

A black and white photograph of a dense forest with tall, thin trees. The sun is shining through the canopy in the upper center, creating a bright starburst effect.

SUZANO PULP AND PAPER

Communication on Progress

JULY 2017 - JULY 2018



SUZANO
PAPEL E CELULOSE



Content

DESCRIPTION OF ACTIONS	3
Human Rights	3
Labor	5
Environment	6
Anti-Corruption	9
MEASUREMENT OF OUTCOMES	10

Description of Actions

Human Rights

Our social responsibility policy states that Suzano seeks the balance between creation of economic value and promotion of human dignity and that all our activities, processes and products.

The implementation of human rights is ensured by Social Responsibility Department through social, economic and cultural diagnosis based on secondary indicators such as health, education and income generation.

Initiatives

- Suzano's Code of Conduct regards equality principles against discrimination of any kind;
- Adoption of tools that promote active dialogue with the surrounding communities and a new approach to dealing with local development, through *Community Councils* and other income-generating programs, such as beekeeping, fishing, extractivism and community agriculture;
- *Community Agriculture* in Bahia and Maranhão states encourages local population to grow products of collective interest for sale and to ensure food security, fostering new business opportunities and boosting the local economy, like passionfruit which had a record harvest in 2017, with more than 432 tons of fruit;
- *Community Agriculture* and *Floradas* beekeeping programs are expanding to traditional peoples, reaching indigenous populations in Maranhão;
- *Sustainable Bazaar* project, located in forest units of Bahia and São Paulo, enables communities benefited by our programs to commercialize their products in our manufacturing units and with restaurants of units, expanding the opportunity to generate complementary income and engaging our employees;
- The *School of Heroes* program, managed by Suzano since 2017, accomplishes educational activities on first aid, prevention against alcoholism and drug use, fire-

fighting and environment preservation, through modules of citizenship and sustainable development;

- We have been working together with traditional communities towards cultural heritage protection and valorization and woman empowerment;
- Actions taken towards reduction of human rights risks include training on the Code of Conduct and its distribution among suppliers;
- The implementation of the new Supplier Relations highlights that Company prioritizes suppliers that are aligned with Company's policies for occupational health and safety, labor compliance, socio-environmental practices and respect for human rights, as well as with Company's policies to support, encourage and uphold anti-corruption practices;
- We consider human rights clauses in contracts with suppliers to avoid slave-like working conditions and child labor;
- Suzano provides communication channels such as *Suzano Responde* (a toll free number) and corporate e-mail, which allow anyone to report violations to the human rights among other issues;
- The Committee of Ethics and Conduct evaluates cases of human rights violation;
- FSC® (Forest Stewardship Council® – FSC-C010014) certification audits verify every year the applicability of its principle 4, which regards monitoring of negative impacts on the surrounding communities;
- Suzano is signatory to the National Agreement for Eradication of Slave-Like Working Conditions, managed by InPACTO;
- Suzano's Corporate Responsibility policy ensures the quest to meet the requirements of SA 8000 and OHSAS 18001;
- OHSAS 18 001 audits verify working conditions within our mills operations.

For further information, please check out our annual Sustainability Report.

Available on: <http://www.suzano.com.br/sustainability-report-2017/>

Labor

Our Social Responsibility, Health and Safety policy and Code of Conduct ensure free union negotiation, rejects sexual and moral harassment as well as child and compulsory labor, in compliance with national legislation, and commits to employ the best practices and technologies in order to prevent labor accidents and to reduce its risks.

Initiatives

- Suzano is signatory to the National Agreement for Eradication of Slave-Like Working Conditions, managed by InPACTO;
- Implementation of labour policies include training on the Code of Conduct, trainings on health and safety policies and procedures available on the web platform;
- Suzano's Code of Conduct highlights the creation of a healthy work environment that stimulates the development of people and recognition for their performance;
- In order to reduce labour risks, Suzano developed the *Segurança na Área* program that requires monthly reports about the electromechanical condition of all equipment and machinery, involves workers's relatives allowing the visit of their children to manufacturing units when it is possible to reinforce behaviors of lower risk, promotes the recognition of the performance of teams that adopt accident prevention measures, through awards;
- Safety technicians check for equipment operation on a daily basis;
- Collective and union agreements regard issues about health and safety and include clauses that require personal protective equipment;
- *Joined and Mixed and Do Good programs, with its initiatives Run and Right Weight*, are a part of our cultural transformation process which aims strengthening autonomy, training inspiring leaders, exchanging experiences between areas, and encourage our people to be physically active, adopt healthier eating habits, and maintain balanced diets;
- OHSAS 18001 standards audit help the organization to comply with its requirements on health and safety in order to check applicability of labor rights within the Company;
- FSC® (Forest Stewardship Council® – FSC-C010014) and PEFC certifications audit also ensures that the Company comply with its principle 4, which establishes criteria for

worker's welfare;

- Suzano was elected *Best Company to Start a Career* in Brazil and took first place in the Você S/A guide ranking of the Best Companies to Start a Career in 2017;
- We were among the top 50 companies Brazilian employees expressed their love for in the Love Mondays ranking, Brazil's largest online career community;
- Engagement survey in 2017 made Suzano pleased about having 95% of the employees proud of being a part of the Company and recommending it as a good place to work;
- We consider human rights clauses in contracts with suppliers in order to avoid slave-like working conditions and child labor;
- We conduct wood supplier audits in order to monitor compliance with health policies, occupational safety, and labor standards;
- Labor right violations may be reported to the communication channel *Suzano Responde*, including complaints within the supply chain and suggestions.

For further information, please check out our annual Sustainability Report.
Available on: <http://www.suzano.com.br/sustainability-report-2017/>

Environment

The commitment with environmental principles is ensured by the Company's Environmental Policy which contains guidelines for the sustainable use of water resources and conservation of atmosphere, soil and biodiversity. Our plantations sustainable management are certified by two certification schemes – FSC® (FSC-C010014) and Cerflor/PEFC – and our mills are certified to the ISO 14001 standards.

The commitment with preservation and conservation through restoration programs signed between government and the organization are intended for preservation of the Atlantic Forest, Cerrado and Amazon Rainforest biomes. To date Suzano has more than 538,000 hectares of protected areas, one of the private largest conservation areas maintained in the Southern Hemisphere.

The environmental and certifications management is addressed by specific areas within the Company, at both industrial and forest operations. We work on our continual improvement towards more eco-efficient processes and products.

Initiatives

- Suzano is signatory to global and national pacts such as *Fórum Florestal*, Pact for Atlantic Forest Restoration, Business Charter for Conservation and Sustainable Use of Biodiversity;
- Suzano's new Code of Conduct highlights it's compromise on taking decisions based on the balance of financial, social and environmental aspects, respecting consumers, communities, government and traditional communities, promoting preservation of the environment and aiming the development of the country;
- The Company also conserves 31 High Conservation Value Areas, areas with special cultural, environmental, scenic beauty or social importance, covering more than 48.000 hectares;
- Suzano's new Wood Procurement policy evidences the commitment to use only timber from responsible sources and ensure that the fibers do not come from illegal exploitation, which violates traditional and human rights, from areas of high conservation value that are threatened by management;
- In the cultivated areas there is no conversion of areas of natural vegetation to eucalyptus, plantations are always made in areas previously used by man for other purposes;
- The mosaic planting system enables the development and maintenance of fauna and flora through ecological corridors, in which planted and native forests are intercalated;
- Suzano sponsors Ecofuturo Institute, which articulates society, government and private sector in a way to spread social and environmental awareness;

- We have the target to promote restoration of 1,522 hectares of areas degraded in 2018;
- The Company invests on modern technologies on the productive processes aiming to the efficient water and energy consumption, renewable energy sources use, reduction of both solid waste and atmospheric emissions of GHG and hazardous gases;
- Suzano completed the project of debottlenecking and modernization of Imperatriz Unit in 2017, which helped improve the pulp-washing system during the cooking process, leading to environmental improvements and productivity gains during the pulp-bleaching stage;
- The new wastewater treatment plant (WWTP) at the Mucuri (Bahia) unit was concluded in 2017, providing a direct improvement on the quality of the effluent released into the Mucuri River;
- Modernization of the wastewater treatment plant (WWTP) at the Limeira (São Paulo) unit led to improvements in efficiency and reduced environmental impacts forecast for the plant, dropping specific energy use by 50% and reducing community complaints about odors;
- 85% of the energy used came from renewable sources such as ethanol, black liquor and wood chips in 2017;
- Every year the Company reports its greenhouse gas inventory due to wood and paper production and its distribution. This year, we started analyzing strategies and opportunities towards low carbon economy;
- We hold tools to monitor environmental impacts and environmental incidents such as forest fires, oil leaks on soil, waste, etc.;
- Suzano complies with FSC® (FSC-C010014) certification that requires fauna and flora monitoring reports. FSC® (FSC-C010014) also publishes public summary reports of their annual audits on our certified forests;
- In addition, ISO 14 001 audits our environmental management within the mills;
- In 2018, we concluded the Life Cycle Assessment of one of our papers, with focus on the sustainable forest management, GHG emissions and water consumption;
- The Life Cycle Assessment of our products are under development for all manufacturing units;
- Suzano adopted the methodology of the LIFE Institute, recognized by the UN Convention on Biological Diversity (CBD), to evaluate positive and negative impacts on biodiversity and ecosystem services in Suzano mill with the Neblinas Park;
- By the end of 2017, the recovery work of *Mucuri River Springs Project* had already been started in 18 springs and the goal is to recover about 2,500 by the end of the project;

- Through the *Mucuri Springs* project, Suzano began activities that contribute to long-term sustainability of this river, and fostered initiatives to protect the springs which form its source, 43 springs are already in restoration processes and more than 28,000 seedlings were planted by the end of August 2018;
- In 2017, Suzano reopened the green bond and raising an additional resources volume, following the Green Bond Principles created by the International Capital Markets Association (ICMA), what shows investors and other market actors that the Company follows stricter standards for sustainability and transparency performance.

For further information, please check out our annual Sustainability Report.

Available on: <http://www.suzano.com.br/sustainability-report-2017/>

Mucuri Springs Video available on: <https://www.youtube.com/watch?v=qeYgLDwBjQM>

Anti-Corruption

Suzano's code of conduct includes integrity and Anti-Corruption Law and internal mandatory training on these issues. Also, Suzano signs to the Corporate Pact for Integrity and Anti-Corruption managed by Ethos Institute.

Initiatives

- Suzano's new Code of Conduct highlights commitment with integrity, preserving and strengthening moral and ethical principles in its operations, and with transparent and truthful communication;
- Training on the Code of Conduct and anti-corruption law available on web platform for all employees;
- Incidents of anti-corruption law violation are taken to Suzano's committee of conduct;

- External ombudsman channel, which receives and processes corruption incidents.
- We consider anti-corruption aspects in contracts with suppliers.
- We maintain constant communication and are truthful and objective while disclosing information to society and the press;
- Our companies are managed professionally in accordance with the organizational principles of the Suzano Group and healthy corporate governance with the aim of increasing the value of each company, facilitating its access to capital and contributing to its perpetuity;

For further information, please check out our annual Sustainability Report.
Available on: <http://www.suzano.com.br/sustainability-report-2017/>

Measurement of Outcomes

We report our activities, indicators and results annually to all our stakeholders and the general public. The documents adopt the framework of the Global Reporting Initiative (GRI) and the parameters for the contents of the reports are based on a process conducted by a specialized consulting firm to identify key topics for our internal and external stakeholders.

Main indicators

- Number of employees by region and contract by gender;
- Turnover by region, gender and age;
- Rate of accidents;

- Percent of local purchases;
- Number of people affected by our social projects;
- Income generated;
- Community evaluation and perception;
- Direct greenhouse gas emissions (scopes 1 and 2) intensity;
- Total energy consumption within the organization;
- Percent of renewable sources of energy;
- Water consumption intensity;
- Conservation/planting area ratio;
- Number of mammals and bird species;
- Volume of effluent discharge and BOD;
- Solid waste disposal.

For further information, please check out our annual Sustainability Report.
Available on: <http://www.suzano.com.br/sustainability-report-2017/>



SUZANO
PULP AND PAPER