In addition, to stress the fact that we must take care of ourselves inside and outside our work environment, we developed an initiative called Cuidar em Todo Lugar (“Caring Everywhere”). Through videos, games, lectures and other activities, we want to promote discussions and reflections among friends and family members.

MINIMIZING THE EFFECTS OF THE PANDEMIC

In 2021, Suzano continued to share guidelines and preventive health and safety measures to fight COVID-19, to protect employees and their families, service providers and society as a whole.

Our short-term initiatives included our support to vaccinate 100% of our employees; the purchase of oximeters to be loaned to employees who tested positive for COVID-19, as recommended by the occupational health areas of each unit; the continuity of remote work for employees whose activities do not require their physical presence; periodic reinforcement of safety and health measures; free online psychological support; and other measures.

In 2021, we had 2,757 cases and 20 deaths from COVID-19 among our employees, which we deeply regret.

Focused on the long term, we have a group that brings together employees from different areas of the company and that continued to discuss cultural and behavioral changes caused by the pandemic. These changes can serve as input to help develop future scenarios, activities and solutions and identify progress made in people management.

For more information on all our initiatives in the fight against the pandemic, visit our Suzano Against the Coronavirus page.

In other chapters, such as Government, and Organized Civil Society, Communities and Suppliers, you will find initiatives implemented to minimize the effects of the pandemic in other parts of Suzano’s value chain.

_VOLUNTARIAR PROGRAM

The Voluntariar program (“Volunteer” program), which has been in place for more than two decades, aims to strengthen Suzano’s relationship with neighboring communities by encouraging employees, service providers, family members and partners to participate in volunteer initiatives supported by the company. These initiatives aim to foster social participation and drive positive changes in society through collaborative work to promote education, sustainability, diversity and inclusion.

The Voluntariar program offers several opportunities to participate in initiatives such as Contributing to the Future and JA Startup, among others. Another important example is the Formare Project (“Educating” Project), which since 2005 has prepared young people in situations of social vulnerability for the job market (in partnership with the Iochpe Foundation). In 2021, we expanded Formare to two additional Suzano units (Aracruz and Três Lagoas), bringing the total to five units involved (in addition to the new ones, the Suzano, Mucuri and Imperatriz units already participated in the project). As a result, Suzano is one of the companies with the highest number of Formare Schools in Brazil, training 100 young people a year and reinforcing our commitment to diversity and people development. In 2021, the five classes included 52% of women and 65% of Black people.

Aligned with the company’s strategy, and as part of our Commitments to Renewing Life and our Cultural Drivers, the Voluntariar program achieved the following results in 2021:

- 1,736 volunteers
- 10% engagement, considering the total number of employees (58% men and 42% women)
- 34% leadership engagement (managers, executives and directors)
- 7,347 volunteer hours
- 42 participating units, from 14 regions (13 Brazilian states and Switzerland)
- 14,890 people benefited (directly and indirectly)
AN INCREASINGLY AGILE AND COLLABORATIVE ENVIRONMENT

At Suzano, digital transformation has established itself as a movement that consistently propels us in pursuit of a more agile, data-driven organization, to enable better decisions that are based on data and less on assumption.

Digital transformation initiatives place our customers at the center of the development of solutions, while constantly encouraging experimentation and collaboration among our dedicated digital teams (squads). Learn more about Suzano’s work in digital transformation.

AGILITY

The agile transformation movement, started in 2019, is gaining importance and relevance every day. The company ended 2021 with more than 80 squads, located across more than 15 areas, working in the agile model. A survey conducted in December showed that 96% of the teams feel happier and more satisfied when working on agile methods, 95% increased their focus on achieving their deliverables and 84% improved the quality of their deliverables.

The company’s priority is to create an agile transformation movement that is organic, as a way to increase its breadth, depth and continuity.

OPEN INNOVATION

In 2021, the Open Innovation area focused on introducing and explaining to the organization the main concepts related to open innovation and their practical application in business challenges. To that end, the area held events such as pitch days, lectures by entrepreneurs and meetings in which startups presented successful case studies from other industries.

We developed programs to facilitate increased participation of Suzano employees in open innovation initiatives and implemented a mentoring program for startups, which created closer connections with company executives. All our efforts led us to be recognized as a top 10 company in the 2021 100 Open Corps general ranking and the top company in the Pulp and Paper category in the 100 Open Startups ranking.

DIGITAL CLUSTER

Our digital transformation strategy resulted in an increase in the number of data scientists and engineers working at Suzano. The solutions created generated more than R$80 million in cash for the company, which, added to the Open Innovation results, totaled approximately R$110 million in 2021.

DIGITAL ACADEMY

The Digital Academy was created to train Suzano employees in the subjects of data science, agility and innovation using the Project Base Learning method, which includes concepts that people learn and apply to solve real business challenges.

In 2021, the Digital Academy trained more than 110 people, of whom 18 started new digital careers as data scientists, “agilists” or open innovation consultants.

We concluded the first class of Afrodev, a program for training and hiring Black people for the area of web development and data science (learn more by clicking here).

DIGITAL TRANSFORMATION

We ended 2021 with a community of more than 1,200 people engaged in agility efforts and more than 30 agility ambassadors distributed throughout Suzano units in Brazil and international offices.
Suzano contributes to bioeconomy through the broad application of the concept of innovability (innovation in service of sustainability) in its business. Through collaboration, the company seeks to offer sustainable and innovative solutions based on eucalyptus. In this chapter, you will learn about initiatives that include our products and services and directly impact consumers and our customers.

GRI 102-6, 103-1, 103-2, 103-3 (Material topic: Innovability)
PULP

A VOLATILE COMMODITY

The pulp market faced significant volatility in 2021, with a very rapid rise in prices, which reached historic levels in the first months of the year. As a result, our average price was much better than in 2020. On the demand side, one of the key factors that impacted pulp prices was the good performance of paper segments in all regions. On the other hand, pulp supply to the market was directly affected by logistical issues throughout the global supply chain due to a lack of shipping containers, the closing of ports in China and delays in the delivery of ships.

For Suzano, with sales over 10.6 million tonnes of pulp in 2021, it was no different. However, despite these challenges, the company guaranteed the supply to its customers and managed to achieve an EBITDA growth of more than 57%. Thanks to a strong strategy, our supply chain avoided supply interruptions to our customers and maintained the company’s high level of service.

The year also brought increased opportunities to engage in projects for the application of our fibers with strong sustainability attributes. More and more, customers in the United States and European countries value suppliers who are benchmarks in sustainability and can offer more than good prices and reliable supply. In 2021, we were able to engage with partners who are interested in working together to develop environmental and social solutions, and advanced discussions on, for example, how to help them develop products that use raw materials from renewable sources and may contribute to replace products from fossil sources. We know that this trend will be increasingly important, and we will have to face great challenges, including the pursuit of technology and new materials, for example. However, we believe that this is the way to plant a better future.

EUCAFLUFF® IN EVOLUTION

After years of research and the growing acceptance of Eucafluff® by global customers in Asia, Brazil, Europe and the United States, Suzano introduced the most evolved version of the product at INDEXTM, the world’s leading nonwovens event, held in Geneva, Switzerland, in October, the event proved to be an opportunity for the company to reaffirm the significant competitiveness of this product developed from eucalyptus fiber.

Eucafluff® is the world’s first bleached eucalyptus kraft fluff pulp and is used in disposable absorbent and personal care products such as infant and adult diapers and sanitary pads. In the path toward innovability, this product has important advantages in terms of environmental footprint (which were confirmed by a life cycle analysis reviewed by KPMG that compared it to the pine fluff produced in the southeastern United States). Eucafluff® has been a successful product for Suzano and the company intends to explore new growth opportunities in the coming years.

PAPER AND PACKAGING

PAPER AND ITS POSSIBILITIES

Suzano has important competitive advantages: a portfolio that includes many options for several different applications and a unique distribution model that keeps us close to our 35,000 customers in Brazil and to our national salesforce of more than 300 people.

While paying attention to new opportunities, the future of the paper market and the challenges that came with the pandemic, Suzano’s Paper and Packaging Unit continued to work on innovability and product diversification. In addition to the paper for specific segments previously mentioned, we have special paper options for medication package insert, bags (Greenbag®) and flexible packaging (Greenpack®), among others.

One of our commitments is to offer, by 2030, 10 million tonnes of products from renewable sources, developed from eucalyptus biomass, which can replace materials from fossil sources. As part of the solution to this challenge, we have partnered with several companies.
INNOVABILITY IN THE CERRADO

STARTING IN 2024, Suzano will increase its annual installed pulp production capacity by more than 20%, thanks to the construction of a new manufacturing unit with the capacity to produce 2.55 million tonnes of pulp per year. For this to happen, Suzano is making one of the largest private investments in the country, totaling R$19.3 billion, and transforming the Ribas do Rio Pardo community, in the state of Mato Grosso do Sul, a town with 25,000 people located 100 kilometers from the state capital, Campo Grande.

WITH THIS NEW UNIT, Suzano will have the largest single-line pulp plant in the world, characterized by high competitiveness and eco-efficiency. The Cerrado project, named after its geographic location, reinforces our relevance in the production of hardwood fiber through successful projects, in addition to enabling a lower cash production cost that is very difficult to replicate, especially due to its scale. This project reflects two of our five strategic business avenues, namely “Be best-in-class in total pulp cost” and “Maintain relevance in pulp through good projects”. We will rely on state-of-the-art technology to ensure stability and performance at the lowest cost with the lowest environmental impact, while ensuring a fair return to our shareholders and helping to lift people out of poverty.

19.3 billion IN INVESTMENTS to increase pulp production

WORKING TOWARD INCREASED CARBON EMISSIONS AND ENERGY ECO-EFFICIENCY

THE NEW UNIT is an important step in our long-term strategy since it leverages the positive impact of our commitments. Examples of our impact include the Suzano Education program, which has already benefited 4,000 local students, and professional training classes in the industrial and forestry areas offered in partnership with the Brazilian Service for Industrial Training (SENAI, for its initials in Portuguese). In addition to social projects, environmental programs will be implemented during and after the unit’s construction period, helping to make this unit our most eco-efficient one in terms of carbon emissions and energy use.

THE SUCCESS of this project depends on factors that go beyond technical, engineering, and social and environmental management issues. Its viability, especially with regards to social aspects, includes a strategy that encompasses the political, economic, technological and environmental dimensions, serving as a basis for the creation of this region’s legacy. Therefore, Suzano seeks to intensify dialogue with state and municipal governments and entities representing the local community, while also partnering with companies that supply equipment and systems, among other project needs. These companies include Andritz, Veolia, Suez, Siemens, Hitachi Energy and Weg.

Visit our Investor Relations website to learn more about the project.
PAPER TRANSFORMATION JOURNEY

Our evolution in the paper segment involves applications that incorporate the concept of innovability, to enable us to increase our offering of renewable alternatives to the market through transformational or incremental development of paper for bags, straws, cups and packaging. Continue reading to learn about our progress during the year.

MULTIPLE PORTFOLIO

The biggest challenge in the use of paper in items such as straws and cups, for example, is to ensure that it has similar functionality to plastic. To do that, we have developed a portfolio of multiple barriers—biodegradable and recyclable chemicals that, when applied to the paper’s surface, provide sealability attributes (resistance to moisture, steam and oxygen), making the paper much more competitive from a technical standpoint.

In 2021, Suzano perfected the application of barriers for cold liquid in Bluecup Bio®, a line of biodegradable, compostable and renewable-source paperboard for cups that is now regularly sold at Bob’s restaurant stores. We have also made progress with regard to our solution for hot liquids, which will be tested by one of our major customers in 2022.

The progress in the development of barriers became possible because Suzano mapped its ecosystem (internal resources and partnerships with research centers, startups and local and global customers) to identify the available knowledge, establish connections and, thereby, find co-created solutions.

OPPORTUNITY

Following the rapid expansion of e-commerce in 2021, there has been an increase in demand for cardboard in the domestic market. Although Suzano does not participate in this segment, the company produced, during the year, a specific uncoated paper for the segment of sheets and cardboard boxes as a way of addressing the shortage of scraps faced by manufacturers in this sector.

This product was developed by the company in just 60 days and became the highest selling innovation product in our history. This experience has been celebrated as an excellent example of envisioning an opportunity, combined with a clear understanding of what the market needs and quick adaptation to deliver the solution.

CONSUMER GOODS

PROMISING SCENARIO AND NEW PRODUCTS IN THE MARKET

Despite the challenges faced since 2020, which included high input prices in the international market, Suzano’s Consumer Goods Unit achieved very positive results in 2021. In March, we inaugurated a plant in Cachoeiro do Itapemirim dedicated entirely to the production of consumer goods. With capacity to produce 30,000 tonnes of toilet paper per year (which is equivalent to 15,000 bales or 1 million rolls per day), the unit is responsible for converting tissue paper that is produced at the Mucuri plant into two- and three-ply Mimmo® and two-ply Max Pure® toilet papers.

Responsible for a 30% increase in Suzano’s finished product capacity, the new unit primarily serves the markets in the Southeast region. Mimmo® Three-Ply Padded toilet paper is a new product launched together with the startup of the new plant. In the state of Espírito Santo, in just six months, Mimmo® Three-Ply reached more than 40% of market share in the segment, becoming a market leader in September 2021.

Nationally, the brand’s market share went from 0% in April to 8% in December and achieved the second highest weighted distribution in the segment within the retail market. In the Two-Ply segment, Mimmo® also continued to grow in the Southeast region, achieving, in the last quarter of 2021, the leadership in the retail segment in the state of Rio de Janeiro.

In 2021, we also launched Mimmo® Wet Wipes.

ACCELERATED SALES

Suzano operates in the consumer goods market with a focus on the tissue segment, consisting mainly of products such as paper towel, napkin, toilet paper and tissue paper. Since 2020, there has been a surge in demand for this type of paper throughout Brazil, requiring the company to reorganize its plants and business model to quickly respond to the new needs of its customers.

In 2021, our products increased their participation among large customers (supermarkets, hypermarkets and wholesalers in Brazil). The company’s sales volume and revenue also grew significantly. According to data from Nielsen1, in 2021, the toilet paper market in Brazil grew 6% in value over 2020. Suzano’s growth in this market was 16%. In the last two months of the year, the company’s market share reached 11.2%, its highest in history, and grew 2.9 percentage points compared to the last two months of 2020, the highest growth among all manufacturers.

As a result of the Consumer Goods Unit’s strategy, in 2021 Suzano was in 45%2 of the Top 100 Food Retail Customers in Brazil, an increase of 10 percentage points compared to 2020. These retail chains where the company’s products are sold account for 71% of the combined revenue of the top 100 companies. According to Nielsen’s weighted distribution data, which measures the percentage of total store turnover, the stores where Suzano’s products are sold account for 55% of total toilet paper sales. In other words, we have the right product in the right place.

1. Source: Nielsen Retail (INA + C&C) – July/August 2021
2. Source: Brazilian Association of Supermarkets (ABRAS) and data from Suzano.

TECHNOLOGY AND INNOVATION

PURSUING SOLUTIONS

Suzano’s calling is to combine sustainability and innovation, putting into practice the concept of innovability. Therefore, the priority of our portfolio of Research & Development projects is to improve our forest efficiency, thereby increasing the productivity and quality of our forests. Based on this renewable raw material and through strategic partnerships and collaboration, we focus our resources on developing new applications that can have a positive impact on society, in line with our Commitments to Renewing Life. Including technology centers, startups, academia, other organizations and even our competitors, the Technology and Innovation area currently has approximately 37 partners in countries such as Australia, Brazil, Canada, Finland, Israel, Italy, Sweden and the United States, working on programs with well-defined resources and contracts. Together, we pursue solutions that can meet the needs of all links of our production chain.

In 2021, the Technology and Innovation area invested R$187.4 million in 122 projects, divided among three axes:

- **SUPPORT**: 46% of the resources are allocated to the development of solutions that can continuously leverage current businesses, from the forest to the final products.

- **TRANSFORMATION**: 32% of the resources are allocated to the development of transformational solutions for current businesses, aiming to create significant and sustainable competitive advantage, in line with the needs of our customers and society as a whole.

- **DIVERSIFICATION**: 22% of resources are used to explore new applications for eucalyptus biomass, in line with our biostrategy, aiming to expand the product portfolio and generate new business for Suzano.

<table>
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<th>STANDARD</th>
<th>2019</th>
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INNOVATION TERRITORIES

Starting in 2022, this classification will transform into a more modern vision, called Innovation Territories, which will enable Suzano to better assess how research and development decisions connect to our strategic avenues and market macro trends.

Six innovation territories and important strategic platforms were chosen to determine the opportunities and focus of R&D activities, to ensure alignment with the business strategy. They are:

- Efficient trees
- Biomaterials
- Eco-efficiency and preservation
- Evolution and new paper applications
- Industrial evolution for pulp
- Genetics for efficiency

The objective is to broaden our perspectives regarding potential changes in the business environment and discuss the company’s short-, medium- and long-term strategic options.

PROGRESS AT FUTURAGENE

FuturaGene, Suzano’s Biotechnology Division and a leader in plant genetic development aimed at increasing the productivity and sustainability of the global forestry sector, obtained a first-ever approval for the commercial use of a new herbicide-tolerant genetically modified eucalyptus variety. The technology was evaluated and approved by the National Technical Commission on Biosafety (CTNBio, for its initials in Portuguese) after multiyear safety analyses in the laboratory, greenhouses and in the field, which demonstrated its biosafety in humans, animals and the environment.

The new eucalyptus is tolerant to the herbicide glyphosate, which is used in forestry to fight weed competition, thus allowing more modern and efficient control of weeds that compete with eucalyptus, especially in the early stages of plantation development. This technology aims to optimize and potentially reduce overall chemical usage and improve working conditions. Conventional tree breeding and biotechnology go hand in hand at Suzano, in an increasingly integrated way. After the CTNBio’s approval, the herbicide-tolerant genetically modified eucalyptus will be incorporated into Suzano’s breeding program to develop and assess suitability in different geographic regions where the company cultivates eucalyptus, as is done with conventional clones. The objective of this phase is to optimize planting material for future operational use.

NEW ENABLING TECHNOLOGIES FOR GLOBAL CHALLENGES

In 2021, FuturaGene obtained a research license for CRISPR-Cas9, a gene editing technology developed by a number of organizations, including Corteva Agriscience, the Broad Institute of the Massachusetts Institute of Technology (MIT) and Harvard University, and other institutions. This technology, together with FuturaGene’s current “toolbox”, will be applied to the ongoing research and development of new eucalyptus varieties that are more productive, are resistant to diseases and pests and have better quality fibers. In addition, the company aims to make the new varieties more resilient to climate change, thus reducing the risks of climate-related productivity losses.

This new gene editing research license can be converted into a commercial license. A key aspect of this license agreement is the right to share the benefits of this technology with small producers in Suzano’s supply chain, royalty free.

Based on third party and in-house scientific data, Suzano believes that genetically modified eucalyptus will provide significant productivity gains and environmental benefits.
NEW BUSINESS
MFC AND ITS VARIOUS APPLICATIONS

Expected to grow in the coming years, microfibrillated cellulose (MFC) is a cellulose pulp that is refined through intense mechanical work and can be used in various applications. In addition to advancing in textile fiber production with Spinnova (see more details in the next topic), Suzano has been studying the application of MFC in printing and writing paper, among other uses that are still being evaluated. In addition, we started tests with MFC to replace raw materials from fossil sources used in cleaning products (dish detergents, fabric softeners and laundry detergents) and in the manufacturing of paints and fibre cement slates, which used to be made with asbestos.

PARTNERSHIP FOR SUSTAINABLE FABRIC

Several brands in the textile industry are looking to reduce their emissions and environmental footprint and create a circular material basis for their products. In 2021, one example of innovability in this area was our joint venture with Spinnova, a Finnish material innovation startup. We will exclusively produce and sell 100% renewable textile fiber made from microfibrillated eucalyptus cellulose.

In February 2021, together with the creation of the joint venture, the two companies announced an investment of 22 million euros for the construction of the first production unit to manufacture this fiber, which will be sold under the SPINNOVA® brand. The pre-commercial scale plant is located in Jyväskylä (Finland), where Spinnova’s Research and Development center and pilot plant are located. Spinnova will contribute its exclusive technology, while Suzano will supply microfibrillated cellulose produced from the eucalyptus grown in Brazil. Production will be managed and operated by the joint venture called Woodspin, in which each company holds a 50% stake. The plant is expected to start operation in 2023.

CLOTHING MADE FROM 100% RENEWABLE FIBER

Our renewable raw material, combined with Spinnova’s technology, will meet the needs of the market and society for more sustainable fibers. They are produced from the same raw material used in paper production through a production process that does not require much water, generates little solid waste and uses renewable-based chemicals. SPINNOVA® fiber is a highly advantageous alternative in terms of sustainability since, for example, its production generates minimal greenhouse gas emissions.

Important leading fashion groups, such as the Swedish H&M, the Danish Bestseller, the Finnish Marimekko, the German Adidas and the Norwegian Bergans, have already signed agreements with Spinnova to participate in its material development process.

LIGNIN, PROTECTION FACTOR

Like pulp and paper, lignin is a renewable product of the planted tree industry. It is a complex organic compound that, together with cellulose, makes up most of the wood in trees. Among other things, it can be used as a phenolic resin or antioxidant for rubber products. In addition, it is an excellent fuel that produces steam for more efficient production processes, and it also generates electricity, which contributes to a more renewable energy matrix.

The lignin produced by Suzano is being used in several application studies in different industrial sectors. The most recent one brings together the Research and Development teams from Suzano and the Boticário Group, one of the largest beauty conglomerates in the world. Together, the teams are testing the benefits of lignin in beauty products, especially for dark skin. Researchers involved in the partnership have identified an antioxidant effect of the ingredient that can also boost the protection factor in sunscreens (SPF). In addition, lignin could also be used to minimize the grayish tone of foundations for black skin—a phenomenon that occurs when these products come into contact with the oxygen in the air—by preventing them from changing color as a result of the oxidation process.

After the research phase, the results are expected to be used by Boticário to develop new cosmetics lines starting in 2022. Lignin is produced in Limeira, where Suzano operates the first kraft lignin plant in Latin America.
UNBLEACHED PULP

Suzano developed an unbleached pulp for customers in the food industry. The goal is to offer solutions from renewable sources to manufacture packaging that come in contact with food.

BIO-OIL

In the area of new businesses, the company invests to be able to offer products to the fuel industry in the future. To that end, in 2021, Suzano carried out tests with two major oil companies in the United States. The goal is to become a relevant global player that can offer green solutions and products to the fuel industry.

LESSONS LEARNED AND CHALLENGES IN 2021

The year 2021 taught us many lessons about the way we operate and manage our lignin industrial operations, which is still maturing from a technological standpoint. Its development poses challenges because these are non-drop-in* applications that require skills in different areas and diversified market operations.

Innovating through proprietary technology and advancing scalable solutions is a challenge that requires time, discipline and resilience. Throughout the year, we revisited our initiatives and redefined our priority markets and strategic drivers. Our highlights during the year included:

- Evolution of strategic partnerships for commercial scale in several applications.
- Implementation of business processes including continuous improvement identification to optimize customer service.
- Regular production at the industrial plant to ensure product availability to meet demand.

* Applications that do not have the same properties and functionality as conventional ones.
Suzano believes in collaboration and in the value of partnerships throughout its production chain. Therefore, the company works to improve the performance of its partners so that they can do their best not only for the company, but for society at large and for the environment. In this chapter, you will learn about several initiatives and partnerships that have been developed together with our suppliers based on this belief.

GRI 102-9
This year marked the maturation of the Responsible Supplier Management (RSM) program, with significant progress in Suzano’s supply chain. The main objectives of this program, approved in 2020, are to foster sustainability management among the suppliers, establish guidelines for our relationships with our partners and integrate ESG criteria into procurement decisions. During the year, the RSM program was applied to several projects and initiatives that aim to increasingly establish lasting and high-quality relationships with our suppliers to generate shared value throughout our production chain.

One of the challenges that come with this process is to educate our buyers, who pursue the best commercial conditions. On the one hand, our suppliers need to understand the importance of following current best practices in the social, environmental and governance arena. On the other hand, our business areas must understand the benefits of hiring companies that, for example, emit less greenhouse gases or have a more diverse workforce compared to their competitors. This is a work in progress, which, over the next few years, is expected to bring about profound transformations throughout Suzano’s supply chain, which currently includes 26,000 active suppliers.

Understanding the strengths and weaknesses of the different companies that serve us and improving their level of performance and awareness means reducing risks for everyone.

Learn about our highlights in 2021:

SUSTAINABLE PROCUREMENT POLICY

The Sustainable Procurement Policy consolidates the principles and guidelines that drive the effective integration of sustainability into Suzano’s procurement processes, including everything from the acquisition of office supplies to forestry and industrial inputs, to services. The policy provides guidelines for product or service specifications, the registration and approval of suppliers, and the selection and hiring of our partners.

SUPPLIER CODE OF CONDUCT

Based on Suzano’s Code of Conduct, we launched a specific document to guide our relationships with our supply chain. In addition to issues commonly discussed, such as integrity in business relationships, decent labor relations and management systems, it addresses comprehensive ESG issues by including topics such as environmental protection, human rights and social development. Click here to learn about our new Supplier Code of Conduct.
SOCIAL AND ENVIRONMENTAL RISK MANAGEMENT

In 2021, to effectively monitor the risks and potential impacts within Suzano’s supply chain, we conducted a study on the exposure to social and environmental risks in all of our procurement categories. This study informed the creation of a Social and Environmental Risk Matrix, which classifies suppliers into four risk groups: low, medium, high and very high. Based on this assessment, it was possible to establish specific management strategies for each risk category, since higher risk levels require stronger guidance and monitoring, and a robust development approach with the suppliers.

As an example, the suppliers included in the matrix as high and very high social and environmental risks are monitored in real time through the Reprisk platform. This tool continuously assesses and updates the degree of risk exposure of suppliers considering the risk of the production sector as a whole, the country where the suppliers operate, and the severity of the information found in the media.

For more information on the creation of the Social and Environmental Risk Matrix and our management approaches, access Suzano’s Sustainable Procurement Policy.

CLIMATE CHANGE IN THE VALUE CHAIN

Climate change is the first sustainability issue to be discussed with our suppliers as part of our initiatives to take sustainability beyond Suzano’s walls. We invited 100 suppliers with opportunities related to greenhouse gas (GHG) emissions to participate in our program. Through initiatives like that, we seek to improve sustainability management and encourage the reduction of GHG emissions in our supply chain year after year, in line with our commitment to become increasingly climate positive. To develop this program, we established a partnership with CDP.

Of the invited suppliers, 78 representatives of categories that are considered critical in terms of greenhouse gas emissions voluntarily participated in the first cycle of the program. This level of engagement was superior to the average 67% of other companies that also use the CDP Supply Chain platform. During 2022, we will engage our suppliers to improve their climate change management and strategy and, consequently, their score in the CDP questionnaire.

INCLUSIVE PROCUREMENT

The next issue in our agenda is inclusive procurement, which aims to promote diversity, equity and inclusion throughout our supply chain. In 2021, the company carried out a comprehensive diversity and inclusion census among our partners to establish indicators of minority representation among their employees, managers and owners and to identify existing practices in this area. Through December 2021, approximately 500 suppliers had engaged in the issue of inclusive procurement. In 2022, the data we collected will be essential for us to increase our number of partnerships with companies in which managers and owners belong to minority groups, in addition to fostering an increase in diversity among their employees. In this first cycle, our focus will be on gender.

78% of the participants engaged with the program, which is a significant achievement for its first year – 12% above the global average.  

Pablo Alan Guimarães Pires, Wood Supply technician, Imperatriz unit (state of Maranhão). Photo: Márcio Schimming.

Relacionamento com os fornecedores 91
Suppliers 91

Suzano’s 2021 Annual Report
SEMEAR PROGRAM

In 2021, we selected local micro and small companies in the segments of logistics and industrial maintenance services to receive guidance on how to achieve structured growth by incorporating good management practices and methods, innovation and principles of legal, social and environmental responsibility. This is what we believe in, while always respecting the nature of each organization.

Participants graduated from the Semear program ("Sowing" program) in the states of Bahia, Mato Grosso do Sul, Espírito Santo, Maranhão and São Paulo. Of the 151 who graduated between 2020 and 2021, 26 were recognized for meeting improvement criteria such as a reduction in economic, financial and labor risks and on their financial dependence on Suzano. Key features of the program included a partnership with SEBRAE (an organization that supports micro and small entrepreneurs in Brazil) and several workshops and engagement events on the topic of social and environmental responsibility.

This program also includes a specific thematic meeting with Suzano’s Sustainability team to engage suppliers to improve their social and environmental performance.

We also expanded our reach by implementing Semear Online, through which resources and training from the Suzano collection are now available free of charge to suppliers and other interested audiences. In 2022, the program will be expanded through the addition of new classes and a specific curriculum, which will include the topics of entrepreneurship, management and leadership, financial management, strategic planning, diversity and inclusion, Sustainable Development Goals and digital transformation.

VINO – NON-OPERATING ITEMS SALES

With a focus on maximizing the use of our cultivated trees, the company has the Non-Operating Items Sales area (VINO, for its initials in Portuguese). The main objective of the area is to offer by-products from pulp production to other production chains.

One of the initiatives of the VINO area is in line with the commitment to reduce the disposal of industrial solid waste in company-owned or third-party landfills.

SUPRICONECTA – INTEGRATED PROCUREMENT PLATFORM

The company’s Procurement area is in the middle of a digital transformation with the goal of improving the procurement processes for its internal customers, suppliers and buyers. To be one of our partners in this journey, Suzano hired Coupa Software to implement SupriConecta, a platform that will unify and optimize the company’s entire procurement processes, from request to final order.

Reduction of approximately 467,000 tonnes of waste sent to company-owned and/or third-party landfills

Kelly Cristina Cunha (green shirt) and Sabrina Aparecida Almeida (blue shirt), both members of the Arara Azul Cooperative, in Três Lagoas (state of Mato Grosso do Sul). Photo: Márcio Schimming.
Suzano’s 2021 Annual Report includes 100 selected suppliers, program’s three-year cycle, which issues. The main objectives of the and working with suppliers on water Aa pilot project focused on engaging procurement solutions that reflect to solve problems that result in Suzano’s challenge to its supply chain model for each distribution center. In the year 2021, social and environmental risk assessment criteria were incorporated into supplier management processes, thus enabling us to assess sustainability risk. New management measures were implemented, such as the use of the Reprisk tool, which allows us to monitor ESG risks in the supply chain. Per context understanding, 100% of wood supply is critical; wood was not tracked alone in 2019 and 2020. Projects approved in 2021 that will be implemented during 2022

**_STANDARDS_**

<table>
<thead>
<tr>
<th>Critical suppliers¹</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of critical suppliers (relative to total suppliers) - Except wood suppliers</td>
<td>4%</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>Percentage of critical suppliers (relative to total suppliers) - Wood suppliers</td>
<td>n/a</td>
<td>n/a</td>
<td>100%</td>
</tr>
<tr>
<td>Percentage of total purchases expended with critical suppliers - Except wood suppliers</td>
<td>22%</td>
<td>41%</td>
<td>37%</td>
</tr>
<tr>
<td>Percentage of total purchases expended with critical suppliers - Wood suppliers</td>
<td>n/a</td>
<td>n/a</td>
<td>100%</td>
</tr>
</tbody>
</table>

1. The indicator considers suppliers that have undergone registration, approval, evaluation and environmental monitoring. The data from wood suppliers start being reported as of 2021.

<table>
<thead>
<tr>
<th>Suppliers with negative social impacts¹</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of suppliers identified as having negative social impacts⁴ (Except wood suppliers)</td>
<td>4%</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>Percentage of suppliers identified as having negative social impacts⁴ (Wood suppliers)</td>
<td>n/a</td>
<td>n/a</td>
<td>3%</td>
</tr>
<tr>
<td>Percentage of suppliers identified as having significant negative social impacts, actual and potential, with which improvements have been agreed as a result of the evaluation (Except wood suppliers)</td>
<td>71%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Percentage of suppliers identified as having significant negative social impacts, actual and potential, with which the business relationship was discontinued as a result of the evaluation (Wood suppliers)</td>
<td>n/a</td>
<td>n/a</td>
<td>100%</td>
</tr>
<tr>
<td>Percentage of suppliers identified as having significant negative social impacts, actual and potential, with which the business relationship was discontinued as a result of the evaluation (Except wood suppliers)</td>
<td>29%</td>
<td>0%</td>
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<tr>
<td>Percentage of suppliers identified as having significant negative social impacts, actual and potential, with which the business relationship was discontinued as a result of the evaluation (Wood suppliers)</td>
<td>n/a</td>
<td>n/a</td>
<td>0%</td>
</tr>
</tbody>
</table>

1. The indicator considers suppliers that have undergone registration, approval, evaluation and environmental monitoring. The data from wood suppliers start being reported as of 2021.

<table>
<thead>
<tr>
<th>Suppliers with negative environmental impacts¹</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of suppliers identified as having negative environmental impacts¹ (Except wood suppliers)</td>
<td>2%</td>
<td>1%</td>
<td>4%</td>
</tr>
<tr>
<td>Percentage of suppliers identified as having negative environmental impacts¹ (Wood suppliers)</td>
<td>n/a</td>
<td>n/a</td>
<td>6%</td>
</tr>
<tr>
<td>Percentage of suppliers identified as having significant negative social impacts, actual and potential, with which improvements have been agreed as a result of the evaluation (Except wood suppliers)</td>
<td>50%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Percentage of suppliers identified as having significant negative social impacts, actual and potential, with which the business relationship was discontinued as a result of the evaluation (Wood suppliers)</td>
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<td>n/a</td>
<td>5%</td>
</tr>
<tr>
<td>Percentage of suppliers identified as having significant negative social impacts, actual and potential, with which the business relationship was discontinued as a result of the evaluation (Except timber suppliers)</td>
<td>25%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Percentage of suppliers identified as having significant negative social impacts, actual and potential, with which the business relationships have been discontinued as a result of the evaluation (Wood suppliers)</td>
<td>n/a</td>
<td>n/a</td>
<td>1%</td>
</tr>
</tbody>
</table>

1. The indicator considers suppliers that have undergone registration, approval, evaluation and environmental monitoring. The data from wood suppliers start being reported as of 2021.
LOGISTICS

GUARANTEED AND HIGH-QUALITY DELIVERY

Like all global companies, Suzano, which has an annual export volume of approximately 10 million tonnes, also felt the effects of a challenging year in logistics in Brazil and worldwide as a result of complications experienced since the beginning of the pandemic. A lack of containers, the Suez Canal blockage, restrictions in Chinese ports caused by COVID-19, a shortage of local labor in several countries and port congestions worldwide made 2021 especially complex – the average travel time to Europe went from 18 to 25 days. Despite the turbulent and high-pressured market, the company maintained excellent service and guaranteed the supply for all its customers, most of them in Asian and European countries.

This was possible thanks to three main competitive advantages developed by Suzano as part of its evolution:

1. The company has long-term contracts with shipowners and customers, which ensured increased stability to the logistics operation.

2. Because Suzano has a port structure in Brazil and warehouses located in the main international ports, the company can maintain its pulp stock regulated at all points of the business.

3. Suzano’s team is very attentive to market movements, is responsible for anticipating risks and opportunities, and redoubled their attention in the face of a critical scenario.

As a result, we gained agility and efficiency. When most companies in the world started to be affected by logistics issues, Suzano had already been dealing with them. With well-served customers, despite the complicated situation, the company was able to develop projects in 2021 that will leverage the evolution of the logistics area through increased innovation and process automation. Keep reading to learn more.
Inovalog (“Innovalog”) is Suzano’s pulp logistics transformation program. It was launched in March 2021 as part of one of the company’s strategic business avenue (“Be best-in-class in total pulp cost”) and its desire to be recognized as a benchmark in market innovation. Among its main objectives are the pursuit of increased operational productivity, quality of life for the team and efficiency in the connection with startups and technology companies. The program translates how the logistics team intends to help the company achieve its goals and ambitions.

The first step was to consult the team and the main areas it interacts with, recognizing the importance of co-creation at Suzano. The results of the program, which is based on three development drivers (people, digital/systems and operational excellence), include the creation of more than 150 initiatives in 2021, training for the team, system improvements, process automation and cost reduction.

The culture of co-experimentation is another important feature of Inovalog. Currently, Suzano’s Logistics, in partnership with startups and other companies in the market, is testing and developing new concepts to be incorporated into everyday businesses. Some of the projects are planned to be scaled up in our operations as early as 2022.

SUSTAINABLE LOGISTICS

Suzano sees the reduction or elimination of fossil fuel in its transportation as an important component of its environmental strategy. Therefore, the company has been working to increase productivity by using low-emissions rail transport. In addition, on certain routes within the greater São Paulo area, Suzano is replacing conventional trucks with electric ones. For heavy equipment, this option is only available in industrial areas close to our plants and wood yards. It is still uncertain when we will be able to completely replace fossil fuels with renewable alternatives. For Suzano, the focus now is to be connected to institutions and companies around the world that aim to systematically track solutions for a zero-emission operation.

Partial solutions such as hybrid vehicles and transition fuels are currently being seen as steppingstones toward phasing out fossil fuels. Some of the alternatives being studied include hybrid vehicles with electric trailer axles and other components, feasibility studies of methane-powered fleets to transport wood and pulp, and options for producing biomethane from biomass in industrial plants.

ITAIQUI BERTH

In 2018, Suzano won a concession to manage public areas and infrastructure for general cargo, especially pulp and paper, in the Itaqui port, in São Luís, for an initial period of 25 years. To implement this project, the company will be investing approximately R$390 million.

The construction of the berth and support room was completed in November 2021 and accounted for part of Suzano’s investments for the construction of this terminal, which will be used for the export of pulp produced in the company’s Imperatriz unit. Berth operations started in the first quarter of 2022.

In addition to the berth, the investments will finance the construction of a 73,000-tonne warehouse to ensure more efficient flow of pulp. The construction project is scheduled to be completed in the first half of 2022, and the warehouse is expected to be operational in the third quarter.

Suzano sees nature as an essential part of its business model. The company's planted and native forest areas make up ecological mosaics and corridors that support the conservation of biodiversity and ecosystem services. Partnerships with social organizations, institutions and communities contribute to the diversification of economic activities and ecological restoration.

GRI 103-1, 103-2, 103-3 (Material topic: Biodiversity)
Suzano has been working to deliver products and services that meet the current and future needs of customers and consumers while also contributing to a more sustainable world.

Keep reading to learn about the main initiatives implemented in 2021 to promote greater efficiency in forest management processes and industrial operations, with productivity gains associated with cost reductions and less use of natural resources. Also, find out what Suzano, together with partners, environmental organizations, governments and other entities, is doing to help conserve the environment.
FOREST EVOLUTION

IMAGINE Suzano’s forestry operators working in different regions, in several Brazilian states, without any connectivity. Now, think of a data-science automated knowledge center that can analyze and share, in real time, information collected in these different regions with this same group of employees. This is like putting the operation under a giant magnifying glass: the activities are conducted based on the evaluation of a much higher number of aspects, in much less time and with lower risks. This is the Control Tower project, which was developed through Suzano’s co-creation and innovability efforts and is currently considered one of the most transformational projects in terms of productivity.

THE MAIN OBJECTIVE of this project, which was tested in the state of Maranhão in 2021, is to provide autonomy to the workers at the forefront of our operations. That is why, to develop the project, the company consulted 70 forestry workers and followed the design thinking methodology, to give voice to those in the field and arrive at a solution that could effectively meet their needs. As a result, operators now have tablets that provide online information and management dashboards, which they can use to make the best choices with confidence and agility to achieve their goals.

Currently, WE MONITOR MORE THAN 400 ASSETS, including harvesting equipment (harvesters and forwarders), loading cranes and wood transport trucks

1.3% INCREASE IN THE PRODUCTIVITY and efficiency of harvesting equipment

OBJECTIVES: integrate and centralize information to guide data-driven decisions as part of wood supply processes (wood harvesting, loading and transporting); and improve operational indicators, including a 3% increase in operational efficiency.

BENEFITS OF THIS AUTOMATION: greater precision in decision making, resulting in gains in productivity, efficiency and asset availability; accident reduction; risk mitigation; and increased autonomy for the operators.

The project has already achieved important results, such as:

- An approximate 1.3% increase in the productivity and efficiency of harvesting equipment.
- Improved safety management (distance between pieces of equipment, and support for operators, drivers and cranes).
- On-time management of indicators with the identification of more than 50 KPIs.
- More than 90% operational buy-in of the use of the technology.
Our Management

Currently, Suzano has 2.4 million hectares of native forests and eucalyptus forests distributed across three Brazilian biomes (Cerrado, Atlantic Forest and the Amazon), which have very different characteristics. How can we manage such a broad footprint, with so many variables, in a way that optimizes the use of natural resources, forest productivity and costs, while also improving our conservation efforts and maintaining good relationships with our neighbors to ensure benefits for everyone?

The partnership between the Forestry and Research and Development (R&D) areas enabled better understanding and and the classification of the different conditions of eucalyptus cultivation environments. Using machine learning, we were able to isolate and demarcate Suzano’s macroenvironments. Based on that, all management and breeding recommendations are developed to maximize the productive potential of each environment, considering the best combination between management, clones and environment.

Management recommendations follow the concept of precision forestry. With regard to breeding, it is worth noting that we adopt a strategy to accelerate the discovery and selection of more productive clones with better wood quality. In addition to using better clones, the company developed a clonal allocation optimizer, called Tetrys. This algorithm enables Suzano to place the most adapted and productive clones in the company’s different environments.

Using analytics, big data and artificial intelligence, Tetrys evaluates numerous scenarios to identify the best clone, considering variables such as temperature, rainfall, soil type and texture, and altitude. In addition to improving plantation safety and providing more effective matches that result in a 2% increase in forest productivity, this tool reduces the risk of potential environmental issues, including the incidence of pests and diseases.

The development of Tetrys, which involved more than 80 employees within the company, resulted in a 15-fold increase in the capacity to generate clone allocation scenarios, when compared to the procedure prior to the implementation of the tool. Since the beginning of the project, more than 270 million trees have been planted – the equivalent of an area of 205,000 hectares.

In addition to providing better control of planting quality, these projects are being efficient to increase the productivity of commercial plantations in sites where there have been no weather-related adverse effects. Also, based on the knowledge generated, it is possible to reposition the forest base, focusing on expanding plantations in areas of greater productive potential and lower environmental risk.

In 2021, we innovated the process of generating and transferring technologies. For the first time, we held an integrated event in which management recommendations (SMS – Suzano Management System) and breeding recommendations (SGS – Suzano Genetic Selection) were widely discussed with the Silviculture areas, with the participation of all support areas. This was a way to share knowledge more efficiently, facilitate co-creation and make joint decisions for the coming year. Based on this new interpretation of what happens in the field, it became possible to make more specific recommendations in silvicultural activities, including soil preparation, planting spacing, clonal allocation, fertilization and plant protection, adapted to the characteristics of each region.

Overall Increase

Currently, approximately 14% of the areas are under regrowth management, resulting in savings of around 40% in forest forming costs when compared to restoration.

More with Less

The same approach applies to the management of regrowth, which consists of using previously selected shoots of remaining strains from the previous harvest. This type of management is very much in line with the idea of producing more with fewer natural resources, since a series of steps, such as seedling production and transportation and soil preparation, are not necessary in the management of regrowth.

At Suzano, we are implementing a concept called C14 (or 14-year cycles), which has enabled us to reduce the use of inputs and the emission of greenhouse gases, while also leveraging regrowth productivity. This is only possible thanks to quality control, the implementation of best management practices and a better understanding and control over the factors that affect productivity, resulting from big data analysis of issues in this area.

In addition, the company implemented a regrowth area selection optimizer, an artificial intelligence technology that makes it possible, in the strategic planning phase, to identify the planting areas with the highest potential for regrowth. The more efficient the company is in selecting these areas, the more sustainable and productive their management becomes over time.
WATER IN THE FOREST

Climate change is a global reality and certainly one of the most pressing issues for the forestry industry and society. The development of our planted trees and conservation areas depends on the availability of water.

Dozens of initiatives have been implemented in recent years to address the situation of more frequent and intense droughts in some regions where we operate. One of them is forest management aimed at increasing water availability in watersheds that are considered critical (in other words, watersheds in areas where Suzano operations are exposed to risk of water scarcity).

This is one of our main Commitments to Renewing Life: increase water availability in 100% of critical watersheds by 2030. This represents approximately 6% of our forest base in more critical regions and watersheds. Our unique management approach includes initiatives such as increasing the age mosaic, extending the crop cycle, reducing planted forest density, promoting forest restoration, optimizing roads and decommissioning areas. In 2021, we exceeded our target of applying this management approach in 4,500 hectares. Through decommissioning of critical areas alone, we reached approximately 5,650 hectares.

ADAPTATION STRATEGY

Based on alarming data released by the Intergovernmental Panel on Climate Change (IPCC), Suzano immersed itself in this issue in 2021, considering different scenarios. In addition to evaluating historical data collected by the company itself, as a key element of this initiative, the company worked in the identification and measurement of risks based on IPCC scenarios. This is a step forward in our journey toward alignment with the Task Force on Climate-Related Financial Disclosures (TCFD).

As part of this comprehensive assessment, Suzano classified high-risk areas with regards to forest productivity and identified regions where plantations should be decommitted, and the company’s production activities should be ceased. Suzano also determined the size of its forest base needed to face the consequences of climate change without compromising supply for its units. The implementation of this strategy will consider the scale and importance of the company’s social and economic role in each region to avoid any negative impact in these areas.

CONTROlLED WATER USE

Technological advances have increasingly improved the development of solutions to control the use of water. One of them, closely linked to Suzano’s innovability concept and implemented in 2021, is a seedling protection collar that is inserted at the time of planting to form a protection barrier around the plant.

PROTECTION COLLAR

This shield is made from primary sludge, a residue made up of fibers that were not used in the industrial process for pulp production. One of the benefits of the collar is to keep the soil moist for a longer time. As a result, the seedling needs to be irrigated less often, thereby consuming less water in its initial growth stage. It is estimated that 532 million liters of water are saved for every 100,000 hectares planted. In 2021, at the Maranhão unit alone, we saved approximately 65 million liters of water – the equivalent of 4,330 trucks of 15,000 liters each.
LOGISTICS IN THE FORESTS

One area that impacts our forestry operations is logistics. Therefore, Suzano is constantly evolving its practices with the goal of minimizing risks and increasing efficiency. Two important initiatives in this area are highlighted below.

SIX-TRAILER TRUCK EXPANSION

Six-trailer trucks (also known as hexatrails) are exclusive vehicles developed by Suzano in partnership with automotive companies. Operating in the company’s farms in Três Lagoas, the vehicles are also being used in forestry logistics activities in Aracruz and Mucuri.

This mode of transportation allows the company to transport a higher volume of wood in fewer trips. It also reduces the number of vehicles in circulation, which has environmental advantages, such as a reduction of 2,798 tonnes per year of greenhouse gases emissions and in the risk of accidents involving the local fauna. In addition, the strategy for training six-trailer truck drivers includes drivers from small transport companies located in the South of the state of Bahia. As a result, Suzano continues to promote local employment while also maintaining our contracts with these companies in force.

While six-trailer trucks offer many advantages, there are also negative impacts that the company is working to address. In 2021, Suzano received 37 specific complaints about its forestry operations in Mucuri, including the operation of six trailer trucks.

FOR MORE ECOLOGICAL BALANCE

Suzano is advancing its biological control strategy to replace chemical control in its plantations. In 2021, the company created and released more than 1.15 million natural enemies, enabling biological pest control in approximately 150,000 hectares. The natural enemies were created in the Aracruz, Alambari, Imperatriz and Três Lagoas laboratories, the latter inaugurated in the second half of the year.

We believe that, by scaling our production and acting preventively, we will achieve an ecological balance until some point in the future when the use of agrochemicals will no longer be necessary. Our investment in infrastructure and specialized professionals is starting to yield positive results: during an outbreak of caterpillars in Mato Grosso do Sul in 2021, for example, the use of insecticides to fight the problem was significantly lower compared to similar situations in the past.

In addition to classical biological control, the company kicked off the FenomicS project (“Phenomics” project). This initiative is focused on evaluating the resistance of our clones to the main pests and diseases, as well as their tolerance to adverse weather factors, earlier in the process and more intensely. The project is expected to make the selection of resistant clones two times more efficient. Using a new technique, we are also able to select clones that are more efficient in terms of water use. While the use of genetic resistance against pests and diseases makes it possible to reduce the need for pesticides, the selection and planting of clones that are tolerant to water deficits increases our eco-efficiency. These two approaches are expected to reduce our production risks and minimize our impacts.
COMMITMENT TO BIODIVERSITY CONSERVATION

Suzano has written a new chapter in its sustainability strategy—one that is of great importance for business continuity. The company has committed to connect half a million hectares (an area four times the size of the city of Rio de Janeiro) of priority areas for conservation in the Cerrado, Atlantic Forest and Amazon biomes, by 2030.

This new commitment, announced in June 2021, signals our level of contribution and engagement with the conservation of the biodiversity of Brazilian ecosystems, considering that the fragmentation of habitats is one of the main threats to the life of species. In addition, it confirms the company’s leadership position in this area, at a national and international level, in line with the global ambitions of the United Nations (UN).

Suzano believes that this biodiversity target cannot be a responsibility of the company alone, but rather of society as a whole. To set this target, the company carried out a collaborative process that included consultation with more than 40 national and international stakeholders, including NGOs and representatives of the public and private sectors and academia. This process, specifically designed to identify opportunities and challenges for biodiversity conservation, was carried out in partnership with the Ecofuturo Institute.

Based on the priority areas for conservation identified by the Ministry of the Environment and the areas set by the National System of Nature Conservation Units (SNUC, for its initials in Portuguese) as fully protected Conservation Units, Suzano identified the main areas of fragmented natural remnants to be connected. Then, as a result of the intense engagement of different players, the company defined the pathways for connection, which will be made through the implementation of biodiversity corridors.

DRIVING FORCE

Thousands of isolated forest fragments will be connected. Approximately 50% of them are in areas owned by Suzano. The other fragments are located on third-party lands, which will require strong engagement and networking on the part of the company to be able to connect them. This effort will increase our responsibility and commitment to maintain these habitats restored and preserved, considering the landscape of the area.

The company will act strategically by implementing biodiversity corridors and establishing business models that generate shared value and promote biodiversity production, in addition to developing initiatives to reduce pressure on biodiversity as a result of human action.

_STANDARDS_

<table>
<thead>
<tr>
<th>Protected habitats, by type and forest stewardship unit¹ (hectares)</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Suzano S.A.</td>
<td>342,979.68</td>
<td>345,268.09</td>
<td>271,839.63</td>
</tr>
<tr>
<td>Total Suzano S.A.</td>
<td>327,614.21</td>
<td>329,360.69</td>
<td>1,430.56</td>
</tr>
<tr>
<td>Aracruz/Mucuri²</td>
<td>789.65</td>
<td>313.76</td>
<td>308.47</td>
</tr>
<tr>
<td>São Paulo³</td>
<td>9,938.51</td>
<td>7,897.28</td>
<td>6,975.91</td>
</tr>
<tr>
<td>Três Lagoas⁴</td>
<td>5 Total Suzano S.A.</td>
<td>253,166.60</td>
<td>242,027.15</td>
</tr>
<tr>
<td>Imperatriz⁵</td>
<td>253,390.70</td>
<td>263,428.35</td>
<td>383,857.97</td>
</tr>
<tr>
<td>Total</td>
<td>898,486.85</td>
<td>924,866.97</td>
<td>1,042,200.26</td>
</tr>
</tbody>
</table>

1. The IBGE’s Current Basis of Biomes and Vegetation was used for the intersection of Suzano’s Vegetation classes. Thus, there was an adjustment in the Cerrado and Mangrove swamp classifications. In 2020, there was also an adjustment in the pampas classification.
2. The “Aracruz/Mucuri²” unit includes areas in Bahia, Espírito Santo and Minas Gerais.
3. The “São Paulo³” unit includes areas in the states of São Paulo, Minas Gerais and Rio de Janeiro.
4. The “Três Lagoas⁴” unit includes only areas in the state of Mato Grosso do Sul.
5. The “Imperatriz⁵” unit includes areas in the states of Maranhão, Piauí, Para and Tocantins.

Owned, leased, or managed areas within, or adjacent to, protected areas, and areas of high biodiversity value outside protected areas (hectares) | 2020 | 2021 |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Within</td>
<td>210,930.48</td>
<td>211,541.03</td>
</tr>
<tr>
<td>Adjacent</td>
<td>5 Total Suzano S.A.</td>
<td>394,688.88</td>
</tr>
<tr>
<td>Total</td>
<td>605,619.36</td>
<td>612,821.07</td>
</tr>
</tbody>
</table>

1. Leased area encompasses the sum of “Leasedhold,” “Parkia Partnership” and “Partnerships” in our license plate/property boundaries.
Suzano allocates approximately 40% of its total area, or about 1 million hectares, to environmental conservation. More than 4,300 species of plants, birds, amphibians, reptiles and mammals are cataloged in its monitoring database, including those under varying degrees of threat of extinction. These conservation areas are mainly distributed throughout the Cerrado, Atlantic Forest and Amazon biomes. In these regions, in addition to Permanent Preservation Areas (PPAs) and Legal Reserves (LRs), which are required by Brazilian law, the company has voluntarily identified High Conservation Value Areas (HCVAs), which total more than 90,000 hectares of habitats of global and national importance for the conservation of biodiversity.

In 2021, Suzano established a corporate standard of methods and criteria to identify environmental attributes and review and set aside HCVAs in all regions where the company operates. **As a result, there was a significant increase of more than 30,000 hectares of HCVAs in the forestry business units.**

One example of HCVAs is the Neblinas Park, an Atlantic Forest reserve located in the state of São Paulo and managed by the Ecofuturo Institute.

- In 2021, the National Council of the Atlantic Forest Biosphere Reserve (RBMA, for its initials in Portuguese) awarded the Ecofuturo Institute the Muriqui Award in the Corporate category. This award is one of the most important accolades for environmental efforts in the country and was granted in recognition of the Institute’s work in the Neblinas Park.
- Since 2006, the area has been recognized by UNESCO’s Man and the Biosphere Programme as an Outpost of the Atlantic Forest Biosphere Reserve.
- 7,000 hectares of forest in different stages of regeneration.
- More than 1,265 species have been identified, including the discovery of four new ones and more than 20 under varying degrees of threat.

The park protects 530 water springs.

The site protects 330 water springs.

The park houses a Private Natural Heritage Reserve formed by 518 hectares of Atlantic Forest in an area of high conservation value.

In the Neblinas Park, Ecofuturo develops activities in the areas of environmental education, scientific research, ecotourism, forest management and restoration, and community participation.

The management of the reserve involves the community—80% of the employees live in the neighborhood—and fosters local development—approximately 50% of the Park’s budget goes back to the community through the purchase of products and the contracting of services.

The Management Workshops aim to promote the sustainable development of the region where the reserve is located by combining forest conservation with income generation and creating a network with rural landowners in the surrounding communities. Approximately 1,000 land owners have already been involved in the initiative.
THE VALUE OF FORESTS

In 2021, the company started measuring its environmental footprint based on the Environmental Profit and Loss (EP&L) methodology, which quantifies the balance between the costs and benefits of our forestry and industrial operations on natural capital.

Using software that follows the standards of the Natural Capital Protocol, created by the Capital Coalition and the World Business Council for Sustainable Development (WBCSD), Suzano wants to calculate its environmental impact and gather more precise information for strategic planning and decision-making purposes.

The aspects considered in the calculation include greenhouse gas emissions, air pollution, water consumption, water and soil pollution, waste produced and land use, and can be evaluated annually. The first results are expected in the first half of 2022.

This pilot initiative is part of a larger strategy that aims to assess the combined impact of all capitals (natural, social, human and financial).

Driven by the challenge of creating a regenerative economy, this new approach to company results has the ambition to drive strategic decisions from an integrated perspective, recognizing that financial results alone are not enough to demonstrate the generation of business value.

CERTIFIED ECOSYSTEM SERVICES

Suzano received certification for two ecosystem services provided by the Neblinas Park, the company’s environmental reserve managed by the Ecofuturo Institute: Biodiversity Conservation and Recreational Services. To certify these services, the company went through an audit process for FSC forest certification (License Code FSC-C009927), carried out at the São Paulo unit. Ecosystem (or environmental) services are benefits that society obtains from nature, directly or indirectly, such as food, medicine, fiber for clothing, wood for buildings and water. This is the first time that a Brazilian organization has been recognized and certified for proving Recreational Services for children, young adults and adults who visit a nature reserve. This achievement demonstrates the importance of conservation and environmental awareness efforts implemented in this area.

PARTNERSHIP FOR THE AMAZON

We know that we will not achieve our Commitments to Renewing Life by ourselves. With this conviction in mind, in 2021 we joined the project Promoting and Implementing Assisted Natural Regeneration in Mato Grosso and Pará, in partnership with the global and Brazilian chapters of the World Resources Institute, the Centro de Vida Institute (ICV, for its initials in Portuguese) and the Homem e Meio Ambiente da Amazônia Institute (IMAZON).

This initiative seeks to create and establish financial mechanisms to encourage forest restoration, generate income and employment, and improve the lives of people living in the Amazon region. Through assisted natural regeneration techniques, it is possible to accelerate forest growth in abandoned areas or areas of low agricultural potential at lower cost and in less time. In the social area, the goal is that restoration can be combined with techniques that generate economic benefits from the use of forests or from the consortium between native plants and agricultural crops.

The project includes the restoration of approximately 260,000 hectares spread throughout eight municipalities (three in the state of Pará, where Suzano operates, and five in the state of Mato Grosso).

PLANOS DA MATA

Suzano and SOS Mata Atlântica have been working in partnership since April 2021 to implement the Planos da Mata project ("Atlantic Forest Plan" project), which was developed to support the creation of municipal plans for the Atlantic Forest. The goal is to strengthen public policies in the area of planning and local land development that can mitigate negative impacts caused by climate change.

The project is expected to inform the creation of an environmental master plan for 35 municipalities located in São Paulo, Espírito Santo and Bahia, states where Suzano has forests and units.

1. The Brazilian Forest Certification Program (CERFLOR, for its initials in Portuguese) certifies that the forest management complies with environmental, economic and social criteria and standards established by the Brazilian Association of Technical Standards (ABNT, for its initials in Portuguese), which is part of the Brazilian Compliance Assessment System and INMETRO, with international recognition by the Programme for the Endorsement of Forest Certification (PEFC). Forest Stewardship Council® is a certification that covers all forestry activities, from the confirmation of compliance with environmental, economic and social guidelines to product distribution through the chain of custody and responsible forest management.

Forest mosaic, state of Mato Grosso do Sul. Photo: Márcio Schimming.
INDUSTRIAL ECO-EFFICIENCY

We advanced hundreds of internal projects to strengthen and protect our planted and native forest areas, as well as to expand multisectoral partnerships to promote projects to renewing life inspired by trees, benefiting our operations, society and the planet.

In industrial processes, we made significant progress in water consumption, leading the company to evaluate the possibility of expanding its future ambitions. For this to happen, the technological update of our plants remains a challenge. In 2024, when Suzano will be celebrating its 100th anniversary, it will have the capacity to produce approximately 13 million tonnes of pulp per year. The company has advanced units, such as Três Lagoas II and Imperatriz, and has just approved the construction of the Cerrado project. On the other hand, the company also has units that rely on older equipment.

We have an intensive Capex program, approved in October 2021, for our units in Aracruz and Jacareí, in the amount of approximately R$1 billion. With that, we want to accelerate the modernization of these industrial complexes, which will result in a significant reduction in operating costs, gains in energy efficiency, a reduction in chemical consumption, the update of assets to produce greater stability and operational availability, and, most importantly, a relevant decrease in greenhouse gas emissions through lower use of fossil fuels, which will be replaced by renewable fuels. In this way, we continue to reinforce our focus on our Commitments to Renewing Life.

WATER IN THE INDUSTRY

Suzano’s industrial units operate as “sustainable water reservoirs”, a term used to refer to production processes that reuse more than 85% of the water withdrawn before returning it to the environment (as shown in the image below). First, the water withdrawn from surfaces (rivers) is treated in a water treatment plant to become suitable for industrial use, distribution and recirculation in the production process. Later, the effluents are treated under the conditions specified by Brazilian environmental laws.
In 2021, the company intensified its water management governance and made important progress toward its target of reducing water withdrawal in industrial operations by 15% by 2030. This target was included in the variable compensation of the leaders of each industrial unit. In addition, the implementation of a strict and solid routine in our plants resulted in much better results compared to 2020. In 2021, we reduced specific water withdrawal by 8% and used 26.3 cubic meters of water for each 1 tonne of product we manufactured.

**STANDARDS**

<table>
<thead>
<tr>
<th>Specific water consumption in industrial operations (m³/ton of saleable or finished product)¹</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suzano²</td>
<td>8.36</td>
<td>8.74</td>
<td>8.38</td>
</tr>
<tr>
<td>Rio Verde²</td>
<td>2.40</td>
<td>3.34</td>
<td>3.70</td>
</tr>
<tr>
<td>Limeira</td>
<td>7.85</td>
<td>8.30</td>
<td>9.16</td>
</tr>
<tr>
<td>Jararé</td>
<td>3.10</td>
<td>2.70</td>
<td>3.06</td>
</tr>
<tr>
<td>Imperatriz</td>
<td>6.19</td>
<td>5.15</td>
<td>4.49</td>
</tr>
<tr>
<td>Mucuri²</td>
<td>4.70</td>
<td>6.17</td>
<td>4.95</td>
</tr>
<tr>
<td>Aracruz</td>
<td>6.51</td>
<td>4.27</td>
<td>7.67</td>
</tr>
<tr>
<td>Belém</td>
<td>8.67</td>
<td>4.56</td>
<td>3.38</td>
</tr>
<tr>
<td>Maracanaí (Fortaleza)</td>
<td>0.11</td>
<td>0.09</td>
<td>0.07</td>
</tr>
<tr>
<td>Cachoeiro³</td>
<td>n/a</td>
<td>n/a</td>
<td>0.02</td>
</tr>
<tr>
<td>Três Lagoas</td>
<td>2.92</td>
<td>2.68</td>
<td>2.26</td>
</tr>
<tr>
<td>Consolidated total</td>
<td>4.44</td>
<td>4.47</td>
<td>3.83</td>
</tr>
</tbody>
</table>

1. Water consumption is the difference between the amount of water withdrawn from the units and the amount of water returned to the environment within the environmental parameters of legislation in force (treated effluent) and losses (evaporation and incorporation into product). Additionally, to calculate the indicator, finished and saleable products from each unit are considered (in this case, pulp and the different types of paper and consumer goods).
2. After reviewing the calculations, Suzano and Rio Verde units had their 2019 and 2020 data corrected and the Mucuri unit had its 2020 data corrected.
3. Cachoeiro unit started operation in 2021, so they have no data to report for 2019 and 2020.

WASTE

As part of its Commitments to Renewing Life, Suzano is also making progress to reduce by 70% the amount of industrial solid waste directed to disposal in company-owned or third-party landfills by transforming it into by-products. A few combined factors contributed to the company’s progress in this area in 2021. One of them was the engagement of industrial directors and managers, whose variable compensation is now also linked to the company’s commitments for 2025 and 2030. Other factors were the investments made by the company for the construction of two waste treatment centers, one in Três Lagoas (worth R$40 million, implemented in 2020) and another in Imperatriz (in the amount of R$32 million, implemented in 2021). Thanks to them, in 2021 we reduced the amount of waste directed to landfills by 34% compared to the previous year, transforming them into agricultural inputs for our eucalyptus forests and other agricultural crops in the regions where we operate.

We also have a pilot project being implemented in the Mucuri unit, where we direct our waste to a third-party waste treatment facility.

**WASTE**

<table>
<thead>
<tr>
<th>Waste sent to landfill cell (kg/ton on dry basis (kg/t))</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated total</td>
<td>36.10</td>
<td>31.70</td>
<td>20.80</td>
</tr>
</tbody>
</table>

31.7 kg of waste per tonne of pulp were directed to landfills.

**WASTE**

<table>
<thead>
<tr>
<th>Waste generated, by type and operation (metric tons (t))</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-hazardous waste</td>
<td>1,541.36</td>
<td>1,373.18</td>
<td>2,886.54</td>
</tr>
<tr>
<td>Hazardous Waste</td>
<td>1,028.00</td>
<td>907.00</td>
<td>1,935.00</td>
</tr>
<tr>
<td>Total</td>
<td>8,512.55</td>
<td>1,004.66</td>
<td>9,517.21</td>
</tr>
</tbody>
</table>

The goal is to reduce the amount of waste directed to landfills per tonne of pulp produced to 13.3 kg.

Furthermore, in many cases, what is waste for the forestry industry becomes raw material for other sectors. As a way of accelerating the achievement of our goal, we created the VINO area (Sale of Non-Operating Items), as part of the Procurement team, to sell industrial waste generated by our operations.

**WASTE**

<table>
<thead>
<tr>
<th>Percentage of water withdrawn in industrial operations in water-stressed areas</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suzano²</td>
<td>0%</td>
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</table>
One of our Commitments to Renewing Life is to increase the amount of renewable energy sent to the Brazilian energy matrix. The biggest step we have taken toward this goal was the approval of the Cerrado project, which will generate, on average, 180 MW of excess renewable energy, which will be sent back to the Brazilian grid.

**THE ECONOMIZAÍ PROGRAM**

The Economizaí program ("Please Save" program) was launched in March 2021, at the Mucuri unit, with the goal of creating awareness of conscious and rational use of energy to drive a change in behavior and practices within our unit. All employees participate in this initiative, which includes concepts that go beyond the company’s walls and reach their homes and families.

In October, the program was expanded to other Suzano units. However, due to scheduled shutdowns for general maintenance and other scheduling conflicts in some of the units, the pace of implementation and, consequently, the results of the program varied from one unit to another. In any case, the results achieved through December are significant and the trend is for the initiative to continue to advance in 2022.

**REDUCTION IN CONSUMPTION**

32,267.9 MWh

**TOTAL:**

R$8,034,968.54

**Economizaí Program - 2021**

<table>
<thead>
<tr>
<th>Unit</th>
<th>MWH</th>
<th>R$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mucuri</td>
<td>11,940.70</td>
<td>R$1,140,000.00</td>
</tr>
<tr>
<td>Imperatriz</td>
<td>14,334.00</td>
<td>R$2,866,850.22</td>
</tr>
<tr>
<td>Suzano</td>
<td>1,601.20</td>
<td>R$432,324.00</td>
</tr>
<tr>
<td>Jacareí</td>
<td>4,392.00</td>
<td>R$1,595,794.32</td>
</tr>
</tbody>
</table>

**STANDARDS**

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Influencing society through initiatives that generate positive social and environmental impacts is a constant movement at Suzano. Because the company has a business model that is supported by the sustainable use of natural resources, is responsible for the management of an area of more than 2 million hectares in Brazil, and is a climate positive company, it made the commitment to help promote discussions that support the construction of a fairer and more sustainable world through multistakeholder action, dialogue and lasting partnerships.
COLLABORATIVE AGENDA

The climate and biodiversity crises stress the urgency of engaging governments, society and the private sector to, together, promote the necessary changes to fight them. Although the impacts are known, the time for the adoption of effective measures to address these issues is only getting shorter.

The creation of a future focused on the low carbon economy is directly connected to the issues discussed at COP26, in Scotland, in November 2021. Leading up to the conference, Suzano held a series of preparatory events and meetings with companies, representatives of the Brazilian government, the press and global leaders. A group of Suzano executives represented the company at the conference.

Suzano defends that, to achieve concrete targets related to lower carbon emissions in the long term, governments, companies and civil society must establish and achieve short- and medium-term goals.

In this sense, the company joined the Climate Action 100+ initiative (led by investors to ensure that the largest corporate emitters of greenhouse gases adopt the necessary measures to fight climate change) and the Assessing Low-Carbon Transition (ACT) initiative for the pulp and paper industries. We also recently joined the Science Based Target Initiative (SBTi), the Business Ambition for 1.5°C campaign and the Race to Zero campaign, as part of these two initiatives.

And the company remains attentive to new trends and methodologies. In addition to the SBTi, the creation of a new protocol by the GHG Protocol for measuring carbon removals will lead Suzano to set, in the medium term, targets according to the specifications of each new development. In the future, we expect to make new commitments in line with these two initiatives.

CARBON CREDIT MARKET

For Suzano, the carbon market linked to the Paris Agreement is a viable and promising mechanism for offsetting emissions and protecting nature. In this market, Brazil has the potential to generate carbon credits in the amount of approximately 1 billion tonnes of CO2 equivalent, with revenues of approximately US$100 billion by 2030. The forestry sector accounts for more than half of these credits, through initiatives related to sustainable management and the recovery of native forests.

Creating a market mechanism for carbon trading is an initiative that requires the combined effort of many players. Positioned as part of the solution in the various forums on this issue, the company participates in collaborative initiatives that seek to establish standards and alignment around a common goal. This includes Suzano’s active engagement with peers, partners, governments and other entities to support regulatory mechanisms and impact projects that can influence the climate agenda.

ONE TRILLION NEW TREES BY 2030!

For Suzano, COP26, the UN Climate Conference, held in Glasgow, Scotland, in November 2021, was a unique opportunity to discuss alternatives to ensure the planet’s climate security.

The conference highlighted important advances with regards to targets and to a system to invest in projects for global decarbonization. The conference also made it clear that we will need immediate and effective action by governments, companies and consumers.

In addition to the commitments made in support of this agenda, throughout 2021 Suzano worked to help promote knowledge and encourage practical action. In its 2050 Now website, a company initiative launched in October 2021, Suzano has made its positions, news and related analysis publicly available.

Learn more by visiting the 2050 Now website.

1. Report from the Brazil International Chamber of Commerce (https://www.iccbrasil.org/brasil-pode-ganhar-ate-us-100bi-em-receitas-de-credito-de-carbono-ate-2030/).

COP26 – SUZANO’S POSITION

For Suzano, COP26, the UN Climate Conference, held in Glasgow, Scotland, in November 2021, was a unique opportunity to discuss alternatives to ensure the planet’s climate security.

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Learn more by visiting the 2050 Now website.
We participate in various associations and collaborative initiatives to leverage trends and help society, the private sector and other industries to address issues that are material to all. This participatory effort is a way of putting one of our Cultural Drivers into practice: “It is only good for us if it is good for the world.” We collaborate in different forums, including:

- We are a signatory of the UN Global Compact (participant level).
- We are a member of the Brazilian Business Council for Sustainable Development (CEBDS, for its initials in Portuguese).
- We participate in the Brazilian Business Life Cycle Assessment Network (LCA).
- We serve on the Business for Nature’s Strategic Advisory Group.
- We are a member of the World Economic Forum and we have engaged as members of the 1t.org Corporate Alliance and Advisory Board.
- Our CEO, Walter Schalka, is on the Board of Directors of Coalizão Brasil Clima Florestas e Agricultura (“Brazil Climate Forests and Agriculture Coalition”)
- We are part of the Advisory Board of the GHG Protocol: Removal.
- We are a member of the Forest Dialogue Coordination Council.
- We are a member of the United Nations Global Compact’s CFO Taskforce for the SDGs
- We are a member of the Taskforce on Nature-Related Financial Disclosures (TNFD).

Visit our Sustainability Center to learn more about our partnerships and initiatives.
The company has clear positions on issues that are important to society and the communities where it operates. Learn about Suzano’s positions on key issues below:

- **Zero Deforestation**
  - Click here to learn more.

  In September 2021, Sociedade Amigos do Parque de Itaúnas (SAPI), a local NGO that works on social, environmental and cultural issues within the Itaúnas Park, contacted Suzano claiming that some of the company’s forestry activities near the Velha Antônia stream were taking place in areas allegedly included in the Action Plan for the Restoration of Native Forests in the northern region of the state of Espírito Santo. The company quickly suspended its activities in the area to investigate the complaint. So far, Suzano has not been provided with the technical details of the pilot project included in the Action Plan, preventing the company from properly investigating the accusation. Suzano is part of the Itaúnas River Basin Committee, which is responsible for the Plan.

- **Itaúnas River Watershed**
  - Click here to learn more.

  However, the document does not include the details or criteria that enable the identification of the areas covered by the plan.

  The company reaffirms its commitment to the Action Plan and has sought to identify the priority areas for restoration included in it, as well as to understand how they correlate with the restoration program already developed by Suzano to ensure alignment among the parties involved in its implementation. The company is in constant dialogue with all the organizations that are part of the Itaúnas River Basin Committee to clarify all the facts as soon as possible. While the investigation is being carried out, forestry activities in the area mentioned by SAPI remain suspended.


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**Suzano’s Positions**

- **Human Rights**
  - Click here to learn more.

- **Land Management at Veracel Celulose**
  - Click here to learn more.

- **Operation of the Caravelas Maritime Terminal and occurrence of mud in Nova Vísosa**
  - Click here to learn more.

- **Indigenous Communities**
  - Read in the Communities chapter.

- **Quilombola Communities**
  - Read in the Communities chapter.

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Suzano’s 2021 Annual Report

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Government and organized civil society
Suzano’s relationship with communities living in the vicinity of its operations has always been based on open dialogue, collaborative work and community engagement, through a model of social engagement that legitimizes these communities. During the pandemic, maintaining dialogue has been a challenge for our collaboration. The situation has also been difficult for vulnerable people who relate to the company. However, we have not stopped working to transform our communities for the better. And we have good examples that demonstrate our commitment.

GRI 103-1, 103-2, 103-3
Since we outlined our social strategy, we have strengthened our income generating processes year after year. Our Commitments to Renewing Life, announced in February 2020, established a new level of social performance for the company, requiring an increase in scale and scope. Our two commitments in the social area are directly linked to income generation and education, two important issues for which we want to create innovative and sustainable solutions by working together with the communities and civil society organizations in the areas where we operate.

In line with these commitments, we organized ourselves to create and discuss the evolution of our Resilient Territories strategy.

RESILIENT TERRITORIES

The Resilient Territories strategy aims to leverage all the knowledge Suzano has accumulated during years of relationships with the community and partners in the areas where we work to influence public processes and policies that can benefit an increasing number of people and regions. The implementation of the strategy will start with the creation of a territory matrix, which will include a map of social and economic indicators for each area, the company's influence, the key regional players, their innovation potential and the good practices already in place.

In addition, this methodology will result in the construction of Territorial Plans, which will define important lines of work and projects that will contribute to increase the resilience of the regions where the company operates. In 2021, together with external partners, we concluded pilot projects in the states of Espírito Santo and Bahia and implemented this process in the state of Maranhão. In 2022, this methodology will also be implemented in the states of São Paulo and Mato Grosso do Sul.

Currently, our social programs benefit people in eight states: Bahia, Espírito Santo, Minas Gerais, Maranhão, Pará, Tocantins, Mato Grosso do Sul and São Paulo.

In 2021, as we continued to expand our efforts to create work and generate income, we increased our social participation and helped lift more than 9,000 people (or 2,889 families) out of poverty. Despite the challenges imposed by the pandemic, we managed to exceed our annual target by 12.5% (our goal for 2021 was to lift 8,000 people out of poverty). This translated into an average income increase of 57.7%.

**FIGHTING POVERTY AND ENHANCING EDUCATION**

Suzano is present in more than 200 Brazilian municipalities, for which poverty and social and economic inequality are real challenges. The company recognizes that it has an important role to play and has made two Commitments to Renewing Life that reinforce its contribution to social development: reducing poverty and improving the quality of education.

Our objective is to contribute to advance structural efforts, such as the creation of work and the generation of income, associated with the improvement of education. We believe that these are catalysts for community development that promote the autonomy of communities.

In 2021, we managed to lift more than 9,000 people out of poverty, which corresponds to 21,075 people benefited from the income generation programs.

57.7% Increase in average income
To continue advancing, our strategy includes the establishment of partnerships with other private companies, government institutions and civil society for the collaborative creation of local development plans.

With regard to our commitment to quality education, we established metrics to measure the progress of the Basic Education Development Index (IDEB, for its initials in Portuguese) biannually through 2030. Our baseline is the weighted average of public elementary education in priority municipalities, which, according to the most recent IDEB (2019) was 4.7. Our goal is that the municipalities served by Suzano reach 40% of their education target and a 6.6 weighted average. The challenging situation of education in Brazil, which was aggravated by the pandemic, required that the expectations regarding progress in the first cycle evaluated in 2021 be adjusted. In this sense, maintaining the 2019 average will be considered progress. The updated index will be published by the Ministry of Education in 2022.

To support this commitment, the company has the Suzano Education Program, which invests in improving public education through the professional development of educators and social participation with a focus on student learning.

In 2021, the methodology of the Suzano Education Program evolved and reached schools directly through training also for school administrators and teachers, to accelerate the expected results in the next nine years. In addition, together with intersectoral groups in the municipalities that include especially the areas of education, health and social services, we implemented a Social Participation Strategy.

Our focus was to actively identify and monitor children and adolescents who are not in school or show a risk of dropping out of school.

According to a study by UNICEF on the impact of the pandemic on education, Brazil is at risk of regressing two decades in access to education. Click here to learn more.

In 2021, our work included:

- 312,339 people benefited, including students, educators and intersectoral teams
- 3,766 direct participants – secretaries and technical education teams, school administrators, teachers (virtual classes) and intersectoral teams (education, health and social assistance)
- 298,146 students from the public school system
- 1,750 elementary schools
- 99% of the public served positively evaluated the program’s training to promote changes in educational practices
- Expansion of the program to new municipalities, totaling 36 municipalities in 8 Brazilian states (Bahia, Espírito Santo, Maranhão, Mato Grosso do Sul, Pará, Tocantins and São Paulo)

Testimonial about the program by Ione Bandeira, guidance coordinator for the town of Itinga do Maranhão:

“Our town is to be commended for the work with the new intersectoral partners, because several meetings were held and all of them [Health and Social Assistance Departments], together with the Department of Education, developed initiatives that could guarantee our local children and adolescents their right to education.”

More than 800 students – representing 15% of the total number of students in the public school system – returned to the local school as a result of the social participation activities facilitated by the program.

In 2021, Ecofuturo concluded its Community Library project after two decades of work. To complete this cycle, four new libraries were inaugurated, one in the city of Suzano and three in the state of Maranhão—the latter was built with investments by Suzano in partnership with the state government through the Decent School program. Including these new facilities, the initiative opened 121 libraries in 12 states.

ECOFUTURO INSTITUTE

A non-profit organization founded in 1999 and maintained by Suzano, the Ecofuturo Institute contributes to transforming society through environmental conservation and the promotion of knowledge. Its main initiatives include the management the Neblinas Park and the Meu Ambiente program (“My Environment” program).

In 2021, Ecofuturo concluded its Community Library project after two decades of work. To complete this cycle, four new libraries were inaugurated, one in the city of Suzano and three in the state of Maranhão—the latter was built with investments by Suzano in partnership with the state government through the Decent School program. Including these new facilities, the initiative opened 121 libraries in 12 states.
The eradication of poverty in all its dimensions – that is, financial poverty, food insecurity, lack of access to basic services, low professional qualification and lack of personal security – remains one of the world’s biggest challenges to achieving sustainable development.

Based on international experiences, including the United Nations’ Global Multidimensional Poverty Index (MPI) and the World Bank’s Multidimensional Poverty Measure, in 2021 we created the Suzano Multidimensional Poverty Index (MPI), which includes six indicators in three dimensions: income, health and education. The World Bank set the poverty line in upper-middle-income countries at US$5.50 per person/day (R$475 monthly in 2020). Therefore, families living with a per capita income below this number are considered multidimensionally poor.

Concomitant deprivation in other indicators in addition to income indicates the intensity of a family’s poverty.

Last year, in addition to establishing the components of the Suzano MPI and the methodology for measuring poverty, the company chose eight associations to carry out a pilot test, including indigenous, quilombola, agricultural, urban and artisanal fishing communities. The pilot project scheduled for the first half of 2022, will test all the steps for calculating the MPI, from data collection to results. The company has already created a questionnaire that will provide a better understanding of the living conditions of the families in the vicinity of Suzano’s areas by systematically measuring the impact of our operations and by taking into account the levels of economic development and social transformation achieved in these regions.

2021 HIGHLIGHTS

Implementing processes to minimize and mitigate social and economic impacts in places where access is limited or restricted has been a very complex task. Since the beginning of the COVID-19 pandemic, in 2020, we have worked to understand how to better face this challenge. Based on an analysis of the pandemic from a global perspective and the hundreds of commitments we have in the locations neighboring our operations, we decided to prioritize resources to maintain our ability to serve the communities, assuming that this would be a long-lasting crisis—which has proved to be true.

In 2021, we continued to provide emergency support in all regions. We continued to embrace as many ideas as possible, based on partnerships and community engagement, to face the impacts caused by the coronavirus in the locations where we are present. At the same time, we dedicated efforts to developing new methodologies such as Resilient Territories.

There are 3 million people below the poverty line in the areas where we operate. In the 56 municipalities where we prioritize our social strategy, this number totals 977,000. These figures are from the 2010 census—the absence of consistent data from the federal government confirms our responsibility and the expectations of these communities about Suzano’s efforts. The company recognizes its clear role in creating transformational solutions for society.

The following were some of the initiatives we implemented:

Emergency action: We focused our efforts on three main groups: priority municipalities for relationship-building; groups and institutions with limited income alternatives at the moment; and neighboring communities (urban and rural) with a high degree of social and economic vulnerability. Visit the Suzano Against the Coronavirus website to learn more.

Emergency Call for Proposals: To mitigate the effects of the pandemic, it was necessary to invest extra resources in initiatives, especially in highly vulnerable communities, which are the focus of our main social commitment.

Food Security: Suzano delivered 41,715 grocery boxes. This initiative benefited 36 entities and more than 50,000 people in 77 municipalities in nine Brazilian states (Bahia, Espírito Santo, Maranhão, Mato Grosso do Sul, Minas Gerais, Pará, Pernambuco, São Paulo and Tocantins). The campaign engaged 26 suppliers, thanks to an investment of R$5.3 million by Suzano.

Other projects: Suzano continued the programs and projects that were already being implemented in the communities, such as the Rural Land Development Program and the Colmeias project (“Beehive” project).

Results of the Emergency Call for Proposals in 2021:

- R$1,165,000 invested
- 44 projects approved
- 2,951 people benefited by the projects

Visit our Sustainability Center to learn more.
Since the beginning of the COVID-19 pandemic, in 2020, we have worked to understand how to better face this challenge. We decided to prioritize resources to maintain our ability to serve the communities.

OPERATIONAL DIALOGUE

Suzano’s harvesting operations change the routine of communities around our planted areas. Therefore, before, during and after the harvest period, we host an activity named Operational Dialogues in these locations. In 2021, our Operational Dialogues included approximately 6,000 people and promoted 1,842 discussions in the municipalities where we operate, to provide information and answer questions. The objective is to monitor the company’s operations and explain all operational processes, in addition to making Suzano’s communication channels available to listen to suggestions that, whenever possible, the company incorporates into its process to mitigate or reduce negative impact.

SOCIAL PERFORMANCE IN NUMBERS

More than 37,000 people assisted by social programs and projects

35,000 tonnes of products and food produced by the participants

R$93 million in generated income, monitored monthly – an increase of 91% compared to 2020

232 associations impacted, of which 128 received resources through public policies (24% growth compared to 2020)
THE ISSUE OF LAND CONCENTRATION

Suzano has approximately 1.4 million hectares of areas planted with eucalyptus trees and is responsible for near 1 million hectares of conservation areas. We have significant operations in xx municipalities, with different levels of land concentration. In some regions, the company’s activities are spread over more than 50% of their territory. When these areas were acquired by the company, they had already been anthropized—a large percentage was formed by degraded pastures that were recovered for the planting of our trees. Even so, eucalyptus monoculture continues to be the target of much criticism and questioning from society, which, despite being positive for keeping us informed about the hopes and concerns of the local communities, seems to us to be largely without foundation or technical justification, as we explore below.

This issue, which is extremely important to Suzano, needs to be further explored and clarified. For us, rural zoning must respect the economic, social and cultural calling of each territory. The key question is: does monoculture prevent or limit the practice of traditional cultures, or does it threaten food security in the region? We understand that monoculture is harmful when it hinders traditional cultures or harms the local environment. Suzano affirms the right of these groups to traditionality and, recognizing its role, adopts the most advanced forest management practices, carries out family farming programs and supports economic and social development projects in the locations where it operates. This includes initiatives aimed at traditional communities, such as quilombola and indigenous peoples, founded on constant dialogue with the people involved.

This is not to say that we are fully satisfied with our performance. We know that we have room to evolve, and our ambition is to generate and share value with everyone and help lift 200,000 people out of poverty in the areas where we operate by 2030. We work in locations that have a low human development index (HDI) and still practice very informal economic activities. We want to increase the promotion of forestry in these locations.

We recognize that the social needs in these regions will always be greater than the capacity to absorb labor. Therefore, Suzano also develops and promotes programs to train and prepare local suppliers, so that they can work both with Suzano and with other local companies. As part of this process, we also want to support the many outsourced workers that are part of our ecosystem, giving them better conditions to establish themselves in the municipalities where we have a significant presence.

Suzano builds bridges to better understand the communities and, through that, help them have a better quality of life. However, we recognize that we cannot to do it all alone. The solution for the issue of unequal wealth distribution along the chain, for example, does not depend only on the company. However, we want to influence the creation of public policies and, through the set of initiatives we share with governments, local entities and society, create wealth and social and environmental equality for all.

GLOBAL CHILD FORUM

For the first time, Suzano was tracked and scored in the Global Child Forum’s Benchmark Report 2021 – The State of Children’s Rights and Business, which analyzes strategies used by companies to protect children’s rights and offers research perspectives, best practices and risk assessment tools designed to unlock business opportunities that integrate children’s rights into their operations and communities. The pivotal study, done in collaboration with the Boston Consulting Group (BCG), surveyed 832 of the world’s largest companies.

Suzano received an overall score of 7.3 out of 10. The overall average was 5.4 and the average of our sector was 5.3.

Eucalyptus plantation, Imperatriz (state of Maranhão). Photo: Márcio Schimming.
INDIGENOUS COMMUNITIES

In the regions where they are present, these groups, for a long time, have mobilized against forestry activity in their surroundings, largely due to the overlapping of areas in polygons claimed in demarcation lawsuits. Our only existing overlap was resolved with the definitive demarcation of 11,000 hectares in the town of Aracruz, in 2007. The company promptly reverted the intrusion on indigenous territory. Additionally, for the past 10 years Suzano has maintained a comprehensive relationship and social investment program in the 12 villages (Tupiniquim and Guarani) in the municipality. The program includes integrated and long-term initiatives aimed at restoring the environmental conditions necessary for sociocultural practices, the affirmation of ethnic identity and the development of sustainable economic activities.

QUILOMBO-DESCENDANT COMMUNITIES

Some of the quilombola communities neighboring Suzano’s operations, represented by their associations, claimed legal action by the National Institute for Colonization and Agrarian Reform (INCRA, for its initials in Portuguese), for the demarcation of areas that overlap with some of the company’s areas. In 2021, in the north of the state of Espírito Santo, where Suzano has eucalyptus plantations, preservation areas and an operation base, seven repossession processes were carried out to stop the action of clandestine groups that took advantage of the quilombola land agenda in the region to encourage real estate speculation in company-owned areas close to traditional communities—going as far as trying to force them to participate in the occupations. The land issue is addressed in specific forums, with the participation of the community, the company and public authorities, through an inclusive process of dialogue.

Apart from the land issue, for more than ten years Suzano has maintained an extensive relationship program with all these communities, including several lines of social investment and directly benefiting 20 quilombola associations. Initiatives in progress include technical and financial support to strengthen production and ensure food security; document regularization of traditional farmers and their community associations; processing and marketing of farm products; and development of small community businesses.

Suzano also launched a Call for Proposals for Quilombo projects, an initiative in partnership with the National Coordination of the Networking Efforts of Rural Black Quilombola Communities (CONAQ, for its initials in Portuguese), focused on income generation initiatives. R$620,000 were invested in 41 projects by individual producers, micro-entrepreneurs and quilombola associations. In 2021, 444 quilombo-descendant families benefited from our social programs in the north of the state of Espírito Santo. And others established a negotiation channel to find a conciliatory solution to land conflicts in the south of Bahia.

LAND RIGHTS MOVEMENTS

Irregular occupation of company areas is the modus operandi of these groups, including the Landless Rural Workers Movement (MST, for its initials in Portuguese). After years of occupations by the MST and requests for reinstatement by the company, with the support of the government of the state of Bahia, players including MST, Suzano, Veracel and others established a negotiation channel to find a conciliatory solution to land conflicts in the south of Bahia.

An agreement benefiting all parties was reached, and almost 600 families were settled. The agreement also included the Agroecological Settlements Program, started in 2011.

We are currently negotiating conciliatory solutions with the MST and other strategic players for occupations in the states of Espírito Santo and Minas Gerais. We will deal with occupations by smaller groups in Bahia, Espírito Santo and Maranhão. The most critical cases are in the town of Conceição da Barra.
As a communicator, I often say that annual reports are one of the best tools to provide a review of the past—not just of the past year, but of a long history of many ups and downs, challenges and transformations that we experience in Brazil in short periods of time. Like a memoir, they offer us perspectives from the past, the small details of the present and an idea of how far we can go into the future. Therefore, I commend the collective work of so many hands and areas to create this comprehensive narrative, which only exists thanks to the dedication of Suzano’s 36,000 direct and indirect employees. These 159 impeccably designed pages give us access to a large amount of data, figures, stories and results that demonstrate Suzano’s global leadership in its industry. There is considerable balance among financial, environmental and corporate governance highlights, including comparisons between 2020, 2021 and 2030. It must be said that innovability is a feminine noun in the Portuguese language. If the company wants to exude this attribute, it must pursue gender equity more intentionally. As is said in the report, innovation is not only reflected in the development of projects and processes, but also in governance. This demands constant and uninterrupted action to reinforce institutional gender policies within the chain, teams, customers and suppliers. Having 22.5% of leadership positions occupied by women in 2021 and 30% occupied by women and people of color by 2025 is still unambitious and short of true innovation, which must always be intersectional.

A critical argument regarding diversity, equity and inclusion is how inseparable they are from climate, social and environmental justice in Brazil. Therefore, I would like to recognize two missing components: 1) inclusion policies that also consider indigenous people and 2) greater level of detail and visibility of initiatives related to indigenous communities, quilombola remnants and land rights movements. In addition to providing a numerical account of what the company has done, it is extremely important to collect and publish short testimonials and stories about what these representatives, families and groups have to say. These voices reinforce the legitimacy of and the commitment to reducing inequalities.

Finally, more than celebrating results, we must always learn to communicate them in a relatable manner and with the necessary urgency. In this sense, data and numbers related to corporate communications are also essential to measure the impact of Suzano’s presence on social media, its website and the coverage it receives from the Brazilian media. Therefore, I suggest the creation of a section dedicated to communication indicators and overall metrics, which, without a doubt, is a strategic area for the company’s reputation, crisis management, positions and narrative.

This is a time of multiple crises: climate, political, economic, social and health. The Commitments to Renewing Life, so well recorded from page 30 onwards, cannot wait too long. In times of so many deaths and losses, the well-being of the planet and people becomes urgent.
The development of Suzano’s report was based on the highest standards of sustainability reporting, such as GRI, TCDF and IIRC. The company is also linked to important global commitments on sustainability and the climate agenda: Race to Zero, Climate Action 100+, SDGs and the Global Compact. All of this demonstrates the company’s strength and commitment to this issue.

The report also attests to Suzano’s strong work in the ESG arena, providing a broad perspective of all areas. Information included in the report shows that the company has, in general, good measurement of its impacts and a call to accelerate positive action through its 2050 Now initiative.

The innovability agenda is very interesting from the core business perspective, but it presents an opportunity for a broader view. Considering the planting phase, the focus is on the development of genetically modified variations to improve productivity and reduce water and energy consumption. In this case, there is an opportunity regarding the company’s position on recovery and regeneration.

When looking at the issue of regenerative planting, there are three points to be considered: regeneration of areas for cultivation, preservation through natural corridors of available area and planting model. The first two points were covered in the report.

The challenge is mainly linked to the planting model. It must go beyond the conventional monoculture approach and consider the option of diversified planting and polyculture that can help address challenges of other sectors and be a competitive advantage.

Regarding developed products, the positive impact is focused on the renewable source of the raw materials. This can in fact be an advantageous starting point in relation to non-renewable materials, but, especially in the case of competition with plastic resins in packaging, the textile industry and the use of lignin, it is essential to have analyses that demonstrate that your products are better throughout their entire life cycle compared to most common options. Another key issue is to ensure participation in the creation of this ecosystem to validate that they are beneficial options, even after use by consumers, encouraging reusability and recycling.

This last point is linked to the emissions inventory. It is a major milestone that the company already has a negative carbon balance, considering scopes 1, 2 and 3. Specifically with regard to scope 3, it is worth further detailing what is being considered and including in the scope the total life cycle of products and services.

Finally, regarding the social agenda, Suzano’s 2030 commitments include lifting 200,000 people out of poverty. The indicator used to measure success in this area is income growth. There is an opportunity here to enhance this focus by looking at a resilience agenda. Globally, this issue is connected with the goal of promoting resilience to 4 billion people who live in situations of social vulnerability and are already affected by climate change.

This report demonstrates Suzano’s important pioneering spirit and the seriousness of its sustainability strategy and execution, showing that the company is an important player, not only within the forestry industry, but also in the Brazilian business sector. And with that, there are always opportunities to expand this work through multi-company initiatives and thus further enhance the positive results.
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 2021 (hereinafter referred to as the Report) and the company’s Commitments to Renewing Life (CRL).

SCOPE OF WORK

The scope of this verification encompassed:

1. The Standards of the Global Reporting Initiative (GRI) for Sustainability Reports, for the period from 1 January to 31 December 2021;
2. The Verification of CRLs, regarding the correct parameter settings of the associated indicators, their baselines and an assessment regarding the accuracy of the data obtained;

METHODOLOGY

The Assurance covered the following activities:

1. Interviews with the personnel responsible for material issues and involved in the Report content;
2. Remote interviews on corporate processes (Head office located in São Paulo – SP) and processes regarding the following operational sites: Aracruz (ES); Imperatriz (MA) and Jacareí (SP);
3. Review of documentary evidence provided by Suzano in relation to the reporting period (2021);
4. Evaluation of the systems used for data compilation;
5. Assessment of Suzano’s stakeholder engagement activities;
6. Evaluation of the method used to define material topics included in the Report, taking into account the sustainability context and the scope of the information published.

EXCLUSIONS AND LIMITATIONS

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 data presented within the report were assessed against the GRI reporting principle of Balance and Completeness;
• Suzano’s Greenhouse Gas (GHG) Emissions Inventory was verified by us in a distinct process in accordance with the criteria of ISO 14.064-1 / 07 and GHG Protocol. A Verification statement was issued exclusively regarding the verification of the GHG inventory.

The level of verification adopted was Reasonable, according to the requirements of the ISAE 3000 Standard, which were incorporated to the internal assessment protocols of Bureau Veritas.

The following limitations apply for this assurance engagement:

• The Accuracy and Reliability of data were assessed on sampling basis, related to material aspects published within the Report;
• The specific data and indicators of the Task Force on Climate-Related Financial Disclosure (TCFD) and Sustainability Accounting Standards Board (SASB) were not subject to our verification, except when these data and indicators were common to those of the GRI;
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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 Statement.

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In respect to the implementation of the AND ITS VERIFICATION

We noticed that Suzano has robust processes for Suzano’s Report consists of a complete and a Sustainability Center, both available on the company’s website. The scope of our verification covered the 2021 data and indicators on the material topics presented in these publications, with the exception of the specific indicators of TCFD and SASB;

The Report is based on 8 material topics defined in a materiality assessment carried out in 2021. In our understanding, the review of the topics brings an updated perspective on the impacts of the company’s activities. We highlight the inclusion of new topics: Innovability, biodiversity & ecosystem services, human rights and diversity & inclusion;

In respect to the implementation of the Cerrado project, we observed, through interviews and document review, a 2021 report, which demonstrates a broad participatory diagnosis and the involvement of local actors, in the analysis of the socio-environmental impacts of the construction of the industrial site. This evidence that Suzano seeks to implement a sustainability strategy in the region. However, the Report presents little information regarding the provision of data in relation to the communities in its surroundings. We noticed that Suzano has robust processes for collecting and consolidating social performance data in relation to the communities in its surroundings. However, the Report is timid in presenting results of management reviews on the year 2021, in relation to the negative and/or positive social impacts of its activities. The Report also does not present the approach of social management in local communities by region, with their respective characteristics;

Regarding the GRI 403-7 Indicator (Prevention and mitigation of occupational health and safety impacts directly linked by business relationships), we evidenced that Suzano presents the health and safety actions and tools used in the company’s processes and not those related to the products and services;

Regarding “incidents of discrimination and corrective actions taken” (GRI indicator 406-1) in the Cerrado project, it was not possible to evidence the data associated with the indicator;

Related to the proportion of spending on local suppliers (GRI 204-1 indicator), although we have seen improvements in internal supply processes with a project to re-categorize suppliers, we noted that Suzano is still looking for effective procedures to improve its performance on the indicator;

In relation to risks and opportunities related to biodiversity and ecosystem services, we found that the Report presents qualitative information, especially on opportunities, not disclosing risk scenarios;

We observed that Suzano reports data on all waste generated at its units. However, we evidenced that, in some operational units, the method of compiling the data of the GRI 306-6 indicator “Waste sent for final destination”, was aligned with the Waste Commitment, which includes industrial solid waste destined for own or third-party landfills, and not the technical requirements of the GRI indicator, which covers all types of waste sent to final destination;

It is our understanding that sufficient indicators have been reported, to achieve the Core option of the GRI Standard for Sustainability Reports.

During our Verification, we evidenced that Suzano’s Commitments were structured in an objective and challenging manner. Additionally, we observed that Suzano has established documented procedures in order to ensure the planning, operation and control of each CRL, as well as the creation of an information database in the Sharepoint system (Microsoft) to analyze and quarterly monitor the results;

We verified that, for 2 consecutive years, Suzano did not reach the goal established in relation to the Energy Commitment “Increase the export of renewable energy by 50%”, due to the occurrence of unplanned events, such as the shutdown of the turbine of the turbogenerators (TG) of the Imperatriz unit in 2021;

We evidence that in 2021 Suzano established the Commitment of “Connecting 500 thousand hectares of priority areas for biodiversity conservation in the Cerrado, the Atlantic Forest and the Amazon by 2030”, referring to the Biodiversity CRL. In this cycle, it was possible to verify the methodology used to structure the goal, as well as the unfolding of the commitment in actions, among them, the definition of the ecological corridors. From the next cycle onwards, it will be possible to assess the reliability and accuracy of the data generated;

We observed that the Commitment “Water in the Forest – Increase water availability in 100% of critical watersheds” is a set of operational actions in the company’s areas. We also evidenced that in 2021 Suzano expanded the studies to measure the use of water in the forest, using medium and high resolution satellites, to establish the available water in critical hydrographic basins;

We evidenced a robust structure of Suzano’s internal diversity and inclusion program called "Somos Múrias", an initiative that provides for actions committed to respecting and promoting the rights of employees and disseminating engagement practices, which are directly related to the Diversity & Inclusion (D&I) Commitment for Women, D&I Black People, D&I Inclusive Environment LBGTQIAP+ and People with Disabilities (PwD) and D&I Accessibility. We found that the 2021 results of the D&I Commitments made significant progress compared to the established baseline;

Regarding the Commitment "Removing people from the poverty line", we evidenced a robust system of registering people and monitoring projects that increase their economic gains. However, the challenges of managing a large database of people, as more people are monitored for economic gains, requires a refined methodology.
RECOMMENDATIONS

• Regarding the socio-environmental impacts of the Cerrado project, increase the next publication with strategic and operational information, based on the realization (in 2021) of a participatory diagnosis and the involvement of local actors;

• Increase the publication with information on the positive and negative socio-environmental impacts on the territory, related to local communities, as well as the management approach on the subject;

• Publish the cases of discrimination associated with the Cerrado project;

• Obtain data and information on prevention and mitigation of occupational health and safety impacts directly linked by business relationships (related to products and services);

• Improve strategic actions to increase the proportion of spending on local suppliers, in accordance with GRI indicator 204-1;

• Present the negative aspects (losses) that will be mapped in the study of losses and gains of ecosystem services, bringing greater balance in the presentation of Suzano’s impacts on biodiversity;

• As respect to the Energy Commitment, Suzano shall review its performance regarding the export of renewable energy, since unplanned events hinder the achievement of the established goal;

• Regarding the Commitment “Removing people from the poverty line”: Implement a consolidated procedure for monitoring the poverty target with data analysis capacity compatible with the target scale. It is important to establish an objective, reliable and independent database for the economic measurement of the people covered by this goal. The correlation of production data with economic gains can be used for this, as it avoids the single use of self-declared data by people. The tools used to monitor the Commitment shall be compatible with the volume of data to be processed.

CONCLUSION

As a result of our assurance we concluded that:

• The information presented in the Report is balanced, consistent and reliable;

• Suzano established appropriate systems for the collection, aggregation and analysis of quantitative and qualitative data used in the Report;

• The Report adheres to the Principles for defining report content and quality of the GRI Standards and meet its Core level;

• The Commitments to Renewing Life were established in a structured and challenging way.

DECLARATION OF INDEPENDENCE AND IMPARTIALITY

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

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

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

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

CONTACT

Bureau Veritas Certification is available for further clarification on https://certification.bureauveritas.com.br/fale-conosco/

Telephone (55 11) 2655-9000.

São Paulo, Brazil, April 2022.

Alexander Vervuurt
Lead Auditor; Assurance Sustainability Reports (ASR)
Bureau Veritas Certification – Brazil
### 13. GRI, SASB, TCFD and WEF Content Index

**GRI CONTENT INDEX (102-55)**

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**GRI 201: Economic Performance 2016**

| GRI 201-2 | Financial implications and other risks and opportunities due to climate change | Sustainability Center | 13.1 |                          |     |

**GRI 102: General Disclosures 2016**

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**GRI 504: Biodiversity 2016**

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<td>Sustainability Center</td>
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<td><strong>4. METRICS AND TARGETS</strong></td>
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<tr>
<td>a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process</td>
<td>Sustainability Center</td>
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<td>b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks</td>
<td>Sustainability Center</td>
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<tr>
<td>c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets</td>
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<tr>
<td>Topic</td>
<td>Core metric</td>
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<td><strong>PRINCIPLES OF GOVERNANCE</strong></td>
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<tr>
<td>Governing Purpose</td>
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</tr>
<tr>
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<td>Land use and ecological sensitivity</td>
</tr>
<tr>
<td>Fresh Water Availability</td>
<td>Water consumption and withdrawal in water-stressed areas</td>
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</table>
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