

Suzano

Sustainability-Linked Securities Framework



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JP Morgan is the Sustainability-Linked Securities Structuring Agent to the Issuer for our Framework.

1. Introduction

Recognized for innovation and a pioneering spirit for over 90 years, Suzano is a Brazilian company that is a global reference in the development of products made from renewable planted eucalyptus forests and one of the largest vertically integrated producers of eucalyptus pulp and paper in Latin America. Suzano is committed to being a global reference in the sustainable use of natural resources and in 2020, we launched our 2030 targets that expand our role in the value chain and in society with commitments regarding material topics such as climate change, water, local development, diversity and inclusion, and renewable products, among others. This transaction will help push this entire agenda, and we will be addressing one of these long-term targets in this framework. Our product portfolio includes coated and uncoated printing and writing paper, paperboard, tissue paper, market pulp and fluff pulp. With ten mills and the joint operation Veracel, Suzano has annual installed capacity of 10.9 million tons of market pulp and 1.4 million tons of paper. The company adopts the highest standards of corporate governance on the exchanges where its stock is listed, namely the Novo Mercado segment of B3 in Brazil and ADR level II program on the NYSE in the United States.

2. Approach to Sustainability

Sustainability is an integral part of Suzano's strategy. We aim to be a leader and agent of change in the combined development of innovative and sustainable solutions contributing to tackle society's challenges through our business. Suzano strives to be a competitive and a leading player in the transformation of our value chain and society, through the development of sustainable products and generation of positive impacts that stem from responsible operations.

It is how we shape our impact and embrace our commitments. You can see our care in every hectare, every tree, and every place where we are present. Every day our relationships with our stakeholders and the impact of our plantations on nature reflect a holistic approach. Our business depends on best practices related to people and the environment, and on the understanding that our actions go well beyond the company. After all, the world we wish for depends on what we do. That is why we have built a long-term strategic vision to shape this way of being: business intrinsically aligning competitiveness with sustainable development.

As a result of this journey, we have assumed a set of long-term targets for what the United Nations calls "The Decade of Action" (from 2020 to 2030). Monitoring of the execution and achievement of objectives will be under the responsibility of the Executive Board, the Sustainability Committee and the Board of Directors. It is worth mentioning that some of these targets are already part of the variable compensation for 2020 of the company's senior management (Executives and Managers).

Our Sustainability Strategy priorities include:

- **Emissions:** reduce GHG emissions intensity (tCO₂e/ton produced) by 15% (emissions scopes 1 and 2) by 2030
- **Become even more climate positive¹:** remove an additional 40 million tons of net carbon (carbon capture minus emissions scopes 1, 2 and 3) by 2030
- **Industrial waste:** reduce by 70% the industrial waste sent to landfills
- **Energy:** increase renewable energy exports by 50%
- **Water (Forestry):** increase water availability in 100% of critical watersheds and (**Industrial**): reduce water withdrawal intensity by 15%
- **Replace plastics and petroleum derivatives:** offer 10 million tons of products from renewable sources by 2030
- **Mitigate the problem of income inequality:** lift 200,000 people over the poverty threshold in our areas of influence by 2030
- **Education:** enhance the Brazilian Basic Education Development Index (IDEB) by 40% in our areas of influence by 2030
- **Diversity and inclusion:**
 - to have 30% women and 30% blacks in leadership positions (managers, directors and Board) by 2025
 - to ensure 100% accessibility and zero prejudice, witnessed or experienced, against people with disabilities by 2025;
 - to achieve 100% inclusive environment and zero prejudice, witnessed or experienced, against LGBTI+ by 2025;

Suzano has established and published comprehensive policies², projects, and initiatives implemented in the logistics, forestry and industrial processes focused on maximizing sustainability.

Our comprehensive policies consist of, for example, our Wood Supply Policy³, including our FSC® Controlled Wood Management Procedure, which establishes an internal procedure for wood sourcing and a program to ensure that our wood suppliers comply with the standards FSC-STD-40-005 and Cerflor (NBR 14790). In addition, there is a designated department with a rigorous and regular due diligence process that is responsible for ensuring that certified wood purchases follow the necessary guidelines not only to ensure sustainable forest management, but also to ensure chain of custody.

Suzano is committed to zero deforestation in our operations and our supply chain and understands its role in conserving natural habitats. We have more than 2 million hectares of total area and one of the largest private, protected areas in Brazil designated for conservation of native forests (approximately 900,000 hectares). These protected areas directly contribute to a significant removal and storage of existing carbon

¹ Climate positive means that an activity goes beyond achieving net zero carbon emissions to actually create an environmental benefit by removing additional carbon dioxide from the atmosphere. Means the same as “carbon negative”.

² www.suzano.com.br/en/the-suzano/documents/and <https://ir.suzano.com.br/English/corporate-governance/bylaws-codes-and-policies/default.aspx>

³ <https://storage.googleapis.com/stateless-site-suzano-en/2020/08/a6f0cae8-wood-supply-policy.pdf>

dioxide (CO₂) in the atmosphere, exceeding the benefits of reducing emissions from our processes, as well as additional benefits related to biodiversity protection, water and other ecosystem services. Specifically, 87% of Suzano's forest operation areas are FSC® and/or PEFC/CERFLOR certified to ensure best practices on sustainable forest management concerning environmental and social criteria while considering the dynamic and extensive nature of the certification process.

Through our activities, we nurture coexistence between Suzano and neighboring traditional communities that include Indigenous, Quilombola and other communities in Brazil, in order to reestablish the necessary conditions to exercise their socio-cultural habit, affirm their ethnic identity and engage in sustainable economic practices. The frequent, transparent and close dialogue based on trust continues to be the basis of our relationships with all our neighbors' communities. For example, Suzano's Tupiniquim Guarani Sustainability Program (PSTG) fosters relationship with the 12 indigenous communities of Aracruz and facilitates income-generating initiatives on indigenous lands such as agroecology, meliponiculture⁴ and crafts. In 2019, these initiatives benefited over 6,000 individuals directly or indirectly and resulted in an average family annual income of BRL11,000.

As part of Suzano's Sustainability/ESG approach, we understand that having a solid governance structure is absolutely key. For that, we have the advisory role of the Sustainability Committee, which is composed of three board members and five external members being led by the chairman of the Board of Directors. Suzano also has a Chief Sustainability Officer that reports directly to the CEO of the Company, who is responsible for implementing actions in the company's daily operations in partnership with other departments and supported by various policies and processes⁵.

At the latest General and Extraordinary Shareholders' Meeting held on May 22, 2020, members of the Board were elected. The Board now comprises 10 members, of which seven are independent and two are women⁶. It is worth mentioning that Suzano goes well above the minimum standard of the Novo Mercado⁷ rule, which establishes that the Board of Directors is composed of at least two independent directors or 20%, whichever is greater.

3. Rationale for Framework

In order to enhance the power of our company to address environmental issues where we have the ability to effect positive change, we intend to issue Sustainability-Linked Securities ("SLs"), which may include Sustainability-Linked Bonds ("SLBs"), from time to time and commit to specific environmental outcomes with "skin-in-the-game", leveraging ambitious timelines to achieve sustainability performance that is relevant, core and material to our business. Our framework provides a high-level approach to our Sustainability-Linked Securities and investors should refer to relevant documentation for any securities transactions. We hope our issuance of Sustainability-Linked Securities will inspire other similar companies to do the same. By planting, growing and cultivating eucalyptus trees as well as conserving and protecting

⁴ Meliponiculture: sustainable cultivation of stingless bees on a commercial scale for honey production or pollination.

⁵ www.suzano.com.br/en/the-suzano/documents/ and <https://ir.suzano.com.br/English/corporate-governance/bylaws-codes-and-policies/default.aspx>

⁶ <https://ir.suzano.com.br/English/corporate-governance/board-of-directors-and-comitees/default.aspx>

⁷ The Company's stock is listed on the Novo Mercado, the trading segment of the São Paulo Exchange (B3 – Brasil, Bolsa e Balcão) with the highest corporate governance standards, and is traded on the New York Stock Exchange (NYSE) - Level II.

native Brazilian forests, Suzano is in the business of natural capital. As such, environmental considerations are an integral part of the business model. Suzano understands the positive role that it can play in combating the climate crisis by providing climate change mitigation through reduction in emissions, among others. This transaction will also support Suzano's wider Sustainability Strategy and 2030 long-term goals.

4. Alignment with the Sustainability-Linked Bond Principles, 2020

The Sustainability-Linked Bond Principles⁸ ("SLBP"), as administered by the International Capital Market Association ("ICMA"), are voluntary process guidelines that outline best practices for financial instruments to incorporate forward-looking ESG outcomes and promote integrity in the development of the Sustainability-Linked Bond market by clarifying the approach for issuance of a SLB. Our Sustainability-Linked Securities Framework is in alignment with the five core components of the SLBP:

1. Selection of KPI
2. Calibration of Sustainability Performance Targets (SPT)
3. Sustainability-Linked Securities Characteristics
4. Reporting
5. Verification

Sustainability-Linked Bonds are any type of bond instrument for which the financial and/or structural characteristics can vary depending on whether the issuer achieves predefined Sustainability/ ESG objectives. In that sense, issuers are thereby committing explicitly (including in bond documentation) to future improvements in sustainability outcome(s) within a predefined timeline that are relevant, core and material to their overall business. SLBs are a forward-looking performance-based instrument. The proceeds of SLBs are intended to be used for general purposes; hence, the use of proceeds is not a determinant in our categorization.

Suzano is committed to the Sustainable Development Goals (SDGs) as it understands that private sector engagement is essential to accelerate the fulfillment of the 2030 Agenda. Our KPI contributes to the priority *SDG 13 – Climate Action* of our sustainability strategy.

⁸ <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2020/Sustainability-Linked-Bond-PrinciplesJune-2020-100620.pdf>

4.1 Selection of KPI

The KPIs we select will be core, relevant and material to our business. Below is an example of one such KPI and SPT.

GHG Emissions Intensity Reduction – climate change

Key Performance Indicator	Rationale
<p>KPI: tCO₂e/ton of product produced (paper and pulp)⁹ (scope 1¹⁰ and scope 2¹¹ emissions)</p> <p>SPT: covered in section 4.2 results in a GHG emissions intensity reduction equal to or less than 0.190 tCO₂e/ton produced calculated as the average of years ended 2024 and 2025, which is equivalent to an estimated reduction of 10.9% from the 2015 baseline</p> <p>Long-term goal: Reduce GHG emissions intensity (tCO₂e/ton produced) by 15% (scopes 1 and 2 emissions) by year end 2030</p>	<p>Reducing GHG emissions intensity is a key strategy for Suzano to mitigate climate change and address the climate crisis. In the search for the efficiency of our processes, we have already managed to considerably reduce the emissions associated with our production. However, we know that we can do more. Thus, we remain focused on developing solutions that lead us to better results.</p> <p><i>SDG 13 – Climate Action</i></p>
<p>Baseline: 0.213 tCO₂e/ton produced*</p> <p>Baseline year: 2015</p> <p>2030 goal: 0.181 tCO₂e/ton produced</p> <p>*The 2015 baseline was deliberately selected to coincide with the Paris Agreement. It includes scopes 1 and 2 emissions. In 2019, Suzano Papel e Celulose and Fibria merged their operations to become Suzano SA. In this case, the former companies' previous greenhouse gases inventories (Suzano Papel e Celulose and Fibria's) provided the necessary data to establish the aggregate goal. These inventories are measured according to the GHG Protocol guidelines, Fibria's inventory was verified by Bureau Veritas and Suzano Papel e Celulose was not verified by a third party. Suzano, post-merger, published a GHG</p>	

⁹ All references in this document include production of pulp and paper products. All references in this document regarding emissions values do not include any joint operations and therefore cover approximately 95% of Suzano's current production.

¹⁰ All references in this document to scope 1 include emissions from direct operations including but not limited to silviculture, harvesting, wood logistics (road and barges), stationary sources, cooling gases, waste and wastewater management initiatives. Scope 1 considers the following gases: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), Hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs). For more information, please see <http://centraldeindicadores.suzano.com.br/en/gri/305-1-en/>

¹¹ All references in this document to Scope 2 include emissions from purchased electricity from forest and industrial operations, national port operations, and national and international offices. Scope 2 considers the following gases: carbon dioxide (CO₂). For more information please see <http://centraldeindicadores.suzano.com.br/en/gri/305-2-en/>

inventory in 2019 that includes information of both Fibria and Suzano Papel e Celulose, and was verified by Bureau Veritas. Suzano also commits to annually report and verify the GHG emissions metric as of 2020 and publishing the results in our Sustainability Annual Report.

The following references are applied to our GHG emissions inventory: The Greenhouse Gas Protocol: the Corporate Accounting and Reporting Standard, WRI & WBCSD (2004); guides, guidelines and calculation tools of the Brazilian GHG Protocol Program (PBGHGP) of FGV (2020); 2006 IPCC Guidelines for National Greenhouse Gas Inventories, IPCC (2006); and Calculation Tools for Estimating Greenhouse Gas Emissions from Pulp and Paper Mills, NCASI (2005).

4.2 Calibration of Sustainability Performance Target (SPT)

GHG Emissions Intensity Reduction – climate change

Key Performance Indicator

Sustainability Performance Target: GHG Emissions Intensity Reduction equal to or less than 0.190 tCO₂e/ton produced as measured by the average of years ended 2024 and 2025. The trigger will be achieving the GHG emissions intensity target above. This is equivalent to an estimated reduction of 10.9% from the 2015 baseline*.

Sustainability Performance Target Trigger: is calculated as follows: the average of the GHG emissions intensity for the years ended 2024 and 2025.

Sustainability Performance Target Observation Date: December 31, 2025

2015 Baseline Intensity: 0.213 tCO₂e/ton produced*

*The 2015 baseline was deliberately selected to coincide with the Paris Agreement. It includes scopes 1 and 2 emissions. In 2019, Suzano Papel e Celulose and Fibria merged their operations to become Suzano SA. In this case, the former companies' previous greenhouse gases inventories (Suzano Papel e Celulose and Fibria's) provided the necessary data to establish the aggregate goal. These inventories are measured according to the GHG Protocol guidelines, Fibria's inventory was verified by Bureau Veritas and Suzano Papel e Celulose was not verified by a third party. Suzano, post-merger, published a GHG inventory in 2019 that includes information of both Fibria and Suzano Papel e Celulose, and was verified by Bureau Veritas. Suzano also commits to annually report and verify the GHG emissions metric as of 2020 and publishing the results in our Sustainability Annual Report.

Strategic 2030 Goal and selection of methodology for calculating the SPT: This SPT aligns with our 2030 Goal of reducing GHG emissions intensity by 15% to 0.18 tCO₂e/t produced (Scope 1 and 2 emissions).

Instead of a single point SPT, we have selected to use the average of years ended 2024 and 2025, making us less reliant on a single data point, while remaining on track towards our Strategic 2030 Goal and smoothing for external factors beyond our control.

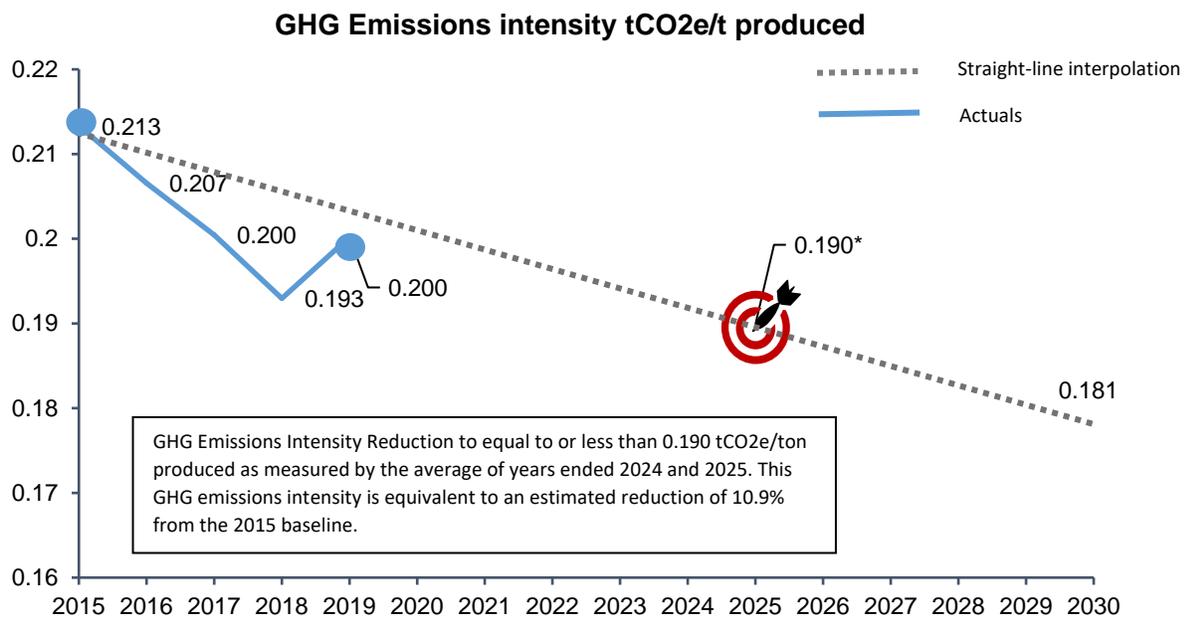
- It lessens volatility for unintended consequences of the macroeconomic climate that could involve pandemics or other sharp externalities.
- Since it is influenced by 2024 year ended performance, it also forces us to achieve our 2025 target faster.

Factors that support the achievement of the target:

- the closer we are to production capacity, the more efficient our mills are
- projects that reduce fossil fuel consumption and result in efficiency upgrades

Risks to the target:

- Decrease in production and extreme events, such as pandemics
- Equipment failure, among other operational factors



Source: Suzano as of August 2020

4.3 Sustainability-Linked Securities Characteristics

Our Sustainability-Linked Securities have a sustainability-linked feature that will result in a coupon adjustment, such as, for example, a one-time coupon step-up of 25bps if our performance does not achieve the stated Sustainability Performance Target.

Our calculation of the relevant KPIs or SPTs, including Greenhouse Gas Emissions Intensity, may exclude the effects of certain material acquisitions and/or material changes in laws or regulations applicable or relating to our production activities, in each case to be set forth, if applicable, in further detail in the terms and conditions of each our Sustainability-Linked Securities.

4.4 Reporting

Annually, and in any case for any date/period relevant for assessing the trigger of the SPT performance leading to a potential coupon adjustments, such as, a step-up of our Sustainability-Linked Securities financial characteristics, Suzano will publish and keep readily available and easily accessible on our website a Sustainability-Linked Securities update included within our Sustainability Annual Report <https://ir.suzano.com.br/English/financial-information/indebtedness-and-capital-markets/default.aspx> including:

- i. Up-to-date information on the performance of the selected KPI, including the baseline where relevant;
- ii. a verification assurance report relative to the SPT outlining the performance against the SPT and the related impact, and timing of such impact, on a bond's financial performance; and
- iii. any relevant information enabling investors to monitor the progress of the SPT.

Information may also include when feasible and possible:

- i. Qualitative or quantitative explanation of the contribution of the main factors, including M&A activities, behind the evolution of the performance/KPI on an annual basis;
- ii. Illustration of the positive sustainability impacts of the performance improvement; and/or
- iii. Any re-assessments of KPIs and/or restatement of the SPT and/or pro-forma adjustments of baselines or KPI scope.

4.5 Verification

Annually, and in any case for any date/period relevant for assessing the SPT performance leading to a potential coupon adjustment, such as a step-up of the Sustainability-Linked Securities financial characteristics, until after the SPT trigger event of a bond has been reached, Suzano will seek independent and external verification of our performance level against the SPT for the stated KPI by a qualified external reviewer with relevant expertise. The verification of the performance against the SPT will be made publicly available on our website.

Suzano may obtain and make publicly available a Second Party Opinion (SPO) and/or other external review from consultants with recognized environmental and social expertise to provide an opinion on the sustainability benefit of this Sustainability-Linked Securities Framework as well as the alignment to the SLBP. The SPO will be available on the SPO provider's website.

Definitions

External Verifier: qualified provider of third-party assurance or attestation services appointed by the Issuer to review the Issuer's statements for GHG emissions intensity

GHG Emissions Intensity: GHG emissions intensity means Scope 1 (emissions from direct operations) and Scope 2 (electricity purchased) will be considered as a numerator of the indicator, sum of pulp and finished paper produced as the denominator (tCO₂e/ton produced).

Sustainable Performance Target Trigger: is calculated as follows: the average of the GHG emissions intensity for the years ended 2024 and 2025.

Sustainability Performance Target Observation Date: the as of date that will determine if the sustainability performance target has been achieved

GHG Emissions Intensity Reduction Percentage means the proportion of GHG emissions intensity that is reduced (expressed as a percentage) and estimated according to the 2015 baseline

CO₂e: carbon dioxide equivalent, is a way of expressing all the different greenhouse gases as a single number

Scope 1 emissions: emissions from direct operations¹²

Scope 2 emissions: electricity purchased¹³

Novo Mercado: The Company's stock is listed on the Novo Mercado, the trading segment of the São Paulo Exchange (B3 – Brasil, Bolsa e Balcão) with the highest corporate governance standards, and is traded on the New York Stock Exchange (NYSE) - Level II

¹² These values do not include joint operations and therefore include emissions of 95% of Suzano's productions.

¹³ These values do not include joint operations and therefore include emissions of 95% of Suzano's productions.

Disclaimer

This Sustainability-Linked Securities Framework (the “Framework”) does not constitute a recommendation regarding any securities of Suzano or any affiliate of Suzano. This Framework is not, does not contain and may not be deemed to constitute an offer to sell or a solicitation of any offer to buy any securities issued by Suzano or any affiliate of Suzano. In particular, neither this document nor any other related material may be distributed or published in any jurisdiction in which it is unlawful to do so, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession such documents may come must inform themselves about, and observe any applicable restrictions on distribution. Any bonds or other debt securities that may be issued by Suzano or its affiliates from time to time, including any Sustainability-Linked Securities, shall be offered by means of a separate prospectus or offering document in accordance with all applicable laws, any decision to purchase any such securities should be made solely on the basis of the information contained in any such prospectus or offering document provided in connection with the offering of such securities, and not on the basis of this Framework.

The information and opinions contained in Framework are provided as of the date of this Framework and are subject to change without notice. None of Suzano or any of our affiliates assume any responsibility or obligation to update or revise such statements, regardless of whether those statements are affected by the results of new information, future events or otherwise. This Framework represents current Suzano policy and intent, is subject to change and is not intended to, nor can it be relied on, to create legal relations, rights or obligations. This Framework is intended to provide non-exhaustive, general information. This Framework may contain or incorporate by reference public information not separately reviewed, approved or endorsed by the Suzano and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Suzano as to the fairness, accuracy, reasonableness or completeness of such information. This Framework may contain statements about future events and expectations that are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are generally identified through the inclusion of words such as “aim,” “anticipate,” “believe,” “drive,” “estimate,” “expect,” “goal,” “intend,” “may,” “plan,” “project,” “strategy,” “target” and “will” or similar statements or variations of such terms and other similar expressions. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such statements. None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of assumptions, fully stated in the Framework. No representation is made as to the suitability of any Sustainability-Linked securities to fulfil environmental and sustainability criteria required by prospective investors.

This Framework does not create any legally enforceable obligations against Suzano; any such legally enforceable obligations relating to any Sustainability-Linked Securities are limited to those expressly set forth in the legal documentation governing each such series of Sustainability-Linked Securities. Therefore, unless expressly set forth in such legal documentation, Suzano’s failure to adhere or comply with any



terms of this Framework, including, without limitation, failure to achieve any sustainability targets or goals set forth herein, will not constitute an event of default or breach of contractual obligations under the terms and conditions of any such Sustainability-Linked Securities'. Factors that may affect Suzano's ability to achieve any sustainability goals or targets set forth herein include (but are not limited to) market, political and economic conditions, changes in government policy (whether with a continuity of the government or on a change in the composition of the government), changes in laws, rules or regulations, and other challenges.