Zero Deforestation Annual Report





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Annually, renowned institutions, such as MapBiomas (<u>alerta.mapbiomas.org/en</u>), publish their respective reports that provide the scenario of deforestation in Brazil. In 2022, MapBiomas indicates that approximately 2 million hectares of natural vegetation were deforested.

Faced with this alarming scenario of forest and habitat loss, Suzano commits to zero deforestation and the conservation of biodiversity and natural resources as an integral part of its business strategy. Zero deforestation for Suzano means not planting or acquiring eucalyptus planted in areas previously occupied by native vegetation and deforested, legally or illegally, under Suzano's influence or presence in the territory. Suzano only consumes (produces or purchases) eucalyptus from areas that had other previous uses, not supporting deforestation of natural vegetation for its production. For more information, access our policy by clicking here.

Thus, this report aims to provide transparency regarding the evidence of Suzano's zero deforestation commitment, based on the crossing and geospatial analysis of the company's property boundaries in relation to the areas of deforestation that occurred in Brazil in 2021 and 2022.

Areas managed by Suzano

Suzano has over 2,6 million hectares, of which 1.6 million are designated for eucalyptus production management and 1 million hectares are set aside for conservation of natural habitats. For more information, please visit our <u>Annual Report 2022</u>.

Results

The intersection between Suzano's boundaries and the deforestation identified by MapBiomas in the areas under Suzano's management was analyzed by the company, submitted to third-party validation, and has the following results:

- There was no deforestation of areas with native vegetation for eucalyptus planting in the areas under Suzano's management. Therefore, there was zero deforestation for the establishment of our forest base.
- Regarding Suzano's conservation areas, instances of native vegetation suppression were identified, carried out by third parties, mostly related to illegal occupations and fires. For all identified occurrences, Suzano has already taken action to regularize and environmentally recover these environments.



Details below:

- 1. In the state of Bahia, eight hectares were identified as deforestation, with five hectares resulting from illegal fires caused by third parties, and the remaining three hectares due to spontaneous combustion at the company's industrial landfill, promptly tackled by the forest fire brigade. The appropriate legal procedures were carried out by Suzano, and the areas are already in the process of assisted natural regeneration (ecological restoration).
- 2. In the state of Espírito Santo, 21 hectares were identified as suppressed due to property invasion by third parties. Currently, these areas are subject to a Judicial Action for Possession Recovery, and once resolved, they will be included in the company's ecological restoration program planning.
- 3. In the state of Minas Gerais, 39 hectares of suppressed vegetation were identified on property leased by Suzano. Of these, 38 hectares were irregularly cleared by the property owner, who was extrajudicially notified for contractual violation, and no further clearing has occurred after the notification. The remaining hectare was invaded and is under judicial reintegration of possession.
- 4. In Mato Grosso do Sul, a cleaning action in a neighboring area exceeded the property limits, encroaching approximately two hectares over the Suzano area. All necessary actions to notify the neighbor are already underway.
- 5. In the state of Pará, 91 hectares of deforestation were identified on three Suzano farms, resulting from illegal logging by third parties. Surveillance rounds have been intensified in the region to deter and prevent further interventions. The Suzano technical team's on-site visit concluded that native vegetation is regenerating properly. Additionally, 37 hectares of suppression were identified from neighboring properties encroaching on Suzano's land boundaries. For these cases, restoration intervention is needed to assist in the areas' recovery, along with field delimitation of property boundaries and periodic monitoring.
- 6. In the state of Maranhão, 420 hectares of native vegetation suppression were identified. Out of this total, nine hectares were clearings that occurred in the adjacent areas of four Suzano leased farms, encroaching Suzano's property boundaries. Demarcation and georeferencing update actions were recommended and will be carried out with the owners. The other 411 hectares result from land conflicts with third-party vegetation suppression in five farms under Suzano's management. These five farms are already the subject of legal action for repossession. Once repossession is granted and the area is reestablished, Suzano will initiate the environmental recovery process through ecological restoration.



With this conclusion, Suzano reiterates its commitment to **zero deforestation of its production**, as formalized in its <u>Suzano's Wood Supply Policy</u>. This report has undergone independent third-party verification. The verification statement is available as an attachment.

Your opinion or questions mean a lot to us. Please, contact us.



Attachments

Important Concepts

For a better understanding of this report, we clarify some important concepts below:

- **Deforestation or Suppression** means the action of or the result of eliminating or extinguishing native vegetation on a certain area.
- Natural Area or Native Vegetation: areas with original, remaining or regenerated vegetation that contain diverse specimens of flora (trees and other plants) and fauna (animals) species that are native or natural to their location.
- **Hectare:** unit of area measurement equivalent to approximately one football field.
- **Ecological restoration:** seeks to rehabilitate degraded areas to reestablish the structural attributes and functions of an ecosystem while increasing biodiversity.
- **Geospatial analysis:** technical analysis using specific software and satellite images to evaluate native vegetation areas.

VERIFICATION STATEMENT – BUREAU VERITAS



INTRODUCTION

Bureau Veritas Certification Brazil (Bureau Veritas) has been contracted by Suzano S.A. (Suzano) to conduct an independent limited scope verification of its 2023 Annual Zero Deforestation Report (for the years 2021 and 2022).

The Zero Deforestation Report was prepared from a critical analysis of a map generated by the MapBiomas platform, which offers objective geospatial information about deforested areas, in the biomes where Suzano has its own and leased areas, acting in several contractual modalities.

CONCLUSION

As a result of our verification process, we concluded that the methodology used by Suzano and its application to analyze the deforestation identified by MapBiomas Alert, published in June 2023 by the MapBiomas platform, were considered reliable by our team.

The Analyses and results presented in Suzano's "Annual Zero Deforestation Report for 2021 and 2022" are structured, free of material errors and robust.

SCOPE OF WORK

Verification of Suzano's annual Zero Deforestation Report for the years 2021 and 2022, regarding the seven conclusive statements of the Report and the implementation of the company's Zero Deforestation Policy.

The verification level adopted was Limited, in accordance with Bureau Veritas internal requirements. All verification took place remotely, through interviews and access to documented information, such as procedures, maps and internal records of Suzano.

Any evaluation of information related to activities outside the analyzed period (2021 and 2022) was excluded from this verification.

Our verification did not aim to evaluate the methodology used by MapBiomas on the deforestation portrait in the Brazilian territory.

MapBiomas Alerta is a system for validating and refining alerts for deforestation, degradation and regeneration of native vegetation with high-resolution images. The platform uses cloud processing systems and automated classifiers, operated from the Google Earth Engine platform. MapBiomas has the premise of guaranteeing coverage with alerts in all biomes.

RESPONSIBILITIES OF SUZANO AND BUREAU VERITAS

Obtaining and presenting the data published in the Zero Deforestation Report is the sole responsibility of Suzano's management. Bureau Veritas is responsible for providing an independent opinion to the interested parties, in accordance with the scope of work defined in this statement.

DECLARATION OF INDEPENDENCE AND IMPARTIALITY

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

Bureau Veritas has a quality management system, certified by a third party, according to which it maintains documented policies and procedures for compliance with ethical, professional and legal requirements.

The verification team has no relationship with Suzano, conducting this verification independently.



Bureau Veritas has a Code of Ethics throughout its business to ensure that its employees maintain the highest standards of ethics, integrity, objectivity, confidentiality, and professional competence/behavior in their daily activities.

At the end of the Verification process, a detailed Verification Report and a Statement were generated, and maintained as records in our Management System and delivered to Suzano.

CONTACT

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São Paulo, December 2023.

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