

# SUZANO PAPEL E CELULOSE S.A. GREEN BOND

## FRAMEWORK OVERVIEW AND SECOND OPINION BY SUSTAINALYTICS

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## 1. PREFACE

Suzano Papel e Celulose S.A. (Suzano) has engaged Sustainalytics to provide a second opinion on its green bond issuance and the bond's environmental credentials. As part of this engagement, Sustainalytics held conversations with various members of Suzano's management team to understand the sustainability impact of their business processes and planned use of proceeds for the bond issuance. Sustainalytics also reviewed relevant public and internal documents. This document contains two sections: Framework Overview – a summary of the Suzano green bond framework; and Sustainalytics' Opinion – an opinion on the framework.

## 2. INTRODUCTION

Suzano is a Brazilian company that produces and sells eucalyptus pulp and paper products. Suzano manages eucalyptus plantations, and also purchases additional wood products from an extensive network of suppliers. While the company has sales, administration, and research facilities globally, all of its plantations are located in Brazil. It operates a forestry base of approximately 1.1 million hectares in the Brazilian states of São Paulo, Bahia, Espírito Santo, Minas Gerais, Piauí, Tocantins, Pará, and Maranhão.

In its environmental policy document, Suzano states that it aims to closely integrate its economic objectives with environmental and social responsibility, and to sustainably develop its forestry resources and pulp production technologies. The environmental policy document also states the company's vision to achieve the "ongoing construction of a company of excellence, that integrates creation of value with giving human beings more dignity." Suzano's environmental policy includes a commitment to the following principles: Contributing to Brazil's economic and social development in harmony with environmental conservation; preventing pollution; encouraging environmental education; sustainably using water, air, and soil resources; acting to promote biodiversity and conservation; and sustainably using natural resources.

In accordance with this policy, Suzano maintains certifications for its forest areas from the Forest Stewardship Council (FSC) and Cerflor/PEFC. Cerflor is a Brazilian national certification scheme recognized by the Programme for the Endorsement of Forest Certification (PEFC). Currently 63% of Suzano's total (owned and leased) forests are certified according to standards from both organizations. This number is growing as Suzano expands its forestry base; the certification process is initiated approximately four years after the eucalyptus tree planting. Suzano has also disclosed to Sustainalytics that it maintains an internal target with respect to certification of its forestry base. The acquisition and maintenance of either of these certifications are voluntary and not required by Brazilian law.

To invest in projects that further Suzano's environmental commitments, the company is planning to issue a green bond to finance projects focussed on sustainable forestry, conservation, water management, energy efficiency, and renewable energy that are eligible according to the Use of Proceeds criteria outlined in the Framework Overview.

## 3. FRAMEWORK OVERVIEW

Suzano is issuing a green bond to finance projects that are focussed on environmental sustainability across its Brazilian business operations. The projects will align with Suzano's environmental commitments, as described in its environmental policy. The following section summarizes Suzano's green bond framework including the use of proceeds, process for project selection, the management of proceeds, and reporting.

### 3.1 Use of Proceeds

Suzano will allocate an amount equal to the net proceeds from the sale of the green bond to investments in one or more projects that are eligible as per the criteria specified below.

#### *Eligibility Criteria*

In order for a project to be funded through green bond proceeds, the project must meet one or more of the following eligibility criteria:

- 1. SUSTAINABLE FORESTRY: EXPENDITURES RELATED TO SUSTAINABLY MANAGING FORESTS THAT COMPLY WITH INTERNATIONAL AND NATIONAL STANDARDS FOR SUSTAINABLE FORESTRY SUCH AS FSC, CERFLOR (PEFC) OR EQUIVALENT CERTIFICATION<sup>1</sup>**

**The context:** Suzano's environmental policy includes a pillar dedicated to the sustainable handling of natural resources. Sustainable Forestry, specifically, is an integral part of their business strategy. In line with this commitment, Suzano has the objective of implementing sustainable forest management practices to ensure environmental and social viability of their forest-based Eucalyptus plantations.

**Use of proceeds:** Proceeds of the green bond may be allocated to all services and inputs necessary to sustainably manage forests that are certified by FSC, Cerflor (PEFC) or equivalent certification. FSC

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<sup>1</sup> As of June 2016, Suzano does not have any forest certifications other than FSC and PEFC. To be considered equivalent, a certification must meet the following standards: (i) Should be in compliance with ISO/IEC 17021-1:2015, a conformity assessment requirement for bodies providing audit and certification of management systems; (ii) Should conduct audits in accordance with ISO 19011:2011, which offers guidelines for auditing management systems; (iii) Should be based on standards that are in accordance with current best internationally recognizable practices for sustainable forest management; (iv) Should require proof of compliance to applicable legal requirements and international conventions, including ILO and UN Human Rights, as well as federal, state or local labor and environmental legislation; (v) Should be based on technical competence in forest management, and its economic, social, and environmental impacts and/or in forest-based product procurement and processing, and material flows in different stages of processing and trading; (vi) Should be accredited by national and international accredited bodies; (vii) Should have a standards development process with open multi-stakeholder engagement; (viii) Should be internationally recognized; (ix) Should have a reliable and independent assessment of forest management performance; (x) Should adhere to World Trade Organization (WTO) rules by not imposing barriers to trade; (xi) Should require continual improvement of forest management

certification is issued by the Forest Stewardship Council, an international labeling and certification system dedicated to sustainable forest management. Cerflor is a Brazilian national certification endorsed by the Programme for the Endorsement of Forest Certifications (PEFC). PEFC is a mutual recognition mechanism for national and regional certification systems.

Projects eligible under this criterion include maintenance of nurseries, new planting activities, and maintenance and harvesting of forests through sustainable forest management practices such as mosaic planting, biological control, and minimum tillage. These techniques result in the preservation of native vegetation, reduce waste from harvesting, and improved soil quality. Additionally, proceeds of the bond may also be allocated to expenditures relating to the certification process, trainings, and monitoring of forest management and certifications.

## **2. SUSTAINABLE FORESTRY: EXPENDITURES RELATED TO RESTORATION OF NATIVE FOREST COVER FROM DEGRADED LAND**

**The context:** Suzano is signatory to the Atlantic Rainforest Restoration Pact, which is the largest restoration program worldwide. The Pact has the objective of restoring 15 million hectares by 2050. As a signatory, Suzano has the objective of restoring 15,000 hectares in two decades through its own restoration programs.

**Use of proceeds:** Proceeds of the green bond may be allocated to all inputs and services required to restore native forest cover from degraded land leased by Suzano. This includes acquisition of seedlings, agrochemicals<sup>2</sup>, and fertilizers; new planting; pest management; construction of fences as required; and consultation services specialized in studying and monitoring the restored area. Such restorations result in rehabilitation of degraded land, the preservation of biodiversity through planting and maintaining native forests. The restored areas are not reused for plantations.

## **3. CONSERVATION: EXPENDITURES RELATED TO PROJECTS THAT MAINTAIN OR DEVELOP CONSERVATION AREAS, AND PROTECT ANY NATIVE ANIMAL OR PLANT SPECIES OR HABITATS**

**The context:** Suzano's environmental policy includes an explicit commitment to fostering economic and social development, integrated with environmental preservation. In line with this commitment, Suzano manages conservation areas within its forests. These conservation areas cannot be harvested for pulp.

**Use of proceeds:** Proceeds of the green bond may be allocated to activities that maintain existing strict conservation areas, or that develop new strict conservation areas. Strict conservation areas include both legally designated areas for preservation (Permanent Preservation Areas and Legal Reserve), and High Conservation Value (HCV) forests. HCV areas are those that have been identified for preservation by

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<sup>2</sup> Agrochemical use at Suzano is aligned with all applicable Brazilian environmental and health standards. The application of agrochemicals is performed by legally qualified staff. All purchased agrochemicals are registered with the responsible federal bodies.

Suzano in partnership with experts and local communities because of the high value of their native plant or fauna species. The preservation of these species results in maintaining both plant and animal biodiversity. Any area designated for conservation cannot be harvested for pulp. Activities aligned with this use of proceeds criteria include funding studies that identify and evaluate HCV areas; monitoring flora, fauna, and water resources in HCVAs; funding environmental education projects; and funding services and inputs to maintain Parque das Neblinas (a park in Sao Paulo's Green Belt that is preserved for its biodiversity). Additionally, proceeds may be allocated to legalization and environmental licensing costs related to developing new conservation areas on owned and leased lands.

**4. WATER MANAGEMENT: DEVELOPMENT AND INSTALLATION OF TECHNOLOGIES AND SYSTEMS THAT IMPROVE THE QUALITY OF TREATED WASTEWATER, OR INCREASE WATER EFFICIENCY THROUGH REDUCED CONSUMPTION OF WATER AND WATER REUSE.**

**The context:** Suzano's environmental policy includes a commitment to sustainably use water, air, and soil resources, as well as to prevent pollution from its operations. In line with this commitment, Suzano maintains targets to reduce water consumption, and records and discloses its water use annually by business unit.

**Use of proceeds:** Proceeds of the bond may be allocated to the development and installation of a new effluent treatment plant to improve the quality of treated wastewater. This plant will reduce the organic content of the Mucuri Mill's final effluent by 59% from current figures. The current level of organic content in Mucuri Mill's effluent is compliant with Brazilian legal requirements (67 mg/L). However, in periods of severe drought, this content is not easily degradable by rivers. Improving the quality of waste water (to 27mg/L) will allow the effluent to be easily degraded by rivers during periods of severe drought, and will prevent pollution of the river. Proceeds of the bond may also be allocated to technologies that reduce specific chemical consumption in production lines. This expenditure will result in improving the quality of effluent waste through reducing the content of specific harm chemicals such as sodium hydroxide, hydrogen peroxide, and chlorine dioxide. Additionally, proceeds of the bond may be allocated to the development and/or installation of technologies, equipment, facilities, or processes that reduce the consumption of water, or that increase the reuse water.

**5. ENERGY EFFICIENCY: EXPENDITURES RELATED TO PROJECTS THAT INCREASE ENERGY EFFICIENCY, INCLUDING THROUGH REDUCTION IN FOSSIL FUEL CONSUMPTION**

**The context:** On its website, Suzano has a statement on climate change, where it details its efforts to participate in climate initiatives, and manage and reduce Green House Gas (GHG) emissions. In line with these efforts, Suzano discloses on Scope 1, 2 and 3 emissions from its operations, and also discloses emissions reduction activities it undertakes.

**Use of proceeds:** Proceeds of the bond may be allocated to the development and/or installation of technologies, equipment or facilities that increase energy efficiency, and optimization of equipment or processes to reduce energy waste. Additionally, proceeds of the bond may also be allocated to projects or processes that reduce fossil fuel consumption in industrial or forestry operations. Examples of

projects that have already been implemented and could also be funded include the installation of a new digester to reduce natural gas consumption; consolidation of electrical systems to export excess energy into the public grid; increasing the efficiency of soil preparation technology to reduce fuel consumption by using less equipment; electricity self-generation; replacement of old industrial equipment with equipment that is more efficient, and uses cleaner energy; the replacement of Suzano's truck fleet with lighter and more efficient trucks that use less fuel; and developing a wood swap process in partnership with other companies to reduce the distance between forests and mills, and consequently reduce fuel consumption.

#### **6. RENEWABLE ENERGY: EXPENDITURES RELATED TO PROJECTS THAT REDUCE GREENHOUSE GAS EMISSIONS (GHG) THROUGH THE SUBSTITUTION OF FOSSIL FUELS WITH RENEWABLE SOURCES AND/OR THE GENERATION OF ENERGY FROM RENEWABLE SOURCES**

**The context:** Suzano has a statement on climate change, where it details its efforts to participate in climate initiatives, and manage and reduce Green House Gas (GHG) emissions. In line with these efforts, Suzano discloses on Scope 1, 2 and 3 emissions from its operations, and also discloses emissions reduction activities it undertakes.

**Use of Proceeds:** Proceeds of the bond may be allocated to the development and/or installation of technologies, equipment or facilities that facilitate substitution of fossil fuels with renewable sources in industrial and forestry operations. Additionally, proceeds may be allocated to development and/or installation of technologies and equipment that generate energy from renewable sources. Examples of projects that have already been implemented and that could be funded include installation of a biomass boiler for energy generation.

### **3.2 Project Evaluation and Selection Process**

All projects developed by the company are approved by an Investment Committee and/or by the Board of Directors for budget approval. These bodies evaluate the project's financial viability and alignment to Suzano's strategy. The Investment Committee includes directors and representatives of Suzano's engineering, procurement, financial planning and analysis teams. Additionally, projects that are funded through the green bond proceeds will be evaluated by the company's Sustainability Department or the Environmental area for Industrial Unit, as applicable<sup>3</sup>, for their potential to create impact and their alignment with use of proceeds criteria. Projects are also reviewed for financial viability and impact by the business unit responsible for their development, and the relevant director.

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<sup>3</sup> Within Suzano, the Sustainability team is responsible for environmental issues related to the Forestry Unit. Environmental issues related to the Industrial Units are overseen by the Environmental area for Industrial Unit.

### 3.3 Management of Proceeds

The green bond will be issued by Bahia Sul Holdings<sup>4</sup>, a wholly owned subsidiary of Suzano Papel e Celulose SA. While the issuing entity will be Bahia Sul Holdings, the entity using the bond proceeds to implement eligible projects will be Suzano Papel e Celulose SA.

The proceeds from the green bond will be transferred to Suzano Papel e Celulose S.A. and managed by the treasury department. Suzano has disclosed to Sustainalytics that it has established a process to manage the allocation of net proceeds to eligible green projects. The allocation will be done by the Accounting Department, once the proceeds have been disbursed. The amount of expenditure per project will be determined according to the internal approval process described in section 3.2

These projects can be projects that were developed and completed in the last 18 months, on-going projects, or new projects that will be developed in the future. Suzano confirmed to Sustainalytics that already developed and on-going projects would be refinanced only if fund disbursements related to those projects occurred within the 18 months preceding the issue date of the Notes.

Pending allocation of the net proceeds from the sales of the Notes to Eligible Green Projects, Suzano and/or its subsidiaries will temporarily invest an amount equal to the balance of such net proceeds in cash, cash equivalents and/or financial investments which consist of mainly bank deposits, repurchase commitments, investment funds, time deposits and cash available abroad in U.S. dollars. Payment of principal and interest on the Notes will be made from Suzano's general funds and will not be directly linked to the performance of any Eligible Green Project.

### 3.4 Reporting

#### Allocation Reporting and Compliance Review

Suzano has disclosed that on an annual basis, its external auditor will provide confirmation on allocation of bond proceeds to qualifying eligible projects within 120 days of the end of each fiscal year. Additionally, Suzano has also committed to undertaking an annual Compliance Review of funded projects with an independent consultant with recognized expertise in environmental and social issues also within 120 days of the end of each fiscal year. Such a consultant will review a broad sample of projects from the total allocated projects in order to determine whether they meet the use of proceeds criteria defined in the framework. Additionally, the consultant will provide a letter stating the results of the compliance review, which Suzano may disclose publicly. Both reports shall be performed until full allocation of the bonds proceeds, unless there are new developments. In an unlikely event that a project does not meet the eligibility criteria, Suzano will reallocate the green bond proceeds to a different project that meets the criteria.

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<sup>4</sup> Bahia Sul Holdings is in the final stage of changing its name to Suzano Austria.



## Impact Reporting

In addition to its allocation reporting, Suzano commits to report annually, until full allocation of the bonds proceeds and within 150 days of the end of each fiscal year, on the impact of projects funded by the green bond proceeds. Where available, Suzano will report on the following Key Performance Indicators (KPIs) in aggregate for each use of proceeds category:

**Table 1: Key Performance Indicators (KPIs) per Use of Proceeds Criteria**

Theme	Use of Proceeds Criteria	KPI
<b>Sustainable Forestry</b>	Sustainable management of forests that comply with international and national standards such as FSC, Cerflor (PEFC) or equivalent certification	Carbon dioxide (CO2) emissions avoided through planted forests
		Continued maintenance of FSC, Cerflor (PEFC) or equivalent internationally recognized certification
	Restoration of native forest cover from degraded lands	Total land area with restoration in progress (hectares)
<b>Conservation</b>	Maintenance and development of conservation areas; protection of native plants and animal species and biodiversity	Total leased and owned land area with conserved native vegetation (hectares)
		Total leased and owned land area with conserved native vegetation/ total leased and owned land area (percent)
		Total leased and owned land area with conserved native vegetation/ total leased and owned planted land area (percent)
		Number of HCV areas identified and maintained
		Number of species found in HCVA's
		Number of beneficiaries of environmental education programs
		Number of ecotourists at Parque das Neblinas
		Number of research studies developed at Parque das Neblinas
<b>Water Management</b>	Development of technologies and systems to increase quality of treated waste water, increase water reuse, and reduce water consumption	Reduction in fibre content in effluent (mg/L or percent)
		Reduction in Chemical Oxygen Demand or Biochemical Oxygen Demand (mg/L or percent)
		m <sup>3</sup> of water saved, reduced, or reused
<b>Energy Efficiency</b>	Projects that increase energy efficiency, including through reduction in fossil fuel consumption	Kwh saved/reduced
		Tons of fossil fuel saved/reduced
		CO2 emissions avoided
<b>Renewable Energy</b>	Substitution of fossil fuels with renewable sources and/or generation of energy from renewable sources	Tons of fossil fuel saved/reduced
		Kwh produced
		CO2 emissions avoided

## 4. SUSTAINALYTICS' OPINION

***Robust integration of environmental policy into operations:*** Suzano's environmental policy outlines a strong approach to managing the environmental impacts of its business through a focus on perseverance of biodiversity, conservation of native forests, and sustainable use and management of resources. Sustainalytics is of the opinion that Suzano integrates this policy in its regular operations, and that its green bond issuance aligns well with its environmental focus areas.

Suzano has integrated the policy throughout its operations through a strong Environmental Management System (EMS). The EMS operates according to established targets and deadlines, is accountable to assigned managerial or board level personnel for these targets, and includes internal and external environmental audit processes. Additionally, Suzano's industrial sites are certified to ISO 14001 standards, an internationally recognized environmental management standard maintained by the International Organization for Standardization (ISO).

An example of the strength of Suzano's EMS is the approach that the company has developed and implemented to mitigate the negative impacts of cultivating Eucalyptus. Eucalyptus plantations are a fast way of generating wood fibers, but have been criticized for their potential depletion of water and nutrients, and for diminishing the ecosystem for a diverse range of species. Suzano has developed an internal conservation plan to alleviate these impacts. It includes the dispersion of plantations with natural forests, conservation of native ecosystems, and the use of waste residues as fertilizers.

***FSC and Cerflor (PEFC) certifications:*** Suzano has disclosed to Sustainalytics that, as of June 2016, 63% of its total forests (owned and leased) are certified, and that all its certified forests are double-certified by FSC and Cerflor (PEFC). FSC and PEFC are both based on rigorous standards, and are also based on a multi-stakeholder structure. Both organizations are in line with international norms such as the International Labor Organization (ILO) conventions, the Convention on Biological Diversity (CBD), and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). In addition to compliance with laws in the country of certification, both schemes have a set of minimum requirements that companies are required to meet to obtain and maintain certifications. These requirements include compliance with standards around sustainable management of forests, management of environmental impact of operations, preservation of biodiversity, management of socio-economic and community relations, and sourcing of sustainable wood (chain of custody). Furthermore, both FSC and PEFC require external annual audits to ensure compliance, and achieve and maintain certification.

Despite these similarities, PEFC has faced certain criticisms from civil society actors. These are highlighted below:

- i. ***Type of organization:*** Since the FSC is an international labeling and certification system, it sets its own global standards. The PEFC, in contrast, is not a standard setter, but a mutual recognition scheme. The PEFC sets sustainability benchmarks according to international norms,

and endorses national certification schemes that comply with these benchmarks. A common criticism of this model is that it allows for more flexibility in the interpretation of international PEFC benchmarks as per regional, cultural, and socio-economic context, and results in the endorsement of less rigorous national certification schemes. However, the process for being endorsed by the PEFC is thorough; any national certification system seeking to obtain PEFC endorsement must submit to a comprehensive assessment process, including independent evaluation and public consultation. This evaluation of compliance with international PEFC benchmarks is carried out by independent, accredited certification organizations.

- ii. *Indigenous People's Rights:* FSC and PEFC both identify indigenous rights as an important standard in forest management. Both certification schemes require that forest management activities consider and do not infringe on indigenous people's rights, and the activities are carried out using frameworks ensuring their free and informed consent. A criticism of PEFC is that it requires only engagement with indigenous people in forest management decisions, while the FSC provides performance-oriented targets, and requires forest managers operating on indigenous lands to obtain indigenous people's consent through binding agreements. As of June 2016, Suzano does not have any indigenous areas under its direct management.
- iii. *Sourcing wood from non-certified sources:* Both FSC and the PEFC have established standards around sourcing wood from non-certified and controversial sources. FSC's standards direct forest managers to avoid wood harvested in violation of traditional and civil rights. A criticism of the comparable PEFC standard is that it limits identification of controversially sourced wood to situations where the local legislation is violated. However, PEFC standards explicitly reference the violation of local, national, and international legislation with regards to worker's and indigenous people's rights as being a controversial source of wood.

**Suzano's engagement on Genetically Modified (GM) Eucalyptus:** In April 2015, FuturaGene, a wholly owned subsidiary of Suzano Papel e Celulose, received authorization from the Brazilian National Technical Commission on Biosafety for the commercial deployment of a GM eucalyptus plant it had been developing. Suzano is currently conducting expanded field studies related to the adaptability of the GM eucalyptus plant in a larger scale on different sites. To date significantly less than 1% of its forests are GM trials. The FSC has a precautionary approach to GM plants that has resulted in a prohibition against the commercial deployment of any GM plants. In April 2015, the FSC issued a public statement that it will disassociate with Suzano and revoke all certifications if the company moves ahead with widespread commercial deployment of the GM plant.

In dialogue with Sustainalytics, Suzano has demonstrated that they are undertaking a comprehensive engagement process with relevant stakeholders to address concerns around the use of GM plants. These stakeholders include the FSC, PEFC, non-governmental organizations, and all other relevant stakeholders in the sector, including sector specific bodies and other companies.

Based on the fact that for Suzano FSC, PEFC and other relevant certifications are critically important for accessing select markets, Sustainalytics is of the opinion that it is unlikely that Suzano will proceed in a way that jeopardizes its certifications.

**Adherence to The Green Bond Principles (GBP)**

<b>Principle</b>	<b>In line with the GBP 2016?</b>	<b>Comments</b>
<b>Use of Proceeds</b>	Yes	<p>Suzano's project eligibility criteria address specific themes for environmental impact (sustainable forestry, conservation, water management, energy efficiency, and renewable energy) that are aligned with its environmental policy.</p> <p>Its sustainable forestry eligibility criterion is primarily based on the credible third party certification standards of FSC and Cerflor (PEFC). To allow for the potential emergence of a new third party certification over the life of the bond, Suzano has also opted to widen the use of proceeds to sustainable forestry to any certification equivalent to the standards of FSC and Cerflor (PEFC). The company has defined equivalency conditions for any new certification, and notes that at present, there are no equivalent certifications available. The conditions for accepting an equivalent certification are generally in line with market best-practice certifications like the FSC and PEFC.</p> <p>Sustainalytics considers the eligibility criteria for the use of proceeds to be credible. Based on its review, Sustainalytics is of the opinion that by funding projects in these areas, Suzano is preserving biodiversity, preventing resource waste, and mitigating GHG emissions.</p>
<b>Project selection process</b>	Yes	Projects will be selected after they are reviewed by Suzano's Sustainability/Environmental Departments for their potential to create impact, and for alignment with the eligibility criteria. Sustainalytics is of the opinion that this process is credible.
<b>Management of Proceeds</b>	Yes	Suzano's Treasury has sufficient oversight over the management of proceeds. Suzano has established an internal process to track the disbursement of proceeds to on-going and new eligible projects; this is in line with industry norms.
<b>Reporting</b>	Yes	Suzano will report on allocation of bond proceeds through verification by an external auditor, and through an annual compliance review with an environmental consultant. This is in line with industry best practice. Additionally, Suzano has committed to reporting on several robust KPIs that detail the impact of the projects funded through the bond proceeds.

## Conclusion

By issuing a green bond to finance eligible projects focused on sustainable forestry, conservation, water management, energy efficiency, and renewable energy, Suzano is acting in accordance with its environmental policy. It is supporting projects with clear environmental benefits by preserving biodiversity, preventing resource waste, and mitigating GHG emissions. Suzano has also committed to transparently reporting on KPIs for the projects funded, and to undertake an annual compliance review to ensure that the project selected for the bond are in compliance with the bond's eligibility criteria.

Additionally, Sustainalytics is of the opinion that Suzano's engagement around GM eucalyptus is comprehensive. This, coupled with the fact that FSC certification is critically important for accessing select markets, minimizes the risk of Suzano proceeding in a way that jeopardizes its FSC certification.

Based on the above considerations, Suzano's green bond is in alignment with market best practices and norms such as the Green Bond Principles, 2016. Sustainalytics is of the opinion that Suzano's green bond is robust and credible.