



# Report 2018





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# LETTER TO THE READER

Dear readers:

We present to you the 2018 Report of Suzano, the world's largest producer of eucalyptus pulp and leader in the paper market in Latin America. This publication depicts the merger of two large forest-based companies—Suzano Pulp and Paper and Fibria—completed on January 14, 2019. The process to prepare for the merger of the businesses, however, began in March of the previous year. During this period, the companies continued to operate separately, as they organized for the change. [\[GRI 102-1\]](#)

The merger is, therefore, the guiding thread of our narrative. In this report you will learn how the teams of both companies achieved good operating results in 2018, despite the uncertainties inherent to the formation of a large company in the market. You will also learn about the strategies used, the challenges, risks and lessons learned. You will get to know some projects that stood out in the forest and industrial areas of the companies, as well as the social and environmental results, our positioning, and initiatives in the field of innovation and new business.

The economic dimension will also be presented in this document and more details can be obtained in the 2018 Financial Statement at <http://ri.suzano.com.br/ptb/7366/666830.pdf>. The work to define the material topics and indicators reported is detailed in the section 'About the Report'. We also dedicate a special section for information regarding the new company. We want to convey the meaning of our culture Drivers—what they are, how they were conceived and what impact they will have on Suzano's strategic management—and how these references will help us support an organizational culture capable of promoting change in society. Finally, we present the challenges for 2019, which can be summarized in the alignment of our more than 35,000 direct and indirect employees and in the capture of new and old synergies, identified in 2018 during preparation for the merger and after the effective union of the businesses.

In addition to the printed edition, the report has an online PDF version, available for download at <http://www.suzano.com.br/en/r2018>. More information about Suzano can be obtained on our institutional website [www.suzano.com.br](http://www.suzano.com.br). We would like to hear your opinion on the report and, to this end, suggestions, questions or comments can be sent by email to [relatoriosuzano@suzano.com.br](mailto:relatoriosuzano@suzano.com.br).

Enjoy your reading!

Seedling Nursery  
in Três Lagoas (Mato  
Grosso do Sul state)

Photo: Araquém Alcântara



Messages from  
**Leadership**

Walter Schalka  
CEO

Photo:  
Sérgio Zacchi

WE ARE LIVING A VERY SPECIAL  
MOMENT. OUR DREAM HAS  
COME TRUE: WE HAVE UNITED  
TWO COMPANIES WITH  
SUCCESSFUL STORIES  
TO BUILD AN EVEN  
BETTER FUTURE.



Watch Walter's  
testimonial  
on the most  
relevant  
issues for  
Suzano in 2018

# Welcome To Suzano!

[GRI 102-14]

To get here, we faced significant challenges. In 2018, the companies Suzano Pulp and Paper and Fibria Celulose continued to operate separately, while preparing for the merger, which required enormous effort from our teams. After all, we went through one of the largest M&A transactions ever held in Brazil. During this process, the companies benefited from the rare combination of high dollar exchange rate and pulp prices, which helped boost our results in the period. In the months during the transition, the companies were financially more protected against turmoil in the political and economic scenario in Brazil and abroad, aggravated by the trade war between China and the United States.

The effort the teams dedicated to the day to day of the business also contributed to the stability and to the excellence with which both companies reached the agreed upon goals, achieving great performance in the year. If, on the one hand, we kept focused on the routine, on the other, a group of professionals was exclusively dedicated to the merger process. It was up to them to identify the synergies that were to be captured by Suzano, and to organize all the legal aspects that culminated in the approval of the operation.

As of November 30, when we received the last authorization for the conclusion of the business and we were able to announce the structure of the executive team and, soon after, we started working on the process to integrate and define the culture of Suzano. With the positive and inspiring involvement of first-tier executives, plus the participation of professionals from various business areas, we created our culture Drivers, a set of references of what we want to be and how we will get there. Our focus in 2019, in addition to capturing the synergies, is to form a unique and balanced culture,

with practices that express the organization's intention on a daily basis.

We are aware of the size of our responsibility given our leadership position in the market we operate. It is not by chance that sustainability permeates all culture Drivers and is present in Suzano's global strategy. This means that the economic, environmental and social aspects of our initiatives will also be strengthened, seeking greater representation in society. We want to be transforming agents, not spectators, however we will not be able to embrace all the existing demands in Brazil. Therefore, given the nature of our business, the challenges related to water, energy and climate change will be some of the main issues in the environmental dimension. In social terms, we will work on territorial development programs associated with education and income generation.

Innovation goes hand in hand with sustainability. On the one hand, we have excellent researchers and access to the latest technology. On the other, we have eucalyptus forests, mills and a large production chain. We have in our hands the perfect conditions to advance in the search for solutions to a low-carbon economy, responding to the aspirations of society for sustainable production and renewable products.

I feel encouraged and very happy to be part of this special moment in Suzano's history. We have important challenges to overcome in 2019, such as the delivery of synergies and the consolidation of our organizational culture. I am convinced that we will be able to overcome them and open paths that will positively impact Brazil and the world.

**Walter Schalka**  
CEO of Suzano



AT SUZANO, INNOVABILITY IS A FUNDAMENTAL STRATEGIC PILLAR OF THE TRANSFORMATION WE WANT TO ACHIEVE. WE WANT TO KEEP GROWING AND TRANSFORMING FOR MANY GENERATIONS TO COME, WITHOUT LOSING OUR ESSENCE."

Photo:  
Ricardo Teles





# David Feffer

## President of Suzano Holding and Chairman of the Board of Directors

### *A dream that left the drawing board*

[GRI 102-14]

Suzano was born 95 years ago and since then has undergone many challenging periods and many periods of celebration as well. Eighteen years ago, when we became market leaders, we were not sure how we would advance, but we followed our intuition and our heart, with a dash of courage. That's why we challenged ourselves to leave the 21st century stronger than when we came in.

The merger between Suzano Pulp and Paper and Fibria Celulose was another step in this journey. Now, together, we have the potential for an incredible range of opportunities, new ways of operating and reinventing. Both companies have a history of growing commitment to care for nature and people, seeking to create value for shareholders, customers, suppliers, employees, communities, society as a whole and our planet. [GRI 102-40]

"It's only good for us if it's good for the world" is one of Suzano's culture Drivers, presented throughout this report. It's how we want to make our decisions. We are part of the daily lives of billions of people in the world and, with the birth of this new company, we have expanded our global reach. We have the chance to act and defend our beliefs in a different way, as protagonists in the evolution of society.

That is why, at Suzano, innovability is a fundamental strategic pillar of the transformation we want to achieve.

We want to keep growing and transforming for many generations to come, without losing our essence. To this end, we need to ensure that Suzano has the best team and winning strategies. We work to build a culture of leaders: people who are skilled, inquisitive, engaged, aligned with our values and with diverse profiles, genders and backgrounds. A team ready to think outside the box and deal with all challenges—current and future.

Our founder, Leon Feffer, challenged us to always have the courage to take initiatives. "It doesn't matter if one or other initiative will fail, but the ones that you do get right will be of great value!"

We will continue with the courage to dare and take initiatives, on several fronts. Always in a strong and gentle way, faithful to our values and our essence.

#### **David Feffer**

President of Suzano Holding and Chairman of the Board of Directors of Suzano



About the

# Report

In a unique year for Suzano Pulp and Paper and Fibria Celulose, Suzano's 2018 Report depicts the performance of the two companies during the transition—in which both organized for one of the largest mergers in the forest-based industry in the world.



Francisley de Bortoli Pandolphi -  
Production of Wood Chips,  
in Aracruz (Espírito Santo state)

*Photo: Márcio Schimming*

The document addresses the various challenges faced by the two companies to achieve the business goals set for the period, while their teams prepared for the change and addressed the legal demands involved in merger.

The economic, social, and environmental indicators in this report also reflect the exceptional nature of this moment. In their previous reports, Suzano Pulp and Paper reported nearly 100 indicators and Fibria, 140, meeting the expectations and aspirations of their respective stakeholders.

As soon as the merger was completed, in January 2019, we cross-referenced the materialities of the former companies along with some market demands from customers, investors and financial analysts. In this process, we selected 90 indicators responsible for representing and addressing all material topics from the former Suzano Pulp and Paper and Fibria, while considering the current context of Suzano.

Thus, it was also necessary to consider which of them were fit to be collected, in accordance with the limitations and consolidation rules of the new company. Thus, in this report, a total of 79 indicators were reported separately, since they refer to the period from January 1 to December 31, 2018, when the companies were still operating independently.

[\[GRI 102-46, 102-49, 102-50\]](#)

After the first months of the merger, Suzano is in the process to develop its sustainability strategy and relationship plan with strategic audiences. To this end, the company is conducting an in-depth consultation with its stakeholders in order to identify perceptions about the new company, what is expected of it and what the priority topics are. Based on these inputs, we will define a list of topics



Participants in the Rural Land Development Program (PDRT), which trains more than 1,100 families of smallholder farmers in Três Lagoas (Mato Grosso do Sul state)

Photo: Araquém Alcântara

and aspects to be worked strategically in management and with our stakeholders.

[\[GRI 102-42, 102-43, 102-44\]](#)

The contents of this publication have been submitted to external assurance by Bureau Veritas, which can be viewed on page 90. In addition to the printed edition, the report has an online PDF version, available for download at <http://www.suzano.com.br/en/r2018>. More information about Suzano can be obtained on our institutional website [www.suzano.com.br](http://www.suzano.com.br). For questions or suggestions, contact us by email through [relatoriosuzano@suzano.com.br](mailto:relatoriosuzano@suzano.com.br).

[\[GRI 102-53, 102-56\]](#)



## MATERIAL TOPICS

[GRI 102-47]

### **Suzano Pulp and Paper**

- Certification and supply chain
- Local development
- Strategy, brand and communication
- Environmental management
- Governance and conduct
- Recognition of the workforce
- Relationship with the government

### **Fibria**

- Community relations
- Management of water resources
- Sustainable forest management
- Climate change
- Innovation and technology
- Regional and local development
- Transparency and leadership
- Supply chain management
- Business expansion
- Human capital management
- Economic management
- Government relations
- Customer focus



3/

# 2018:

The year of the  
**double challenge**



Annatto picked by members of the Ofayé Indigenous community in Brasilândia (Mato Grosso do Sul state)

*Photo: Araquém Alcântara*

March 16, 2018 will certainly be a milestone in Suzano's history. It was on this day that two of the world's largest companies in the pulp sector, Suzano Pulp and Paper and Fibria, announced to the market the combination of their operations to create a new company. The months following the announcement were marked by a twofold challenge: to maintain the good operating performance of the companies—which continued to operate separately—while preparing for the major changes inherent to a merger process.

## 3.1 Preparation for the merger [GRI 102-10]

IN ORDER TO OVERCOME THESE IMPORTANT PHASES, IT WAS NECESSARY TO STRENGTHEN BOTH TEAM ENGAGEMENT INTERNALLY AND DIALOGUE WITH KEY EXTERNAL STAKEHOLDERS. IN THIS CONTEXT, WE CARRIED OUT A SERIES OF INITIATIVES BASED ON TWO PREMISES THAT SET THE TONE FOR THE ENTIRE PROCESS: ETHICS AND TRANSPARENCY.

*Photo: Ricardo Teles*

*From left to right: Claudinei Macilha (facing back), Carlos Eduardo Ferreira, and Marlon de Cesaro Martins - Maintenance, in Suzano (São Paulo state)*







Leonardo Pires (Communication and Brand) and Patrícia Joly (People and Management) at the Suzano Central Office, in São Paulo (São Paulo state)

Photo: Ricardo Teles

## TRANSITION TEAM

While most of the teams took care of day-to-day operations, a group of people was selected to coordinate the merger process. Two professionals—one from Suzano Pulp and Paper and another from Fibria—led the group and were removed from their original duties to dedicate exclusively to the process of joining the two companies.

Called *Clean Team*, this group was supported by the legal departments of both companies and by external legal advisors to act in two fronts:

- Implementation of the operation, whose mission was to comply with all legal and regulatory obligations inherent to such a process.
- Preparation of the companies for the merger, in order to identify the synergies obtained from the operation and initiate the design of the organizational structure for the new company.

It was the responsibility of the external advisors—who had access to all information of both companies—to filter out what could be disclosed to *Clean Team* without violating the principles of confidentiality of sensitive topics of the companies, since they continued to operate separately.



Milene Ribeiro de Morais, plant nursery assistant, in Três Lagoas (Mato Grosso do Sul state)

Photo: Araquém Alcântara

### DISCIPLINE AND RIGOR

There was very strict secrecy concerning data and rigorous compliance with rules and deadlines for approval of the merger at all levels. And, not less important, there was also a lot of discipline so that Suzano Pulp and Paper and Fibria could take the necessary steps, at the expected pace, to finalize the operation.

In the first meetings of the *Clean Team*, formed by groups with approximately 100 representatives from both organizations, the teams found it difficult to balance Fibria's more procedural profile with Suzano Pulp and Paper's agility. Teamwork, coupled with their willingness to

make the integration work, the different strengths were understood and accepted and became complementary. The two leaders ahead of the work had the responsibility and the operational challenge of selecting information that could be passed on from one side to the other.

The activities of the *Clean Team* occurred from April 2018 to January 2019, when it was announced that all conditions for the completion of the operation had been met. Initially, it was estimated that this operation would take between 12 and 15 months—nevertheless, only nine months were required to complete it.

## PEOPLE AND CLIMATE

Treating the process as a combination of businesses between the companies, rather than as an acquisition and takeover by the buyer, was a position taken from the very start. To ensure alignment among all teams and prepare people for this change process, both Suzano Pulp and Paper and Fibria invested in programs to prepare their leaders and, through them, their teams.

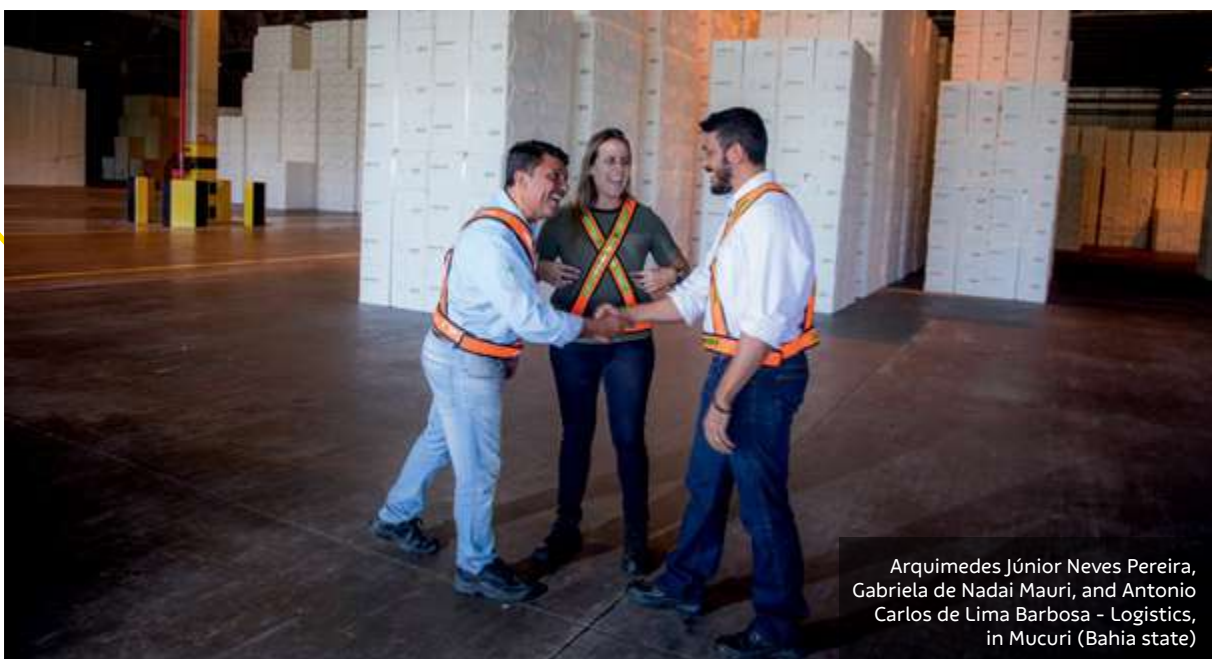
*Trilha da Evolução* (Evolution Trail) and *Uma Nova Jornada* (A New Journey) were the programs developed by Suzano Pulp and Paper and Fibria, respectively, to provide support for this moment. Both shared the same goal: to raise awareness and engage the leadership to support their teams throughout the transition, always with the transparency and dialogue that characterized the conduct of each company.

### EVOLUTION TRAIL

A diagnosis made by an external consulting identified the most pressing concerns and grievances among Suzano Pulp and Paper employees, generating inputs for a multifunctional group of Human Resources and Communication professionals to trace the Evolution Trail. The purpose of the program was to consistently and transparently deal with information that could be shared about the context of the new company in the various internal communication channels, such as blogs and face-to-face meetings, among others. The opportunities generated by the change, humility and openness to transformation were some of the topics covered along the trail.

Suzano Pulp and Paper also offered development opportunities to the teams. Among them, talks with athletes who experienced great challenges

Photo: Ricardo Teles



Arquimedes Júnior Neves Pereira, Gabriela de Nadai Mauri, and Antonio Carlos de Lima Barbosa - Logistics, in Mucuri (Bahia state)

in their journeys. At the opening of the program, former volleyball player Tande, for example, recalled moments in which he handled difficult decisions in the direction of his career in volleyball. Swimmer Marta Izo, who in 2006 and 2011 crossed the English Channel between Great Britain and Northern France, spoke about resilience in an uncertain and turbulent environment.

### A NEW JOURNEY

Receiving new teammates, being invited to hold another position within the company, or considering no longer being part of the company are among the hundreds of variables in a merger process. So how can one prepare for this moment? Fibria also had support from external consultants to assist in the development and implementation of its program A New Journey.

A series of four face-to-face meetings brought together 346 company leaders to address personal and professional empowerment, helping people perceive the opportunities ahead and the alternatives that would help their teams experience change positively. After all, the transition and integration phases bring a world of learning and growth possibilities. The topics addressed in person were reinforced by weekly content. All material covered and generated from the program was edited in a book and delivered to the participants.

### TOWARDS INTEGRATION

Over the months, the companies organized for the welcome day, when Suzano Pulp and Paper and Fibria teams would become one. With that moment in mind, the Communication teams of both companies, supported by partner agencies and the commitment of several business areas, dedicated their efforts to the development of a plan to celebrate the new Suzano in a welcoming atmosphere of respect and pride.

Three moments were especially important in this process. The first, called 'Day A', was on November 30, 2018, when Europe issued the last authorization required for the merger of the operations. On that date, in a live broadcast for the companies in Brazil and in their respective international offices, all employees had the opportunity to meet the new Executive Board, see the new logo and ask questions anonymously, since the company's rule is to make people feel at ease so that no subjects are considered taboo.

'Day C' was on January 14, 2019 and marked the celebration of the closing of the merger. All units of the new company in the country and abroad were prepared and acclimated under the inspiration of the campaign called *Somar é transformar juntos* (Combining is to transform together), in which the employees were encouraged to make the occasion a special day, with breakfasts, lunches and happy hours to gather with former and new colleagues. Suzano in 3-D letters throughout the units, delivery of new company badges and shirts, as well as other commemorative gifts, contributed to keeping the high spirits of that moment.

On the following day, a live broadcast was made, in the same format used by Suzano Pulp and Paper in its quarterly results meetings. Called *Suzano e Você* (Suzano and You), this meeting also had entertaining moments. The leaders gave their welcome messages and introduced the culture Drivers of the new company. The other employees also had the opportunity to participate by sending messages online and in real time expressing, in one word\*, what that moment meant for each of them. In addition, they asked questions about a variety of topics related to the change, always respecting the anonymity of those expressing themselves.



\* Cloud with words sent by employees during the transmission of Suzano and You, on 1/15, which translated the feeling at that moment.

## THE EVOLUTION OF GOVERNANCE

Suzano Pulp and Paper has always been committed to high standards of corporate governance. In September 2017, after adopting a series of preparatory measures, the company entered *Novo Mercado* (New Market), the highest level of corporate governance of B3 (Brazil's Stock Exchange).

A new level was reached by Suzano Pulp and Paper in December 2018, when the company was registered and listed on

the New York Stock Exchange. Today, Suzano, amidst the process of integration with former Fibria, has entered into the phase of adjustments to comply with SOX (Sarbanes-Oxley), a US act that determines the need for certification of internal controls, and thus, of the procedures to issue and disclose financial reports, ensuring transparency of business management. After this new step, the new company will be audited annually based on these regulations.

## 3.2 Business does not stop



Eucalyptus planting in Aracruz  
(Espírito Santo state)

Photo:  
Márcio  
Schimming

THE IDEA BEHIND THE MERGER OF TWO LEADING COMPANIES IS THE PERSPECTIVE OF, TOGETHER, CREATING EVEN GREATER VALUE FOR THE BUSINESS, ITS STAKEHOLDERS AND SOCIETY.

Therefore, even facing all the challenges posed by this process, Suzano Pulp and Paper and Fibria's operations did not slow down in 2018. Instead, they took advantage of the innovation and support of their customers, partners and communities to keep moving forward—committed to keeping their eucalyptus forests productive, their mills competitive and, above all, being an important part of the solution to the social, economic and environmental challenges.

### MANAGEMENT OF EUCALYPTUS FORESTS

In the forestry area of both companies, leaders took advantage of the existing dialogue with their teams to bring the merger topic to the center of the conversation. The teams were duly updated with news on the subject. In tandem, managers continued to guide their teams to focus on management of their routines in order to maintain the high level of deliveries.

The team of Suzano Pulp and Paper, for example, ended 2018 with important results: they unified processes in the field, respecting regional differences, improved operating performance, reduced costs and continued to invest in projects aimed at forest management as a whole. The goal was always to generate productivity with the least possible socio-environmental impact.



Photo: Márcio Schimming

Carlos Eduardo Scardua, Almir Rogerio Da Silva, and Rodolfo Araújo Loos - Forest Ecophysiology, in Aracruz (Espírito Santo state)

Among Suzano Pulp and Paper's outstanding initiatives in 2018 are the full control of the production chain of seedlings, with phase monitoring, batch research and reporting. In logistics, the company implemented the tracking of trucks, increasing the number of vehicles monitored and providing greater efficiency in logistics and gains in security. At the harvest, recording of activities in the field was done digitally, facilitating management of productivity and of shutdowns and optimizing the harvesting process and data transmission.

At Fibria, the forestry area focused strongly on innovation, completing the Structural Cost Reduction Program. The initiative, which began in 2015, developed into four management pillars: forestry, harvesting, logistics, and productivity. Its complete cycle comprised a portfolio of 160 projects. Of these, 33 were

finalized in 2018. The cumulative results of the Program was R\$ 1.173 billion captured in NPV\* in perpetuity, and in 2018 R\$ 611.7 million in NPV captured in perpetuity.

Logistics was the most important value pillar for the forestry area, especially the projects related to the use of light trucks and projects that optimize maritime transport. At the harvest, a relevant project was the model that harvests 16 trees simultaneously. With the adjustment of this process alone, there were gains of R\$ 25 million in NPV. In forestry, mechanization in soil preparation and irrigation activities and the strategy to monitor fires were the highlights.

The exchange of information between the teams of the two companies gained relevance in January 2019, with the completion of the merger.

\* Net Present Value (NPV) is the mathematical-financial formula that determines the present value of future payments discounted at an appropriate interest rate, less the cost of the initial investment.

To this end, the planting operations in the Northern region of the country were assigned to a Director coming from Suzano Pulp and Paper and those from the Southern region were under the responsibility of a Director coming from Fibria. Leadership also switched senior management professionals (managers, supervisors and technicians) to streamline integration. Fibria's operations in Bahia, for example, were assigned to the management of Suzano Pulp and Paper teams and vice versa. It was critical that people get to

know each other and be able to jointly identify and incorporate the best practices of each world, and capture previously unmapped opportunities. This interaction is giving rise to the generation of value of the new company.

For the coming years, significant cost reductions are expected, such as the average structural radius given the proximity of the forest base to the units, especially in the states of Espírito Santo and Bahia.



## INNOVATION IN FORESTS

For several years, Suzano Pulp and Paper and Fibria operations have been permeated by studies, projects and innovation practices. In the area of planted forests, both companies were in the process of consolidating a series of initiatives in 2018 and identified synergies in more than 100 fronts in the forestry, harvesting and logistics processes, which, in 2019 will be implemented according to the priority of each for the company's strategy.

Field productivity projects, for example, are already being replicated in the forest management of areas that originally belonged to Fibria, in São Paulo and Bahia. The maintenance system via smartphones, with very similar functionalities in both companies, is also being evaluated and adapted to the new context, as well as on-board computers. The decision was to ensure the quality of analysis of the new scenario to then to create standardizations that allow for the integration of technologies and processes.

At Fibria, a major innovation in 2018 was the Intelligent Forest project, implemented in 2015, when a diagnosis was conducted to identify the opportunities for developing digital technologies in forest processes. Last year, these opportunities became projects that reaped significant gains.

The choice of these projects was permeated by global megatrends that have a high likelihood of impacting the forest environment. Demographic changes (such as urbanization), climate change, scarcity of resources and energy efficiency were some of the trends analyzed.

Fibria then chose to work on four fronts: planting (forestry), harvesting, wood logistics and systemic analysis of data. More than 50 projects were developed, all with notable results. Technology has brought greater productivity and behavioral change. Some of these improvements are also being applied to the conservation and restoration processes of our protected areas.





Aldieris de Oliveira Correia – Fibers Line,  
in Aracruz (Espírito Santo state)

Photo: Márcio Schimming

## ADVERSITIES IN INDUSTRY

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

In the first half of 2018, the companies prepared for the merger in a scenario of excellent growth, but having to cope with one of the largest truck drivers' strikes in the country's history. For Suzano Pulp and Paper, the experience proved to be a hard lesson, since interrupting part of its production as a result of this type of problem was never among the potential risks mapped by the company.

In only a few days, the unit of Imperatriz (Maranhão state) stopped production given the lack of wood. Mucuri (Bahia state) stopped shortly afterwards because the necessary inputs were unavailable. In addition to the fact that the

mill did not have sufficient storage capacity to handle the entire production, attempts to bring in raw materials failed.

At Fibria, the teams managed to adjust to the event and work on contingency plans, on the use of inputs, and on the utilization of stocks in the units. They also had the support of alternative transportation modes, such as barges, ships and railroads. All this helped minimize the impact of the strike, which was greatly reduced in terms of production and cost. There were lessons learned for Suzano Pulp and Paper and Fibria, which are being assimilated into the new company as knowledge and preparedness for this type of situation.



## CHINA X USA

In the last quarter, the challenges were market-related. A combination of macroeconomic factors—such as the trade war between China and the US, depreciation of the Chinese currency and credit restrictions—coupled with oversupply and drop in paper prices led to a momentary slump in Chinese demand. Once this phase was overcome, the industrial area, as well as Suzano as a whole, entered 2019 facing the construction of a culture and the integration of strategic projects. The new year began by revealing that there are many more opportunities for synergy than those initially identified. Going forward, in addition to overcoming the adversities brought about by the Chinese scenario, the challenge will be to make the most suitable choices for the future considered very promising by the new company.

## ITACEL PROJECT

Production outflow of our Imperatriz unit (Maranhão state) is strategic for the competitiveness of Suzano and of the Brazilian pulp abroad. With a capacity of 1.65 million tons per year, part of this volume geared toward paper manufacturing, the operation will have a modern port facility as of 2021, aiming to provide greater efficiency to the exports of Suzano in terms of costs, quality and security.

State-of-the-art processes, structures and equipment are part of the Itacel Project, the Itaqui pulp port, in São Luiz (Maranhão state), leased by the company through a public auction in July 2018. The area of the concession totals 53,545 square meters and is valid for 25 years and can be extended for additional 25 years. The works consist of the construction of a warehouse and an operations berth, estimated at around R\$ 300 million, an amount higher than the R\$ 214.9 million foreseen in public bidding.

In addition to positive impacts for Suzano, the expectation is that Itacel will contribute to the development of the state of Maranhão, through tax benefits and

generation of jobs, and to the result of the Brazilian trade balance.

### LOGISTICS BENEFITS:

- projected demand is 1.5 million tons of pulp in the year;
- capacity to receive 72 railcars daily;
- four internal extensions for railway cars;
- general cargo ships will be operated at the site.

### BENEFITS FOR THE REGION:

- at the peak of the construction work, throughout 2020, Itacel will generate 650 jobs—75% direct and 25% indirect;
- of the direct job openings, 85% will be chosen from regional companies;
- in the operation phase of the port, we estimate to generate 215 job openings, among company employees and third parties.

## PORTS

- Port of Itaquí - São Luís (Maranhão state) lease - public port;
- Belmonte Maritime Terminal (Bahia state) - Veracel private terminal – 50% Suzano/50% StoraEnso;
- Caravelas Maritime Terminal (Bahia state) private terminal – wood barge;
- Portocel – Aracruz (Espírito Santo state) private terminal - 51% Suzano/49% Cenibra;
- Port of Santos (São Paulo state) lease - public port third -T31, TEVAL, CESARI and DPW;
- Port of Rio Grande (Rio Grande do Sul state) lease - public port.

## REVENUE AT A HIGH

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

A perfect combination increased pulp profitability in 2018, benefiting Suzano Pulp and Paper and Fibria. Pulp is the core business of both companies, whose transactions are mostly in US dollars. The price of pulp at a good level, coupled with the appreciated dollar throughout the year, formed an atypical scenario for the segment, an opportunity seized by both companies.

*Photo: Araquém Alcântara*

Pulp loading in the port of Santos (São Paulo state)



## THE ROLE OF SUZANO

Year after year, Suzano expands its paper supply and currently serves a portfolio of 40,000 customers. In order to respond to the enormous demand and satisfy these audiences in such a diversified segment, the company makes constant investments in improvements of internal processes, in launching of products and in technological platforms. [GRI 102-6, 102-7]

In 2018, Suzano Pulp and Paper implemented a tool that organizes customer orders and provides the exact delivery date of the product, ready and customized. Another initiative was the creation of the Suzano Sales Portal, which allows checking credit, payment slips and the status of the purchase. An expansion wave of this channel is scheduled for the first half of 2019, looking to establish and even closer relationship with end customers.

### SUSTAINABILITY IN ITS DNA

About two years ago, Suzano Pulp and Paper decided to further differentiate itself in the segment. This time, it focused its efforts on the market of disposable cups, which accounts for approximately 600,000 tons per year in Brazil—until then produced from raw material of fossil origin or using papers imported from Asia, Europe or North America.

In August 2018, the company launched the Bluecup®, a paper cup developed using cardstock from a renewable source—eucalyptus forests. The line is also working to develop the first 100% biodegradable, compostable, recyclable cardstock for cups, made from a renewable source and produced in Latin America: the Bluecup Bio®; fully integrated with the company's low-carbon strategy. With the Bluecup® line, the company expects to become the primary supplier of cardstock for cups in the Brazilian market in 2019 and boost the share of this raw material in the segment of disposable cups. [GRI 102-2]

Biodegradable products reduce the impact on the planet, since they have characteristics that allow the decomposition of the material in the environment and significantly contribute generation and disposal of solid waste. In addition, Bluecup Bio® should nourish the soil during its biodegradation. Another important differentiator of disposable cups produced with cardstock is the material's smooth, white and uniform surface, which allows high-quality printing for better brand communication. Cardstock also offers thermal insulation and comfort while drinking.



Photo:  
Ricardo Teles

Production of Report®  
paper at the plant  
in Mucuri (Bahia state)

### INTEGRATION WITH FACEPA

One of the highlights of Suzano Pulp and Paper's consumer goods segment in 2018 was the integration with the Fábrica de Papel da Amazônia (FACEPA). The company, a leader in paper manufacturing in the Northern region and the second-largest in the Brazilian Northeast, has consolidated brands of toilet paper, paper towel, napkins and diapers. With the acquisition, Suzano Pulp and Paper became a leader in the toilet paper segment in the Northeast. **[GRI 102-10]**

During the year, the company's business areas worked to fully absorb the new operation, taking care to evaluate the synergies to ensure FACEPA's continuity and stability during the transition. The task in 2019 will be to revise the brand portfolio to make it even more robust, as well as standardize processes and procedures.



### MIMMO®, LE BLANC® AND MAX PURE® [GRI 102-2]

Another priority is to consolidate the distribution of consumer goods brands in the North and Northeast regions. The goal is to streamline a shift in consumption from single-layer to double-layer products, a trend in these regions. The launch of Mimmo® and Max Pure® in the Northeast in 2018, coupled with the growth of the Le Blanc brand - in 2019, renamed La Vie Blanc -, acquired from FACEPA greatly contributed to the achievement of this goal.

These toilet paper brands helped leverage from 34% to 37% consumption of double-layer products in the Northeast market in 2018 as they offer higher quality to customers. There are gains for consumers, retailers and the industry. The change in consumption habits is also stimulated in the Northeast by the relaunch of the Maxx Baby® diapers, which return to the shelves with better performance, greater comfort and new packaging, and by the strong presence of the brand Scala, a leader in the segment of napkins and paper towels, which also comes in new packaging.

In addition, the company is working on a strategic plan for integrated production logistics for its four consumer goods plants, located in Mucuri (Bahia state), Belém (Pará state), Fortaleza (Ceará state) and Imperatriz (Maranhão state), since the combination of these operations tends to leverage the quality of our services and products in the North and Northeast, a market with many opportunities for development, and improve customer and consumer service. In this sense, it is worth noting that the consumer goods segment evaluates the possibility of expansion in those locations where Fibria had strong operations.

### EUCAFLUFF IS THE FLUFF OF THE FUTURE

Suzano Pulp and Paper broke ground by making a commercially successful production of fluff pulp from eucalyptus fibers. The result of 11 years of research, Eucafluff is the first bleached kraft fluff pulp from eucalyptus in the world, and can be applied in disposable personal hygiene products such as baby diapers, incontinence products and

sanitary pads. Notable among the exclusive differentiators provided by eucalyptus fibers are greater comfort and discreet use of the final product, such as diapers and incontinence underwear, as well as high absorption and retention of liquids. Additional benefits are associated with the efficient compression of eucalyptus fiber, a characteristic that allows for cost reduction in packaging, transportation and storage. [GRI 102-2]

In 2018, the year the company expanded its business in the US, Europe, and Asia, product communication gained greater repercussion through activations in social media, press and events for customers. The acceptance of fluff pulp in mature markets and by large global players confirms the good performance that eucalyptus fibers can also bring to the disposable hygiene market. Over the past six months, multinational companies such as Ontex and Vinda International (Essity), as well as major local players, have entered into agreements with our company. [GRI 102-6]

Suzano is committed to achieving even more results together with our customers and attentive to new opportunities for expansion and innovation, always working to replace raw materials of fossil origin with materials of renewable origin.

#### **Functional and environmental advantages**

In the applications in baby and adult diapers, the combined use of long fiber fluff and short fiber fluff is recommended. Feedback from the market shows the success of this combination of fibers. For applications in sanitary pads, hospital bed linens and hygienic mats for animals, it is currently possible to apply 100% of short fiber Eucafluff. In addition to the functional benefits, Suzano is working on assessing the

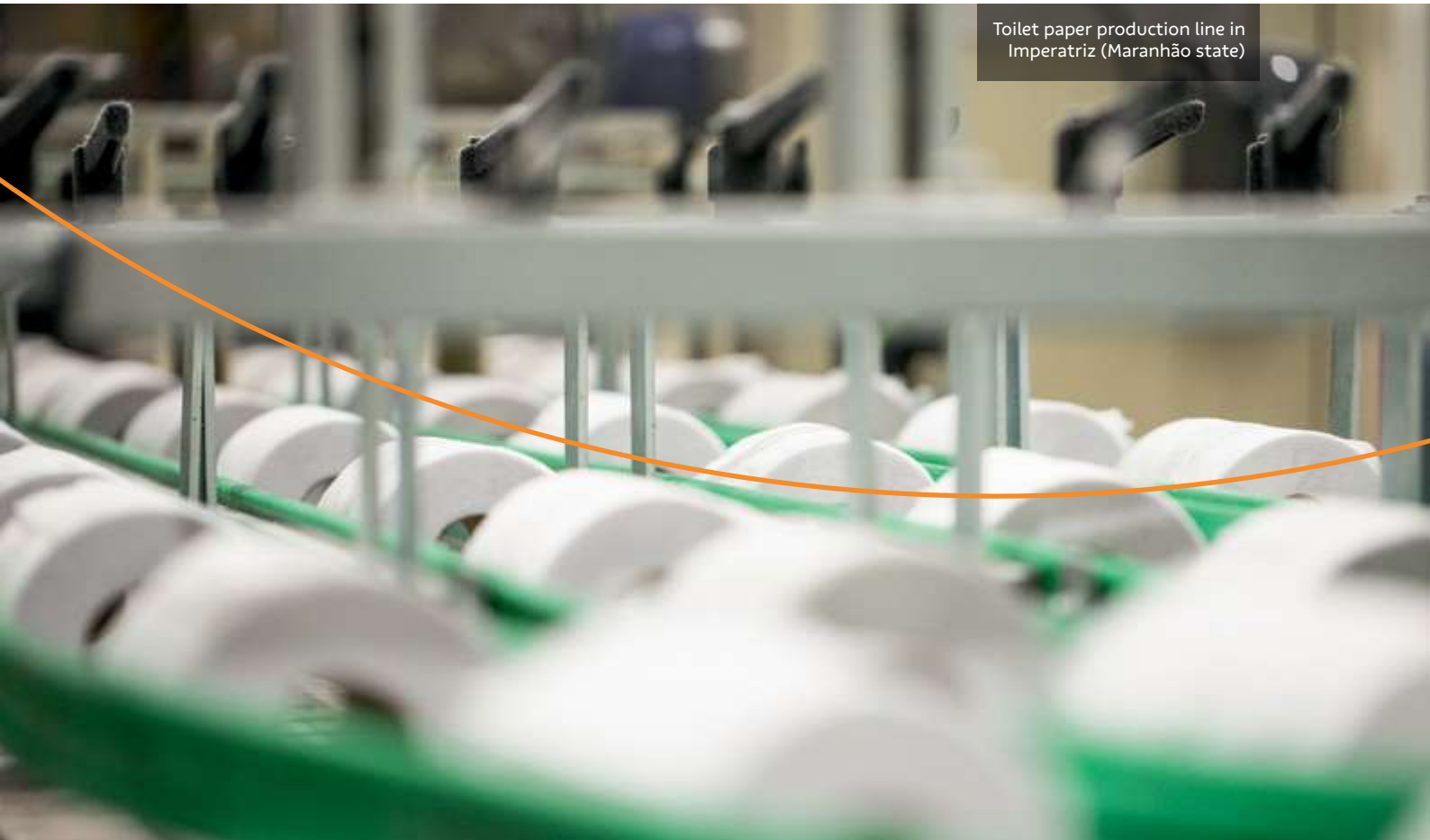
environmental performance of its value chain in order to capture and enable important differentiators for customers and society.

#### **Eucafluff in 2019**

The main customers for fluff are in Europe and Asia. For this reason, the first months of 2019 will be focused on expanding Eucafluff's communication in countries in these regions, looking to increase knowledge about the product and, above all, understand the technical benefits of applying short fiber Fluff. In 2019, Suzano also intends to announce to the market the results obtained in the analysis of the product life cycle and the environmental benefits that the adoption of this fiber can bring to its customers.

*Photo: Márcio Schimming*

Toilet paper production line in Imperatriz (Maranhão state)



## INNOVATE TO ADVANCE

Thinking big and globally is always a driving force at Suzano. For this purpose, the company has innovation as a strong ally and, during the preparation process for the integration, Suzano Pulp and Paper and Fibria demonstrated the balanced and complementary vision of their investments in scientific research and in the development of new technologies.

In 2018, the new business initiatives of the two companies followed their normal course, maintaining the study and research lines. Part of the project portfolio of the two companies is geared toward developing and strengthening the competitive position of their eucalyptus forests and their pulp and paper production. Another portion aims to create new sources of income from these eucalyptus forests, beyond commodities.

Projects involving state-of-the-art technology, such as the development of lignin, Microfibrillated Cellulose (MFC), Genetically Modified Organisms (GMOs), biofuels and biocomposites, among others, were being studied by both companies in different stages and are divided into three areas:

- **Sustainability** in order to sustain the business itself using the concept of shared value.
- **Differentiation**, which explores new uses for pulp.
- **Diversification**, with new applications for inputs from renewable energy sources based on eucalyptus forests.

Plant in Limeira (São Paulo state)

Photo:  
Disclosure  
Suzano

WITH THE INTEGRATION OF THE COMPANIES IN 2019, OUR BIO-STRATEGY INITIATIVES GAIN ADDITIONAL MOMENTUM, ALWAYS FOCUSED ON BALANCING WHAT IS GOOD FOR BUSINESS, PEOPLE AND THE WORLD.





Greiciane Silva Costa -  
analyst of Process Quality  
Laboratory, in Imperatriz  
(Maranhão state)

Photo: Márcio Schimming

## THE VALUE OF LIGNIN

In the last decade, Suzano Pulp and Paper and Fibria have made continuous and significant investments in the development of products and applications for lignin—the main constituent of wood, in addition to cellulose. During the transition stages, both companies demonstrated the enormous benefits that this field of innovation obtains from the integration of teams and businesses.

The goal of Suzano Pulp and Paper was to inaugurate, in 2018, at the Limeira (São Paulo state) plant, the first certified eucalyptus lignin mill in the world. Challenges during construction and preparation for the merger itself led to delays in the completion of the new unit, whose inauguration schedule was transferred to 2019. Nevertheless, the need to decelerate the project

eventually became a relevant contribution of knowledge, shared between two very experienced and complementary teams on this subject.

The inauguration of the mill in Limeira has become a common goal, which will be achieved with greater maturity, since the 20 researchers from Suzano Pulp and Paper joined the 12 professionals from Fibria Innovations, located in Burnaby, Canada, also dedicated to the research in applications and processes to obtain lignin.

### PIONEERING

The first wave of industrialization and marketing of the line of lignin products and by-products, called Ecolig® at Suzano, will serve resin markets, mainly for plywood, antioxidants for rubber, and thermoplastics.

To get to this point, the company has conducted extensive research and innovation over ten years. The receptiveness of customers who are most interested in using renewable products has been fundamental for the development of applications of Suzano's products in various markets. After all, this is an important and challenging transformation in the production chains of these companies, since they also start to deal with new formulations and new manufacturing processes. In this context, it is important for customers to know what types of investment and return are at stake, also taking into account quality and performance criteria.

The startup year, 2019, will allow us to supply lignin to the market on a larger production scale and we estimate to reach 20,000 tons of sales in up to five years. We will consolidate the first wave and, concurrently, work with other lines of research to fuel our innovation funnel.

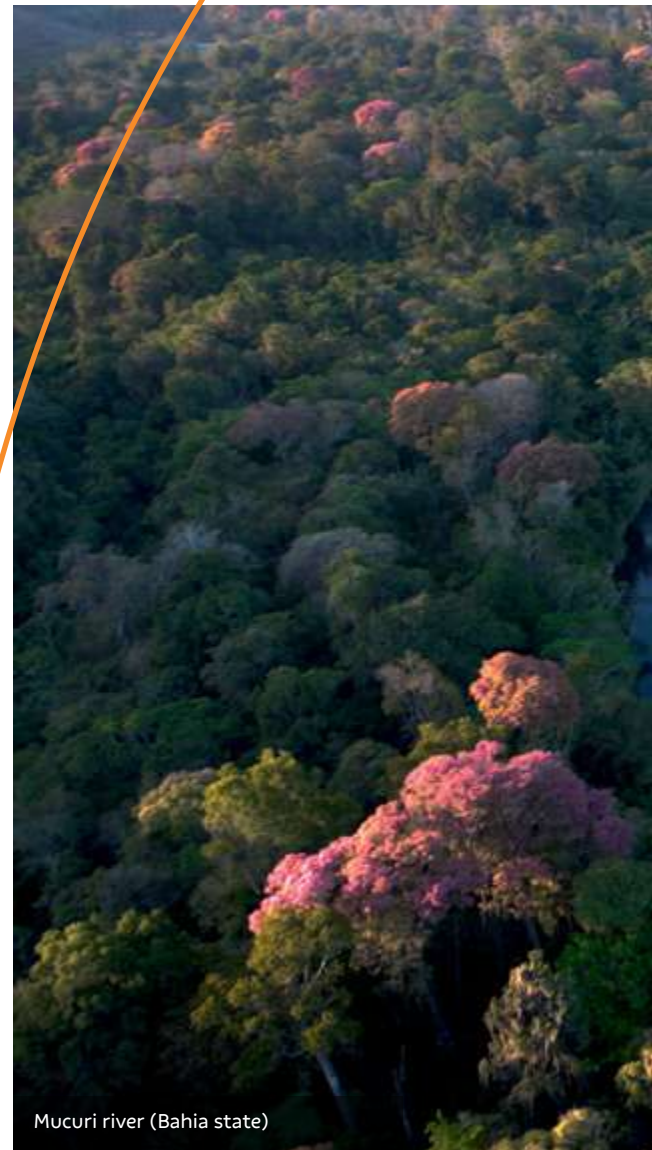
## MORE WITH LESS

Since its acquisition by Suzano Pulp and Paper in 2010, FuturaGene has been dedicated to research looking to increase productivity and sustainability of planted forests. Its laboratories in Itapetininga (São Paulo), Rehovot (Israel) and Shanghai (China) develop technologies for renewable forests in the sectors of pulp and paper, biomaterials, bioenergy, biofuel and green chemicals. Its integrated operation covers discovery of genes, plant transformation, prototyping and testing in the laboratory, greenhouses and in the field, as well as regulatory activities aimed at the commercial use of genetically modified tree species.

The work of the scientists at FuturaGene, therefore, focuses on important and urgent issues for the forest-based industry, such as: "How to make the plant increasingly resistant to pests, diseases and severe climate change while protecting the environment and

ensuring the safety of technology for society?"; and "How to produce more wood using less area, less chemicals and less water?". In recent years, FuturaGene has stepped up its research and applications to find the best solutions to these challenges.

Forests affected by pests can suffer losses of up to 50% in productivity, according to data from the Brazilian association of the tree sector (IBÁ - *Indústria Brasileira de Árvores*). In the state of Bahia, for example, Suzano Pulp and Paper and Fibria have already dealt with serious physiological disturbances in their planted areas. To solve these problems, FuturaGene has been working to identify the genetic markers that



Mucuri river (Bahia state)

Photo: Disclosure Suzano



allow us to determine which varieties of trees are more tolerant and how to avoid the planting of susceptible varieties. Once these markers are completely mapped and tested, it will be possible to make decisions about which varieties to plant after laboratory analysis, which can be done in only two hours.

Another aspect of FuturaGene's work is to minimize the use of chemicals in our forests. The motivation for this line of work is not only economic, but also social and environmental. We are committed to developing technologies that are safe for the environment and we work to ensure they are accepted by society. Through genetic engineering, we are developing trees that will produce Bt proteins—using *Bacillus thuringiensis* genes. These proteins have a natural insecticidal effect that prevents the infestation of some insects, without the need of spraying of

agrochemicals. Different Bt proteins can be introduced to control specific insects. The first seedlings with these genes have already been tested in laboratories and greenhouses, having been planted in the field in 2018 for the initial tests in one of FuturaGene's experimental farms in the State of São Paulo. If the results of these tests are positive, new tests will be conducted on Suzano's farms in different regions of Brazil, including those that belonged to Fibria.

We continue to research the genetically modified eucalyptus with increased productivity, known as the H421 event, developed by FuturaGene in the states of São Paulo and Bahia. This variety grows faster and generates an average 20% increase in wood—that is, it increases productivity in the same area, which can free up land for other uses and capture more carbon dioxide per planted area.

## SUZANO AND INNOVATION AT A GLANCE

The concept of innovability (innovation + sustainability) can be seen in all Suzano initiatives.

### FORESTRY INNOVABILITY

■ **Genetics and tree breeding:**

- Increase in productivity by 1.5% per year, improving wood quality

■ **Key strategies:**

- Classic cultivation and biotechnology

### INDUSTRIAL INNOVABILITY

■ **Development of pulp:**

- Improvement in tensile strength - Eucastrong and High Kappa

■ **New products:**

- Replacement of other materials
- Fluff, biocomposites, textiles and packaging

■ **Sustainability and costs:**

- Less use of natural resources

The megatrends that drive innovation at Suzano:

■ **Drivers:**

- Global warming, water scarcity, volatility in energy prices, increased urban waste, limited access to raw materials, food safety challenge

■ **Opportunities:**

- Biomass, biofuels, biomaterials

### DIVERSIFICATION OF CASH FLOW THROUGH A WELL-DEFINED BIO-STRATEGY





Romulo dos Santos Loureiro  
- Timber Yard operator, in  
Imperatriz (Maranhão state)

Photo:  
Márcio  
Schimming

## DIGITAL BUSINESS

The year 2019 will be one of digital advancement in the new company—Suzano will continue to invest in ongoing initiatives, focusing on increased productivity and customer satisfaction. In 2018, Suzano Pulp and Paper began structuring the creation of an area dedicated to this subject by mapping hundreds of digital initiatives in the company, in the areas of maintenance, operation, sales, procurement and logistics. These are projects to innovate the company's processes, such as studies related to the Internet of Things, 3D solutions or machine learning, among others.

With the new area called *Digital*, a specialized group of professionals will be responsible for capturing trends, bringing Suzano closer to the startup ecosystem, accelerating projects to solve problems and strengthen the business. Also, in partnership with the Human Resources area, guide the company towards a digital culture, leveraging new capabilities and new work models, which will be developed with the existing workforce.

## COMMUNITY RELATIONS

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

The news of the merger of Suzano Pulp and Paper and Fibria also caused a certain anxiety in communities that are in some way in direct contact with their forestry, industrial and logistics operations. As a matter of fact, with most of these communities, the companies maintain a close relationship in a journey that aims to create shared value with the population that lives in the vicinity of the operations.

In 2018, Suzano Pulp and Paper and Fibria, already very accustomed to the frequent and transparent dialogue with this audience, introduced the topic of the merger in the day to day of this relationship aiming to avoid conflict of information or uncertainty regarding the commitments assumed.

In recent years, there has been greater commitment of both companies to the various training programs for income generation in communities, seeking empowerment and self-sufficiency of these populations along their journey. Thus, the company and its neighbors develop in an environment of learning and prosperity for all.

Next, we highlight the main initiatives of both companies regarding community relations.

## SUZANO PULP AND PAPER

### COMMUNITY COUNCILS

In 2018, the Community Councils helped to enable, in practice, the operation model of Suzano Pulp and Paper. The strategy focused on establishing a participatory and transparent dialogue between the groups, strengthening the relationship and regional development based on the decisions made together. These groups are formed, primarily, by members of communities, private initiative and, where appropriate, other invited participants, such as public agencies. At the Forest Unit in Maranhão state, 14 Community Councils have been created to date, as well as at the Forest Unit in Bahia state.

The operation model of Suzano Pulp and Paper planned for social investments to be carried out by the main fronts, among them Community Councils (medium to long term, based on the

## COMMUNITY AGRICULTURE (2018)

### Bahia State



**343** BENEFICIARIES

**1,054** TONS OF FOOD PRODUCED

### Maranhão State



**530** BENEFICIARIES

**636** TONS OF FOOD PRODUCED

Photo:  
Márcio  
Schimming

Elcilene do Nascimento Alencar, participant in the Açai Sustainable Extractivism Project, in Imperatriz (Maranhão state)

prioritization of communities and districts with the largest population) and Projects for Income Generation and Territorial Development, already in place in the rural communities. The relationship tool to be adopted is defined based on technical evaluations (such as prioritization matrices). This process is conducted by crossing data from the Brazilian Institute of Geography and Statistics (IBGE - *Instituto Brasileiro de Geografia e Estatística*)—health, education, basic sanitation, etc.—with tactical and operational harvest and supply plans. At the same time, reporting—such as the Internal Social and Environmental Report (RISA - *Relatório Interno Socioambiental*)—and active dialogue are tools to identify, prevent and mitigate possible impacts of our forestry operations.

### SUSTAINABLE FISHERIES

Project for technical training and income generation for fishermen through the rearing of tilapia in net-tanks and earthen tanks. It also promotes awareness of the conservation of riparian forests and the sustainable use of natural resources. In 2018, a total of 25 families from the municipalities of Mucuri (Bahia state) and Conceição da Barra (Espírito Santo state) were benefited. It is worth mentioning that, in Conceição da Barra, the project became self-sustaining.

### SUSTAINABLE EXTRACTIVISM

Launched in 2015 by Suzano Pulp and Paper in Maranhão state, the project is a partnership with community associations, the Chico Mendes Institute and the Community Development Council of the Babassu Nut Breakers. The development and marketing of products such as mesocarp flour and babassu oil, açai pulp (seedling and fruit), charcoal and almonds benefited 130 families from nine associations in 2018.

### COMMUNITY AGRICULTURE

The initiative was implemented in 2011 in Bahia and in 2012 in Maranhão with the purpose of strengthening local production arrangements, ensuring food safety and improving the quality of life of the communities in our areas of operation in these states. The project provides technical support to family farmers, theoretical and practical training on farming, management, community organization and production systems for family agriculture. In 2018, a total of 873 people benefited from the production of 1,690 tons of food. In Bahia state, the expansion of the project to new communities resulted in record production and the project won first place in the RedEAmérica award in “Businesses and Sustainable Communities”.



AS OF 2017, BEEKEEPERS IN SÃO PAULO ARE NO LONGER DEPENDENT ON SUZANO PULP AND PAPER'S INVESTMENTS TO ENABLE THEIR PRODUCTION.

**SUSTAINABLE BEEKEEPING**

The Sustainable Beekeeping program is carried out in partnership with associations and neighbors through free concession of conservation areas of Suzano Pulp and Paper.

Since 2003, the project has provided alternative income, for more than 110 partners, who produce an average of 20 kilos of honey per hive. In 2018, a total of 207.1 tons of honey, propolis and pollen were produced.

# Maranhão State

**43 FAMILIES**

**THERE WAS NO PRODUCTION OF HONEY, PROPOLIS OR POLLEN. AN ARTESIAN WELL WAS DUG IN THE COMMUNITY OF SETTLEMENT PROJECT CALIFORNIA AND A BEEKEEPING COURSE WAS PROVIDED**

**DOLPHIN PROJECT**

Supported by the company, the entity was founded in 1996 in the municipality of Mucuri (Bahia state). The project strengthens regional culture and complements education through extracurricular activities by reinforcing classes and providing workshops on craftsmanship, sewing, printmaking, capoeira, singing, computer science, percussion and physical education offered to children and families in situation of high social vulnerability. In 2018, the project celebrated 22 years with 384 enrolled students and included 53,000 participants in all activities offered.

**2018**

# São Paulo State

**126 FAMILIES**  
**117.5 TONS OF HONEY, PROPOLIS AND POLLEN**

# Bahia State

**322 FAMILIES**  
**89.6 TONS OF HONEY, PROPOLIS AND POLLEN**

**SCHOOL OF HEROES**

The program, managed by Suzano Pulp and Paper since 2017, involves four municipal schools in the rural area of the Maranhão municipalities of Itinga do Maranhão and Açailândia. It promotes awareness-raising classes and actions, focusing on formation of values that make it possible to instill practices for improving the quality of life and the environment, as well as other values related to culture and sustainability. It is divided into four modules on first aid; environment and solid waste; theoretical concepts on fighting fire outbreaks; human relations in personal life and at work; physical education; civic education; singing classes. In 2018, we formed 608 young people, from 14 schools in 6 different municipalities, a number 5 times higher than in the previous year.



## FIBRIA

### RESPONSIBLE NETWORK

Network for the exchange of information, products, resources and services. Through it, people, companies that are part of Fibria's production chain and governments can invest in strengthening the company's social and environmental initiatives for the development of communities in the country. In 2018, a total of 33 partners were involved in the program, raising approximately R\$ 23 million, helping to transform lives in the regions where the company operates.

### RURAL LAND DEVELOPMENT PROGRAM (PDRT)

Since 2012, the PDRT (*Programa de Desenvolvimento Rural Territorial*) has trained family farmers, working on three fronts: technical assistance for production and stimulus to use low-cost technologies with reduced environmental impacts; management of associations and networks; and incentive and guidance to gain access to public policies that

increase the possibilities for marketing the products. In 2018, the program contributed to increasing the income of more than 4,000 families in the states of Bahia, Espírito Santo, Mato Grosso do Sul and São Paulo. The average income increase of the participants in the year was R\$ 1,505 per month. Total sales in the year were R\$ 31,639,201.

### PARTNERSHIP FOR THE ADVANCEMENT OF EDUCATION (PVE)

In 2018, the PVE (*Parceria pela Valorização da Educação*) was developed in 24 municipalities in the states of Bahia, Espírito Santo, Mato Grosso do Sul and São Paulo and works to improve the quality of public education in the municipalities where the company operates, through partnerships with municipal governments and municipal Boards of Education in two fronts. One is the Public Management Support front, which trains and qualifies professionals from the municipal Boards of

Photo: Márcio Schimming

From left to right: Dalva de Araújo Almeida, Maria da Conceição Santos do Nascimento, Maria de Lourdes Ferreira Lima, Maria Faustina dos Santos, Raimunda Fernandes dos Reis, and Zuleide Pereira de Sousa, participant in the Babassu Nut Breakers Project, in Imperatriz (Maranhão state)





Ademilson Contadini produces food, such as cassava, amidst Suzano's eucalyptus forests, in Aracruz (Espírito Santo state)

Education and school administrators, and contribute to strengthening public educational policies. The other front, Social Mobilization, aims to engage the community to increase local participation in the demands for quality education. In 2018, PVE mobilizations benefitted 44,816 people, 302 public schools and 764 administrators of municipal Boards, principals and counselors of participating schools in educational and management training courses.

The program also recognized best practices in education in 2018 during the PVE Award ceremony. In this edition, the winning municipalities in the fronts of Educational Management, School Management and Social Mobilization received a formative trip to São Paulo, while the highlights at national level will travel to Finland to see the educational model of that country. The municipalities of Aracruz (Espírito Santo state) and Ibirapu (Espírito Santo state) were chosen as the national highlights in a ceremony held in São Paulo (São Paulo state). In addition to these two national highlights, other municipalities supported by Fibria received honorable mentions. In the School Management category for cities with more than 21,000 inhabitants, the highlight was Jacareí (São Paulo state). The cities of Salesópolis and Tremembé both in the state of São Paulo received recognition in the Social Mobilization category for cities with populations of up to 21,000 and cities with populations of more than 21,000, respectively.

### QUILOMBOLA COMMUNITIES

In recent years, there have been important advances in the relationship with the Quilombola communities close to the forests that belonged to Fibria in Northern Espírito Santo state. In 2018, we advanced projects in all 20 communities where the relationship had been tense. Currently, we have a much more qualified dialogue and projects in place in these communities, generating significant income and opportunities for young people to remain in the field. This means that dialogue and engagement have matured, but the land issue remains challenging and will be prioritized by Suzano's administration in the coming years.

One recent achievement is the alignment of the Rural Land Development Program (PDRT) with the needs and specific legislation for Quilombolas. Supported by PDRT consultants, they can, for example, have a priority participation in tenders to supply food to public entities. Other initiatives, such as proper documentation, which facilitates participation of Quilombola producers in the formal market, and a partnership with the Quilombola State Commission in training these communities for land planning and management also contributed greatly to increase the community's trust towards the company.

## SUSTAINABLE SETTLEMENTS

Under the Sustainable Settlements program, together with the Landless Workers Movement (MST - *Movimento dos Trabalhadores Rurais Sem Terra*), 361 families moved from an encampment to a settlement in Southern Bahia state, leaving their tents to settle in houses in lots. The project is a partnership between the MST and the Luiz de Queiroz School of Agriculture (ESALQ), of the University of São Paulo (USP), and is intended to develop agroforestry production in an ecological system. In 2018, a total of 2,700 people emerged from poverty with the support of Sustainable Settlements, and more than 5,000 people were indirectly benefitted by the production and social ramifications of the project. In addition, the average monthly income per family jumped from R\$ 300, at the beginning of the project, in 2012, to R\$ 3,200, last year.

## INDIGENOUS COMMUNITIES

In the relationship with these communities, led by an interdisciplinary team formed by anthropologists and indigenous advocates, the objective has always been to support the

sustainability of the indigenous lands neighboring the areas of the former Fibria, especially:

- **Tupiniquim and Guarani Sustainability Program (PSTG)** – integrated actions have contributed to the recovery of environmental conditions for the economic activities and social and cultural practices of these peoples in Espírito Santo state, since 2012.
- **Historic agreement between Fibria and 12 indigenous villages in Aracruz (Espírito Santo state)** – signed in 2017, the agreement determines that the indigenous communities cannot harm company operation in that region; Fibria continued supporting the communities through the PSTG.
- **Ofayé Sustainability Program** – aimed at 30 families of the ethnic group Ofayé, living in a reserve in the city of Brasilândia (Mato Grosso do Sul state), the purpose of the program is to provide resources to strengthen culture, handicrafts and subsistence farming. Fibria supported the sales of Ofayé handicrafts in stores in São Paulo (São Paulo state), Rio de Janeiro (Rio de Janeiro state) and Três Lagoas (Mato Grosso do Sul state).

Photo: Araquém Alcântara

Ivone Maria Matos, with her granddaughter Daielly, in the São Joaquim settlement, in Selvíria (Mato Grosso do Sul state)





Colmeias (Hives) Program (Espírito Santo state)

Photo: Araquém Alcântara



## DIALOGUE WITH THE COMMUNITY

The Operational Dialogue was established between Fibria and all communities neighboring its operations in order to avoid or mitigate impacts caused by forestry, harvesting and timber transport activities in those locations. In 2018, nearly 2,200 dialogues were conducted, with approximately 5,500 participants from the communities involved.

At Suzano Pulp and Paper, dialogues take place through the Internal Social and Environmental Report (RISA), which allows for prior definition of possible measures to avoid, minimize or correct potential impacts arising from forestry operations. RISA is prepared by socio-environmental agents, constantly involved with the local communities and who maintain an open communication channel to assist in the identification and escalation of demands. In 2018, a total of 64 agreements were established with the communities through RISA, with the company accomplishing 92% of the agreements.

## BEEHIVES


The Colmeias (Beehives) project in the states of São Paulo, Mato Grosso de Sul, Espírito Santo, and Bahia works to strengthen the beekeeping activity in these states, generating employment and income by improving the production chain of honey from eucalyptus and native forests. The program supports the implementation of new technologies and training in strategic concepts on handling, management and marketing of the product, expanding and advancing the activity. In 2018, the program benefitted 870 producers from 34 beekeeper associations. Honey production in the areas of the company in 2018 was 1,400 tons. In the State of São Paulo, honey production from the program accounted for 30% of the State's production in the harvest. Sales in 2018 totaled R\$ 3,484,330.

## FISHING COMMUNITIES

Fibra established a dialogue with fishing communities and developed social actions and initiatives to support this activity in these regions:

- In Barra do Riacho, municipality of Aracruz (Espírito Santo state), where the pulp shipping terminal is located (Portocel), promoting the integrated and participatory development of the community, companies, society and public authorities.
- In Caravelas, in Southern Bahia, where barges transport part of the local eucalyptus production that supplies the three production lines of the Aracruz Unit (Espírito Santo state). Here, the initiatives foster entrepreneurship and strengthening of grassroots associations through the structuring of the fish production chain.

Photo: Márcio Schimming



From left to right: Thales Rayan da Cruz Santana (collaborator of the Forest Environment area), Maria Faustina dos Santos, and Anderson Luz Custódio (President of the Ciriaco Association of Nut Breakers), in Imperatriz (Maranhão state)



Ecofuturo Community Library of Campinas (São Paulo state)

Photo: Disclosure Ecofuturo

## ECOFUTURO INSTITUTE

The **Ecofuturo Institute**, a non-profit organization created in 1999 and supported by Suzano Pulp and Paper, contributes to transforming society through environmental conservation and the promotion of reading, integrating books, people and nature. With the purpose of forming readers of the world, the Institute also acts as a coordinator between civil society, public authorities and the private sector. Notable among the initiatives are:

**Ecofuturo Community Library Project**, with the creation of more than 100 libraries in the country.

**Parque das Neblinas (Neblinas Park)**, Suzano environmental reserve managed by Instituto Ecofuturo, which develops activities in environmental education, scientific research, ecotourism, forest management and restoration and community participation.



**60 UNITS**  
CREATED WITH INVESTMENTS  
FROM SUZANO

**4,000 PEOPLE**  
ATTENDED FREE COURSES  
ON PROMOTION OF READING  
AND LIBRARY ASSISTANT, AND  
WORKSHOPS ON MANAGEMENT  
AND SUSTAINABILITY AND  
ENVIRONMENTAL EDUCATION

**113 LIBRARIES**  
IN 12 STATES

**2,000 PUBLIC**  
AUTHORITIES INVOLVED

#### COMMUNITY LIBRARIES

The Ecofuturo Community Library project, in place since 1999, works to implement libraries in public schools, open to the community, and aims to provide universal access to books, promote reading and contribute to public policies on reading and libraries. The main highlights are:

#### 2018:

- Inauguration of four Ecofuturo Community Libraries, with investments from the CPFL Group:
  - Bebedouro and Marília (São Paulo state).
  - Igrejinha and Taquara (Rio Grande do Sul state).
- Beginning of the implementation of a library in Malacacheta (Minas Gerais state), with investments from Suzano Pulp and Paper, through the Nascentes do Mucuri project.
- More than 150,000 books loaned and 660,000 people benefitted from the network of libraries.
- Ecofuturo was recognized with the title "Friend of the Book 2018", by the Brazilian Chamber of Books (CBL - *Câmara Brasileira do Livro*).
- Launch of survey on impacts of the project, which demonstrated an increase in the level of education in municipalities with Ecofuturo Community Libraries.

#### 2019:

- 9+ libraries are expected to be inaugurated in 2019, seven of which with investments from Suzano.

### NEBLINAS PARK

*Parque das Neblinas* (Neblinas Park) is a Suzano private reserve located in the municipalities of Mogi das Cruzes and Bertiooga, in the state of São Paulo.

Its 6,000 hectares are managed by Instituto Ecofuturo and play an important role in the conservation of the natural resources of Serra do Mar, contributing to protect the Itatinga river basin and the largest continuum of the Brazilian Atlantic Rainforest—the Serra do Mar State Park and Serra de Paranapiacaba.

The following are some of the results achieved through Ecofuturo’s set of initiatives focused on scientific research, environmental education, ecotourism, community involvement, restoration and sustainable management:

#### 2018:

- Record number of visitors: 4,839 people, up 42.65% over the previous year. In total, the park has received more than 45,000 visitors.

- Extension of the *Meu Ambiente* (My Environment) program, involving the municipalities of Suzano, Bertiooga and Mogi das Cruzes all in São Paulo state. In 2018, a total of 118 teachers and 1,028 students from 27 municipal schools participated.
- The Community Management Workshop program, with neighboring rural landowners, completed 10 years in 2018, with the organization, during the year, of 4 workshops with 130 participants. In all, 30 workshops have already been held with more than 1,000 people involved. The goal is to share knowledge about forest management, conservation and appreciation.
- Inauguration of *Trilha das Botas*, which brings the history of the occupation of the area prior to the creation of the park.
- Launch of publications *Educando na Natureza* (Educating in Nature) and *A Biodiversidade no Parque das Neblinas* (Biodiversity in Parque das Neblinas), available for free download at the Ecofuturo website.

## COMMUNITY

**5,000 STUDENTS** OF 70 DISTRICT SCHOOLS AND 180 TEACHERS HAVE PARTICIPATED IN THE ENVIRONMENTAL EDUCATION PROGRAM CALLED *MEU AMBIENTE* (MY ENVIRONMENT) SINCE 2010



**85% OF THE EMPLOYEES** ARE LOCAL RESIDENTS, INCLUDING RANGERS AND FORMER HUNTERS

**45% OF THE PARK BUDGET** RETURNS TO THE COMMUNITY

## BIODIVERSITY



**1,250+**

**BIODIVERSITY SPECIES** IDENTIFIED, 3 OF WHICH ARE NEW TO SCIENCE

**20 KILOMETERS** OF TRAILS FOR ECOTOURISM ACTIVITIES






Ecofuturo - My Environment Program, Neblinas Park (São Paulo state)

Photo: Eliza Carneiro

**7 MILLION** SEEDS OF THE JUÇARA PALM PLANTED — SPECIES THREATENED WITH EXTINCTION AND IMPORTANT FOR THE BALANCE OF THE ATLANTIC RAINFOREST

 **477 SPRINGS**  
PRESERVED: 463 ON THE ITATINGA RIVER AND 14 ON THE ALTO TIETÊ RIVER

### ECOFUTURO RESERVES

Provides technical advice for owners of natural, public or private areas, based on the experience acquired with the management of Parque das Neblinas. Since 2010, it has promoted integrated actions to protect areas with remnants of native vegetation, contributing to environmental conservation and maintenance of ecosystem services.

Several projects have already been studied in the three biomes — Atlantic Rainforest, Cerrado and Amazon — in more than 1 million hectares.

### 2018:

With investments from Suzano Pulp and Paper, Ecofuturo started the development of a Social and Environmental Education program with educators and public school students in Prado (Bahia state) and Malacacheta (Minas Gerais state).

## VOLUNTEER WORK

Inspiring and transforming is at the heart of Suzano's operation. Therefore, committed to positive and lasting changes in the world, the company invests in a program called *Voluntariar* (Volunteering), which for more than 10 years has encouraged employees, families, neighboring communities and partners to participate as volunteers in initiatives primarily focusing on education.

The purpose of the program is to generate opportunities for all company stakeholders to share their talents. Through projects such as *Escola Formare* (Formare Project) and *Suzano na Escola* (Suzano at School), in addition to various social actions, the program fosters civic responsibilities and social empowerment for the development of a better society.

In 2018, the program mobilized 2,860 volunteers and benefited 30,719 people through 24 volunteering initiatives in total. In 2019, the program's values and beliefs are expected to help strengthen the culture and Drivers of the new Suzano among employees, partners and the communities where the company operates, including the audiences of former Fibria units.

### FORMARE PROJECT

In place since 2005 in partnership with lochpe Foundation, the project consists of training socially vulnerable youth through the course "Production Process Operator". The project takes place in the Units of Suzano (São Paulo state), Mucuri (Bahia state) and Imperatriz (Maranhão state). The course lasts ten months - 532 theoretical hours and 728 practical hours. Classes are taught by Suzano volunteers (during or outside working hours), who are trained by the lochpe Foundation and dedicate their time and talent to share knowledge and experiences with young citizens. Until 2018, the project relied on the support of 1,500 volunteers in training 693 young adults.



SUZANO HAS  
INVESTED IN THE  
VOLUNTARIAR  
PROGRAM  
for more than

10 years

IN 2018,  
THE PROGRAM MOBILIZED

2,860  
volunteers



TOTAL  
2,860  
volunteers

- 1,986 Company employees
- 191 Vendors
- 98 Partners
- 426 Family
- 159 Community





Young participants of the Formare Program on a visit to the Imperatriz Unit (Maranhão state)

Photo: Ricardo Teles

## VOLUNTARIAR IN NUMBERS

### BENEFICIARIES



Increase by 1,100

### PARTICIPATING UNITS



### VOLUNTEERS

Increase of 680 volunteers between 2017 and 2018

+ 31%

### INITIATIVES





Volunteers and young students participating in the Suzano at School Project, in Mucuri (Bahia state)

Photo: Disclosure Suzano

## SUZANO AT SCHOOL

*Suzano na Escola* (Suzano at School) has been in place since 2009 and is intended to foster an entrepreneurial spirit in young adults at school, broadening their vision of the job market and the business world. It was implemented in partnership with Junior Achievement, which offers training for our company volunteers in classes taught at public schools in the area of the company's Units in São Paulo, Bahia, Minas Gerais, Espírito Santo and Maranhão. The main programs carried out under this project over 10 years:

- The advantages of Staying in School
- Introduction to the Business World
- Let's Talk Ethics
- Undercover Boss for a Day
- Minicompany
- Attitude for the Planet
- Skills to succeed
- My Money My Business
- Connected with Tomorrow
- Community Leadership

## RESULTS BETWEEN 2009 AND 2018

**40** SCHOOLS SERVED +  
A COMMUNITY COUNCIL +  
INSTITUTO NUESTRA +  
SEÑORA DEL BUEN CONSEJO  
(BARRANCAS, ARGENTINA) +  
3 COMMUNITIES (CÓRREGOS DO  
JUNDIÁ, PALMEIRAS AND ARTHUR,  
IN ESPÍRITO SANTO STATE)

**5,148** STUDENTS  
BENEFITED

**819** VOLUNTEERS  
INVOLVED

## 2018 HIGHLIGHTS

**107** VOLUNTEERS  
INVOLVED

**20** CLASSES  
SERVED

**7** SCHOOLS  
SERVED +  
3 COMMUNITIES  
(CÓRREGOS DO  
JUNDIÁ, PALMEIRAS  
AND ARTHUR)

**404** STUDENTS  
BENEFITED

**110** VOLUNTARY  
CONTRIBUTIONS

## Programs applied

- **MINICOMPANY** (ITABATÃ AND 31 DE MARÇO, DISTRICTS IN BAHIA STATE)
- **ATTITUDE FOR THE PLANET** (PEDRO CANÁRIO, CÓRREGOS DO JUNDIÁ, PALMEIRAS AND ARTHUR, IN ESPÍRITO SANTO STATE)
- **INTRODUCTION TO THE BUSINESS WORLD** (31 DE MARÇO, DISTRICT IN BAHIA STATE)
- **CONNECTED TO TOMORROW** (CENTRAL OFFICE AND LIMEIRA, IN SÃO PAULO STATE)
- **THE ADVANTAGES OF STAYING IN SCHOOL** (REGIONAL DISTRIBUTION CENTER SUZANO, RIO VERDE AND DOMO OFFICE, IN SÃO PAULO STATE)

### SOCIAL ACTIONS

Mobilization campaigns, in partnership with public agencies and social institutions, are developed to stimulate civic responsibility and solidarity among our employees. Among them, we highlight the Solidarity Campaign, and the campaigns *Amigo Solidário dos Meus Sonhos* (My Dream Supportive Friend), Blood Drive and emergency actions.



Laís Scarabelli Pasqualini (wearing a Voluntariar T-shirt), employee of the Limeira Unit (São Paulo state), during the 2018 Christmas Campaign - *Amigo Solidário dos meus Sonhos*

Photo: David Marques Neves

## COMMITMENT TO THE ENVIRONMENT

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

IN 2018, SUZANO PULP AND PAPER AND FIBRIA CONTINUED THE PROGRAMS AIMED AT EFFICIENCY AND ENVIRONMENTAL MANAGEMENT OF THE INDUSTRIAL AND FORESTRY UNITS, INCLUDING PROGRAMS FOR RESTORATION OF DEGRADED AREAS AND PROTECTION OF REMNANTS OF NATIVE VEGETATION, IN THE AMAZON, ATLANTIC RAINFOREST AND CERRADO BIOMES.

The strategy for social and environmental behavior is embedded in our business models and, among other contributions, helps to combat the effects of climate change by planting eucalyptus and preserving native forest areas, which increase carbon sequestration and carbon stock. In addition, the planting system of both companies, in mosaics, which intersperses natural areas with eucalyptus forests, enables maintenance and development of wildlife and flora species through ecological corridors and promotes quality and maintenance of natural cycles.

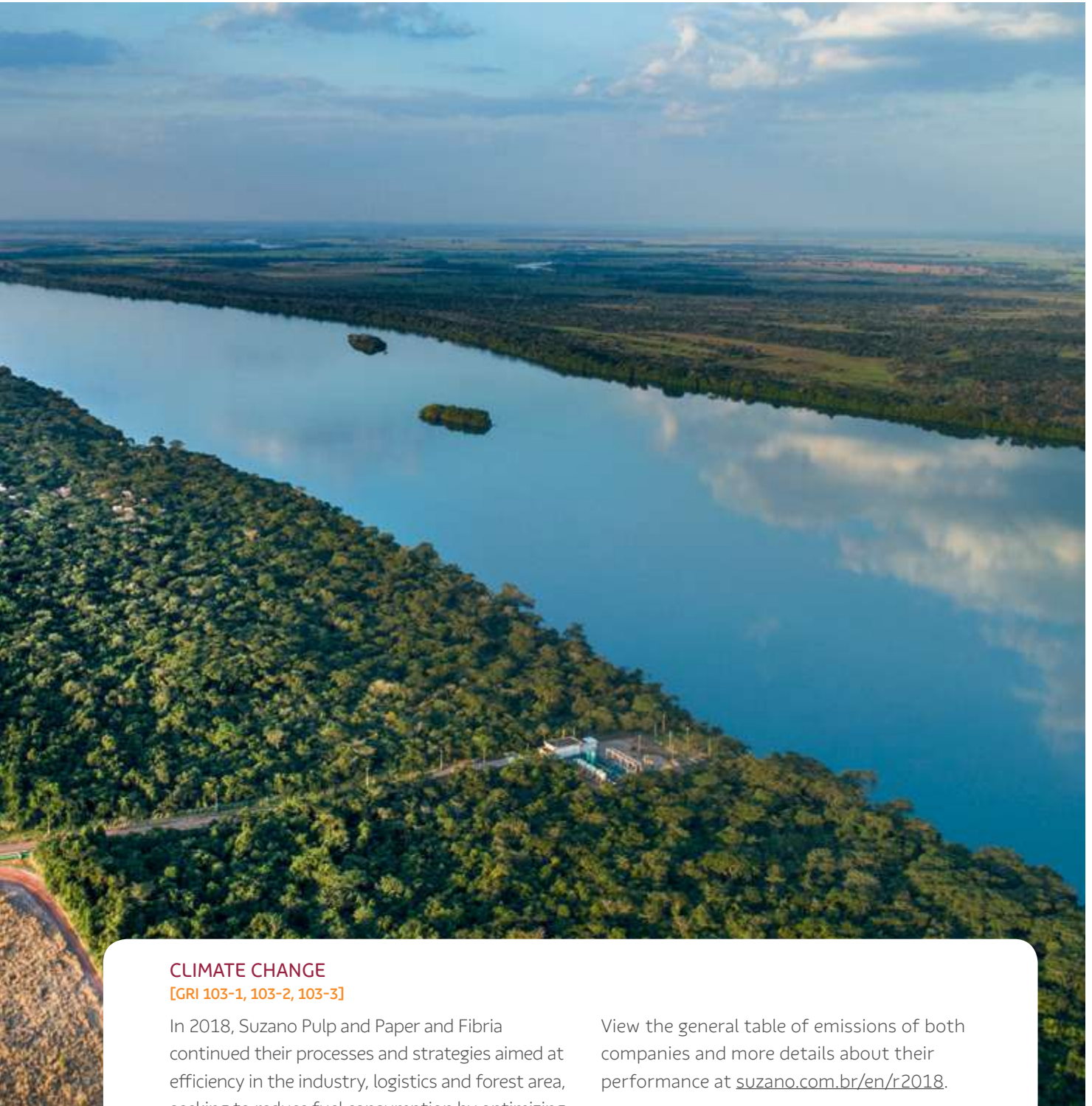
It is worth mentioning that the companies have adhered to their annual planning and carried out environmental training according to the demands identified through the analysis of environmental occurrences or operational needs. The goal is to reduce environmental impacts and mitigate the risk of accidents that could be caused due to lack of knowledge of the operators or operational technicians about the covered topics.

Further information on the subject can also be found in the public summaries of the Forest Management Plans at <http://www.suzano.com.br/suzano/comunicacao/publicacoes/>



Forest mosaic in Três Lagoas (Mato Grosso do Sul state)

Photo: Araquém Alcântara



## CLIMATE CHANGE

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

In 2018, Suzano Pulp and Paper and Fibria continued their processes and strategies aimed at efficiency in the industry, logistics and forest area, seeking to reduce fuel consumption by optimizing resources and implementing new initiatives.

The topic Climate Change has always been important for both companies. Thus, Suzano Pulp and Paper and Fibria prepared their greenhouse gas inventories according to the GHG Protocol methodology, published annually on the platform of the Brazilian Program of the GHG Protocol (<https://www.ghgprotocolbrasil.com.br/>).

View the general table of emissions of both companies and more details about their performance at [suzano.com.br/en/r2018](https://suzano.com.br/en/r2018).

In 2018, Suzano Pulp and Paper conducted a significant review of its sources of emission, reassessing processes and performing on-site validations, thereby increasing the accuracy and transparency of its information, while Fibria quantified reductions in emissions of some of its projects while using its established internal price on carbon.



Forest mosaic, Aracruz  
(Espírito Santo state)

Photo: Márcio Schimming

Both companies made significant progress in measuring carbon stock in native forest areas. Within the Climate Committee, led by IBÁ (Forestry sector association in Brazil) and other companies in the sector, the possible existing techniques and technologies were evaluated and a pilot program in the Vale do Paraíba region was used to gauge the success of the final model.

The results shown in the two inventories (still segregated, since they refer to the year 2018, when we operated separately) were obtained based on different assumptions used in their preparation

processes and, as a result, cannot be added or compared. Thus, since D-day, great efforts have been dedicated to analyzing the methodologies to adapt the data and define a single methodology, yielding an appropriate model capable of showing our actual impact in a climate change scenario.

A first result of this effort was the calculation of the total carbon\* stock in Suzano's eucalyptus forests (consolidating Suzano Pulp and Paper and Fibria), using the Suzano Pulp and Paper methodology as the calculation basis. Thus, it is estimated that today 128 million tons of CO<sub>2</sub>e are stored in our eucalyptus forests.

\* Amount of carbon captured by our eucalyptus planting—through plant growth and the photosynthesis process—and accumulated in their biomass (trunks, branches, leaves and roots).



## FORESTRY ENVIRONMENT

Below are the main environmental initiatives in the forest area. More information on this topic can also be found in the public summaries of the Forest Management Plans at <http://www.suzano.com.br/suzano/comunicacao/publicacoes/>

### Forest Water Management

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

Suzano Pulp and Paper and Fibria have always focused on protecting springs and water bodies located in their units. In addition, they have invested in forest management technology, prioritizing the efficient use of water resources in their forests to avoid risks of water availability in their operations and neighboring communities, which also depend on the same resource. Water is used in the field only in post-planting irrigation to ensure the survival of the seedlings in the early days. After this phase, rainfall, which supplies the springs and groundwater, is the only source of water for eucalyptus and natural vegetation.

Both companies already had their water balance calculation methodologies, responsible for quantifying evapotranspiration (loss of soil water by evaporation and loss of plant water by transpiration) in the production areas. These studies, together with internal research, serve as input to define operational strategies in areas of water stress and allow focusing on the intelligent use of this resource.

### Micro-basins

Both Suzano Pulp and Paper and Fibria were already measuring qualitative and quantitative parameters in the main basins and micro-basins in their operations, in order to monitor the quality and availability of resources, as well as other possible disturbances arising from their forest management. These studies and monitoring are also part of the effort to search for models and more effective techniques to reduce consumption and ensure water availability, as well as water regulation in the locations where we operate.

*Photo: Araquém Alcântara*

Pruning of eucalyptus forest by the Cooperative of Rural Workers and Farmers of the Quilombola Community of Córrego de São Domingos, in São Mateus (Espírito Santo state)

### Mucuri Springs

The Nascentes do Mucuri (Mucuri Springs) project, in place since 2017 by Suzano Pulp and Paper, works to sustain the Mucuri River, fostering the protection of its springs and its surroundings. There are no Suzano units in the region where the project is being developed. The site was chosen because it has remnant vegetation from the Atlantic Rainforest. It is one of the most biodiverse and one of the most threatened biomes on the planet, and is the source of water for our operations in Mucuri and home to an asset on which several communities and local economic activities depend: the Mucuri River Basin. The river is born in Northeastern Minas Gerais and its mouth is in Southern Bahia state, covering 446 kilometers in an area of approximately 15,400 square kilometers and 537,000 inhabitants.

In recent years, the region has been suffering from a reduction in flow of the river because of deforestation and consequent degradation of water resources, with siltation of swamps, springs and courses of water. Drought affected the region and compromised the water supply for the population, who, living in municipalities with a limited structure, needed alternative sources, impacting local livestock producers and fishermen, who had to give up their activities, and directly affecting the composition of their income. In this scenario, Nascentes do Mucuri promotes environmental education and training of local producers to consolidate a culture of preservation of the natural environment.

*Photo: Bruno Fujii*



*From left to right: Cássius Pinheiro, Ivan Nery, Joaquim Lopes, and Leiliane Leal, Nascentes do Mucuri Project (Bahia state)*

## NUMBERS IN 2018

**339** SPRINGS  
UNDERGOING RESTORATION

**49,040** SEEDLINGS  
PLANTED

**9,913** PEOPLE  
MOBILIZED

**1,407** HOURS  
DEDICATED TO SOCIAL  
AND ENVIRONMENTAL  
EDUCATION

**1,108** RURAL  
PROPERTIES  
VISITED

**9** OFFICIAL PARTNERS (INSTITUTIONAL AND FINANCIAL), INCLUDING THE NATURE CONSERVANCY (TNC), STATE FORESTRY INSTITUTE OF MG, FOREST HOUSE, ECOFUTURO INSTITUTE, SONOCO, ENVIRONMENTAL CONSERVATION AREA ALTO DO MUCURI, AND TERRA INSTITUTE

### Fire fighting

Suzano Pulp and Paper and Fibria have always promoted ongoing fire awareness and environmental education awareness activities, involving community workers and stakeholders in the vicinity of their eucalyptus operations and native forests. The companies, which are no longer using fire/slash-and-burn to prepare the soil, continue to work, now as Suzano, to monitor possible fire outbreaks in their areas and in neighboring areas.

The neighbors of the farms controlled by Suzano are committed to communicating the company, in advance, about any planned controlled burning, so that the Fire Department can monitor and ensure safety to the activity. Campaigns and channels recommend that the communities contact Suzano if they see fire in the region. We follow the recommendations of the Brazilian Institute of the Environment (IBAMA), in its PREVFOGO program, of which we are supporters.

As part of fire prevention initiatives, we have 110 forest monitoring towers. There are 50 in the lands that belonged to Fibria, 21 in areas that belonged to Suzano Pulp and Paper in Espírito Santo and Bahia states, and additional 39 towers in Maranhão state. Since the field teams work in full synergy with system operators, this solution allows for almost immediate response in the occurrence of fires or suspicious activities in the areas. In addition to the primary fire fighting purpose, the cameras serve multiple purposes on our farms:

- Monitoring to combat fire outbreaks in planted forests and in preservation areas, and in areas with high conservation value.
- Sighting of fauna species (we have images of a couple of cougars in Três Lagoas, for example, that were captured by these cameras).
- Asset security.

	OWN AND LEASED AREAS	* VERACEL (Joint venture Stora Enso)	FORESTRY PARTNERSHIP	GRAND TOTAL
Planted + Available	1,251,917.01	51,068	138,283.23	1,441,268.24
Intended for conservation	869,007.75	56,590	-	925,597.75
Infrastructure	101,644.00	6,120	-	107,764.00
<b>TOTAL</b>	<b>2,222,568.76</b>	<b>113,778.00</b>	<b>138,283.23</b>	<b>2,474,629.99</b>

\* including Veracel

### Areas for conservation

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

With the merger and unification of operations, Suzano currently has 925,600 hectares of conservation areas, reaching a significant mark of more than 39% of its total area devoted to this purpose.

### High Conservation Value Areas (HCVAs)

In addition to maintaining preservation areas provided for by law, Suzano Pulp and

Paper and Fibria voluntarily conserved areas where they found important social and environmental attributes such as biodiversity (occurrence of endangered, rare and endemic species, etc.), extension of well-preserved forest fragments and of rare/threatened ecosystems, environmental services (such as water conservation and erosion control), among others. Consolidating the numbers of both companies, Suzano now recognizes 69 HCVAs, which cover an area of 62,864 hectares.

Photo: Adriano Gambarini/WWF Brasil

Barão de Santa Branca Farm -  
24 Polygon (São Paulo state)



Photo:  
Adriano Gambarini/  
WWF Brasil

Barão de Santa  
Branca Farm  
- Legal Reserve  
(São Paulo state)



## ZERO DEFORESTATION

We remain committed to the non-commercialization of timber or any other product containing wood fibers from natural forests converted into commercial forests, pursuant to the wood purchase policies and forest management plans of the two former companies. Our operation takes place in exclusively and already consolidated agricultural areas.

## Biodiversity

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

The purpose of the regular monitoring of wildlife and flora, carried out in partnership with NGOs and universities, is to understand, identify and monitor the development of biodiversity in the region, evaluate the effects of forest management and adopt measures to raise awareness and protect the environment. The gains from this conservation and monitoring process include the identification of rare species and even the discovery of new species. In February 2018, for example, researchers discovered a new species of tree that was named *Ocotea mantiqueirae* belonging to the *Lauraceae* family (popularly known as cinnamon). The discovery of a new species and the sighting of rare species shows the responsible management carried out by the company, which always seeks to contribute to the conservation of biodiversity and the balance of the environment.

## Management of forest waste

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

All forest operations are carried out in accordance with the procedures adopted to classify, sort, store, collect, transport and dispose of waste generated in forestry activities and operations, in order to:

- Reduce waste generation.
- Reuse waste generated.
- Optimize its use to the fullest before final disposal.
- Recycle waste.
- Handle waste properly.
- Ensure proper final destination, which guarantees the conservation of soil, water and biodiversity in the areas.



Restoration of eucalipto anelado  
- Taboão Farm (São Paulo state)

*Photo: Adriano Gambarini/WWF Brasil*

## SUZANO AND RESTORATION

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

Suzano Pulp and Paper and Fibria already had in place restoration programs that, today, when combined, show the strength of this new company regarding this subject. With the merger of the companies, the forest restoration program is carried out in three Brazilian biomes - Amazon, Atlantic Rainforest and Cerrado. In ten years, more than 11 million native seedlings were planted, contributing to maintaining biodiversity, and preserving springs and quality of natural cycles.

One of the main objectives of the restoration program is to regenerate degraded areas, restoring the local ecosystem. In line with the goals of Agenda 2030 and the Paris

Agreement, Suzano works to conserve important habitats, increasing plant cover and biodiversity, protecting soils and springs, and increasing sequestration and stock of greenhouse gases. An important front of the program that took place at Fibria was the development of initiatives with vulnerable rural communities for the production of native seedlings used in the program and environmental education for restoration of springs in neighboring communities.

Best practices implemented and the knowledge generated are widely shared with stakeholders of the restoration network, such as local communities, NGOs and universities.

### NUMBERS FOR RESTORATION AT SUZANO UNTIL THE END OF 2018

With the consolidation of the two companies, in all, 3,767 hectares had their restoration process started in 2018.

In 30 years, these areas should sequester approximately 2,668 million tCO<sub>2</sub>e from the atmosphere, contributing to the environmental rebalancing of the planet.

The 11 million seedlings planted in the last 10 years are intended to restore areas on 1,335 farms in Bahia, Espírito Santo, Maranhão, Mato Grosso do Sul, São Paulo and Minas Gerais states.

Use of software, apps and tools, such as GISAgri, LIDAR (Light Detection And Ranging) and drones, support the activities involving planning and monitoring of the success of performed activities.

### Industrial Environment

Suzano's units work with the concept of operational efficiency seeking eco-efficiency of the process, especially in terms of water, energy, waste and chemicals. Whenever possible, industrial operations work to close cycles, reusing resources and waste.

The energy matrix of both companies is supported, to a large extent, by renewable sources. A very interesting point is the fact that both use eucalyptus biomass as their own source for energy generation. And, in some production units surplus energy is sold to the national public grid, supplying the country with cleaner and renewable energy.

In 2018, the energy matrices of Suzano Pulp and Paper and Fibria were composed of 88% and 92% renewable sources, respectively.



In the last 10 years

11 million

SEEDLINGS PLANTED  
ARE INTENDED TO  
RESTORE AREAS ON 1,335  
FARMS OF THE COMPANY

Photo: Márcio Schimming

Tiago dos Santos Vescovi -  
Technology Center, in Aracruz  
(Espírito Santo state)



## HIGHLIGHTS OF THE UNITS IN 2018

### TRÊS LAGOAS UNIT (MATO GROSSO DO SUL STATE)

**Water:** we had the lowest water withdrawal in the history of the unit with abstraction of 26.3 m<sup>3</sup>/adt, down 11% compared with 2017. In addition, in the year we recovered approximately 520,000 m<sup>3</sup> of rainwater from its ponds. This rainwater is sent to the entrance of the Water Treatment Station reducing the need for withdrawal from the Paraná River.

**Waste:** we recorded the lowest volume of waste sent to landfills, considering the volume of waste sent per ton of pulp produced, down 23% compared with 2017. The weighted average of the two production lines recorded a result of 16 kg/adt, 20% less than in 2017. The highlights were the greater sale of primary sludge, burning of biological and mixed sludge, reuse of sand generated in covering the landfill and use of lime sludge as an industrial and agricultural byproduct.

### ARACRUZ UNIT (ESPÍRITO SANTO STATE)

**Effluents:** the unit reduced by 22% its phosphorus discharge in the water, contributing to increasing water quality through the installation of 11 new aerators in the treatment ponds and by reducing the temperature of the effluent by 5.6 degrees. Increased aeration and lower effluent temperature allowed for better survival conditions of the biota, resulting in a qualitative and quantitative increase in the number of microorganisms in the ponds and, consequently, a greater demand for nutrient consumption.

**Waste:** there was a 16% reduction in waste generation compared with the previous year. We increased recycling by 5%. One of the initiatives that contributed to this result was a 35% reduction in primary sludge generation and a 60% reduction in sludge and lime generation.



Carlos Rodrigues da Silva  
- B5 Machine, in Suzano  
(São Paulo state)

Photo:  
Disclosure Suzano





Paula Borges Mishima  
- Technology Center, in  
Jacaré (São Paulo state)

Photo: Márcio Schimming

#### JACARÉ UNIT (SÃO PAULO STATE)

**Waste:** we significantly reduced generation of biological sludge by 22,886 tons compared with 2017. This was possible due to the startup of the biological sludge dryer installed in the Effluent Treatment Station, which, in addition to reducing generation, enabled the use of dry sludge to generate energy in the biomass boiler.

**Air emissions:** as of September, when the project to change fuels in the lime kilns from oil to natural gas was completed, there was an average reduction of 2,400,000 kg of CO<sub>2</sub>/month from these sources compared with the same period in 2017.

#### MUCURI UNIT (BAHIA STATE)

**Waste:** the Effluent Treatment Station, implemented at the end of 2017, allowed for a significant reduction of the organic load discharged into the Mucuri river, using activated sludge technology. The station's operation also allowed for 23% less sludge generation at the end of the treatment, compared to what was originally expected by the project.

**Water:** Mucuri's industrial unit achieved the lowest water use per ton of pulp, reaching 25.2 m<sup>3</sup>/adt in June 2018, compared with the annual average of 26.75 m<sup>3</sup>/adt. This result stems from the robustness and constant search for improvement in management of water use — a subject that relies on a working group dedicated to its discussion and treatment.

### IMPERATRIZ UNIT (MARANHÃO STATE)

**Chemicals:** with the installation of the DD-Washer, there was an increase in the efficiency cellulose pulp washing process, thus reducing consumption of chemicals, such as chlorine dioxide, in the bleaching stage of the pulp. Consumption of chlorine dioxide reduced from approximately 11.3 kg/ton to 10 kg/ton per day.

### LIMEIRA UNIT (SÃO PAULO STATE)

**Water:** we had the best result for water withdrawal in the unit's history with an average withdrawal of 2,646 m<sup>3</sup>/h, accounting for a reduction of 27% in relation to the grant established by the Brazilian National Water Agency.

**Waste:** we improved the rate of recyclable waste in waste sorting collection, reaching 62%. This reflects an increase in people's awareness of the importance of proper sorting of waste, contributing to a reduction in the volume sent to landfills.

### SUZANO UNIT (SÃO PAULO STATE)

**Water:** reduction in the number for Biochemical Oxygen Demand (BOD5)—which indicates a decrease in the content of organic matter in the water effluent—with an average result of 1.31 t/day in 2018, compared with a discharge rate of 2.1 t/day, representing the best performance since 2013. This reduction contributes to generating a treated effluent of better quality, thus minimizing the possibility of adverse environmental impacts on water resources.

**Waste:** we increased by 66% the destination of primary sludge reused as fiber (external recycling), an alternative to some less environmentally-friendly types of final disposal, such as landfills.

**Primary sludge recycled in 2017**

**= 20,135 t/year**

**Primary sludge recycled in 2018**

**= 33,388 t/year**

Photo: Márcio Schimming

Plant in Imperatriz (Maranhão state)



**RIO VERDE UNIT (SÃO PAULO STATE)**

**Waste:** 95% of the primary sludge generated in 2018 was recycled as fiber (external recycling), compared with 75% recycled in 2017, replacing other types of final disposal.

**2018 GOALS: INDUSTRIAL ENVIRONMENT**

	GOALS	RESULTS	ACHIEVED GOALS
<b>IMPERATRIZ<sup>1</sup></b>			
Water consumption (m <sup>3</sup> /adt)	23.73	24.8	No
BOD (kg/adt)	0.45	0.07	Yes
Waste generation (kg/adt)	135.2	132.4	Yes
Waste sent to landfill (%)	53.1	60.16	–
<b>LIMEIRA<sup>2</sup></b>			
BOD (t/day)	1.1	0.46	Yes
Water consumption (m <sup>3</sup> /t of market pulp, paper and transfers)	29.15	29.37	No
Recyclable material (%)	57.7	62.7	Yes
<b>MUCURI</b>			
Water consumption (m <sup>3</sup> /adt)	27.01	26.75	Yes
BOD (t/day)	1.0	0.9	Yes
Waste sent to landfill (kt/month)	11.5	9.4	Yes
<b>RIO VERDE</b>			
Water consumption (m <sup>3</sup> /t)	11.8	12.8	Yes
BOD (% removal efficiency)	88	93	Yes
<b>SUZANO<sup>3</sup></b>			
Water consumption (m <sup>3</sup> /t)	37.37	39.11	No
BOD (t/day)	2.1	1.3	Yes
Waste sent to landfill (kt/month)	1.2	0.7	Yes

**1 Imperatriz:** Pursuant to the management method developed to achieve this goal, an engineering modification was conducted to replace the use of industrial water with cooling water from the heat exchanger of the cooking process. However, this change was not successful and, consequently, it was necessary to return to the original system.

**2 Limeira:** the specific water consumption target (m<sup>3</sup>/ton of market product) was not reached due to the truck drivers' strike and deviations in production.

**3 Suzano:** the goal was not met due to the high consumption of water in the paper production area. For 2019, the reliability team is expected to be involved in strategic operation in equipment with a water recovery function, thus ensuring the availability of the equipment for that purpose.



## OUR COMMITMENT TO HEALTH AND SAFETY

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

Commitment to team safety in all forestry, industrial, logistics, laboratory or office operations is another topic common to Suzano Pulp and Paper and Fibria. The year 2018 was marked by a series of initiatives that demonstrate how serious the issue of safety is for the companies and how committed they are to the evolution of the culture of and engagement with safety and, as a consequence, zero accidents.

At Fibria, industrial operations had the best historical result in 2018. For the fifth consecutive year, the rate of accidents with lost time was less than 0.2 accidents per 200,000 MHW (man-hours worked), below the average for the industry, which shows consistency in the health and safety management model implemented by Fibria in operations. It is worth mentioning that in 2018 there were no fatalities in the operations of Fibria or Suzano Pulp and Paper. The zero accident goal will continue to be pursued year after year.

Izabela Lobato de Souza and Jessly Bandeira de Oliveira - Occupational Safety, in Imperatriz (Maranhão state)

Photo: Márcio Schimming



5<sup>th</sup> consecutive year

IN WHICH THE LOST TIME INJURY FREQUENCY RATE WAS BELOW 0.2 ACCIDENTS PER 200,000 MHW



Below we highlight the main initiatives:

**Internal Week for the Prevention of Workplace and Environmental Accidents (SIPTMA):** held at all the company's operating units, the Internal Week engaged all employees with this topic and brought about valuable considerations on the importance of putting safety first in all activities, whether inside or outside the company.

**Safety Pact:** a forest operations program jointly developed between the leadership and the field teams, in which everyone signs a large banner containing safety guidelines, reaffirming, year after year, the commitment to zero accidents.

**Training on safe behavior:** each year, dozens of professionals are trained to become observers. They learn to develop a keen eye to detect risks, assist in analyzing opportunities, and record everything they see on the Work Risk Assessment (ORT - *Observação de Risco no Trabalho*) form.

At Suzano Pulp and Paper, the year 2018 was once again marked by a reduction in the number of occurrences with lost time, a feat that has been achieved in the last five years and, in the last three years, we have reached a rate below 0.11 accidents per 200,000 MHW, considering all operations of Suzano Pulp and Paper. The result is below those recorded for the segment and indicates that the company has been advancing its culture of safety and zero accidents.



Ivair Ferreira de Almeida  
- Forestry - JFI, in Capão  
Bonito (São Paulo state)

Photo:  
Márcio  
Schimming

Here are some initiatives:

**Safety sponsors:** all newly hired employees from the operational areas are now supported by safety sponsors to support them in the first year with the company. The goal is to reduce the number of accidents that occur most frequently during the first 12 months of employment.

**Blocking of energy sources:** the forest area implemented a new process during maintenance of the machines used in forestry. Power sources, such as ignition or main switches, are now blocked with locks placed by the machine operator and mechanic, preventing trucks, tractors and other equipment from moving involuntarily while maintenance is being performed.

**Hearts and Minds:** Suzano Pulp and Paper was supported by a consulting firm specializing in the Hearts and Minds methodology to strengthen the company's culture of safety. Employees of the operations have been heard since 2018 to identify strengths and needs for improvement in order to raise the level of safety within the company. The consulting work should be completed by the end of 2019.

**SI - Safety Indicator:** the implementation of SI, in which the safety tools applied by team leaders and safety programs applicable to the team are now quantified (IGS) and qualified (IQS). This enabled the mapping and definition of even more assertive actions in a continuous search for improvement of the process and for the maturing of the safety culture.

## OUR CERTIFICATIONS

The certifications adopted by Suzano should reflect the continuity of the governance model already consolidated by Suzano Pulp and Paper and by Fibria, both in industry and in forests.

### Forest Scope<sup>1</sup>:

- PEFC/Cerflor® (Brazilian Forest Certification Program) - Forest management
- FSC® (Forest Stewardship Council®) - Forest management<sup>2</sup>

<sup>1</sup> Nearly 79% of Suzano's planted areas are certified.

<sup>2</sup> FSC-C104120 and FSC-C010014 chain of custody and FSC-C100704 and FSC-C009927 forest management certifications.

### Industrial Scope:

- NBR ISO 9001 - Quality
- NBR ISO 14001 - Environmental management
- OHSAS 18001 - Health and Safety
- PEFC/Cerflor (Brazilian Forest Certification Program) - Chain of custody
- FSC (Forest Stewardship Council®) - Chain of custody<sup>2</sup>

Photo: Márcio Schimming



From left to right: Sergio Fernando Dalmaschio, Lara Confalonieri Bastos, and Marluce Feitosa Maciel - Drying, in Aracruz (Espírito Santo state)



## OUR RECOGNITIONS IN 2018

### SUZANO PULP AND PAPER

**Executivo de Valor – Valor Econômico**  
Cardboard, paper and pulp category - Walter Schalka

**CEO of the Year in Latin America – RISI**  
Walter Schalka

**Bonds & Loans Latin America Awards**  
Bonds & Loans  
Sub-Investment Grade Corporate Bond Deal  
of the Year category

**HSM Leadership Management**  
Leadership Teams category  
Transformational Leaders category - Walter Schalka

**Hexagon Shaping Smart Change – Hexago**  
**Most Admired Legal and Finance Executives –**  
Analysis Legal and Finance Executives –  
Marcelo Bacci

**50 Best Agribusiness Companies in Brazil**  
*Forbes*

**Best Practice in Management of Legal  
Departments – Intelijur**

**Best CEOs in Brazil – Forbes**  
Walter Schalka

**Empresa de Valor – Valor Econômico**

**The Best of Dinheiro – IstoÉ Dinheiro**  
Corporate Governance of the Pulp and Paper  
Segment category

**5<sup>th</sup> “Latin American Corporate Counsel  
Association Awards” - LACCA**

**Companies that Best Communicate with  
Journalists – Negócios da Comunicação Magazine**  
Forestry Base category

**Best Brands – Lojas Papelaria, Informática,  
Brinquedos & Cia Magazine**  
White and Colored Printer/Copier Papers category

**LIDE Education and Innovation Award**  
Education category

**Largest Companies in the World – Forbes**

**Global 2000: World’s Best Employers – Forbes**

**Industry Highlights – ABTCP**  
Manufacturer of Tissue Paper category

**17° Graphprint Award - Revista Graphprint**  
Coated Writing and Printing Paper category

**Best Companies to Work – Você S/A**  
150 Best Companies to Work for and  
Career categories

**Sofidel Suppliers Sustainability Award – Sofidel**

**Best Companies for an Internship Interview –**  
Love Mondays

**Ranking 50 Most Beloved Companies in Brazil –**  
Love Mondays - chosen for the second time with an  
overall satisfaction rating of 4.15 on a scale of 1 to 5.

**O Equilibrista – IBEF-SP**  
CFO of the Year - Marcelo Bacci

**45 Best Companies to Start a Career – Você S/A**  
Employer Branding category

**Bonds & Loans Awards**  
Categories Latin America Investment Grade Bond  
Deal of the Year, Latin America Syndicated Loan  
Deal of the Year, Corporate Bond Deal of the Year  
and Syndicated Loan Deal of the Year



## FIBRIA

### PMI Project of the Year Award –

Project Management Institute  
Project Horizonte 2 was chosen one of the three best projects in the world, based on the excellence adopted in its management practices

**Green Seal – Certificate of Environmental Highlight** – *Jornal do Meio Ambiente do Estado de São Paulo*

**Neide Castanha Award** – Executive Secretary of the National Committee to Combat Sexual Violence against Children and Adolescents  
Social Responsibility category

**The 50 Best Agribusiness Companies in Brazil** – *Forbes Brasil*

**Top of Mind LEC Compliance** – 6<sup>th</sup> International Compliance Congress Financial Compliance category - Adjarbas Guerra

**Gazeta Empresarial Award** – Instituto Futura  
Best Company in Aracruz category

**Most Admired Financial Executives Award** – *Revista Análise Editorial* – Most Admired CFOs in Brazil category - Guilherme Cavalcanti

**Ranking 100 Open Startups**  
Ranked 19<sup>th</sup> in the Top 50 Open Corps

**Business Leader** – Rede Vitória/RECORD and newspaper Folha de Vitória

**Leader of the Year and Leader in Largest Companies of Espírito Santo** – Marcelo Castelli

**Global 2000** – *Forbes* (Fibria)

**Highlights of the Year** – ABTCP Forest Development Category (Aracruz timber logistics project) and Market Pulp Maker (construction of the second Três Lagoas line, Horizonte 2 project)

### Institutional Investor Magazine

Categories: Best IR Professional - Camila Nogueira, Best IR Program, Best Analyst Day, Best Environmental, Social and Governance (ESG) Metrics, and Best IR Team among Sell Side analysts

**Best of Dinheiro** – *IstoÉ Dinheiro*

**Best Agribusiness Award** – *Globo Rural Magazine*  
Pulp and Paper category

**Época Negócios 360°** – *Época Negócios Magazine*

**Aberje Regional Award São Paulo**  
Digital Communication category with the project Pessoas Únicas e Suas Histórias (Unique People and Their Stories)

**Exame Sustainability Guide**

**Jatobá Excellence and Innovation Award in PR** – Internal Communication and Corporate Media categories

**10 Innovative and Scalable Initiatives for Sustainable Land Development in Latin America and the Caribbean** – FAO-UN Honorable Mention for the PDRT

**The Legal 500** – GC Powerlist Brazil – Mariangela Bartz

**UPM Changshu Supplier Award**  
Best Strategic Supplier by UPM

**Quality Assessment (QA) Certificate** – The Institute of Internal Auditors Inc. – IIA

**Eco Brazil Award by Amcham** – (Brazil-US Chamber of Commerce)  
Sustainability in Process category with the Case 'Natural Capital': Valuation of Fibria Externalities

Rita De Cassia Escalfoni  
- Technology Center -  
Cell 3, in Aracruz  
(Espírito Santo state)  
*Photo: Márcio Schimming*



# New Suzano

[GRI 102-2, 102-4, 102-6, 102-7]



# 4.1 Our numbers



Nearly **1.3 million** HECTARES OF PLANTED AREAS

Over **900,000** HECTARES OF CONSERVATION AREAS, INCLUDING NEBLINAS PARK IN SÃO PAULO

**113** ECOFUTURO COMMUNITY LIBRARIES IN 12 STATES

More than **35,000** COMPANY EMPLOYEES AND CONTRACTORS



**7** pulp MILLS

**3** paper MILLS

Energy: AVERAGE SURPLUS OF **90 mwh** (EQUIVALENT TO A CITY WITH A POPULATION OF **1.4 million**)



**86** countries SUPPLIED WITH PRODUCTS FROM SUZANO

**35,000** CUSTOMERS IN THE PAPER SEGMENT

**Veracel – result of a joint-venture with Stora Enzo**  
**Integrated supply chain**

**10.9 million** TONS OF ANNUAL PULP CAPACITY

**1.4 million** TONS ANNUAL PAPER CAPACITY



**8** INTERNATIONAL OFFICES



**8** RESEARCH CENTERS



**20** DISTRIBUTION CENTERS IN BRAZIL



**R\$ 22 billion**  
INVESTMENT OVER THE  
LAST THREE YEARS

**R\$ 26 billion**  
EXPORTED IN THE  
LAST 12 MONTHS

**\* R\$ 31.7 billion**  
NET REVENUE

**\* R\$ 16.4 billion**  
OF ADJUSTED EBTIDA

**\* R\$ 12.5 billion**  
OF OPERATING  
CASH GENERATION

**\* 42%** GROWTH OVER  
THE PREVIOUS YEAR

**40%** MARKET SHARE IN BRAZIL  
IN PRINTING AND WRITING PAPER,  
CONSIDERING SUZANO'S MARKET  
OF OPERATION

More than

**2 billion**

PEOPLE WORLDWIDE IMPACTED  
BY OUR SERVICES AND PRODUCTS

**3 PORTS**  
FOR PULP EXPORTS

**All mills located near the coast  
or connected to railways**

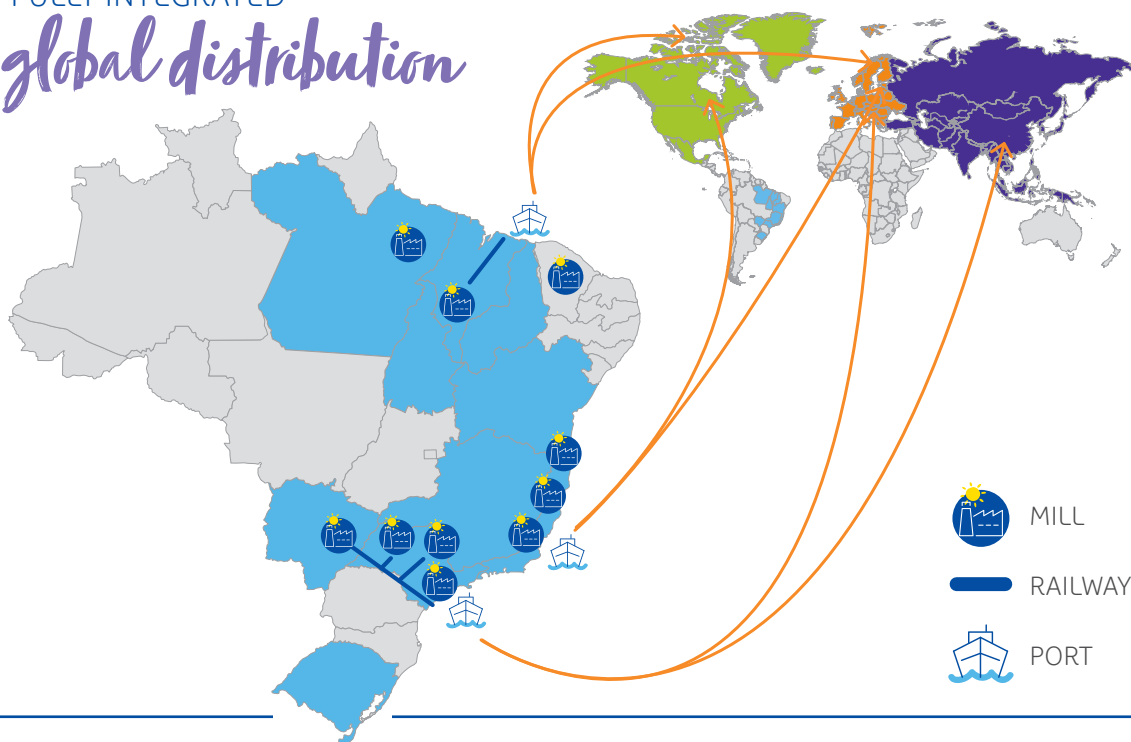
**12 FULLY DEDICATED  
SHIPS**

\* Proforma data - seek to reflect, based on the annual results of the two companies - which in 2018 were still independent - the numbers and results of the new Suzano.



FULLY INTEGRATED

**global distribution**



## 4.1 Our culture

AT THE END OF 2018, SUZANO PULP AND PAPER AND FIBRIA COULD LOOK BACK AND SEE THAT THEY WERE BOTH SUCCESSFUL IN THE DOUBLE MISSION OF DELIVERING STRONG OPERATIONAL RESULTS AND SIMULTANEOUSLY ORGANIZING THE COMPANIES FOR THE MERGER. THEY STARTED 2019 READY TO BUILD THE NEW SUZANO TOGETHER!

*Photo: Ricardo Teles*

*From left to right: Everaldo Souza Mota, Waleska Botacim Tonole, and Hawanni Ferrete Batista - Forest Logistics and Administrative Coordination, in Mucuri (Bahia state)*





Giovani Henrique de Almeida and Adriano Silva Teodoro - B8 Machine, in Suzano (São Paulo state)

Photo: Ricardo Teles

A unique and strong business is made by people working in the same direction. For this reason, the greatest challenge has been to align company employees and contractors around the same convictions, beliefs and values. Regardless the business front—from employees in the field who are in contact with our neighbors to the colleagues who interact with our customers or representatives of the government sector—we want to be able to tell the same story - after all - we all have the same goal.

As soon as the first tier of Suzano's executives were defined, in December 2018, they gathered for three-day off-site meetings to kick-off the integration. During the meeting, in a welcoming, engaging and productive atmosphere, the group put together the new Company's culture Drivers, a set of guidelines about who we are, what we do and how we do it—and that reflect what the company intends to be. Subsequently, the work done by the

Directors was submitted for validation by focus groups, formed by people from different hierarchies, positions and locations from both companies, who confirmed the compliance with the principles.

After the creation of the culture Drivers and consolidation of the business in January 2019, the CEO and the Board of Directors visited together all Suzano Units to communicate the Drivers to the employees, in a first step of the engagement. The mobilization wave that followed, also in 2019, involves the translation of the culture Drivers into the day-to-day activities of the company, through various training and communication actions, and the revision of processes and of our people management practices. At all levels of the company, decision-making should comply with these culture guidelines. This is a project that will take up an extensive company agenda throughout 2019.

## DRIVERS OF THE NEW JOURNEY

[GRI 102-16]



### Who we are

#### People who inspire and transform

##### We believe in:

- Having courage and competence to make things happen
- Cultivating diversity makes us stronger
- Working together and for everyone
- Overcoming expectations is what drives us
- Being 'strong-and-kind'

##### We do not believe in:

- Being arrogant
- Not learning from mistakes
- Complicating what is simple



### What we do

#### Create and share value

##### We believe in:

- Thinking and acting big and globally
- Evolving continuously and quickly
- Innovating to advance
- Building and sharing success considering everyone involved

##### We do not believe in:

- Levelling down
- Seeking results at any cost
- Focusing solely on short-term goals



### How we do it

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

##### We believe in:

- Establishing a dialogue to build better things in a better way
- Being a protagonist in the evolution of society
- Always helping in a sustainable manner
- Seeking for the admired profit

##### We do not believe in:

- 'Assistentialist' practices
- Losing focus on competitiveness





Photo:  
Ricardo  
Teles

From left to right: Roberta Amorim Tannus, Ana Elisa de Almeida Rossi, and Claudio Covolo Júnior - Legal Department, at the Suzano Central Office (São Paulo state)



## TRANSFORMATION AGENTS

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

Suzano is born a leader and this leadership brings with it a world of responsibilities and opportunities. For a company with 35,000 employees and that directly impacts 2 billion people with services and products, it is not enough to simply comply with all laws and rules. We must go beyond! Therefore, sustainability is approached cross-sectionally in the culture Drivers, entering as a strategic part of the business.

Our goal is to have a leading role in the industry where we operate and, through it, become a transforming agent of society. We want to show that it is possible to be profitable while being inclusive and respectful with people and the environment. We will not back away from, for example, participating in debates on urgent issues for the country, as is the case of education, which affects the development of Brazil.

Suzano created and has maintained, since 1999, Ecofuturo Institute, a non-profit organization that works to transform society by fostering reading and environmental conservation (*learn more on page 46*).

In addition, we are committed to the Sustainable Development Goals (SDG), which are 17 global goals set by the UN General Assembly to engage companies, governments and institutions in a common sustainable agenda.

## THE DIFFERENCE THAT STRENGTHENS

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

DIVERSITY AND INCLUSION MAKE US STRONGER. THIS IS ONE OF THE CONCEPTS THAT WE WANT TO EXPERIENCE ON A DAILY BASIS IN OUR NEW CULTURE. BOTH SUZANO PULP AND PAPER AND FIBRIA HAD IN PLACE PRACTICES THAT FOCUSED ON THIS TOPIC.

Thus, since the beginning of 2019, a multidisciplinary group, led by the Human Resources Department, has been working on a set of actions aimed at valuing diversity and inclusion as a competitive differentiator in our company. Overseeing the mapping and monitoring the work developed voluntarily by the employees is Grupo Plural, which is an organic movement started in 2016 at Suzano Pulp and Paper and which today engages employees who are interested in dealing with this topic in the company. In 2018, Plural, which previously focused on the gender issue, gained strength with the inclusion of two other thematic groups: Plural Black, which discusses racial and ethnic inclusion, and Plural Pride, which debates the issues of the LGBTI+ community (Lesbian, Gay, Bisexual, Transgender, Intersex and others).

Photo: Ricardo Teles



From left to right: Andreia Silvestre (Procurement), André Dias (Procurement), Renata Lima (Communication), Tomas Barrandeguy Oreste (Procurement), and Joseane Silva (Procurement), in São Paulo (São Paulo state)

For 2019, in addition to the coordination work carried out by volunteers and allies of Plural, there is a professional in the HR expertise team dedicated to diversity and inclusion at Suzano. The inclusion of this topic in the structure of the HR Department is new and demonstrates the importance that this topic has for the company. The 2019 agenda also includes a coordination work, with the participation of an internal network of employees, to mobilize leaders and their teams towards the advances that the company hopes to achieve. These will be initiatives on several fronts, especially in the structuring and definition of governance for the diversity movement within the company, with

the definition of roles, responsibilities, sponsors for affinity groups (involving the Executive and Functional Board) and goals. Everything is closely monitored by the Department of Strategy, People, Communication, IT and Digital, to which the HR Department reports.

In addition, in March 2019, Suzano reaffirmed the adherence assumed by Fibria to the Business Initiative for Racial Equality, which brings ten commitments that the company must pursue in order to promote the issue internally. New commitments on other fronts worked by Plural are being studied to be presented to the company's leadership.

## THE MAIN CHALLENGES FOR 2019

IN ADDITION TO THE DEVELOPMENT OF A SINGLE CULTURE, THE CAPTURE OF SYNERGIES (SEE IN THE INFOGRAPHIC BELOW SOME OF THE SYNERGIES ALREADY MAPPED), THE INTEGRATION OF IT SYSTEMS, AND BUDGET PLANNING ARE SOME OF THE GREAT CHALLENGES FOR THE YEAR.

### STRUCTURAL COMPETITIVENESS BOOSTED BY SYNERGIES

SELECTED EXAMPLES	INDUSTRIAL	FORESTRY	LOGISTICS/ COMMERCIAL	PROCUREMENT	G&A
<b>Initiative</b>	<ul style="list-style-type: none"> <li>Reduction in products (SKUs) per plant</li> </ul>	<ul style="list-style-type: none"> <li>Wood supply optimization</li> </ul>	<ul style="list-style-type: none"> <li>Routes optimization</li> </ul>	<ul style="list-style-type: none"> <li>Contractual parameters equalization</li> </ul>	<ul style="list-style-type: none"> <li>Organizational structure adjustment</li> </ul>
<b>Benefit</b>	<ul style="list-style-type: none"> <li>Lower consumption of chemicals</li> <li>Higher overall equipment effectiveness</li> </ul>	<ul style="list-style-type: none"> <li>Wood logistics cost reduction</li> </ul>	<ul style="list-style-type: none"> <li>Operational scale expansion</li> <li>Transshipment costs reduction</li> </ul>	<ul style="list-style-type: none"> <li>Lower cost in industrial and forestry inputs and fuel</li> </ul>	<ul style="list-style-type: none"> <li>Headcount reduction</li> </ul>

## INTEGRATING PROCESSES AND PEOPLE

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

Also in 2018, many of the people management policies and practices were evaluated in a comparative manner during the Clean Team work within the established legal boundaries. Soon after January 14, the day when the new Suzano was born, the Human Resources Departments began to communicate what would be the main policies and practices that were critical to the start of the joint operation, such as the topic of benefits.

In addition, processes such as performance appraisal and recruitment and selection are being redesigned, taking into account the best from both companies in order to create a model that meets the challenges of the new Suzano.

On other fronts, such as internal controls, risk management and compliance, various

initiatives are being carried out based on the high standard of corporate governance. One of them is the consolidation of the risk matrix, with the commitment to being validated biannually by the Board of Directors, and defining and monitoring the action plans to mitigate risks.

The Code of Conduct and the policies that originally supported the former companies are convergent, such as the anti-corruption policy or the policy on compliance with the competition law. With the new culture Drivers, we are reviewing all critical documents to ensure consistency and alignment with company values. For the revised guidelines, training is being made available to employees and contractors.



### ROBUST GOVERNANCE IN PLACE

#### Board of Directors:

- Up to 10 members
- Eligibility assessment
- 20% independent members

#### Supported by:

- Audit Statutory Committee
- Management and Finance Committee
- Innovation and Strategy Committee
- Sustainability Committee
- Talent and Compensation Committee

### WELL-BALANCED MANAGEMENT





From left to right: Reinaldo Gonçalves and Lucas Aparecido Plata Martins - Drying, at the plant in Jacareí (São Paulo state)

Photo: Ricardo Teles

## TALK TO SUZANO PULP AND PAPER AND FIBRIA

The channels operated separately and will be unified in the new company.

### CONTACT US

The institutional websites of Suzano Papel e Celulose and of Fibria contain a form for sending messages on various subjects.

### TALK TO FIBRIA

Widely disseminated in the regions, the channel receives questions, criticism and suggestions in the regions where the company operates:

Upstate São Paulo: 0800 707 9810

Espírito Santo and Bahia: 0800 283 8383

Mato Grosso do Sul: 0800 642 8162

### CORPORATE TOUR PROGRAM

Guides groups of customers, suppliers, employees and their families, as well as people from the community, in monitored tours to our industrial and forestry units. Participation can be scheduled via email at [visite@suzano.com.br](mailto:visite@suzano.com.br)

### SUZANO ANSWERS

Structured to answer questions and receive suggestions and criticism, it can be accessed by the service center 0800 022 1727 or by email [suzanoresponde@suzano.com.br](mailto:suzanoresponde@suzano.com.br)

### EXTERNAL OMBUDSMAN'S OFFICE

Confidential channel for answering questions and receiving reports on ethical deviations. It can be accessed by phone and email.

Suzano Pulp and Paper: 0800 771 4060 and [ouvidoriaexterna@austernet.com.br](mailto:ouvidoriaexterna@austernet.com.br)

Fibria: 0800 8911730, [www.fibria.com.br](http://www.fibria.com.br), link "Ouvidoria" and by PO Box nº 81011, CEP 04537-970.

## TIMELINE

2018

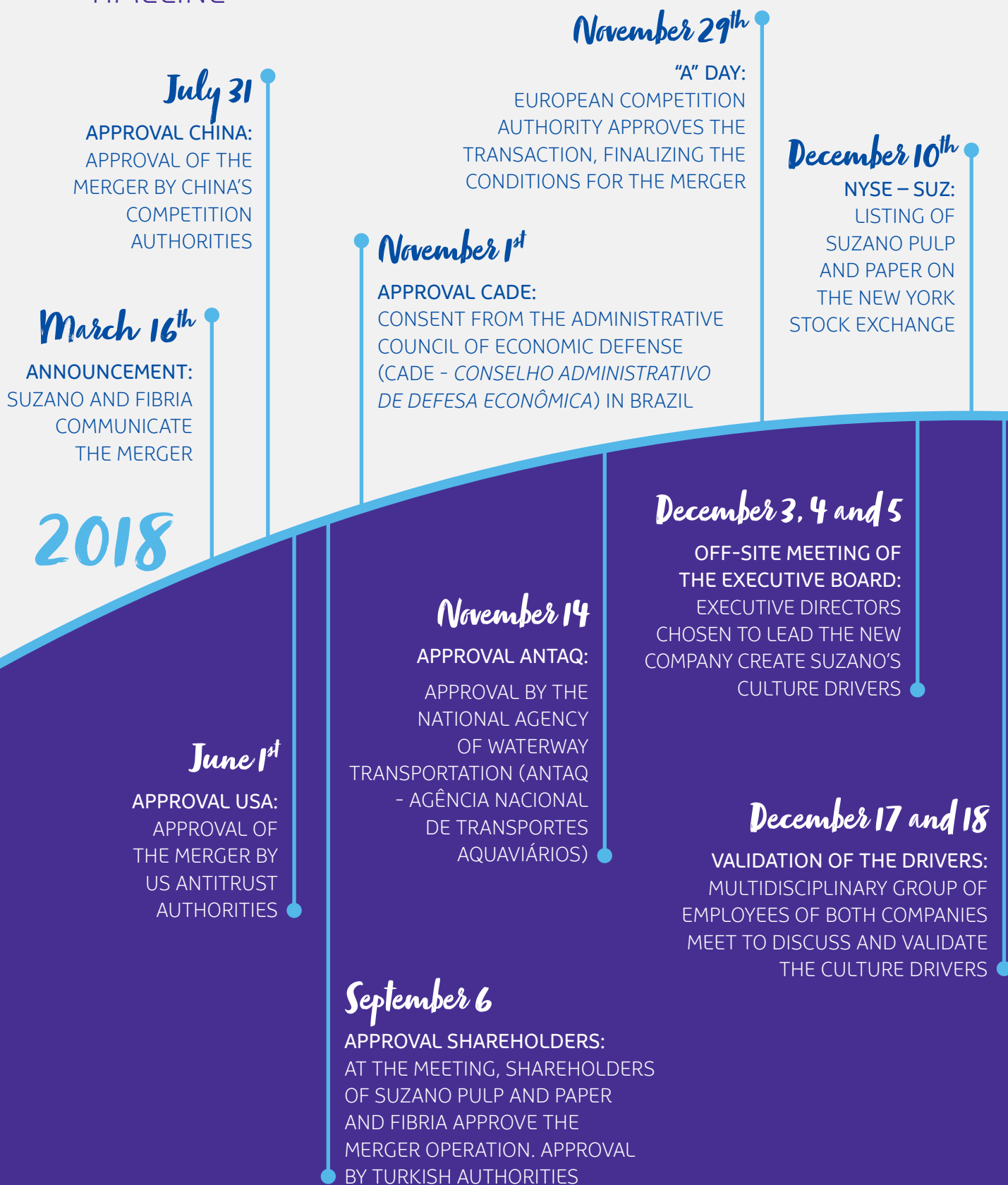


Photo: Márcio Schimming

Application of herbicide, Forestry in Capão Bonito (São Paulo state)

# 2019

## January 4

**B3: SUZB3:**  
FIBRIA'S SHAREHOLDERS  
BEGIN TO TRADE SUZB3,  
HAVING AS EXCHANGE  
RATIO FOR EACH  
SHARE OF SUZANO

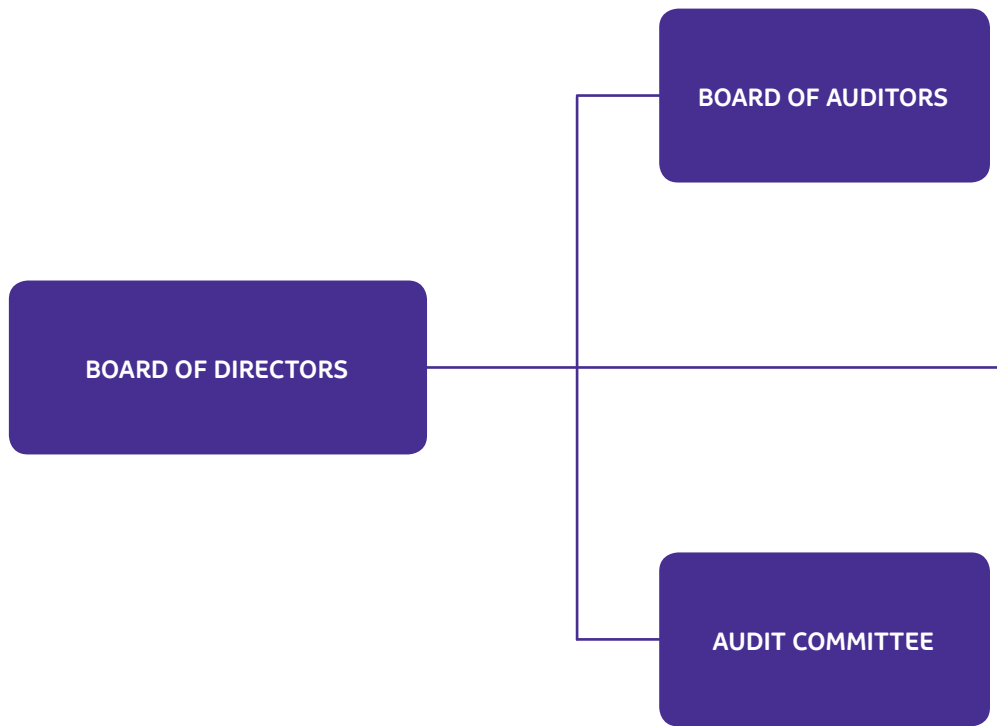
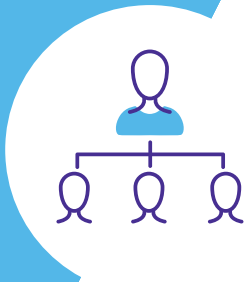
## January 3

**BASELINE DATE:**  
LAST DAY OF FIBRIA  
TRADING ON B3 AND  
NYSE (DELISTING)

## January 14

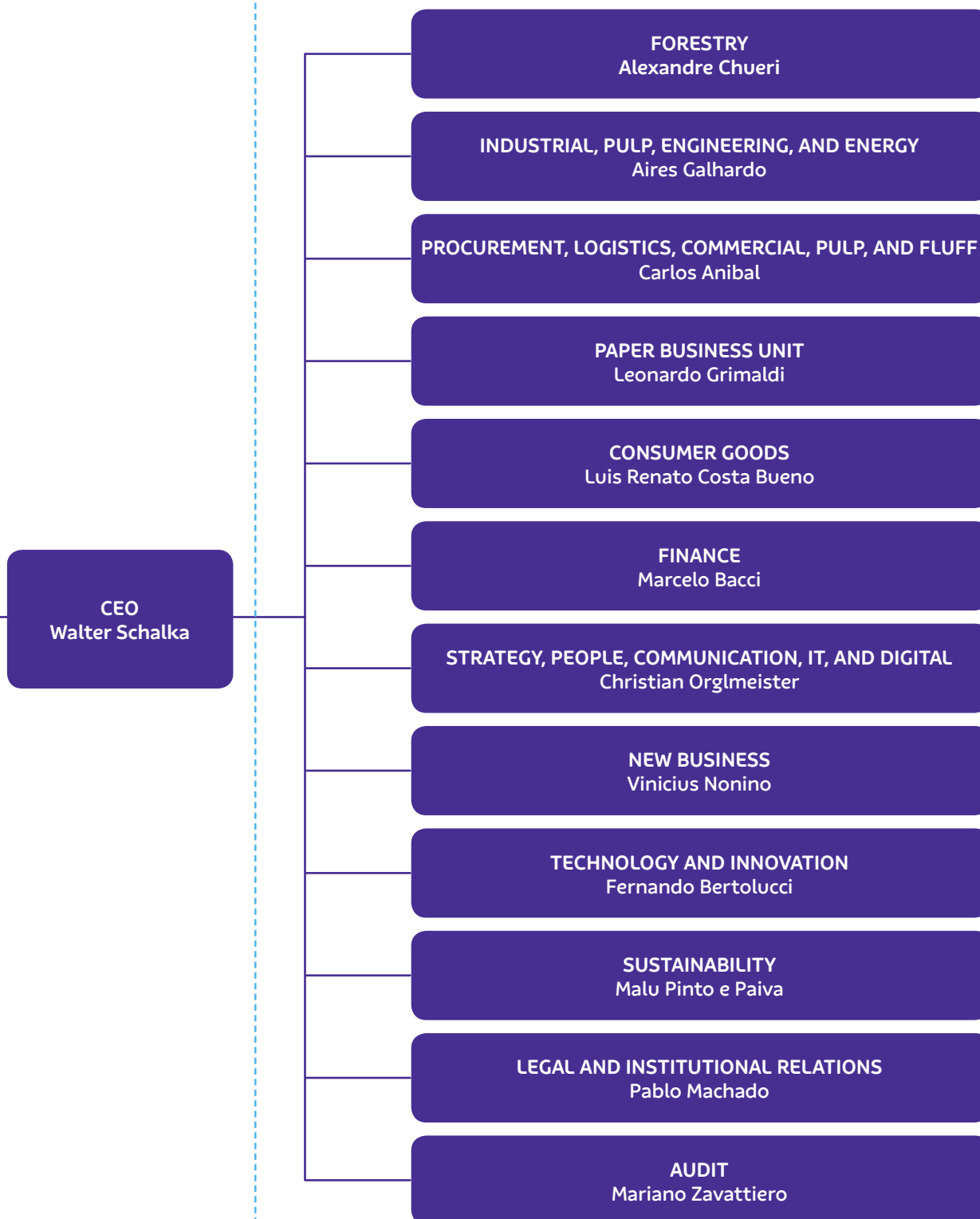
**CLOSING:**  
PAYMENT IN FULL OF THE  
ADJUSTED CASH PORTION  
BEGINNING OF THE JOINT  
OPERATION AND MERGER  
OF THE CENTRAL OFFICES  
OF BOTH COMPANIES

## OUR TEAM





**EXECUTIVE OFFICERS**



# *Independent Assurance*

Statement

# Independent assurance statement

## Bureau Veritas



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 2018 (HEREINAFTER REFERRED TO AS THE REPORT).

THIS ASSESSMENT WAS CONDUCTED BY A MULTIDISCIPLINARY STAFF WITH EXPERTISE IN NON-FINANCIAL DATA.

### SCOPE OF WORK

The scope of this verification encompassed the Standard and Principles<sup>1</sup> of the Global Reporting Initiative™ GRI for Sustainability Reports, for the period from 1 January to 31 December 2018.

### SUZANO'S AND BUREAU VERITAS RESPONSIBILITIES

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

### METHODOLOGY

The Assurance covered the following activities:

1. Interviews with the personnel responsible for material issues and involved in the Report content;
2. On-site visits to the Central Administration office located in São Paulo – SP and the following operational sites: ;Mucuri - BA and Jacaréí - SP;
3. Review of documentary evidence provided by Suzano in relation to the reporting period (2018);
4. Evaluation of the systems used for data compilation;
5. Analysis of Suzano's stakeholder engagement activities; and
6. Evaluation of the method used to define material issues included in the Report, taking into account the sustainability context and the scope of the information published.

The level of verification adopted was Limited, according to the requirements of the ISAE 3000 Standard<sup>2</sup>, which were incorporated to the internal assessment protocols of Bureau Veritas.

<sup>1</sup> Materiality, Stakeholder Inclusiveness, Sustainability Context, Completeness, Balance, Comparability, Accuracy, Periodicity, Clarity, and Reliability

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

## LIMITATIONS AND EXCLUSIONS

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

- Activities outside the defined assessment period;
- Statements of position (expressions of opinion, beliefs, goals, or future intentions) on the part of Suzano;
- Economic and financial information contained in this Report which has been taken from financial statements verified by independent financial auditors;
- Inventory of Greenhouse Gas (GHG) emissions, verified by Bureau Veritas in a different scope of work.

The following limitations apply for this assurance engagement:

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

## TECHNICAL OPINION

- In their report Suzano presents data and information about the impacts of the activities developed by former companies Fibria S.A. and Suzano Pulp and Paper, companies that were officially merged in January 2019;
- Suzano reviewed and prioritized the material themes regarding the former companies to define the Report content. Nevertheless we did not evidence a materiality test conducted for this publication;
- It is our understanding that the Report discloses the main relevant themes of the pulp and paper sector, transparently addresses the challenges of the merger of the two companies and presents in a balanced manner the impacts of their activities;
- We noticed some differences in the methods of data collection for some indicators, given that these data were managed by distinct teams that had a different understanding with regard to the interpretation of the indicators;
- We also evidenced a difference in the level of completeness of indicators associated with the material aspects of the GRI between the two former companies. Yet, it is our understanding that sufficient indicators were reported to comply with the GRI Core option;

## RECOMMENDATIONS

- Conduct a materiality test for the new company that was officially created in 2019, so that the themes that are relevant for the next publication can be updated;
- Align the data collection methods of the two former companies concerning the indicators related to the material aspects of the GRI;
- Align the completeness of the operational and non operational indicators of the two former companies.

## CONCLUSION

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

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

## DECLARATION OF INDEPENDENCE AND IMPARTIALITY

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

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

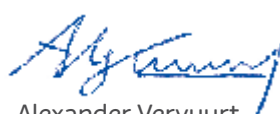
The assessment team has no links with Suzano and the assessment is performed independently.

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

## CONTACT

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

São Paulo, Brazil, May 2019.



Alexander Vervuurt

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

# GRI

## Content Index

The indicators presented in the **GRI Content Index** and in the **GRI Attachment** used the 2016 version of the GRI Standards.

GRI Standard	Disclosure	Page, link or direct disclosure	Omission	Global Compact	SDG
<b>GRI 101: Foundation 2016</b>					
<b>General Disclosures</b>					
<b>GRI 102: General Disclosures</b>	<b>102-1</b> Name of the organization	LETTER TO THE READER			
	<b>102-2</b> Activities, brands, products, and services	Eucafluff is the fluff of the future, THE ROLE OF SUZANO, Sustainability in its DNA, Mimmo®, Le Blanc® and Max Pure®, NEW SUZANO			
	<b>102-3</b> Location of headquarters	São Paulo, SP			
	<b>102-4</b> Location of operations	NEW SUZANO			
	<b>102-5</b> Ownership and legal form	Formed as a result of the merger between former Suzano Pulp and Paper and Fibria, Suzano is a forest based publicly held company controlled by Suzano Holding, with shares traded on B3 (Brasil, Bolsa, Balcão) and NYSE (New York Stock Index).			
	<b>102-6</b> Markets served	Eucafluff is the fluff of the future, NEW SUZANO			
	<b>102-7</b> Scale of the organization	THE ROLE OF SUZANO, NEW SUZANO			
	<b>102-8</b> Information on employees and other workers	GRI ATTACHMENT	Information on employees per work hours was not available in the period.	6	8
	<b>102-9</b> Supply Chain	GRI ATTACHMENT			
	<b>102-10</b> Significant changes to the organization and its supply chain	PREPARATION FOR THE MERGER, Integration with FACEPA			
	<b>102-11</b> Precautionary Principle or approach	GRI ATTACHMENT			
	<b>102-12</b> External initiatives	Suzano Pulp and Paper: < <a href="http://www.suzano.com.br/relatoriosustentabilidade2017/pdf/Relatorio_2017.pdf?v=6">http://www.suzano.com.br/relatoriosustentabilidade2017/pdf/Relatorio_2017.pdf?v=6</a> > (Page 76);  Fibria: < <a href="http://r2017.fibria.com.br/nossos-relacionamentos/relacionamento-com-o-governo-organizacoes-e-foruns/">http://r2017.fibria.com.br/nossos-relacionamentos/relacionamento-com-o-governo-organizacoes-e-foruns/</a> >			
	<b>102-13</b> Membership of associations	Suzano Pulp and Paper: < <a href="http://www.suzano.com.br/relatoriosustentabilidade2017/pdf/Relatorio_2017.pdf?v=6">http://www.suzano.com.br/relatoriosustentabilidade2017/pdf/Relatorio_2017.pdf?v=6</a> > (Page 76);  Fibria: < <a href="http://r2017.fibria.com.br/nossos-relacionamentos/relacionamento-com-o-governo-organizacoes-e-foruns/">http://r2017.fibria.com.br/nossos-relacionamentos/relacionamento-com-o-governo-organizacoes-e-foruns/</a> >			
	<b>102-14</b> Statement from senior decision-maker	Message from the President, Message from the Chairman of the Board			

GRI Standard	Disclosure	Page, link or direct disclosure	Omission	Global Compact	SDG
<b>GRI 102: General Disclosures</b>	<b>102-16</b> Values, principles, standards, and norms of behavior	Drivers of the new journey		10	16
	<b>102-17</b> Mechanisms for advice and concerns about ethics	GRI ATTACHMENT			
	<b>102-18</b> Governance structure	Governance			
	<b>102-40</b> List of stakeholder groups	Message from the Chairman of the Board			
	<b>102-41</b> Collective bargaining agreements	GRI ATTACHMENT		3	8
	<b>102-42</b> Identifying and selecting stakeholders	ABOUT THE REPORT			
	<b>102-43</b> Approach to stakeholder engagement	ABOUT THE REPORT			
	<b>102-44</b> Key topics and concerns raised	ABOUT THE REPORT			
	<b>102-45</b> Entities included in the consolidated financial statements	The report covers the same entities included in the Financial Statements of Suzano Pulp and Paper. In the case of Fibria, Veracel is not considered in the indicators, except when signaled.			
	<b>102-46</b> Defining report content and topic Boundaries	ABOUT THE REPORT			
	<b>102-47</b> List of material topics	ABOUT THE REPORT			
	<b>102-48</b> Restatements of information	Restatements of data are provided in the tables throughout the Report or in the GRI ATTACHMENT.			
	<b>102-49</b> Changes in reporting	ABOUT THE REPORT			
	<b>102-50</b> Reporting period	ABOUT THE REPORT			
	<b>102-51</b> Date of most recent report	2018.			
	<b>102-52</b> Reporting cycle	Annual.			
	<b>102-53</b> Contact point for questions regarding the report	ABOUT THE REPORT			
	<b>102-54</b> Report of the "in accordance" option chosen by the organization	This Report was produced in accordance with the GRI Standards, Core option.			
<b>102-55</b> GRI Content Index	GRI CONTENT INDEX				
<b>102-56</b> External Assurance	ABOUT THE REPORT				



GRI Standard	Disclosure	Page, link or direct disclosure	Omission	Global Compact	SDG
<b>Material Topics</b>					
<b>Economic Performance</b>					
<b>GRI 103: Management Approach</b>	<b>103-1</b>	Explanation of the material topic and its boundaries	ADVERSITIES IN INDUSTRY, REVENUE AT A HIGH		
	<b>103-2</b>	The management approach and its components	ADVERSITIES IN INDUSTRY, REVENUE AT A HIGH	The goals for this topic were not available in the period.	
	<b>103-3</b>	Evaluation of the management approach	ADVERSITIES IN INDUSTRY, REVENUE AT A HIGH		
<b>GRI 201: Economic Performance</b>	<b>201-1</b>	Direct economic value generated and distributed	GRI ATTACHMENT		2, 5, 7, 8, 9
<b>Market Presence</b>					
<b>GRI 103: Management Approach</b>	<b>103-1</b>	Explanation of the material topic and its boundaries	GRI ATTACHMENT		
	<b>103-2</b>	The management approach and its components	GRI ATTACHMENT	The goals for this topic were not available in the period.	
	<b>103-3</b>	Evaluation of the management approach	GRI ATTACHMENT		
<b>GRI 202: Market Presence</b>	<b>202-2</b>	Proportion of senior management hired from the local community	GRI ATTACHMENT	6	8
<b>Procurement Practices</b>					
<b>GRI 103: Management Approach</b>	<b>103-1</b>	Explanation of the material topic and its boundaries	GRI ATTACHMENT		
	<b>103-2</b>	The management approach and its components	GRI ATTACHMENT	The goals for this topic were not available in the period.	
	<b>103-3</b>	Evaluation of the management approach	GRI ATTACHMENT		
<b>GRI 204: Procurement Practices</b>	<b>204-1</b>	Proportion of spending on local suppliers	GRI ATTACHMENT		12

GRI Standard	Disclosure	Page, link or direct disclosure	Omission	Global Compact	SDG
<b>Anti-corruption</b>					
<b>GRI 103: Management Approach</b>	<b>103-1</b> Explanation of the material topic and its boundaries	Integrating processes and people			
	<b>103-2</b> The management approach and its components	Integrating processes and people	The goals for this topic were not available in the period.		
	<b>103-3</b> Evaluation of the management approach	Integrating processes and people			
<b>GRI 205: Anti-corruption</b>	<b>205-2</b> Communication and training about anticorruption policies and procedures	GRI ATTACHMENT	Information on communications in anti-corruption policies and procedures, on training and communications for governance bodies and on the percentage of employees trained was not available in the period.	10	16
	<b>205-3</b> Confirmed incidents of corruption and actions taken	GRI ATTACHMENT		10	16
<b>Anti-competitive Behavior</b>					
<b>GRI 103: Management Approach</b>	<b>103-1</b> Explanation of the material topic and its boundaries	Integrating processes and people			
	<b>103-2</b> The management approach and its components	Integrating processes and people	The goals for this topic were not available in the period.		
	<b>103-3</b> Evolution of the management approach	Integrating processes and people			
<b>GRI 206: Anti-competitive Behavior</b>	<b>206-1</b> Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	GRI ATTACHMENT			16
<b>Energy</b>					
<b>GRI 103: Management Approach</b>	<b>103-1</b> Explanation of the material topic and its boundaries	COMMITMENT TO THE ENVIRONMENT			
	<b>103-2</b> The management approach and its components	COMMITMENT TO THE ENVIRONMENT	The goals for this topic were not available in the period.		
	<b>103-3</b> Evaluation of the management approach	COMMITMENT TO THE ENVIRONMENT			

GRI Standard	Disclosure	Page, link or direct disclosure	Omission	Global Compact	SDG
<b>GRI 302: Energy</b>	<b>302-1</b> Energy consumption within the organization	GRI ATTACHMENT		7, 8	7, 8, 12, 13
	<b>302-3</b> Energy intensity	GRI ATTACHMENT		8	7, 8, 12, 13
<b>Water</b>					
<b>GRI 103: Management Approach</b>	<b>103-1</b> Explanation of the material topic and its boundaries	Forest Water Management			
	<b>103-2</b> The management approach and its components	Forest Water Management	The goals for this topic were not available in the period.		
	<b>103-3</b> Evaluation of the management approach	Forest Water Management			
<b>GRI 303: Water and Effluents</b>	<b>303-2</b> Management of water discharge-related impacts	GRI ATTACHMENT		8	6, 12
	<b>303-3</b> Water withdrawal	GRI ATTACHMENT		7, 8	6, 12
<b>Biodiversity</b>					
<b>GRI 103: Management Approach</b>	<b>103-1</b> Explanation of the material topic and its boundaries	COMMITMENT TO THE ENVIRONMENT, AREAS FOR CONSERVATION, BIODIVERSITY, SUZANO AND RESTORATION			
	<b>103-2</b> The management approach and its components	COMMITMENT TO THE ENVIRONMENT, AREAS FOR CONSERVATION, BIODIVERSITY, SUZANO AND RESTORATION	The goals for this topic were not available in the period.		
	<b>103-3</b> Evolution of the management approach	COMMITMENT TO THE ENVIRONMENT, AREAS FOR CONSERVATION, BIODIVERSITY, SUZANO AND RESTORATION			
<b>GRI 304: Biodiversity</b>	<b>304-1</b> Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	GRI ATTACHMENT		8	6, 14, 15
	<b>304-2</b> Significant impacts of activities, products, and services on biodiversity	GRI ATTACHMENT		8	6, 14, 15
	<b>304-3</b> Habitats protected or restored	GRI ATTACHMENT		8	6, 14, 15
	<b>304-4</b> IUCN Red List species and national conservation list species with habitats in areas affected by operations	GRI ATTACHMENT		8	6, 14, 15

GRI Standard	Disclosure	Page, link or direct disclosure	Omission	Global Compact	SDG
<b>Emissions</b>					
<b>GRI 103: Management Approach</b>	<b>103-1</b> Explanation of the material topic and its boundaries	Climate change			
	<b>103-2</b> The management approach and its components	Climate change	The goals for this topic were not available in the period.		
	<b>103-3</b> Evaluation of the management approach	Climate change			
<b>GRI 305: Emissions</b>	<b>305-1</b> Direct (Scope 1) GHG emissions	GRI ATTACHMENT		7, 8	3, 12, 13, 14, 15
	<b>305-2</b> Indirect (Scope 2) GHG emissions	GRI ATTACHMENT		7, 8	3, 12, 13, 14, 15
	<b>305-3</b> Other indirect (Scope 3) GHG emissions	GRI ATTACHMENT		7, 8	3, 12, 13, 14, 15
	<b>305-4</b> GHG emissions intensity	GRI ATTACHMENT		8	13, 14, 15
	<b>305-7</b> Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	GRI ATTACHMENT		7, 8	3, 12, 13, 14, 15
<b>Effluents and Waste</b>					
<b>GRI 103: Management Approach</b>	<b>103-1</b> Explanation of the material topic and its boundaries	Management of forest waste			
	<b>103-2</b> The management approach and its components	Management of forest waste	The goals for this topic were not available in the period.		
	<b>103-3</b> Evaluation of the management approach	Management of forest waste			
<b>GRI 306: Effluents and Waste</b>	<b>306-1</b> Water discharge by quality and destination	GRI ATTACHMENT		8	3, 6, 12, 14
	<b>306-2</b> Waste by type and disposal method	GRI ATTACHMENT		8	6, 12
	<b>306-5</b> Water bodies affected by water discharges and/or runoff	GRI ATTACHMENT		8	15

GRI Standard	Disclosure	Page, link or direct disclosure	Omission	Global Compact	SDG
<b>Supplier Environmental Assessment</b>					
<b>GRI 103: Management Approach</b>	<b>103-1</b>	Explanation of the material topic and its boundaries	GRI ATTACHMENT		
	<b>103-2</b>	The management approach and its components	GRI ATTACHMENT	The goals for this topic were not available in the period.	
	<b>103-3</b>	Evaluation of the management approach	GRI ATTACHMENT		
<b>GRI 308: Supplier Environmental Assessment</b>	<b>308-1</b>	New suppliers that were screened using environmental criteria	GRI ATTACHMENT	8	
	<b>308-2</b>	Negative environmental impacts in the supply chain and actions taken	GRI ATTACHMENT	8	
<b>Employment</b>					
<b>GRI 103: Management Approach</b>	<b>103-1</b>	Explanation of the material topic and its boundaries	Transformation agents		
	<b>103-2</b>	The management approach and its components	Transformation agents	The goals for this topic were not available in the period.	
	<b>103-3</b>	Evaluation of the management approach	Transformation agents		
<b>GRI 401: Employment</b>	<b>401-1</b>	New employee hires and employee turnover	GRI ATTACHMENT	6	5, 8
<b>Occupational Health and Safety</b>					
<b>GRI 103: Management Approach</b>	<b>103-1</b>	Explanation of the material topic and its boundaries	Our commitment to health and safety		
	<b>103-2</b>	The management approach and its components	Our commitment to health and safety	The goals for this topic were not available in the period.	
	<b>103-3</b>	Evaluation of the management approach	Our commitment to health and safety		
<b>GRI 403: Occupational Health and Safety</b>	<b>403-1</b>	Workers representation in formal health and safety committees	GRI ATTACHMENT		3, 8
	<b>403-2</b>	Types and rates of injuries, occupational illness, lost days, absenteeism and number of work-related fatalities	GRI ATTACHMENT	Health and safety rates by gender and region were not available in the period.	3, 8

GRI Standard	Disclosure	Page, link or direct disclosure	Omission	Global Compact	SDG
<b>Training and Education</b>					
<b>GRI 103: Management Approach</b>	<b>103-1</b> Explanation of the material topic and its boundaries	Integrating processes and people			
	<b>103-2</b> The management approach and its components	Integrating processes and people	The goals for this topic were not available in the period.		
	<b>103-3</b> Evaluation of the management approach	Integrating processes and people			
<b>GRI 404: Training and Education</b>	<b>404-1</b> Average hours of training per year per employee	GRI ATTACHMENT		6	4, 5, 8
	<b>404-3</b> Percentage of employees receiving regular performance and career development reviews	GRI ATTACHMENT		6	5, 8
<b>Diversity and Equal Opportunity</b>					
<b>GRI 103: Management Approach</b>	<b>103-1</b> Explanation of the material topic and its boundaries	The difference that strengthens			
	<b>103-2</b> The management approach and its components	The difference that strengthens	The goals for this topic were not available in the period.		
	<b>103-3</b> Evaluation of the management approach	The difference that strengthens			
<b>GRI 405: Diversity and Equal Opportunity</b>	<b>405-1</b> Diversity of governance bodies and employees	GRI ATTACHMENT		6	5, 8
	<b>405-2</b> Ratio of basic salary and remuneration of women to men	GRI ATTACHMENT	The ratio of remuneration of women to men was not available in the period.	6	5, 8
<b>Non-discrimination</b>					
<b>GRI 103: Management Approach</b>	<b>103-1</b> Explanation of the material topic and its boundaries	The difference that strengthens			
	<b>103-2</b> The management approach and its components	The difference that strengthens	The goals for this topic were not available in the period.		
	<b>103-3</b> Evaluation of the management approach	The difference that strengthens			
<b>GRI 406: Non-discrimination</b>	<b>406-1</b> Incidents of discrimination and corrective actions taken	GRI ATTACHMENT		1, 2, 3, 4, 5, 6	5, 8, 10

GRI Standard	Disclosure	Page, link or direct disclosure	Omission	Global Compact	SDG
<b>Freedom of Association and Collective Bargaining</b>					
<b>GRI 103: Management Approach</b>	<b>103-1</b> Explanation of the material topic and its boundaries	GRI ATTACHMENT			
	<b>103-2</b> The management approach and its components	GRI ATTACHMENT	The goals for this topic were not available in the period.		
	<b>103-3</b> Evaluation of the management approach	GRI ATTACHMENT			
<b>GRI 407: Freedom of Association and Collective Bargaining</b>	<b>407-1</b> Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	GRI ATTACHMENT			8
<b>Child Labor</b>					
<b>GRI 103: Management Approach</b>	<b>103-1</b> Explanation of the material topic and its boundaries	GRI ATTACHMENT			
	<b>103-2</b> The management approach and its components	GRI ATTACHMENT	The goals for this topic were not available in the period.		
	<b>103-3</b> Evaluation of the management approach	GRI ATTACHMENT			
<b>GRI 408: Child Labor</b>	<b>408-1</b> Operations and suppliers at significant risk for incidents of child labor	GRI ATTACHMENT		5	8, 16
<b>Forced or Compulsory Labor</b>					
<b>GRI 103: Management Approach</b>	<b>103-1</b> Explanation of the material topic and its boundaries	GRI ATTACHMENT			
	<b>103-2</b> The management approach and its components	GRI ATTACHMENT	The goals for this topic were not available in the period.		
	<b>103-3</b> Evaluation of the management approach	GRI ATTACHMENT			
<b>GRI 409: Forced or Compulsory Labor</b>	<b>409-1</b> Operations and suppliers at significant risk for incidents of forced or compulsory labor	GRI ATTACHMENT		4	8

GRI Standard	Disclosure	Page, link or direct disclosure	Omission	Global Compact	SDG
<b>Rights of Indigenous and Traditional People</b>					
<b>GRI 103: Management Approach</b>	<b>103-1</b> Explanation of the material topic and its boundaries	RELATIONSHIP WITH THE COMMUNITIES			
	<b>103-2</b> The management approach and its components	RELATIONSHIP WITH THE COMMUNITIES	The goals for this topic were not available in the period.		
	<b>103-3</b> Evaluation of the management approach	RELATIONSHIP WITH THE COMMUNITIES			
<b>GRI 411: Rights of Indigenous Peoples</b>	<b>411-1</b> Incidents of violations involving rights of indigenous peoples	GRI ATTACHMENT		1	2
<b>Human Rights Assessment</b>					
<b>GRI 103: Management Approach</b>	<b>103-1</b> Explanation of the material topic and its boundaries	GRI ATTACHMENT			
	<b>103-2</b> The management approach and its components	GRI ATTACHMENT	The goals for this topic were not available in the period.		
	<b>103-3</b> Evaluation of the management approach	GRI ATTACHMENT			
<b>GRI 412: Human Rights Assessment</b>	<b>412-1</b> Operations that have been subject to human rights reviews or impact assessments	GRI ATTACHMENT		1	
<b>Local Communities</b>					
<b>GRI 103: Management Approach</b>	<b>103-1</b> Explanation of the material topic and its boundaries	RELATIONSHIP WITH THE COMMUNITIES			
	<b>103-2</b> The management approach and its components	RELATIONSHIP WITH THE COMMUNITIES	The goals for this topic were not available in the period.		
	<b>103-3</b> Evaluation of the management approach	RELATIONSHIP WITH THE COMMUNITIES			
<b>GRI 413: Local Communities</b>	<b>413-1</b> Operations with local community engagement, impact assessments, and development programs	GRI ATTACHMENT		1	
	<b>413-2</b> Operations with significant actual and potential negative impacts on local communities	GRI ATTACHMENT		1	1, 2



GRI Standard	Disclosure	Page, link or direct disclosure	Omission	Global Compact	SDG
<b>Supplier Social Assessment</b>					
<b>GRI 103: Management Approach</b>	<b>103-1</b> Explanation of the material topic and its boundaries	GRI ATTACHMENT			
	<b>103-2</b> The management approach and its components	GRI ATTACHMENT	The goals for this topic were not available in the period.		
	<b>103-3</b> Evaluation of the management approach	GRI ATTACHMENT			
<b>GRI 414: Supplier Social Assessment</b>	<b>414-1</b> New suppliers that were screened using social criteria	GRI ATTACHMENT		2	5, 8, 16
	<b>414-2</b> Negative social impacts in the supply chain and actions taken	GRI ATTACHMENT		2	5, 8, 16

# GRI

## Attachment

The **GRI Attachment** of Suzano's 2018 Annual Report presents the GRI disclosures of Suzano Pulp and Paper and Fibria for the period from January 1, 2018 to December 31, 2018. Whenever comparable, the information of both companies was shown in the same table. When calculated differently, the information is shown in separate tables.

The criteria for calculating the indicator, as well as the assumptions adopted, may have been different for the two companies—this is signaled throughout the document in footnotes.

The indicators presented in the **GRI Content Index** and in the **GRI Attachment** used the 2016 version of the GRI Standards.

For any questions, please contact [relatoriosuzano@suzano.com.br](mailto:relatoriosuzano@suzano.com.br).

# GRI 102: General Disclosures

## GRI 102-8. INFORMATION ON EMPLOYEES AND OTHER WORKERS

### TOTAL NUMBER OF COMPANY EMPLOYEES BY TYPE OF CONTRACT AND GENDER IN 2018

	SUZANO PULP AND PAPER <sup>1</sup>			FIBRIA			FUTURAGENE			FACEPA		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Open-ended/ permanent contracts	7,216	1,023	8,239	4,076	673	4,749	49	80	129	941	255	1,196
Fixed-term/ temporary contracts	26	34	60	125	76	201	2	0	2	36	11	47

1. For the indicator, no employees from international offices were considered.

### TOTAL NUMBER OF COMPANY EMPLOYEES BY REGION IN 2018<sup>1</sup>

	SUZANO PULP AND PAPER <sup>1</sup>			FIBRIA			FUTURAGENE			FACEPA		
	Open-ended/ permanent	Fixed-term/ temporary	Total	Open-ended/ permanent	Fixed-term/ temporary	Total	Open-ended/ permanent	Fixed-term/ temporary	Total	Open-ended/ permanent	Fixed-term/ temporary	Total
Midwest	32	0	32	1,768	74	1,842	0	0	0	0	0	0
Northeast	3,893	22	3,915	0	0	0	0	0	0	217	46	263
North	224	0	224	0	0	0	0	0	0	979	1	980
Southeast	4,014	36	4,050	2,918	126	3,044	64	2	66	0	0	0
South	76	2	78	0	0	0	0	0	0	0	0	0
<b>Total Brazil</b>	<b>8,239</b>	<b>60</b>	<b>8,299</b>	<b>4,686</b>	<b>200</b>	<b>4,886</b>	<b>64</b>	<b>2</b>	<b>66</b>	<b>1,196</b>	<b>47</b>	<b>1,243</b>
International offices	145	0	145	63	1	64	65	0	65	0	0	0
<b>Total</b>	<b>8,384</b>	<b>60</b>	<b>8,444</b>	<b>4,749</b>	<b>201</b>	<b>4,950</b>	<b>129</b>	<b>2</b>	<b>131</b>	<b>1,196</b>	<b>47</b>	<b>1,243</b>

1. International offices for SPC and Futuragene include expatriates. Midwest for Fibria includes the unit in Três Lagoas, while Southeast includes the units in Aracruz, Jacarei, Headquarters (São Paulo), Capão Bonito and Vale do Paraiba.

### TOTAL NUMBER OF CONTRACTORS IN 2018<sup>1</sup>

SUZANO PULP AND PAPER	FIBRIA	TOTAL
11,253	14,158	25,411

1. For Fibria, fixed-term contractors, that is, contractors with continuous access, with frequency equal to or greater 20 hours per week and contractors with permanent contracts, are considered: 1) Continuous and uninterrupted activity; 2) Contract for a 12-month period; 3) Monthly billing; 4) Regular frequency of third-party employees. Examples: property and forest surveillance; building cleaning and maintenance; landscaping maintenance; electrical maintenance and instrumentation of the mill. At SPC, activities that require specializations and/or specific business guidelines, such as forestry in the forest units and facilities, are performed by third parties.

## GRI 102-9. SUPPLY CHAIN

Suzano has a chain of suppliers committed to its values and sustainability. Therefore, in its value chain, the company values committed partners with best management practices regarding economic, social and environmental aspects, in order to minimize the risks and mitigate the impacts. Supplier relationship guidelines establish recommendations for maintaining relationships of trust and mutual respect, valuing dialogue, ethics and transparency, thus encouraging a learning environment, creating innovative solutions and achieving sustainable results.

## GRI 102-11. PRECAUTIONARY PRINCIPLE OR APPROACH

### **SUZANO PULP AND PAPER**

Suzano Pulp and Paper explored the concept of first line of defense through standards of conduct developed and disseminated in the business areas in order to identify and mitigate possible risks in its operations. The company understood that large organizations are driven by their own cultural dynamics, supported by the employees who form their processes and procedures.

The Company also has in place the Integrated Risk Management, a methodology based on its business environment—in the respective paper, pulp and consumer goods units—which lists a risk portfolio based on evaluation of parameters of financial, compliance, image and health, safety and environment impacts, as well as in the likelihood of occurrence. The Integrated Risk Management model is presented in public policy and monitored quarterly by the Management and Audit Committee.

Specifically for 2018, Internal Controls performed significant work in mapping processes and implementing controls for the Sarbanes-Oxley certification and compliance. This certification imposes high internal control standards, aiming at the integrity of our financial statements and soundness of the Company's processes. This movement is in line with the trading of shares in the North American market, with the Suzano integration process and with best market practices.

### **FIBRIA**

Fibria adopts the precautionary principle in the management and operation of its industrial and forestry activities, having in place measures to control and monitor production, such as agricultural studies, genetic improvement in eucalyptus production, which involves the adaptation of species in different climatic conditions, monitoring of water consumption in forest areas, sector closure of industrial effluents, reuse of water in production processes, among others.

## GRI 102-41. COLLECTIVE BARGAINING AGREEMENTS

100% of SPC and Fibria employees were covered by conventions and collective bargaining agreements in 2018.

# GRI 201: Economic Performance

## GRI 201-1. DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

### SUZANO PULP AND PAPER

#### VALUE ADDED FOR DISTRIBUTION (VAD) – SUZANO PULP AND PAPER (IN THOUSANDS OF REAIS)

	HOLDING COMPANY		CONSOLIDATED	
	2017	2018	2017	2018
<b>Value added for distribution</b>	<b>5,340,894</b>	<b>7,974,567</b>	<b>5,644,333</b>	<b>8,089,716</b>
<b>People</b>	<b>1,075,168</b>	<b>1,283,376</b>	<b>1,122,991</b>	<b>1,338,106</b>
Direct remuneration	869,192	1,048,000	910,152	1,090,613
Benefits	164,774	190,733	171,637	197,143
F.G.T.S (employee severance payment fund)	41,202	44,643	41,202	50,350
<b>Taxes, fees and contributions</b>	<b>858,513</b>	<b>320,361</b>	<b>802,491</b>	<b>430,694</b>
Federal	729,287	144,326	702,940	185,191
State	124,038	170,499	94,491	239,756
Municipal	5,188	5,536	5,060	5,747
<b>Remuneration of third-party capital</b>	<b>1,599,780</b>	<b>6,052,491</b>	<b>1,911,418</b>	<b>6,002,456</b>
Interest	1,521,446	5,944,922	1,827,502	5,890,268
Leases	78,334	107,569	83,916	112,188
<b>Remuneration of own capital</b>	<b>1,807,433</b>	<b>318,339</b>	<b>1,807,433</b>	<b>318,460</b>
Dividends	380,515	8,074	380,515	8,074
Retained profit in the period	1,426,918	310,265	1,426,918	310,386
<b>Value added distribution</b>	<b>5,340,894</b>	<b>7,974,567</b>	<b>5,644,333</b>	<b>8,089,716</b>

### FIBRIA

#### VALUE ADDED FOR DISTRIBUTION (VAD) – FIBRIA (IN THOUSANDS OF REAIS)

	2017	2018
<b>Value generated for the company</b>	<b>11,187,555</b>	<b>12,845,000</b>
Investment in communities	-	57,000
Dividends	257,750	725,000
People	880,530	1,129,000
Taxes, fees and contributions (Government)	952,455	1,569,000
Suppliers	9,096,820	9,365,000

# GRI 202: Market Presence

## GRI 202-2. PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY

### SUZANO PULP AND PAPER

#### PROPORTION OF SENIOR MANAGEMENT MEMBERS OF SIGNIFICANT OPERATING UNITS HIRED FROM THE LOCAL COMMUNITY<sup>1</sup>

BRAZIL	2016	2017	2018
Midwest	0	0	0
Northeast	15	0	3
North	0	3	0
Southeast	88	88	86
South	0	0	0

1. Senior management includes Chief Executive Officer, Executive Director, Director, Executive Manager, and Functional Manager. All senior management members were considered, including those hired in other years.

### FIBRIA

#### PROPORTION OF SENIOR MANAGEMENT MEMBERS OF SIGNIFICANT OPERATING UNITS HIRED FROM THE LOCAL COMMUNITY<sup>1</sup>

BRAZIL	2016	2017	2018
Midwest	0	25	0
Northeast	0	0	0
North	0	0	0
Southeast	41	39	0
South	0	0	0

1. Senior management includes Directors and General Managers. Only senior management members hired in the period were considered, thus, the numbers for 2018 are zero.

# GRI 204: Procurement Practices

## GRI 204-1. PROPORTION OF SPENDING ON LOCAL SUPPLIERS

### SUZANO PULP AND PAPER

#### PROPORTION OF SPENDING ON LOCAL SUPPLIERS<sup>1</sup>

	2017	2018
Imperatriz	54%	72%
Limeira	88%	92%
Mucuri	37%	32%
Suzano	80%	89%

1. SPC considers as local (regional) suppliers those established in the same State of its units.

### FIBRIA

#### PROPORTION OF SPENDING ON LOCAL SUPPLIERS<sup>1</sup>

	2017	2018
Aracruz	65%	64%
Jacareí	78%	76%
Três Lagoas	49%	47%

1. Fibria considers as local suppliers those established in the same State of its units.

# GRI 205: Anti-corruption

## GRI 205-2. COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES

### SUZANO PULP AND PAPER<sup>1</sup>

#### TRAINING IN ANTI-CORRUPTION POLICIES AND PROCEDURES FOR EMPLOYEES BY FUNCTIONAL CATEGORY IN 2018

Administration	1,113
Board member	1
Consultant	374
Coordinator	177
Director	9
Executive Director	5
Specialist	760
Executive Manager	54
Functional Manager	185
Operational	4,681
Supervisor	197
<b>Total</b>	<b>7,556</b>

1. Considers the total number of employees trained.

#### TRAINING IN ANTI-CORRUPTION POLICIES AND PROCEDURES FOR EMPLOYEES BY REGION IN 2018

<b>Brazil</b>	
Midwest	33
Northeast	3,323
North	175
Southeast	3,854
South	13
Subtotal	7,398
<b>Abroad</b>	
Argentina	107
United States of America	10
England	1
Switzerland	9
Austria	1
Israel	22
China	8
Subtotal	158
<b>Total</b>	<b>7,556</b>

### FIBRIA<sup>1</sup>

#### TRAINING IN ANTI-CORRUPTION POLICIES AND PROCEDURES FOR EMPLOYEES BY FUNCTIONAL CATEGORY IN 2018

Executive Board	1
Management	31
Consultants and Coordinators	205
Administration	1,471
Operational	1,328
<b>Total</b>	<b>3,036</b>

#### TRAINING IN ANTI-CORRUPTION POLICIES AND PROCEDURES FOR EMPLOYEES BY REGION IN 2018

Headquarters	95
Aracruz	1,044
Jacaré	876
Três Lagoas	953
International Offices	68
<b>Total</b>	<b>3,036</b>

1. Considers the total number of employee participation in anti-corruption topics, and one employee may have participated in more than one event.

## GRI 205-3. CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN

In 2018, neither Suzano Pulp and Paper nor Fibria had any confirmed cases of corruption.

For Suzano Pulp and Paper, the concept of corruption was used as provided for in Brazilian law. For Fibria, the concept of corruption is understood as corruption of public agents.

## GRI 206: Anti-competitive Behavior

### GRI 206-1. LEGAL ACTIONS FOR ANTI-COMPETITIVE BEHAVIOR, ANTI-TRUST, AND MONOPOLY PRACTICES

In 2018, neither Suzano Pulp and Paper nor Fibria was a party to any outstanding or terminated lawsuits relating to unfair competition or violations of antitrust laws or monopoly regulations.

## GRI 302: Energy

### GRI 302-1. ENERGY CONSUMPTION WITHIN THE ORGANIZATION

#### TOTAL DIRECT ENERGY CONSUMPTION FROM RENEWABLE SOURCES IN 2018 (GJ)

	Suzano Pulp and Paper	Fibria <sup>1</sup>
Biomass	12,635,816.16	6,545,755.16
Ethanol	18,122.93	-
Black Liquor	86,806,890.72	107,042,429.88
Methanol	894,157.86	983,473.33
CNG	-	875,510.55
<b>Total</b>	<b>100,354,987.67</b>	<b>115,447,168.92</b>

1. For Fibria, biomass includes both purchased and produced biomass.



**TOTAL DIRECT ENERGY CONSUMPTION FROM NON-RENEWABLE SOURCES IN 2018 (GJ)**

	Suzano Pulp and Paper	Fibria
Liquid Petroleum Gas	349,015	-
Natural Gas	8,351,988	8,747,246
Gasoline	64,889	-
Greases	134	-
Lubricants	216,767	-
Methanol (fossil)	32,785	-
Fuel Oil	3,032,029	1,924,409
Diesel	1,317,886	106
Jet fuel	10	-
<b>Total</b>	<b>13,365,502</b>	<b>10,671,761</b>

**TOTAL ENERGY CONSUMPTION IN 2018 (GJ)**

	Suzano Pulp and Paper	Fibria
Renewable sources	100,354,988	115,447,169
Non-renewable sources	13,365,502	10,671,761
<b>Total</b>	<b>113,720,490</b>	<b>126,118,930</b>

**PERCENTAGE OF ENERGY FROM RENEWABLE SOURCES IN 2018**

Suzano Pulp and Paper	Fibria
88%	92%

**SUZANO PULP AND PAPER****ENERGY PURCHASED AND EXPORTED IN 2018 (GJ)**

Purchased	2,940,832
Exported	2,283,985

**FIBRIA****ENERGY PURCHASED AND EXPORTED IN 2018 (MWH/ADT)**

Total electric energy generated in the facilities	0.70
Electric energy consumed	0.63
Electric energy purchased	0.05
Electric energy exported	0.11

**GRI 302-3. ENERGY INTENSITY****ENERGY INTENSITY (GJ/ADT)**

Suzano Pulp and Paper <sup>1</sup>	Fibria
24.59	20.70

1. For SPC, the calculation of energy intensity considers all energy consumption within the company in relation to the production of market pulp, paper, fluff and tissue.

# GRI 303: Water

## GRI 303-2. WATER SOURCES SIGNIFICANTLY AFFECTED BY WITHDRAWAL OF WATER

### SUZANO PULP AND PAPER

Suzano Pulp and Paper withdraws water from some sources with high biodiversity value, because they are in environmental preservation areas or RPPN (Private Natural Heritage Reserves), or because they have high value for the community. In this sense, the company withdraws water from the tributary of Ribeirão dos Veados, a tributary of Ribeirão Tamanduá, a tributary of the Santo Inácio River, an unnamed tributary of the Jurumirim Reservoir, aquífer Formação Pirambóia, aquífer Formação Serra Geral, Alto Paranapanema Basin, Córrego da Lajinha, Córrego Rodrigues and Ribeirão do Atalho, all located in the Environmental Protection Area of Botucatu. The company also withdraws water from Córrego Piracema and Água Palmeirinha River, both of which are part of the RPPN of Matão - Olavo Setúbal and of the rivers Mucuri, Piracicaba, Tietê, Tocantins and Três Barras, the latter with high value for the community and local population, since it supplies 50,000 people in the Itararé region.

### FIBRIA

Fibria affects the surrounding sources in its three units:

#### Três Lagoas Unit

The average flow of the Paraná River, which is the water source of the Três Lagoas Unit, is 6,000 cubic meters per second. The average volume of water withdrawn for Line 1 is 1.27 m<sup>3</sup>/s and for Line 2, it is 1.5 m<sup>3</sup>/s, which accounts for 0.046% of the river flow. Although not impacting the river, we conduct environmental monitoring as a prevention and control measure to verify eventual changes. Water samples are collected for qualitative and quantitative analysis of physico-chemical, biological and microbiological parameters.

In 2018 there was an increase in absolute indicators (water withdrawal and generation of effluents in m<sup>3</sup>/year) due to the operations of mill 2, which in 2017 operated only for 4 months. However, a better performance is observed when the specific value is obtained, that is, m<sup>3</sup>/adt of water withdrawn, for example.

Our unit does not use the final effluent after treatment at Effluent Treatment Stations. Some companies and processes make use of the effluent after treatment, such as in fertigation. There is no application for this case. Industrial processes prior to effluent treatment recycle and reuse water, such as cooling towers and countercurrent circuit for the filtrates in the fiber line. It is worth mentioning that in 2018, specific projects for the internal re-use of water resources were carried out, and the work developed significantly contributed to improving the specific volume withdrawn.

#### Jacareí Unit

The average flow of the Paraíba do Sul River, which is the water source of the Jacareí Unit, is 75 cubic meters per second. The average volume of water withdrawn for the Unit is 0.7 m<sup>3</sup>/s, which accounts for 0.93% of the river flow. Although not impacting the river, the Unit conducts environmental monitoring as a prevention and control measure to verify eventual changes. Water samples are collected for qualitative and quantitative analysis of physico-chemical, biological and microbiological parameters.

#### Aracruz Unit<sup>1</sup>

Surface water is withdrawn from the Gimuhuna River (Captação Mãe Boa), which is influenced

by the adduction of the Gimuhuna River basin and a significant contribution of the channel called Canal Caboclo Bernardo (Doce River). Currently, no water resources are impacted by withdrawal.

1. Fibria and the Municipality of Aracruz were jointly and severally convicted in a Public Civil Action filed by the Federal Public Prosecutor's Office, to carry out, within six months, an Environmental Impact Study and Environmental Impact Report (EIS/EIR) regarding the project to transpose water from Doce River to Riacho River. In a judgment of appeal filed by Fibria, the Federal Regional Court of the 2nd Region issued a decision suspending the obligation to submit the EIS/EIR within six months, since it is a short period of time due to the complexity of the study. Concurrently, Fibria filed an appeal where it questions, among other points, the existence of damages capable of justifying the requirement for the EIS/EIR for the subject project. The appeal is pending decision.

## GRI 303-3. WATER RECYCLED AND REUSED

### SUZANO PULP AND PAPER<sup>1</sup>

#### WATER RECYCLED/REUSED IN 2018

Total volume of water recycled/reused (m <sup>3</sup> )	11,536,099
Percentage of water recycled and reused	18%

1. SPC considers the percentage in relation to the total water withdrawn in the units where the water is reused (Imperatriz and Limeira industrial units and the forestry unit in Bahia).

### FIBRIA

#### WATER RECYCLED/REUSED IN 2018

Total volume of water recycled/reused (m <sup>3</sup> )	796,258,526
Percentage of water recycled and reused	78%

## GRI 304: Biodiversity

### GRI 304-1. OPERATIONAL UNITS OWNED, LEASED, MANAGED IN, OR ADJACENT TO, PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS

#### OPERATIONAL UNITS OWNED, LEASED, MANAGED IN, OR ADJACENT TO, PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS, IN 2018 (ha)

	Suzano Pulp and Paper <sup>1</sup>	Fibria <sup>2</sup>
Within	-	25,308.32
Adjacent	4,964,296.24	106,250.20

1. Suzano Pulp and Paper includes the protected areas adjacent to its units.

2. For this indicator, Fibria includes the operational areas within or adjacent to protected areas and areas of high biodiversity index outside protected areas. The buffer zone criterion is used to calculate adjacent areas. This criterion is in line with the concept of this indicator and the ecological purpose of buffer zones. In 2018, the boundaries of the Conservation Unit RDS Mangueiros do Piraquê-Açu were readjusted, according to information provided by IEMA (Espírito Santo state), and Conservation Unit ARIE Degredo as per the decree, justifying the changes in relation to the total reported in 2017.

## GRI 304-2. SIGNIFICANT IMPACTS OF ACTIVITIES, PRODUCTS, AND SERVICES ON BIODIVERSITY

### SUZANO PULP AND PAPER

Although it does not identify significant and irreversible negative impacts, Suzano Pulp and Paper identifies some potential impacts of its industrial and forestry operations on the environment.

A possible impact is the change in the quality of water and/or soil due to pollution (introduction of substances that do not occur naturally in the habitat, from persistent and non-persistent sources) and disposal of solid waste. For this, SPC has in place forest management plans, manuals and procedures that guide employees in forestry processes (chemical control, ant extermination, etc.), and provides land use maps containing protected areas, as well as field markings signaling Permanent Protection Areas. In its industries, Suzano monitors its emissions (air and water) according to the requirements of local environmental agencies and according to the relevant legislation. The company also has in place a Solid Waste Management Plan and has authorization for disposal of Class I waste and some industrial waste in licensed sites (authorization issued by CETESB).

Another possible impact is damage to biodiversity due to fire or erosion. In the first case, SPC has in place the Floresta Viva (Living Forest): a program to consolidate the image of the company in the communities where it operates and their relationship with the forestry units, through awareness of environmental preservation and prevention of fire outbreaks in reforestation areas. In the case of erosion, we use ridges associated with water outlets, with variations in size and spacing, due to slope of the land and soil type, respecting the limits of height and length - they must take up the entire width of the road. The water outlets are built in between the planting lines, thus avoiding waste

of areas. During and after implementation, in the case of rain, we monitor points for correction and improvements in conservation of soil and roads. This process should be continuous throughout the first forestry cycle.

Regarding air emissions, which may cause changes in air quality, SPC collects and burns the gases at designated sources and performs self-monitoring. And in relation to the use of water, which could alter water resources, the company closes part of the circuit and reuses water.

### FIBRIA

As a sustainable forestry company, biodiversity conservation is part of Fibria's strategy to create shared value and well-being for people.

In Fibria, raw material is eucalyptus wood, a tree originating from Oceania that has adapted to Brazilian conditions without having the characteristics of invasive species. Our forests replace areas already affected by human intervention, increasing their carbon stock.

Biodiversity is included in the company's materiality matrix, and its Sustainability Policy attests to the commitment to reducing adverse environmental impacts and improving the quality of the environment. The company sets aside approximately 32% of its properties as conservation areas. These areas represent different types of ecosystems located along rivers and between the eucalyptus forests, forming a mosaic landscape.

Fibria's forestry activities follow its Forest Management Plan (FMP), a document that describes the forestry operations, available resources, practices and procedures adopted to sustainably achieve short-, medium- and long-term management goals.

The construction and maintenance of roads and firebreaks, planting and maintenance of eucalyptus in areas of commercial planting, seedling production, forest harvesting, wood transport, and other support activities, including restoration of conservation areas and environmental monitoring, are part of forest management. All management activities are evaluated through the Aspects and Impacts (AIA) matrix, in line with the ISO 14001 environmental management system certification.

Among the main aspects of forestry operations likely to generate impacts on biodiversity are landscape modification, road kill of wild animals, fires, leaks, spills and noise that could alter wildlife and aquatic fauna, cause localized damage to the flora and temporary scaring of animals, on the other hand, we also have a positive impact on the increase of biodiversity. For all negative aspects, the following are defined: controls such as awareness and training, contractual requirements for suppliers, documented internal procedures, micro-planning, social and environmental recommendations and monitoring of biodiversity. In this way, impacts related to wildlife and flora are controlled and those

considered relevant or significant are individually addressed for each operation.

When monitoring biodiversity, we work to learn about and protect the species and populations of native wildlife and flora and to ensure the environmental quality of the areas maintained by the company.

Fibria understands that well-managed eucalyptus forests and native trees, respect for biodiversity, and systemic land use, restore a series of ecosystem services, such as carbon sequestration and water conservation, and this association of planted and native forests improves forest management.

Fibria's Environmental Restoration Program stands out as one of the activities with direct positive impact on biodiversity. The restoration methodologies employed are planting of native tree species, natural regeneration, and control of invasive species, as well as protection against degradation factors. In 2018, a total of 2,980 hectares of protected area in Atlantic Rainforest and Cerrado began to be restored, accounting for 27,680 hectares since 2012, about 69.2% of the company's goal of restoring 40,000 hectares by 2025.

## GRI 304-3. HABITATS PROTECTED OR RESTORED

For both companies, the areas mentioned include areas set aside for conservation purposes (Permanent Preservation Areas and Legal Reserve).

### SUZANO PULP AND PAPER

#### HABITATS PROTECTED AND/OR RESTORED BY FORESTRY UNIT (ha)

Bahia <sup>1</sup>	83,054
Maranhão <sup>2</sup>	205,290
São Paulo <sup>3</sup>	60,613
<b>Total</b>	<b>348,957</b>

1. Bahia Forestry Unit encompasses areas in the states of Bahia, Espírito Santo and Minas Gerais.

2. Maranhão Forestry Unit encompasses areas in the states of Maranhão, Pará, Tocantins and Piauí.

3. São Paulo Forestry Unit encompasses areas in the state of São Paulo.

### FIBRIA

#### HABITATS PROTECTED AND/OR RESTORED BY TYPE OF BIOME (ha)

Atlantic Rainforest	181,063
Cerrado	126,940
Restinga	4,323
<b>Total</b>	<b>312,325</b>

## GRI 304-4. IUCN RED LIST SPECIES AND NATIONAL CONSERVATION LIST SPECIES WITH HABITATS IN AREAS AFFECTED BY OPERATIONS

### SUZANO PULP AND PAPER<sup>1</sup>

#### TOTAL NUMBER OF ENDANGERED SPECIES IN 2018

	IUCN	National list	State Lists
Plants	20	19	9
Birds	39	32	51
Mammals	9	20	12
Amphibians	0	0	0
Reptiles	0	0	0
Fish	0	0	0
Crustaceans	0	0	0
<b>Total</b>	<b>68</b>	<b>71</b>	<b>72</b>

1. Includes the forestry units in Bahia and Maranhão, and Maranhão does not consider state lists. The total number of endangered species is the summation of those classified as Critically endangered, Threatened, and Vulnerable. Amphibians, reptiles, fish and crustaceans were not accounted for.

### FIBRIA<sup>1</sup>

#### TOTAL NUMBER OF ENDANGERED SPECIES IN 2018

	IUCN	National list	State Lists
Plants	19	104	4
Birds	36	81	62
Mammals	24	57	34
Amphibians	2	0	0
Reptiles	1	1	1
Fish	0	1	1
Crustaceans	0	2	5
<b>Total</b>	<b>82</b>	<b>246</b>	<b>107</b>

1. The IUCN list is updated in real time, which are incorporated into the list and may, therefore, contain fluctuations in numbers compared with previous years, upwards or downwards, even without new studies. The national list is from IBAMA. The total number of endangered species is the summation of those classified as Critically endangered, Threatened, and Vulnerable.

# GRI 305: Emissions

## GRI 305-1. DIRECT (SCOPE 1) GHG EMISSIONS

## GRI 305-2. INDIRECT (SCOPE 2) GHG EMISSIONS

## GRI 305-3. OTHER INDIRECT (SCOPE 3) GHG EMISSIONS

### CO<sub>2</sub> EMISSIONS IN 2018 (tCO<sub>2</sub>eq)

	Suzano Pulp and Paper	Fibria <sup>1</sup>
Scope 1	983,341	1,264,657
Scope 2	60,205	21,907
Scope 3	525,068	1,265,030
<b>Total emissions (scope 1 + scope 2 + scope 3)</b>	<b>1,568,614</b>	<b>2,551,595</b>

1. All gases (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all) are considered, even though not all gases are present in Fibria's production process.

## GRI 305-4. INTENSITY OF GREENHOUSE GAS (GHG) EMISSIONS

### SUZANO PULP AND PAPER

#### EMISSION INTENSITY BY OPERATION BLOCKS (tCO<sub>2</sub>e PER TON OF PRODUCT)<sup>1</sup>

	2017	2018
Units: Suzano, Limeira and Rio Verde. Forestry Unit: SP	0.24	0.24
Unit: Imperatriz. Forestry Unit: MA	0.18	0.22
Unit: Mucuri. Forestry Unit: BA	0.15	0.16
Unit: FACEPA (Belém and Fortaleza)	-	0.56
<b>Overall average<sup>2</sup></b>	<b>0.19</b>	<b>0.21</b>

1. The production of market pulp and paper production (finished paper, fluff and tissue) was considered as a product.

2. Includes emissions from other units (Headquarters, Futuragene, SPP, International Units).

### FIBRIA

#### INTENSITY OF SEQUESTRATION AND EMISSIONS OF GREENHOUSE GASES (GHGs)<sup>1,2</sup>

	2017	2018
Sequestration (tCO <sub>2</sub> eq/adt <sup>3</sup> )	3.40	3.47
Emissions - industrial, forestry and logistics operations (tCO <sub>2</sub> eq/adt <sup>3</sup> )	0.32	0.40
Emissions - biomass (tCO <sub>2</sub> eq/adt <sup>3</sup> )	1.79	1.71
Balance (sequestration - emissions) (tCO <sub>2</sub> eq/adt <sup>3</sup> )	1.29	1.36

1. Includes scopes 1, 2 and 3.

2. Gases considered: CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O.

3. adt - Air-dry ton.

## GRI 305-7. NITROGEN OXIDES (NO<sub>x</sub>), SULFUR OXIDES (SO<sub>x</sub>), AND OTHER SIGNIFICANT AIR EMISSIONS

### NITROGEN OXIDES (NO<sub>x</sub>), SULFUR OXIDES (SO<sub>x</sub>), AND OTHER SIGNIFICANT AIR EMISSIONS (TONS)

	Suzano Pulp and Paper	Fibria
NO <sub>x</sub> (direct emissions)	5,632.97	7,553.98
SO <sub>x</sub> (direct emissions)	1,345.77	850.41
Particulate Matter (PM)	2,486.69	2,547.23
Other (TRS)	175.12	156.92

## GRI 306: Effluents and Waste

### GRI 306-1. WATER DISCHARGE BY QUALITY AND DESTINATION

#### SUZANO PULP AND PAPER

##### DISPOSAL AND QUALITY OF EFFLUENTS

	Belém	Limeira	Suzano	Rio Verde	Imperatriz	Mucuri
Total nitrogen (t)	n/a	83.68	n/a	n/a	0.06	243.86
Total phosphorus (t)	n/a	38.36	n/a	n/a	0.02	70.06
COD (mg/L)	299.20	236.30	216.40	181.20	4.96	279.00
BOD (mg/L)	62.86	9.97	20.20	38.80	0.07	7.30
AOx (kg)	n/a	Not performed,	n/a	n/a	0.06	76,345.26
Volume of effluents (m <sup>3</sup> )	1,218,193	17,434,172	23,994,010	852,432	30,674,201	44,908,979

##### DISPOSAL OF EFFLUENTS BY DESTINATION

	Type of effluent treatment	Was it used by another organization?	2018
São Joaquim Channel	Primary Treatment -Clarification	No	1,218,193
Piracicaba River	Primary sedimentation, activated sludge, secondary sedimentation, polishing and discharge.	No	17,434,172
Tietê River	Primary treatment, secondary treatment in aerated ponds, facultative lagoon (polishing pond) and, finally, discharge.	No	24,846,442
Tocantins River	Sludge activated through prolonged aeration	No	30,674,201
Mucuri River	Primary treatment followed by aerated pond and MBBR and, concurrently, Primary treatment followed by activated sludge	No	44,908,979



**FIBRIA****DISPOSAL AND QUALITY OF EFFLUENTS**

	<b>2018</b>
Total nitrogen (kg/adt)	0.15
Total phosphorus (kg/adt)	0.05
COD (kg/adt)	8.54
BOD (kg/adt)	1.17
Suspended solids (kg/adt)	2.79
Volume of effluents (m <sup>3</sup> /adt)	24.58

**DISPOSAL OF EFFLUENTS BY DESTINATION**

	<b>Type of effluent treatment</b>	<b>Was it used by another organization?</b>	<b>2018</b>
Atlantic Ocean	Aeration ponds (Biological)	No	57,720,543
Paraíba do Sul River	Sludge activated double stage	No	25,887,814
Paraná River	Activated sludge through prolonged aeration	No	66,938,242

**GRI 306-2. WASTE BY TYPE AND DISPOSAL METHOD****WEIGHT OF HAZARDOUS WASTE, FROM THE INDUSTRIAL AREA, BY TYPE OF FINAL DISPOSAL (TONS)**

	<b>Suzano Pulp and Paper<sup>2</sup></b>	<b>Fibria</b>
Re-refining	95.420	284.55
Reprocessing/recycling	2.019	21.40
Co-processing	346.246	294.62
Incineration	0.159	0.37
Landfill <sup>1</sup>	70.340	102.39
Recovery	12.460	0.00
<b>Total</b>	<b>526.64</b>	<b>703.32</b>

1. For Fibria, landfill includes internal and external landfills (Class I).

2. Considers the industrial units of Imperatriz, Limeira, Mucuri and Suzano. In the period, Imperatriz Unit sent 16,800 liters for refining, not considered in the table above.

**WEIGHT OF NON-HAZARDOUS WASTE, FROM THE INDUSTRIAL AREA, BY TYPE OF FINAL DISPOSAL (TONS)**

	Suzano Pulp and Paper <sup>2</sup>	Fibria
Reuse	97,384.68	453,776.71
Reprocessing/recycling	214,688.10	387,051.42
Co-processing	44,169.36	0.00
Composting	72,135.00	0.00
Landfill <sup>1</sup>	296,152.78	149,400.94
Storage	304,240.73	0.00
Other	68,752.22	7,018.53
<b>Total</b>	<b>1,097,522.86</b>	<b>997,247.59</b>

1. For Fibria, landfill includes internal and external landfills (Class I).

2. Considers the industrial units of Imperatriz, Limeira, Mucuri, Rio Verde and Suzano.

## GRI 306-5. WATER BODIES AFFECTED BY WATER DISCHARGES AND/OR RUNOFF

**WATER BODIES AFFECTED BY WATER DISCHARGES AND/OR RUNOFF IN 2018**

	Suzano Pulp and Paper					Fibria		
	UNI Belém	UNI Maranhão	UNI Limeira	UNI Mucuri	UNI Suzano	Aracruz	Jacareí	Três Lagoas
Type and size of the water body (m <sup>3</sup> )	São Joaquim Channel	Tocantins River (8,000)	Piracicaba River (average flow - 48.53 m <sup>3</sup> /s)	Mucuri River (average flow - 50.35 m <sup>3</sup> /s)	Tietê River (average flow - 5.32 m <sup>3</sup> /s)	Atlantic Ocean	Paraíba do Sul River (average flow - 75 m <sup>3</sup> /s)	The entire watershed of the Paraná River (29 billion)

## **GRI 307: Environmental Compliance**

### **GRI 307-1. NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS**

#### **SUZANO PULP AND PAPER**

In 2018, we received 10 environmental notices, none of which had significant amounts (over 1 million reais). We did not suffer non-monetary sanctions (seizure, suspension, work embargo or activity, or restriction of rights) as a result of non-compliance with environmental laws and regulations.

#### **FIBRIA**

In 2018, 22 notices were registered due to non-compliance with environmental laws and regulations, only one notice having a significant amount of BRL 2,758,500.00 (two million, seven hundred fifty-eight thousand and five hundred reais). The infraction was assessed by IBAMA, which questions Fibria for allegedly performing construction work or activity of environmental resources considered effectively or potentially polluting, assessing a penalty on alleged noncompliance with conditions 2.1 and 2.4 of the operating license (OL) 898/2008, based on a Memorandum and a Technical Note dated 2016. A defense was filed, pending a response from the agency. Fibria was also notified in 135 non-monetary sanction procedures assessed by the Agricultural and Livestock Defense Coordination Office of Sorocaba for allegedly having presented an invoice and agronomic revenue issued to a location other than the one specified for the application of the pesticide.

## **GRI 308: Supplier Environmental Assessment**

### **GRI 308-1. NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA**

#### **SUZANO PULP AND PAPER**

In 2018, 65% of the new suppliers hired by Suzano Pulp and Paper were screened using environmental criteria. The assessment of environmental criteria is performed during the registration and certification process for specific supply categories that require this type of analysis.

#### **FIBRIA**

In 2018, 61% of new suppliers hired by Fibria were screened using environmental criteria, and 53% of suppliers were selected based on these criteria.

For the first item (percentage of suppliers that were screened using environmental criteria), we considered the total number of suppliers registered in 2018 that were screened (approved and rejected) using Environmental criteria versus the total number of suppliers registered that were screened. For the second item (percentage of suppliers that were selected using environmental criteria), we considered the total number of suppliers registered in 2018 that were approved and screened using environmental criteria versus the total number of suppliers registered that were screened.

## GRI 308-2. NEGATIVE SOCIAL IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN

### SUZANO PULP AND PAPER

In 2018, a total of 168 Suzano Pulp and Paper suppliers were submitted to environmental impact assessments, 9 of which were identified as causing significant negative environmental impacts. Action plans and strategies for monitoring these impacts were defined for these 9 suppliers. In the period, SPC did not terminate the relationship with any supplier.

### FIBRIA

In 2018, a total of 397 Fibria suppliers were submitted to environmental impact assessments, 16 of which were identified as causing significant negative social impacts. Action plans and strategies for monitoring these impacts were defined for 38% of these suppliers. In the period, Fibria did not terminate the relationship with any supplier.

## GRI 401: Employment

### GRI 401-1. NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

#### TURNOVER RATE BY GENDER AND AGE GROUP IN 2018<sup>1</sup>

	Suzano Pulp and Paper	Fibria	Futuragene	Facepa
Men	13%	9%	6%	1%
Women	16%	20%	8%	0%
Up to 30 years of age	20%	21%	8%	3%
From 30 to 50 years of age	11%	8%	5%	1%
Over 50 years of age	9%	6%	17%	0%

1. SPC and Fibria calculate turnover rates as follows:  $(\text{new hires} + \text{terminations}) / 2 / \text{average number of employees by gender or age group}$ .

# GRI 403: Occupational Health and Safety

## GRI 403-1. WORKERS REPRESENTATION IN FORMAL HEALTH AND SAFETY COMMITTEES

At Suzano Pulp and Paper, 100% of the workers are represented in formal health and safety committees. At Fibria, this total is 99.95%. The 0.05% not accounted for relates to international offices.

## GRI 403-2. TYPES AND RATES OF INJURIES, OCCUPATIONAL ILLNESS, LOST DAYS, ABSENTEEISM AND NUMBER OF WORK-RELATED FATALITIES

### SUZANO PULP AND PAPER

#### HEALTH AND SAFETY INDICATORS IN 2018

	Company employees	Contractors
Accident frequency rate without lost time	1.33	0.9
Lost time injury frequency rate	1.03	0.14
Rate of lost days (RLD)	62	5
Absolute number of deaths	0	0

### FIBRIA

#### HEALTH AND SAFETY INDICATORS IN 2018<sup>1</sup>

Number of injuries	29
Injury rate (IR) (overall)	0.11
Number of occupational diseases	0
Rate of occupational diseases (ROD)	0
Number of lost days	2,532
Rate of lost days (RLD)	9.92
Absolute number of deaths	0

1. The indicator includes company employees and contractors.

# GRI 404: Training and Education

## GRI 404-1. AVERAGE NUMBER OF TRAINING HOURS PER YEAR BY EMPLOYEE

### SUZANO PULP AND PAPER

#### AVERAGE NUMBER OF TRAINING HOURS BY EMPLOYMENT CATEGORY IN 2018<sup>1</sup>

	Men	Women
Administration	13.85	5.76
Apprentice	56.59	15.50
Board member	1.50	0.00
Consultant	26.54	6.46
Coordinator	20.42	6.58
Director	4.75	0.00
Specialist	13.56	11.28
Intern	29.49	29.16
Manager	13.22	2.08
Operational	70.45	2.88
Supervisor	49.85	1.90
<b>Total average</b>	<b>61.52</b>	<b>27.70</b>

1. The indicator does not consider temporary, international and expatriate employees.

### FIBRIA

#### AVERAGE NUMBER OF TRAINING HOURS BY EMPLOYMENT CATEGORY IN 2018

	Men	Women
Executive Board	22.00	16.00
Management	60.31	73.38
Consultants and coordinators	57.86	59.12
Administration	38.27	31.52
Operational	69.49	62.02
<b>Total average</b>	<b>62.68</b>	<b>45.79</b>

## GRI 404-3. PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

### SUZANO PULP AND PAPER

Suzano's performance evaluation includes 100% of our employees. Once a year, all employees go through a process we call Development Management, when we assess the level of delivery (What) and the way these deliveries were made (How). The "How" is based on the expected behaviors of each employee, according to corporate values. Initially, each employee makes a self assessment, then, the supervisor makes his/her assessment. In addition, assessment calibration committees are also held, composed of the leadership, in order to calibrate the discussions and obtain different perceptions. We then hold formal feedback sessions, which we call Touchpoints, where supervisor and employee, together, create an individual development plan. We are currently working hard to hold Touchpoints throughout the year, providing constant and fluid feedback, thus serving the purpose of developing our employees.

### FIBRIA:

In 2018, 100% of Fibria's employees in the executive categories (General Managers and Managers) and Supervisors/Technical staff underwent performance evaluations. In the operational category, this total was 95.8% for men and 85.4% for women, while in the administrative category, this total was 96.7% for men and 92.6% for women.

## GRI 405: Diversity and equal opportunity

### GRI 405-1. DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

#### BREAKDOWN BY MINORITY GROUPS

	Suzano Pulp and Paper	Fibria	Futuragene	Facepa
Women	12%	15%	63%	21%
Employees 50 and older	9%	15%	5%	14%

**SUZANO PULP AND PAPER<sup>1</sup>****TOTAL NUMBER OF COMPANY EMPLOYEES BY EMPLOYMENT CATEGORY AND GENDER IN 2018**

	Suzano Pulp and Paper		
	Men	Women	Total
Administration	806	356	1,162
Board member	1	0	1
Consultant	304	76	380
Coordinator	125	42	167
Director	10	0	10
Executive Director	5	0	5
Specialist	410	360	770
Executive Manager	47	7	54
Functional Manager	157	27	184
Operational	5,238	213	5,451
Supervisor	8	192	200
<b>Total</b>	<b>1,089</b>	<b>7,295</b>	<b>8,384</b>

**TOTAL NUMBER OF COMPANY EMPLOYEES BY EMPLOYMENT CATEGORY AND GENDER IN 2018**

	Futuragene		
	Men	Women	Total
Administration	47	17	64
Board member	0	0	0
Consultant	2	0	2
Coordinator	9	8	17
Director	0	4	4
Executive Director	0	1	1
Specialist	20	9	29
Executive Manager	0	2	2
Functional Manager	2	6	8
Operational	0	0	0
Supervisor	0	2	2
<b>Total</b>	<b>80</b>	<b>49</b>	<b>129</b>



### TOTAL NUMBER OF COMPANY EMPLOYEES BY EMPLOYMENT CATEGORY AND GENDER IN 2018

	Facepa		
	Men	Women	Total
Administration	215	67	282
Board member	0	0	0
Consultant	1	0	1
Coordinator	6	2	8
Director	0	0	0
Executive Director	0	0	0
Specialist	22	10	32
Executive Manager	0	0	0
Functional Manager	6	0	6
Operational	622	161	783
Supervisor	32	2	34
<b>Total</b>	<b>904</b>	<b>242</b>	<b>1,146</b>

### PERCENTAGE OF COMPANY EMPLOYEES BY EMPLOYMENT CATEGORY AND GENDER IN 2018

	SUZANO PULP AND PAPER			FUTURAGENE			FACEPA		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executive Board	100%	0%	100%	0%	0%	0%	0%	0%	0%
Management	86%	14%	100%	80%	20%	100%	100%	0%	100%
Consultants and Coordinators	69%	31%	100%	44%	56%	100%	81%	19%	100%
Administration	71%	29%	100%	30%	70%	100%	76%	24%	100%
Operational	96%	4%	100%	0%	0%	0%	79%	21%	100%

### TOTAL NUMBER OF COMPANY EMPLOYEES BY EMPLOYMENT CATEGORY AND AGE GROUP IN 2018

	SUZANO PULP AND PAPER			
	Under 30 years of age	Between 30 and 50 years of age	Over 50 years of age	Total
Administration	386	716	60	1,162
Board member	0	0	1	1
Consultant	52	273	55	380
Coordinator	23	130	14	167
Director	0	7	3	10
Executive Director	0	3	2	5
Specialist	389	346	35	770
Executive Manager	0	39	15	54
Functional Manager	5	156	23	184
Operational	1,361	3,596	494	5,451
Supervisor	16	153	31	200
<b>Total</b>	<b>2,232</b>	<b>5,419</b>	<b>733</b>	<b>8,384</b>

**TOTAL NUMBER OF COMPANY EMPLOYEES BY EMPLOYMENT CATEGORY AND AGE GROUP IN 2018**

	FUTURAGENE			
	Under 30 years of age	Between 30 and 50 years of age	over 50 years of age	Total
Administration	38	25	1	64
Board member	0	0	0	0
Consultant	0	2	0	2
Coordinator	3	12	2	17
Director	1	0	3	4
Executive Director	0	0	1	1
Specialist	5	23	1	29
Executive Manager	0	0	2	2
Functional Manager	0	7	1	8
Operational	0	0	0	0
Supervisor	0	2	0	2
<b>Total</b>	<b>47</b>	<b>71</b>	<b>11</b>	<b>129</b>

**TOTAL NUMBER OF COMPANY EMPLOYEES BY EMPLOYMENT CATEGORY AND AGE GROUP IN 2018**

	FACEPA			
	Under 30 years of age	Between 30 and 50 years of age	over 50 years of age	Total
Administration	65	184	33	282
Board member	0	0	0	0
Consultant	0	0	1	1
Coordinator	0	8	0	8
Director	0	0	0	0
Executive Director	0	0	0	0
Specialist	4	25	3	32
Executive Manager	0	0	0	0
Functional Manager	0	3	3	6
Operational	188	493	102	783
Supervisor	3	17	14	34
<b>Total</b>	<b>260</b>	<b>730</b>	<b>156</b>	<b>1,146</b>

**PERCENTAGE OF COMPANY EMPLOYEES BY EMPLOYMENT CATEGORY AND AGE GROUP IN 2018**

	SUZANO PULP AND PAPER				FUTURAGENE				FACEPA			
	Under 30 years of age	Between 30 and 50 years of age	over 50 years of age	Total	Under 30 years of age	Between 30 and 50 years of age	over 50 years of age	Total	Under 30 years of age	Between 30 and 50 years of age	over 50 years of age	Total
Executive Board	0%	67%	33%	100%	0%	0%	0%	0%	0%	0%	0%	0%
Management	2%	83%	14%	100%	0%	60%	40%	100%	0%	50%	50%	100%
Consultants and Coordinators	32%	59%	9%	100%	19%	75%	6%	100%	9%	67%	24%	100%
Administration	32%	63%	5%	100%	67%	33%	0%	100%	23%	65%	12%	100%
Operational	25%	66%	9%	100%	0%	0%	0%	0%	24%	63%	13%	100%

1. The tables do not include temporary employees.

**FIBRIA<sup>1</sup>****TOTAL NUMBER OF COMPANY EMPLOYEES BY EMPLOYMENT CATEGORY AND GENDER IN 2018**

	Men	Women	Total
Executive Board	11	2	13
Management	83	16	99
Consultants and Coordinators	323	111	434
Administration	755	391	1,146
Operational	3,029	229	3,258
<b>Total</b>	<b>4,201</b>	<b>749</b>	<b>4,950</b>

**PERCENTAGE OF COMPANY EMPLOYEES BY EMPLOYMENT CATEGORY AND GENDER IN 2018**

	Men	Women	Total
Executive Board	85%	15%	100%
Management	84%	16%	100%
Consultants and Coordinators	74%	26%	100%
Administration	66%	34%	100%
Operational	93%	7%	100%

**TOTAL NUMBER OF COMPANY EMPLOYEES BY EMPLOYMENT CATEGORY AND AGE GROUP IN 2018**

	Under 30 years of age	Between 30 and 50 years of age	over 50 years of age	Total
Executive Board	0	6	7	13
Management	0	67	32	99
Consultants and Coordinators	17	337	80	434
Administration	271	720	155	1,146
Operational	847	1,935	476	3,258
<b>Total</b>	<b>1,135</b>	<b>3,065</b>	<b>750</b>	<b>4,950</b>

**PERCENTAGE OF COMPANY EMPLOYEES BY EMPLOYMENT CATEGORY AND AGE GROUP IN 2018**

	Under 30 years of age	Between 30 and 50 years of age	over 50 years of age	Total
Executive Board	0%	46%	54%	100%
Management	0%	68%	32%	100%
Consultants and Coordinators	4%	78%	18%	100%
Administration	24%	63%	14%	100%
Operational	26%	59%	15%	100%

1. The tables do not include temporary employees.

## GRI 405-2. RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN

### SUZANO PULP AND PAPER

#### RATIO OF BASIC SALARY OF WOMEN TO MEN

	2017	2018
Administration	79%	69%
Apprentice	100%	92%
Consultant	91%	100%
Coordinator	87%	101%
Director <sup>1</sup>	-	-
Specialist	91%	94%
Executive Manager	91%	97%
Functional Manager	100%	107%
Operational	77%	66%
Supervisor	88%	89%
<b>Total average</b>	<b>90%</b>	<b>91%</b>

1. SPC does not have data for the Director and Board Member categories.

### FIBRIA

#### RATIO OF BASIC SALARY OF WOMEN TO MEN

	2017	2018
Directors <sup>1</sup>	-	-
Managers	107%	101%
Consultants and Coordinators	93%	94%
Administration	103%	96%
Operational	86%	70%
<b>Total average</b>	<b>97%</b>	<b>90%</b>

1. Since there is only one Female Director, Fibria does not report this figure.

## GRI 406: Non-discrimination

### GRI 406-1. INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN

#### SUZANO PULP AND PAPER

Type	Records	Under analysis	Processed	Resolved	Unfounded
Reports of discrimination received in 2017 and addressed in 2018	1	0	1	0	1
Reports of discrimination received in 2018 and addressed in 2018	9	0	9	4	5
Total	10	0	10	4	6

#### FIBRIA

Current status of cases of discrimination received	2018
Considered and deemed unfounded	3
Under analysis	0
Founded	0

## GRI 407: Freedom of Association and Collective Bargaining

### GRI 407-1. OPERATIONS AND SUPPLIERS WHERE THE RIGHT TO FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING MAY BE AT RISK

## GRI 408: Child Labor

### GRI 408-1. OPERATIONS AND SUPPLIERS WITH SIGNIFICANT RISK OF INCIDENTS OF CHILD LABOR

# GRI 409: Forced or Compulsory Labor

## GRI 409-1. OPERATIONS AND SUPPLIERS AT SIGNIFICANT RISK FOR INCIDENTS OF FORCED OR COMPULSORY LABOR

During the reporting period, no actual or potential risks were found in the operations of Suzano Pulp and Paper, Fibria or its suppliers with respect to freedom of association and collective bargaining, child labor and forced or bonded labor. Further details on practices to avoid and mitigate any risks in both companies can be found below.

### SUZANO PULP AND PAPER

Aiming to provide workers with suitable workplace conditions, as well as conditions and practices in line with the conservation of the environment, all suppliers who undergo the Registration and Certification process must agree to comply with the requirements of the social and environmental responsibility terms, which covers adherence to legal practices regarding child labor, forced labor, compulsory labor, anti-corruption legislation, freedom of association and collective bargaining rights, environment, among others.

In addition, we monitor and follow up on labor criteria, field audits and access permission in order to evaluate and mitigate possible risks and nonconformities with respect to Suzano's best practices.

### FIBRIA

On a quarterly basis, Human Resources (HR) controls adequacy of our practices to labor legislation at all regional levels. A total of 20 items are analyzed for topics such as learning contracts, documentation of new hires,

working hours and rest periods, rehabilitated professionals, among others. In this control, Coordinators and Managers confirm that local practices are in line with legislation and what points can be improved or treated in a way that is safer and that adheres to the labor principles and collective agreements signed.

All the information collected, as well as the descriptive analyzes of the HR managers are registered in the CSA (compliance system) and its results are endorsed by HR management and presented to the organization's Executive Board.

In its supply chain, Fibria has in place a set of specific practices to avoid and mitigate any risk regarding this aspect.

In forest partnership, we have:

- Contractual clauses regarding restriction of child and bonded labor;
- Checklist applied by the savings technicians to service providers, evaluating documentation;
- Evaluation of service providers during inspections.

In general terms, the operational and technical teams, supervisors and analysts are often on the work fronts, assessing the teams of service providers in all aspects, with special attention to the use of child and bonded labor.

## **GRI 411: Rights of Indigenous and Traditional Peoples**

### **GRI 411-1. CASES OF VIOLATIONS INVOLVING RIGHTS OF INDIGENOUS PEOPLES**

In 2018, there were no cases of violation of the rights of Indigenous peoples at Suzano Pulp and Paper or Fibria.

## **GRI 412: Human Rights Assessment**

### **GRI 412-1. OPERATIONS THAT HAVE BEEN SUBJECT TO HUMAN RIGHTS REVIEWS OR IMPACT ASSESSMENTS**

#### **SUZANO PULP AND PAPER**

In 2018, Suzano Pulp and Paper had in place a specific framework to assist in the process of identifying and mitigating risks, in compliance with national and international laws, rules and regulations and adherence to the guidelines and values of our Code of Conduct, internal policies and procedures. In this scenario, it is possible to list the Ombudsman Coordination, the Conduct subcommittee and committee, and our whistleblowing channel.

The responsibility of following the principles of Corporate Governance, Integrity, Equality, Transparency, Recognition of Professionals and Sustainable Development is mandatory for all employees. The Company also has in place corporate policies with the purpose of guiding the ethical, honest and transparent performance of Board Members, Directors, employees and stakeholders, encompassing our network of relationships.

In the case of behavioral, procedural and/or regulatory deviations, the Company's Whistleblowing Channel is a secure and independent contact channel. Under the responsibility of a third party company, the channel guarantees the anonymity of the whistleblower and directly reports to the Conduct Committee. In 2018, the channel recorded 510 grievances, 94% of which were processed and resolved during the year, and 62% of which were considered unfounded. Of all grievances recorded, 204 involved human rights, 93% of which were processed and, of this total, 47% were resolved in the period.

#### **FIBRIA**

100% of Fibria's operations were continuously evaluated in 2018 for risks and impacts of human rights. As a standard process, Fibria required, upon hiring the services, all documents proving legal compliance in hiring employees,

as well as their employment relationship with the contracting company, which includes hiring minors (not allowed by Fibria, except for the legal hiring of minor apprentices within appropriate parameters). This goes to a unified and auditable database.

Regularly, service providers would hand over to Fibria's control area, documents proving compliance with social security tax collections, which ensures ongoing verification of legal compliance in contractual labor relations (good standings in terms of payment of rights and duties). This practice is provided in Fibria's list of procedures.

As an operational standard, a field audit is conducted annually through a representative sampling of Fibria service providers, focusing on ensuring compliance with working conditions, management, safety, environment and infrastructure. This process is recorded via an individual interview concerning reports

of employees, and any and all deviations are handled by Fibria through corrective or preventive interventions. Through this process, we ensure compliance with the terms of the ILO to which Brazil is a signatory, as well as prevention of any inappropriate work conditions.

In addition to this information, all workers are associated with a specific trade union, which has free transit/dialogue with the companies and with Fibria. Fibria has a formal ombudsman channel that can be used if any deviations are perceived by anyone.

Fibria also had some channels, such as the Ombudsman's Office, to receive grievances. In 2018, the channel recorded 373 grievances, of which 86% were reports, 83 (22.2%) associated with human rights, 47 of which were deemed unfounded and were filed, 31 were deemed founded and addressed, and 5 were pending at the end of the year.

## **GRI 413: Local Communities**

### **GRI 413-1. OPERATIONS WITH LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS**

In 2018, 100% of Suzano Pulp and Paper's and Fibria's operations implemented community engagement programs.

At Fibria, 100% of operations also implemented community impact assessment programs and local development programs in the surrounding area.



## GRI 413-2. OPERATIONS WITH SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON LOCAL COMMUNITIES

In 2018, the following negative impacts on the operations of each of the companies were identified:

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Area	Aspect	Impact
Wood transport	Traffic of vehicles on roads	Damage to public assets (roads, sidewalks, etc.), resulting in loss of time on roads and economic losses with maintenance of roads and vehicles
	Falling wood on roads during transportation	Risk of accidents
		Generation of dust from wood transport
		Risk of downing power lines
Forestry	Application of herbicide and insecticide and dispersion of pesticides and fertilizers by aerial application	Perception of health risk from application of herbicides and insecticides in eucalyptus forests
	Shading caused by eucalyptus forests	Perception of damage to crops of neighboring landowners or communities around farms
	Falling trees	Shading in the crops in adjacent properties, leading to poor productivity and economic loss
	Forest growth	Interruption of power supply due to falling trees on the power grid
	Communities enclosed by forests	Blocking of telephone signals by older forests
	Waste dispersal	Risk of accidents due to falling of trees and forest fires; damage to health from the application of pesticides; presence of venomous animals at harvest
Transport and/or harvest of wood	Noise caused by harvesting machines and trailer trucks	Risk of accidents on public roads
	Falling of trees during harvest	Nuisance and disturbance of sleep
	Harvesting of plots, causing displacement or proliferation of venomous animals and insects	Damage to property
Eucalyptus Forests	Extension of eucalyptus forests	Entry of insects and venomous animals into households
	Consumption of surface and groundwater	Difficulties for income generation and unemployment in the region
	Decommissioning of work fronts, reducing the need for direct and indirect labor in their activities (mechanization/optimization)	Belief that eucalyptus forests reduce water availability
Property and Sustainability	Unauthorized activities	Unemployment; Rural exodus; Economic loss
	Fish ban	Compromise biodiversity
		Livelihood

## FIBRIA

Fibria considers as "social impact on the communities" from its forest management any change (harmful or beneficial) that is caused, totally or partially, by its forestry operations within a radius of three kilometers of its properties or areas leased for the production of eucalyptus.

Impact relevance is defined based on the application of the Social Impacts Matrix, which weights factors such as severity, frequency, likelihood and scope of the impact identified. This weighting is followed by a qualitative analysis and validation of the level of significance of the social impact by the Local Relationship Committee (CRL) of each unit.

Impacts classified as "moderate" or "substantial" are considered significant and will be subject to controls, associated with the definition and/or documentation of operational criteria, specific operating procedures, supplier treatment parameters, planning, training and awareness, and maintenance requirements, including machinery, equipment and/or infrastructure.

Activity	Impact
Expansion of forest base	<ul style="list-style-type: none"> <li>Modification of the local land structure</li> <li>Isolation of properties and communities</li> <li>Alteration in landscape (visual) and loss of reference</li> <li>Change in the municipal production agenda - change in local production</li> <li>Appreciation of the land</li> <li>Commitment to food safety</li> <li>Disruption in the way of life of local communities</li> <li>Unemployment of families living in the acquired properties</li> <li>Change in archaeological and historical heritage</li> <li>Decommissioning of real estate</li> </ul>
Transport	<ul style="list-style-type: none"> <li>Increased risk of traffic accidents (people and animals)</li> <li>Compromise the capacity and quality of the road network</li> <li>Damage to public and private property</li> </ul>
Transportation and road construction and maintenance	<ul style="list-style-type: none"> <li>Dust generation</li> </ul>
Harvesting, transport, road construction and maintenance	<ul style="list-style-type: none"> <li>Noise generation</li> <li>Interference in communication systems</li> <li>Power interruption</li> </ul>
Forestry, harvesting, road construction and maintenance	<ul style="list-style-type: none"> <li>Change in water quality and availability</li> <li>Aerial application of pesticides and forest inputs</li> <li>Change in water availability</li> <li>Change in water quality</li> <li>Plantation near roads</li> </ul>

## **GRI 414: Supplier Social Assessment**

### **GRI 414-1. NEW SUPPLIERS THAT WERE SCREENED USING SOCIAL CRITERIA**

#### **SUZANO PULP AND PAPER**

In 2018, 100% of the new suppliers hired by Suzano Pulp and Paper were screened using social criteria.

The Supplier Registration and Certification process is carried out through a systemic tool that performs automatic consultation with public agencies such as CEIS, CEPIM and the Ministry of Labor to verify possible social and labor irregularities. In this way, 100% of the suppliers submitted to the process were selected based on these criteria. In addition, all suppliers who undergo this process must agree to comply with the requirements of the social and environmental liability terms, which covers adherence to best practices in relation to child labor, forced labor, compulsory labor, anti-corruption legislation and freedom of association and collective bargaining rights.

#### **FIBRIA**

In 2018, 84% of the new suppliers hired by Fibria were screened using social criteria and 64% of suppliers were selected based on these criteria.

For the first item (percentage of suppliers that were screened using social criteria), we considered the total number of suppliers registered in 2018 that were screened (approved and rejected) using Sustainability and Occupational Hygiene, Safety and Medicine (HSMT) criteria versus the total number of suppliers registered that were screened. For the second item (percentage of suppliers that were selected using social criteria), we considered the total number of suppliers registered in 2018 that were approved and screened using Sustainability and Occupational Hygiene, Safety and Medicine (HSMT) criteria versus the total number of suppliers registered that were screened.

### **GRI 414-2. NEGATIVE SOCIAL IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN**

#### **SUZANO PULP AND PAPER**

In 2018, a total of 283 Suzano Pulp and Paper suppliers were submitted to social impact assessments, 20 of which were identified as causing significant negative social impacts. Action plans and strategies for monitoring these impacts were defined with these 20 suppliers. In the period, we chose to terminate the relationship with 1 supplier.

#### **FIBRIA**

In 2018, a total of 443 Fibria suppliers underwent social impact assessments, 31 of which were identified as causing significant negative social impacts. Action plans and strategies to monitor these impacts were defined for 48% of the suppliers. In the period, Fibria did not terminate the relationship with any supplier.

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### COVER PHOTOS

- Rural worker of the 20 de Março Settlement, in Três Lagoas (Mato Grosso do Sul state), prepares vegetables for planting.  
*Photo: Araquém Alcântara*
- Francisca Elibania Matias Alves – Occupational Safety – Suzano Unit (São Paulo state)  
*Photo: Ricardo Teles*
- Forest Mosaic in Capão Bonito (São Paulo state)  
*Photo: Márcio Schimming*





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