



GREEN BOND REPORT 2021

Suzano S.A. related to the Green Bond Report of erstwhile
Fibria Cellulose: Use of Proceeds Statement

RENEW

May 2022

In January 2017, Fibria¹ issued green bonds for the amount of US\$ 700 million as a way of fulfilling the company's ongoing commitment to its sustainability strategy. This report describes the use of proceeds in the allocation period of 2021.

To consult the previous use of proceeds, go to [2020 Green Bond Report](#).

For more information, read the Management Statement on Eligible Projects ([Appendix A](#)), Use of Proceeds Statement ([Appendix B](#)), External Auditor's Report ([Appendix C](#)) and [Second Opinion Statement](#).

Here are some examples of the projects financed in 2021.

¹ In January 2019, Suzano Papel e Celulose and Fibria Celulose merged to form Suzano S.A. Both companies issued green bonds and, for continuity purposes, will maintain the reports separate.

COVER PHOTO:
Children handling a paper box.
Photo: Suzano's image bank.



Forest mosaic, state of Mato Grosso do Sul. Photo: Márcio Schimming.

1. CATEGORY: SUSTAINABLE FOREST MANAGEMENT

PROJECT

PROJ. 005 - FRDSA (F-S732)

INVESTMENTS

R\$ 2.5 MM (Services + Forestry Inputs) in 2021

ESTIMATED ENVIRONMENTAL BENEFITS

- Total managed area (protection and maintenance of planted seedlings) in 2021: 5,000 ha
- Total estimated carbon sequestered: 31,562.50 tCO₂e/year².

DESCRIPTION

Suzano is the biggest cellulose and eucalyptus worldwide producer, in terms of productive capacity. And the operations are based totally on renewable forest plantations. The PROF.005 - FRDSA (F-S732) farm is located in São Mateus (state of Espírito Santo), and the total area of the farm is 2,105 ha, of which 1,347 ha (64%) are destined to eucalyptus plantation, and 671 ha (32%) are destined to native forest conservation. The forest management of the farm is certified by the Forest Stewardship Council® (FSC®)³ and the Brazilian Forest Certification Program (Cerflor), which is part of the Program for the Endorsement of

² The sequestration refers to the process of removing carbon from the atmosphere carried out by planted and native forests in the interval of 1 year. For the calculation for planted forests, the forest is stratified by age class, and based on the current annual increase, the density, the area part / root, biomass ratio and the carbon content, the annual sequestration is calculated. For areas of native forest, a comparison is made between the standard classification of the Intergovernmental Panel on Climate Change (IPCC), the Suzano typology, the sequestration factors obtained from the IPCC methodology, Brazilian National Communication from the Ministry of Science and Technology, Innovations and internationally recognized scientific studies. For the calculation of removal from Fazenda Campo Limpo it was considered, the removals occurred in the cultivation areas and in the native forest. For the environmental benefit indicator data, the removal of all planted forests financed by Greenbonds was considered. Suzano annually carries out its inventory of emissions and removals of greenhouse gasses that include emissions from the production process and the sequestration of forests. More information can be found in the Annual Reports and Suzano Sustainability Center (<http://centraldesustentabilidade.suzano.com.br/en/>)

³ CoC FSC – license code: FSC-C110130.

Forest Certification (PEFC). There, the resources mainly financed the protection and maintenance of certified forest activities. Eucalyptus protection and maintenance activities are essential for the growth of the eucalyptus forest, ensuring the optimal use of natural resources and mitigating greenhouse gas emissions.

Aware of its responsibility as the leader in the market where it operates, Suzano launched in early 2020 its Sustainability strategy, which includes the commitment to be even more climate positive, that is, to remove more carbon from the atmosphere than it emits, specifically removing 40 million tons of greenhouse gasses until 2025. This challenge considers removals from eucalyptus cultivation areas and native forests areas, subtracting from this sum all direct (scope 1) and indirect (outside the control scope - scopes 2 and 3) emissions. Forest management actions following the key benchmarks and practices based on FSC® and CERFLOR/PEFC certificates will help achieve this target in 2025.

REPORT ON IMPACTS ON FINANCED PROJECTS IN THE ‘SUSTAINABLE FOREST MANAGEMENT’ CATEGORY

Eligibility Criteria	Environmental Benefits (2021)	KPI	Sub-category
Sustainable Forest Management	4,973,697.57 ²	tCO ₂ e	Forest Maintenance
			Forest Management and Protection
	761,329.13 ⁴	Hectares of Certified Area (states of Bahia, Espírito Santo, Mato Grosso do Sul and São Paulo): FSC® or Cerflor/PEFC	Purchase Certified Wood FSC® or Cerflor/ PEFC

⁴ CoC FSC – license code: FSC-C009927, FSC-C100704, FSC-C110130, FSC-C155943.

PROJECT

Monitoring of biodiversity and protection of endangered species

INVESTMENTS

R\$ 2.7 MM in 2021

TOTAL PRESERVED AREA

358,092 ha

DESCRIPTION

The core objective of the conservation and restoration program is to regenerate degraded areas and recover the native forest, generating an increase in vegetation, local biodiversity, protection of soils and springs, and the sequestration of greenhouse gases.

To guarantee the success of ecological restoration with a high degree of effectiveness and adequate monitoring, specific procedures and methodologies are developed based on partnerships with research institutions, universities, non-governmental organizations, and companies specialized in the subject. Working in partnership with other institutions is an essential part of this process. By doing so, new methodologies for restoration, protection, conservation and monitoring of biodiversity are created, analyzed and tested, which promote improvements in management efficiency, reduce impacts, generate new opportunities in addition to promoting knowledge sharing.

In 2021, through the financing of green bonds, the processes of implantation of ecological restoration were carried out in the states of Bahia, Espírito Santo and São Paulo, altogether, 575 ha of implanted area and 3,270 ha of maintained area. Regarding the execution of forest restoration, the methodologies adopted in 2020 were the conduction of natural regeneration; control of invasive exotic species; intercropped planting (of native species and eucalyptus); passive restoration (isolation of the area); in addition to the necessary maintenance activities. The management of those areas contributed to a removal of 42,029.64 tCO₂ of the atmosphere

Forest restoration initiatives in degraded areas, which increase the vegetation, contribute positively for achieving Suzano’s public commitment undertaken early 2020 to be even more climate positive. That is, to remove more carbon from the atmosphere than it emits, specifically removing 40 million tons of greenhouse gasses, considering not just removals from eucalyptus cultivation areas and native forest areas, but also subtracting from this sum all direct (scope 1) and indirect (outside the control scope - scopes 2 and 3) emissions.



Forest mosaic, Aracruz (state of Espírito Santo). Photo: Suzano's image bank.

REPORT ON IMPACTS ON FINANCED PROJECTS IN THE CATEGORY
'RESTORATION OF NATIVE FORESTS AND CONSERVATION OF BIODIVERSITY'

Eligibility Criteria	Environmental Benefits (2021)	KPI	Sub-category
Restoration of Native Forests and Conservation of Biodiversity	42,029.64	tCO ₂ e in restoration areas	Restoration
	575	Hectares under ecological restoration	
	358,092	Total hectares of Conserved Areas	Conservation of Biodiversity

3. APPENDIX A



Eucalyptus plantation, Açailândia (state of Maranhão). Photo: Márcio Schimming.

Suzano is responsible for the integrity, accuracy and validation of Fibria's Use of Proceeds Statement (Appendix B). We assert through this use of proceeds attestation that net proceeds of BRL 2,692.4 million (equivalent to USD 703.6 million) were disbursed between January 2015 and December 2021 for qualifying Eligible Projects that meet the Eligibility Criteria set forth below:

Eligibility Criteria	
Sustainable Forest Management	Capital expenditures necessary to sustainably manage eucalyptus forest plantations that are certified by FSC® or Cerflor (PEFC).
Restoration of Native Forests and Conservation of Biodiversity	Proceeds of the green bond will be allocated to inputs and services (capital and operational expenditures) required for restoration of native forest cover in degraded land and funding biodiversity conservation and monitoring.
Waste Management	Proceeds of the green bond may be allocated to the construction, installation, operations, and upgrade of waste facilities that reduce the generation of waste and reuse waste in processes.
Sustainable Water Management - Water Usage Efficiency	Proceeds of the green bond may be allocated to construction, installation, operations and upgrades of water facilities that reduce water consumption and allow for water reuse in industrial processes.
Renewable Energy – Generation of Energy from Renewable Sources	Proceeds of the green bond may be allocated to construction, installation, operations and upgrades of renewable energy facilities that increase production of renewable energy from waste biomass sources (waste to energy).

4. APPENDIX B: USE PROCEEDS

Eligibility Criteria	Sub-category	Current Amount Disbursed (R\$ million)							Current Amount Disbursed (Equivalent in US\$)						
		2015	2016	2017	2018	2019	2020	2021	2015	2016	2017	2018	2019	2020	2021
Sustainable Forest Management	Forest Maintenance	35.3	66.3	67.7	60.4	41.1	46.1 ¹	66.9	10.6	19.0	21.2	16.5	10.4	8.9	12.4
	Forest Management and Protection	118.2	128.3	134.4	139.6	97.1	59.8	118.2	35.4	36.8	42.1	38.2	24.6	11.6	21.9
	Purchase of Certified Wood	235.3	288.5	100.8	199.6	185.6	274.3	82.5	70.5	82.8	31.6	54.6	47.0	53.2	15.3
Restoration of Native Forests and Conservation of Biodiversity	Restoration	4.0	4.4	3.0	2.4	0.8	4.2	2.7	1.2	1.3	0.9	0.7	0.2	0.8	0.5
	Conservation of Biodiversity	0.3	0.7	1.2	0.9	2.2	-	-	0.1	0.2	0.4	0.2	0.6	-	-
Waste Management	Reduction of waste	-	4.9	46.6	2.9	16.9	37.6	-	-	1.4	14.6	0.8	4.3	7.3	-
Sustainable Water Management - Water Usage Efficiency	Water reuse	-	0.9	0.9	0.6	7.8	0.6	-	-	0.3	0.0	0.2	2.0	0.1	-
Renewable Energy – Generation of Energy from Renewable Sources	Electricity generated from waste	-	0.7	0.1	0.0	0.0	-	-	-	0.2	0.0	0.0	0.0	-	-
Subtotal		393.2	494.6	353.9	406.4	351.5	422.6	270.2	117.8	142.0	110.8	111.2	89.1	81.9	50.8
Total		2,692.4							703.6						

- (1) Average Exchange Rate (R\$/US\$) 2015: 3.3387
(2) Average Exchange Rate (R\$/US\$) 2016: 3.4833
(3) Average Exchange Rate (R\$/US\$) 2017: 3.1925
(4) Average Exchange Rate (R\$/US\$) 2018: 3.6546
(5) Average Exchange Rate (R\$/US\$) 2019: 3.9451
(6) Average Exchange Rate (R\$/US\$) 2020: 5.1578
(7) Average Exchange Rate (R\$/US\$) 2021: 5.3956

ASSURANCE STATEMENT BUREAU VERITAS



INTRODUCTION

Bureau Veritas Certification Brasil (Bureau Veritas) was engaged by Suzano S.A. (Suzano) to provide limited assurance over the use of proceeds during the year 2021, in relation to Fibria's Green Bond Report, reviewed by Suzano in 2022.

This assurance was conducted by a multidisciplinary staff with expertise in financial and non financial data.

The bond was originally issued by Fibria Celulose S.A, tha was fully acquired by Suzano in January 2019.

CONCLUSION

Based on the work we have performed and the evidence we have obtained we believe that Suzano's Green Bond Report 2022 was properly prepared in all material respects, following the reporting criteria. We evidenced conduction of the projects defined in the Report according to its financial and physical schedules. The proceeds used in 2021, presented in the Report, were applied in accordance with the physical and financial schedules evidenced by us and relate to assets that were owned by Fibria.

SCOPE OF WORK

The scope of work included:

- 1. Sustainable Forest Management (maintenance and protection);**
- 2. Restoration of Native Forests and Conservation of Biodiversity.**

The verified data and information refer to the period from January to December 2021.

This assurance was performed due to the issuance of US\$ 700.000.000,00 in Green Bonds by Fibria Overseas Finance on 11 January 2017, guaranteed by Suzano S.A. (formal Fibria Celulose S.A.)

The scope of our work was limited to assurance over the allocation of bond proceeds and impact reporting as stated in Fibria's Green Report, dated April 2017.

Financial data were verified in local currency (Reais).

SUZANO'S AND BUREAU VERITAS RESPONSIBILITIES

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

METHODOLOGY, LIMITATIONS AND EXCLUSIONS

The Assurance covered the following activities:

1. Interviews with the personnel responsible for the Green Bond Report preparation, evaluation and monitoring, especially the areas of sustainability, treasure, environmental, forestry and controlling.
2. Collection of evidence on the use of proceeds and execution of activities associated with Green Bonds, throughout 2021.
3. Traceability of financial and non financial data, including planning and monitoring of disbursed proceeds.

The level of verification adopted was Limited, according to the requirements of the ISAE 3000 Standard¹, which were incorporated to the internal assessment protocols of Bureau Veritas.

Excluded from the scope of this work was any assessment of information related to activities outside the defined assessment period.

The greenhouse gas (GHG) emissions inventory, prepared by Suzano, was verified by our team for data reliability and accuracy in another independent Verification work, completed in April 2022 (covering the 2021 assessment period). This verification was based on the GHG Protocol and NBR-ISO 14.064-1.

TECHNICAL OPINION - SUSTAINABLE FOREST MANAGEMENT

- We evidenced the use of Green Bonds proceeds in areas that were properly certified by FSC® and PEFC (Cerflor).
- We evidenced the "Well-Managed Plantation" and/or "Forest Management" certificates from the wood suppliers, valid for the assessment period.
- Suzano maintains an inventory GHG Emissions, which was evidenced during our verification process.
- We evidenced appropriated systems that support process flows and operational costs controls over the net proceeds disbursed between January and December 2021.

TECHNICAL OPINION – RESTORATIONS OF NATIVE FOREST AND CONSERVATION OF BIODIVERSITY

- We evidenced the correct use of proceeds in restoration and conservation activities, according to Suzano's reviewed Report.
- We noted appropriate increase of biodiversity in areas were Suzano maintains restoration of native forest projects. We evidenced data regarding restoration activities from the following farms: Modelo farm at the municipality of Caçapava (state of São Paulo), E4A9 farm at the municipality of Capão Bonito Linhares (state of Espírito Santo), B3CF farm at the municipality of Caravelas (state of Bahia) and E6AH farm at the municipality of Montanha (state of Espírito Santo).
- The inventory of GHG emissions includes all Suzano's restoration areas. These areas contribute directly to the final results of carbon sequestration.

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

DECLARATION OF INDEPENDENCE AND IMPARTIALITY

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

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

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

Bureau Veritas implemented and follows a Code of Ethics throughout its business, in order to assure that its staff preserve high ethical, integrity, objectivity, confidentiality and competence/ professional attitude standards in the performance of their activities.

At the end of the assessment, a detailed report was drawn up, ensuring traceability of the process. This Report is kept as a Bureau Veritas management system record.

CONTACT

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

São Paulo, Brazil, July 2022.



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CONTACT

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



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investor relations: ir.suzano.com.br

Sustainability Center: centraldesustentabilidade.suzano.com.br/en

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