

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended DECEMBER 31, 2022

Commission file number 001-38755

Suzano S.A.

(Exact name of Registrant as specified in its charter)

Suzano Inc.

(Translation of Registrant's name into English)

Federative Republic of Brazil

(Jurisdiction of incorporation or organization)

**Av. Professor Magalhães Neto, 1,752
10th Floor, Rooms 1010 and 1011
Salvador, Brazil 41810-012**

(Address of principal executive offices)

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São Paulo, Brazil, 01452-919

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class:	Trading Symbol	Name of each exchange on which registered:
Common Shares, without par value		New York Stock Exchange*
American Depositary Shares (as evidenced by American Depositary Receipts), each representing two Common Shares	—	New York Stock Exchange
4.000% Notes due 2025, issued by Fibria Overseas Finance Ltd.	FBR/25	New York Stock Exchange
5.500% Notes due 2027, issued by Fibria Overseas Finance Ltd.	FBR/27	New York Stock Exchange
6.000% Notes due 2029, issued by Suzano Austria GmbH	SUZ/29	New York Stock Exchange
5.000% Notes due 2030, issued by Suzano Austria GmbH	SUZ/30	New York Stock Exchange
3.750% Notes due 2031, issued by Suzano Austria GmbH	SUZ/31	New York Stock Exchange
2.500% Notes due 2028, issued by Suzano Austria GmbH	SUZ/28	New York Stock Exchange
3.125% Notes due 2032, issued by Suzano Austria GmbH	SUZ/32	New York Stock Exchange

* Not for trading purposes but only in connection with the registration on the New York Stock Exchange of American Depositary Shares representing those common shares.

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

The number of outstanding shares of stock of Suzano S.A. as of December 31, 2022 was:

1,361,263,584 common shares, without par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No



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Note — Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of “large accelerated filer,” “accelerated filer,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act.

†The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Yes No

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Yes No

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b)

Yes No

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued
by the International Accounting Standards Board

Other

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17

Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

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FORWARD-LOOKING STATEMENTS

This annual report includes forward-looking statements, mainly in “Item 3. Key Information — D. Risk Factors,” “Item 4. Information on the Company — Business Overview” and “Item 5. Operating and Financial Review and Prospects.” We have based these forward-looking statements largely on our current expectations about future events and financial trends affecting our business. These forward-looking statements are subject to risks, uncertainties and assumptions, including among other things:

- the economic, financial, political and health effects of the coronavirus (COVID-19) pandemic (or other pandemics, epidemics and similar crises), including variant and novel strains, particularly in Brazil and in our principal export markets, to the extent that they continue to cause serious negative macroeconomic effects, and therefore may intensify the impact of the other risks to which we are subject;
- our management and future operation;
- the implementation of our main operational strategies, including our potential participation in acquisitions, joint venture transactions or other investment opportunities;
- general economic, political and business conditions, both in Brazil and in our principal export markets;
- industry trends and the general level of demand for, and change in the market prices of, our products;
- existing and future governmental regulation, including tax, labor, pension and environmental laws and regulations and import tariffs in Brazil and in other markets in which we operate or to which we export our products;
- the competitive nature of the industries in which we operate;
- our level of capitalization, including the levels of our indebtedness and overall leverage;
- the cost and availability of financing;
- our compliance with the covenants contained in the instruments governing our indebtedness;
- the implementation of our financing strategy and capital expenditure plans;
- inflation and fluctuations in currency exchange rates, including the Brazilian real and the U.S. dollar;
- legal and administrative proceedings to which we are or may become a party;
- the volatility of the prices of the raw materials we sell or purchase to use in our business;
- other statements included in this annual report that are not historical; and
- other factors or trends affecting our financial condition or results of operations, including those factors identified or discussed in “Item 3. Key Information — D. Risk Factors.”

The words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “hope,” “intend,” “may,” “might,” “should,” “would,” “will,” “understand” and similar words are intended to identify forward-looking statements. We undertake no obligation to update publicly or revise any forward-looking statements because of new information, future events or otherwise. In light of these risks and uncertainties, forward-looking information, events and circumstances discussed in this annual report might not occur and are not guarantees of future performance. Our actual results and performance may differ substantially from the forward-looking statements included in this annual report.

GLOSSARY OF CERTAIN TERMS USED IN THIS ANNUAL REPORT

Herein, “Suzano”, the “Company”, “we”, “us” and “our” refer to Suzano and its consolidated subsidiaries, unless the context otherwise requires. References to “Fibria” refer to former “Fibria Celulose S.A.”. All references herein to the “real,” “reais” or “R\$” are to the Brazilian *real*, the official currency of Brazil. All references to “U.S. dollars,” “dollars” or “US\$” are to United States dollars, the official currency of the United States.

ADR	American Depositary Receipts.
ADS	American Depositary Shares.
ANTAQ	Brazilian regulatory agency regulating aquatic transportation, or <i>Agência Nacional de Transportes Aquaviários</i> .
B3	B3 S.A. – Brasil, Bolsa, Balcão, the São Paulo Stock Exchange.
BNDES	The Brazilian Development Bank, or <i>Banco Nacional de Desenvolvimento Econômico e Social</i> .
BNDESPAR	BNDES Participações S.A.
Brazilian Corporation Law	Brazilian Law No. 6.404/76, as amended.
CADE	Brazilian antitrust authority, or <i>Conselho Administrativo de Defesa Econômica</i> .
COFINS	Contribution for the Financing of Social Security, or <i>Contribuição para o Financiamento da Seguridade Social</i> .
CONFAZ	National Board of Financial Policy, or <i>Conselho Nacional de Política Fazendária</i> .
CSLL	Social Contribution on Net Income, or <i>Contribuição Social Sobre o Lucro Líquido</i> .
CVM	Brazilian Securities Commission, or <i>Comissão de Valores Mobiliários</i> .
Exchange Act	U.S. Securities Exchange Act of 1934, as amended.
FGTS	Government Severance Indemnity Fund for Employees, or <i>Fundo de Garantia do Tempo de Serviço</i> .
GHG	Greenhouse gas.
IBÁ	Brazilian Tree Industry, or <i>Indústria Brasileira de Árvores</i> .
IBAMA	Brazilian Federal Environmental Agency, or <i>Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis</i> .
ICMS	Tax on Sale of Goods and Services, or <i>Imposto sobre Circulação de Mercadorias e Serviços</i> .
IFC	International Finance Corporation.
INCRA	Brazilian Institute for Land Reform, or <i>Instituto Nacional de Colonização e Reforma Agrária</i> .
INPI	National Industrial Property Institute, or <i>Instituto Nacional da Propriedade Industrial</i> .
INSS	Social Security Contributions, or <i>Instituto Nacional do Seguro Social</i> .

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IPCA	Inflation Rate Index for Consumer Goods, or <i>Índice Nacional de Preços ao Consumidor Amplo</i>
IPI	Tax on Manufactured Products, or <i>Imposto sobre Produtos Industrializados</i> .
IRPJ	Corporate Income Taxes, or <i>Imposto de Renda Pessoa Jurídica</i> .
ISS	Tax on Services, or <i>Imposto Sobre Serviços</i> .
PIS	Social Integration Program, or <i>Programa de Integração Social</i> .
PPPC	Pulp and Paper Products Council.
RFB	Brazilian Internal Revenue Service, or <i>Receita Federal do Brasil</i> .
Securities Act	U.S. Securities Act of 1933, as amended.
SUDENE	Superintendence for Development of the Northeast, or <i>Superintendência do Desenvolvimento do Nordeste</i> .
TJLP	Brazilian Long-Term Interest Rate, or <i>Taxa de Juros de Longo Prazo</i> .

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

We have prepared our consolidated financial statements as of December 31, 2022 and 2021, and for each of the three years ended December 31, 2022 included herein, in compliance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The selected financial information should be read together with our consolidated financial statements, including the notes thereto.

Our functional currency and that of all our subsidiaries is the *real*, which is also the currency used for the preparation and presentation of our consolidated financial statements, except for investments in associates abroad related to Ensyn Corporation, F&E Technologies LLC, Celluforce, Woodspin OY and Spinnova OY. See note 3.2.7. to our audited consolidated financial statements.

We make statements in this annual report about our competitive position and our market share in, and the market size of, the market pulp and paper industry. We have made these statements on the basis of statistics and other information from third-party sources that we believe are reliable.

The financial information and certain other information presented in a number of tables in this annual report have been rounded to the nearest whole number or the nearest decimal. Therefore, the sum of the numbers in a column may not conform exactly to the total figure given for that column. In addition, certain percentages presented in the tables in this annual report reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based on the rounded numbers.

PART I**ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS**

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION**A. Financial Data**

For a discussion of our financial and operating data for the years ended December 31, 2022 and 2021, see “Item 5. Operating and Financial Review and Prospects.”

OPERATIONAL DATA

	As at and for the year ended December 31,				
	2022	2021	2020	2019	2018
Number of employees	18,543	16,679	15,653	14,534	9,385
Nominal production capacity (<i>millions of tons</i>)					
Pulp	10.9	10.9	10.9	10.9	3.6
Paper	1.4	1.4	1.4	1.4	1.4
Sales volumes (<i>thousand metric tons</i>)					
Domestic market pulp	751,212	796,708	786,621	830,962	298,005
Export market pulp	9,848,441	9,789,129	10,036,495	8,580,691	2,927,714
Total market pulp	11,905,717	10,585,837	10,823,116	9,411,653	3,225,719
Sales volumes (<i>thousand metric tons</i>)					
Domestic market paper	951,276	922,909	801,819	853,412	878,374
Export market paper	354,788	371,338	375,062	403,051	377,263
Total market paper	1,306,064	1,294,247	1,176,881	1,256,463	1,255,637
Total sales volumes market paper and pulp	11,905,717	11,880,084	11,999,997	10,668,116	4,481,356

Special Note Regarding Non-IFRS Financial Measures

The following discussion of our results of operations is based on our audited consolidated financial statements as of December 31, 2022 and 2021 and for the three years ended December 31, 2022. For a discussion of our results of operations for the year ended December 31, 2021 compared to the year ended December 31, 2020, please see “Item 5. Operating and Financial Review and Prospects—A. Operating Results—Results of Operations—Year ended December 31, 2021 Compared to Year Ended December 31, 2020” of our annual report on Form 20-F for the year ended December 31, 2021.

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A non-IFRS financial measure is any financial measure that is presented other than in accordance with all relevant accounting standards under IFRS. We disclose EBITDA and Adjusted EBITDA for Suzano in this annual report, which are considered to be non-IFRS financial measures. EBITDA is calculated as Net income (loss) plus Net financial result, Income and social contribution taxes, and Depreciation, amortization and depletion. Adjusted EBITDA for Suzano is defined as EBITDA as further adjusted to add or exclude: (i) exceptional adjustments as defined by management are those with no impact on our ongoing business, such as Expenses with Losango Project Adjustments, COVID-19 - Social actions and operating expenses, Additions of civil lawsuits provisions, Result from sale of property, plant and equipment and biological assets, Tax credits - gains in tax lawsuit (ICMS from the PIS/COFINS calculation basis), Fine for termination of contract due to the stay of the barge and (ii) non-cash adjustments are those adjustments that have impacted the income statements without a cash impact on Suzano, such as Accrual (reversal) of losses on ICMS credits, Accrual for losses of forest partnership advance, Impairment of non-financial assets, Fair value adjustment of biological assets, Result from sale and disposal of property, plant and equipment and biological assets, Income from associates and joint ventures - Ibema, Ensyn, Spinnova and F&E, Income from associates and joint ventures - Recycling of other comprehensive income from Suzano Trading, Extension of the PCHM concession.

The non-IFRS financial measures described in this annual report are not a substitute for the IFRS measures of net income or other performance measures.

Our management believes that disclosure of our EBITDA and Adjusted EBITDA provide useful information to investors, financial analysts and the public in their review of our operating performance and their comparison of our operating performance to the operating performance of other companies in the same industry and other industries. For example, interest expense is dependent on the capital structure and credit rating of a company. However, debt levels, credit ratings and, therefore, the impact of interest expense on earnings vary significantly between companies. Similarly, the tax positions of individual companies can vary because of their differing abilities to take advantage of tax benefits and the differing jurisdictions in which they transact business. Finally, companies differ in the age and method of acquisition of productive assets, and thus the relative costs of those assets, as well as in the depreciation method (straight-line, accelerated or units of production), which can result in considerable variation in depreciation and amortization expenses between companies. Therefore, for comparison purposes, our management believes that our EBITDA and Adjusted EBITDA are useful measures of operating profitability because they exclude these elements of earnings that do not provide information about the current operations of existing assets.

Moreover, other companies may calculate EBITDA and Adjusted EBITDA differently, and therefore our presentation of EBITDA and Adjusted EBITDA may not be comparable to other similarly titled measures used by other companies. Each of these non-IFRS financial measures are important measures to assess our financial and operating performance. We believe that the disclosure of EBITDA and Adjusted EBITDA provides useful supplemental information to investors and financial analysts in their review of our operating performance and in the comparison of such operating performance to the operating performance of other companies in the same industry or in other industries that have different capital structures, debt levels and/or income tax rates. The presentation of non-IFRS financial information is not meant to be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with IFRS.

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See below for a reconciliation of our net income (loss) to EBITDA and Adjusted EBITDA.

Adjusted EBITDA (R\$million)	2022	2021
EBITDA Reconciliation		
Net income (loss)	23,394.90	8,635.50
(+/-) Net financial result	(6,432.80)	9,347.20
(+/-) Income and social contribution taxes	5,260.70	197.40
(+) Depreciation, amortization and depletion	7,407.9	7,041.70
EBITDA	29,630.70	25,221.90
Accrual (reversal) of losses on ICMS credits ⁽¹⁾	58.00	(98.70)
Losango Project Adjustments ⁽²⁾	—	(9.10)
Accrual for losses of forest partnership advance ⁽¹⁾	—	2.70
Impairment of non-financial assets ⁽¹⁾	—	58.00
COVID-19 - Social actions and operating expenses ⁽³⁾	0.20	25.30
Additions of civil lawsuits provisions ⁽⁴⁾	—	32.80
Fair value adjustment of biological assets ⁽¹⁾	(1,199.80)	(763.10)
Result from sale and disposal of property, plant and equipment and biological assets ⁽¹⁾	(19.40)	38.80
Result from sale of property, plant and equipment and biological assets ⁽⁵⁾	—	(543.80)
Income from associates and joint ventures - Ibema, Ensyn, Spinnova and F&E ⁽¹⁾	(48.30)	(130.30)
Income from associates and joint ventures - Recycling of other comprehensive income from Suzano Trading ⁽¹⁾	(236.10)	78.40
Extension of the PCHM concession ⁽¹⁾	(7.70)	—
Tax credits - gains in tax lawsuit (ICMS from the PIS/COFINS calculation basis) ⁽⁶⁾	1.300	(441.90)
Fine for termination of contract due to the stay of the barge. ⁽⁷⁾	16.00	—
Adjusted EBITDA	28,194.90	23,470.90

1. Non-cash adjustments
2. Exceptional: Provisions related to the Losango project, mainly, write-off of advances of forestry development program and write-off of wood stock in the field.
3. Exceptional: Disbursements made for carrying out the social actions implemented by Suzano and includes, mainly, expenses in the facilities units for the upgrading of cafeterias and workplaces, expansion of the frequency of conservation, cleaning, hygiene and maintenance of common areas, public transport with more space between passengers, distribution of masks and realization rapid tests on employees working in facilities units.
4. Exceptional: Refers to new exceptional civil lawsuits provisions.
5. Exceptional: Result from the sale of biological assets and property, plant and equipment related to the main contracts with Bracell and Turvinho (note 1.2.2 from financials statements) and Klabin in 2021.
6. Exceptional: in the year ended December 31, 2021, the total PIS and COFINS tax credits to be recovered recognized by the Company, following exactly the terms decided by the Brazilian Supreme Court (“STF”) regarding the exclusion of ICMS (VAT) from the PIS and COFINS tax basis, is R\$441.9 (note 20.3.1 from F-Pages), in the year ended December 31, 2022, this accrual have been adjusted, decreasing it in R\$1.3. The accrual current value is R\$ 440.6.
7. Exceptional: Fine for termination of contract due to the stay of the barge.

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

We are subject to various risks and uncertainties resulting from changing competitive, economic, political, environmental and social conditions that could harm our business, results of operations or financial condition. The risks described below, although not being the only ones we face are the most important ones according to our ability to identify material risks. Other risks that we presently believe are not material could also adversely affect us.

Risks Relating to the Pulp and Paper Industry

Our products' prices are greatly affected by international market prices, which vary depending on a number of factors that are beyond our control and could adversely affect our results of operations and financial conditions and our ability to operate our plants in an economically viable manner.

Pulp markets are typically cyclical, and our pulp prices follow international market prices, which are determined by supply and demand, global pulp production capacity and global economic conditions. Such prices can also be affected by exchange rate fluctuations between the currencies of main producing and consuming countries, movement of inventories, diverging price expectations, business strategies adopted by other producers and availability of substitutes for our products, among others. All of these factors are beyond our control and may have a significant impact on the prices for pulp and, consequently, on our operational margins, profitability and ROIC. Fluctuations in pulp price may lead us to adopt changes in our commercial strategy or production, which also may adversely affect our financial condition and results of operation.

Paper prices are also determined by supply and demand conditions in the markets in which they are sold, and are affected by various factors, including the fluctuation in pulp prices and the specific characteristics of the markets in which we operate.

We cannot assure that pulp and paper market prices and demand for our products will remain favorable to us, and any adverse price or demand fluctuations, which may occur rapidly in our markets, could adversely affect our results of operations and financial conditions and our ability to operate our plants in an economically viable manner.

We are highly dependent on our planted forest areas for the supply of wood, which is essential to our production processes, and any damage to our forest areas or impact on prices of land we seek to purchase for our forests may adversely affect us.

Most of the wood used in our production processes is supplied by our own forestry operations, which include planted forest areas located in close proximity to our production facilities. The wood market in Brazil is very regional and limited in wood availability, as most pulp and paper producers are integrated and utilize wood grown in their own planted forests to meet their wood requirements.

Our planted forests are subject to natural threats, such as drought, fire, pests and diseases, which may reduce our supply of wood or increase the price of wood we acquire. Our planted areas are also subject to other threats, considering their wide territorial coverage and proximity to a significant number of neighbors and local communities, including loss of possession due to social unrest or squatter invasion, land title disputes, wood theft, or arson, which may result in real damage to our planting and transit areas and may adversely affect our results.

In addition, the physical effects of climate change may materially and adversely affect our operations, for example by changing air temperature and water levels, and subjecting us to unusual or different weather-related risks. Any climate changes that negatively affect the favorable climate conditions in Brazil may adversely affect the growth rate and quality of our plantations, or our production costs. Although we cannot predict the impact of changing global climate conditions, any such occurrences may increase our liabilities and capital expenditures and adversely affect our business, financial condition and results of operations.

Additionally, in acquiring land for our timber plantations, we compete with other crops, as well as with cattle breeders, which could ultimately raise land prices or make it more difficult for us to contract independent third parties to cultivate eucalyptus.

Drought in some regions of Brazil, resulting in water scarcity and related rationing, may adversely affect our business and results of operations.

In Brazil, some regions might have drought conditions during some seasons of the year, which could result in acute shortages of water and/or implementation of rationing to restrict usage. Some of our units are located in the affected areas and we cannot assure that our processes for efficient use of water and contingency plans will be able to avoid impacts from severe droughts or governmental measures to address drought conditions on our units' operations, which could have an adverse effect on our business and results of operations.

We face significant operational risks that can result in the shutdown of our operations, which may adversely affect our financial condition and results of operations.

We face operational risks that may result in partial or temporary suspension of our operations and in loss of production. Such outages may be caused by factors associated with equipment failure, information system disruptions or failures (including due to cyber-attacks), accidents, fires, strikes, invasions, acts of war, armed conflicts, weather, exposure to natural disasters, regional water crisis, electricity power outages and chemical product spills, accidents involving water reservoirs, landfills, revocation of licenses, labor restrictions by pandemics, among other operational and environmental hazards. The occurrence of these events may, among other impacts, result in serious damage to our property, assets and reputation, liability for damages to the environment and third parties, a decrease in production or an increase in production costs, any of which may adversely affect our financial condition and results of operations. Increasing geopolitical tensions and hostilities in connection with the conflict between Russia and Ukraine, and the trade and monetary sanctions that have been imposed in connection with those developments, have affected, and could significantly affect, worldwide markets, cause turmoil in the global financial system and negatively impact our operations.

Certain of our assets, notably biological assets measured at fair value, property, plant and equipment and intangible assets, may be impacted by climate events. Effects of climate change, such as rising temperatures, scarcity of water resources, fires and impacts arising from the greater presence and resistance of pests and other forest diseases favored by the gradual increase in temperature, as well as other adverse weather events, may impact the determination of fair value of biological assets, cause the loss of biological assets, reduce productivity or event result in interruptions of our production. In addition, regulatory and legal changes related to a transition to a low-carbon economy and/or with greater biodiversity might impose additional costs and create greater risk of litigation and/or commercial restrictions to our business.

During the normal course of our business, we depend on the continuous availability of logistics and transportation networks, including roads, railways, warehouses and ports, among others. Such operations may be disrupted by factors beyond our control, such as social movements, geopolitical conflicts, natural disasters, electricity shortages strikes and shutdowns (such as, for instance, trucker strikes). Any interruption in the supply of inputs for the operation of our industrial and forestry units or in the delivery of our finished products to clients could cause a material adverse impact on our results of operations.

We have entered into contracts with third parties to provide transportation and logistics services. The early termination of these contracts or our inability to renew them or negotiate new contracts with other service providers with similar conditions could adversely affect our financial and operating condition. In addition, most of our suppliers of transportation operate under concessions granted by the Brazilian government. The loss or non-renewal of such concessions without timely replacement for new concessions to third parties that can continue the services provided and willing to do so on similar terms as the previous service providers may also adversely affect our results of operations and financial condition.

Additionally, we are subject to quality control risks associated with our products, which may affect our consumer market and customers. In this sense, we note that our products have several properties that influence the processes of our customers, as well as the quality of the products they produce. Accordingly, we are also subject to any potential claims relating to the quality of our products, which may have a material adverse effect on our results of operations and financial condition.

We depend on third-party suppliers for a material portion of our wood requirements and also depend on few suppliers for certain raw materials. Significant reductions in supply or increases in price of these materials could adversely affect our production, products' mix, margin or availability and, consequently, our results of operations.

Our wood resources are not sufficient to satisfy our production needs, and accordingly we seek additional wood supply from third parties through agreements to purchase standing forests or for purchases of wood delivered to our factories. Medium- and long-term supply agreements with wood suppliers may vary between one to three forest cycles, each cycle lasting approximately seven years. Lease agreements or forest partnerships have an average term of 14 to 15 years. Wood price conditions are subject to cyclical and circumstantial variations of wood demand in the different regions where we operate. A material failure to obtain wood from third party suppliers or a material interruption in our current supply arrangements may result in a significant reduction in available wood for processing at our plants, which may adversely affect our production and, accordingly, our results of operations and financial condition.

In addition, we have few sources for certain raw materials that are essential for the production of pulp and paper, including fuel oil, bleached chemo thermo mechanical pulp, peroxide, natural gas and third-party industry technology (maintenance). We enter into medium and long term supply agreements with such suppliers. Any significant reduction in the supply or increase in prices, on behalf of the relevant supplier, of any of these raw materials, as well as our inability to maintain the relationship or find suitable substitutes for these suppliers, could adversely affect our products' mix, margin or availability and, consequently, our results of operations.

Investments by us or our competitors to enhance pulp and paper production capacity in the future may adversely affect the market price for our products.

New capacity projects developed by us or our competitors may create an imbalance between supply and demand of pulp and paper, which may cause a reduction in pulp and paper prices. Investments in new capacity may have a negative impact on pulp and paper prices and, consequently, on our financial condition or results of operations.

We face significant competition in some of our lines of business, which may adversely affect our market share in the pulp and paper industries and our profitability.

The pulp and paper markets are extremely competitive. We face substantial competition in both domestic and international markets from a large number of companies, some of which have extensive access to financial resources and low capital costs. In the domestic market, we face competition from national products, produced by companies of Brazilian and international groups, and imported products. In the international market, we compete against companies with large production and distribution capacities, significant consumer base and great variety of products.

In addition, the oversupply of coated paper in the world market, the antidumping measures adopted in other countries and the use of imported coated paper for alternative purposes, especially during periods of prolonged appreciation of the *real* against the U.S. dollar, may increase competition in Brazil from producers of imported paper. Moreover, if the Brazilian federal government were to decrease import taxes, or in the event of sustained appreciation of the *real* against the U.S. dollar, competition in Brazil from international producers may increase. The occurrence or continuation of any of the foregoing events could adversely affect us.

Additionally, the pulp and paper markets are served by numerous companies located in different countries. If we are unable to remain competitive against these producers in the future, our market share may be adversely affected. Other companies operating in the same segments may compete with us for acquisition and alliance opportunities. Strategic acquisitions or alliances by our competitors could affect our ability to enter into or consummate acquisitions and alliances that are necessary to expand our business. Further, we may face elevated costs associated with restructuring and/or financing in relation to acquisitions or strategic partnerships in comparison to our competitor companies. Companies that are better positioned to enter into acquisitions or alliances may benefit from preferable production costs, which may affect our competitiveness and market share.

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Other factors affecting our ability to compete include the entry of new competitors into the markets we serve, increased competition from overseas producers, our competitors' pricing strategies, the introduction by our competitors of new technologies and equipment, our ability to anticipate and respond to changing customer preferences and our ability to maintain the cost-efficiency of our facilities. In addition, changes within these industries, including the consolidation of our competitors and our customers, may impact competitive dynamics.

Periods during which financing is limited or unavailable may increase our financial costs, limit the terms or even preclude the funding in the market, which may adversely affect our operations.

Brazilian paper and pulp companies have made significant investments during the last few years in order to compete more efficiently and on a larger scale in the international market. This trend towards consolidation has enhanced the need for resources and diversification of financing sources among national and foreign financial institutions.

In this context, we depend on third-party capital to conduct our business, by means of financing transactions to support our investments and working capital. We cannot assure that our current sources of funds will be sufficient or that they will remain available to meet our capital needs, which may require us to seek additional funds in the financial and capital markets. In liquidity restriction periods, such as the ones of 2008 and 2009 that occurred due to the international financial crisis, credit lines may become excessively short, expensive or even unavailable. Under these circumstances, there is a higher risk of not achieving success in financing and refinancing transactions, meaning that there is a higher possibility of failure in obtaining financing in the market in order to pay down existing indebtedness, as well as a higher risk of raising these funds at an elevated cost or subject to posting collateral, which may adversely affect our results of operations or financial condition.

More stringent environmental regulations could increase our expenditures and noncompliance with such regulation may result in administrative, civil and criminal liability, which may adversely affect us, our results of operations or financial condition.

Our activities are subject to extensive environmental regulation, including in relation to gas emissions, liquid effluents and solid waste management, reforestation and odor control, as well as maintenance of land reserve and permanent preservation areas. Furthermore, our activities, both industrial and forestry, require periodic renewal of environmental permits.

Environmental standards that are applicable to us are issued at the federal, state and municipal levels, and changes in the laws, rules, policies or procedures adopted in the enforcement of the current laws may adversely affect us. In Brazil, violations of environmental laws, regulations and authorizations could result in administrative, civil or criminal penalties for us, our management and our employees, including fines, imprisonment, interruption of our activities and dissolution of our corporate entity.

Governmental agencies or other competent authorities may provide new rules or additional regulations even stricter than the ones in force, or they may pursue a stricter interpretation of the existing laws and regulations, which could require us to invest additional resources in environmental compliance or to restrict our ability to operate as currently done. Additionally, noncompliance with or a violation of any such laws and regulations could result in the revocation of our licenses and suspension of our activities or in our liability for environmental remediation costs, which could be substantial. Moreover, failure to comply with environmental laws and regulations could restrict our ability to obtain financing from financial institutions.

In December 2015, several countries (including Brazil) signed the Paris Agreement, a new global environmental agreement adopting the Intended Nationally Determined Contributions, or "INDCs", as the measures taken to reduce its emissions after 2020. The INDC that applies to Brazil provides for an increase in the share of sustainable biofuels and other sources of renewable energy in the Brazilian national energy mix, as well as zero deforestation, reforestation, forest restoration and enhancement of the native forest management. Considering the amplitude of the operation, we may be materially affected by more restrictive national or foreign environmental laws and regulations related to greenhouse gases and climate change, to the extent that such new laws or regulations may cause an increase in capital expenditures and investments to comply with such laws, and indirectly, by changes in prices for transportation, energy and other inputs. Both the regulations related to climate change and the changes in existing regulations, as well as the physical effects of climate change generally, could result in increased liabilities and capital expenditures, all of which could have a material adverse effect on our business and results of operations.

Failure to obtain, timely renew or maintain permits, licenses and concessions, grants and registrations necessary to develop our activities, as well as any cancellation thereof, could adversely affect our operations.

Our operations depend on the issuance of permits, licenses, concessions, grants and registrations from various federal, state and municipal agencies. In addition, obtaining licenses for certain activities in which significant environmental impacts are expected requires investments in conservation and/or recovery to compensate such impacts. We have permits, licenses, concessions, grants and registrations necessary to operate our factories, which usually have predetermined validity. In order to renew them, we have to periodically report our compliance with standards of emission of greenhouse gases established by governmental agencies. The expansion of our operations and/or changes to the regulation in force may cause us to request for new permits, licenses, concessions, grants and registrations with the governmental authorities and we cannot guarantee that we will be able to obtain them in a timely manner. Failure to obtain such permits, licenses, concessions, grants and registrations, or to obtain them in a timely manner, may delay the implementation of new activities, increased costs, financial fines or sentences for payment of compensation. In case we are fined and/or penalized for not obtaining, timely renewal or canceling our authorizations, licenses, grants and registrations, as well as for non-compliance with environmental legislation, our financial and operational results and our image may be adversely affected. In addition, non-compliance with applicable environmental legislation may result in partial or total shutdowns of our operational activities, which may also adversely affect our financial position and image.

Global or regional economic conditions and events may adversely affect the demand for and the price of our products.

Demand for pulp and paper is directly related to the growth of the world economy and economic conditions. Currently, Europe, China and North America are the main consumer markets of the industry. Fluctuations in the value of local currency versus the U.S. dollar, downturns in economic activity, nationalization or any change in social, political or labor conditions in any of these countries or regions impacting matters such as sustainability, environmental regulations and trade policies and agreements, could negatively affect our financial results. Any slowing of economic growth in Europe, China and North America could adversely affect the price and volume of our exports and thus impact our operating performance.

According to market statistics (PPPC), Chinese demand represented 35% of the global market pulp demand in 2022 and 36% in 2021 (versus 39% in 2020 and 37% in 2019), and this demand has increased at a compound annual growth rate of 7.9% since 2006, above the global average of 2%. The recent investments announced in paper and board machines in China have been boosting pulp demand in China; however, China's pulp market will depend on the pace of demand recovery post lockdown, as a result of its zero covid policy.

The outbreak of communicable diseases worldwide, such as SARS-COV-2 (COVID-19 pandemic), may lead to increased volatility in the global capital markets, impacting the trading market for the securities issued by us.

Outbreaks or potential outbreaks of diseases may have an adverse effect on global capital markets (including the capital markets in which our securities are traded), on the global economy (including the Brazilian economy) and on the price of our shares. Historically, pandemics, as well as regional or global epidemics and outbreaks, such as COVID-19, have affected sectors of the economy in countries where these diseases have spread, adversely impacting global commercial activity and contributing to significant volatility in the market. In light of our activities in the foreign market, such events or potential reactions and mandates from government authorities could cause disruption of regional and global supply chains and economic activity, including significant volatility in demand, which could adversely affect our operations and financial results. Prolonged closures, stoppages and shutdowns, if continuing, may disrupt our operations and the operations of our suppliers, service providers and customers and could materially, adversely affect our revenues, financial condition, profitability, and cash flows.

Further, additional waves of outbreaks — including new variants that are more or less aggressive and/or contagious — may occur, and the intensity of the economic slowdown resulting from actions taken or to be taken by government authorities in response to the pandemic are unpredictable, especially considering that both the severity of the disease and the action plan of local authorities will depend on various unknown factors.

Our exports are subject to special risks that may adversely affect our business.

We export to different regions of the world, which makes us subject to special political and regulatory risks, including currency controls in countries where we have payments receivable, possible formal or informal trade barriers and incentive policies and subsidies favoring local producers in many regions.

Thus, our future financial performance will depend on the economic, political, environmental and social conditions of our main export markets (Europe, Asia and North America). As a result, factors that are beyond our control include:

- imposition of barriers to trade by certain countries to limit the access of Brazilian companies to their markets or even to subsidize local producers, particularly with respect to paper products, or the granting of commercial incentives in favor of local producers;
- changes in economic policies and/or conditions of the countries to which we export, which may affect our export capacity and, consequently, our business and operating results;
- logistics costs, including disruptions in shipping or reduced availability of freight transportation;
- significant fluctuations in global demand for pulp products, which could impact our sales, operating income and cash flows;
- the deterioration of global economic conditions, which could impair the financial condition of some of our customers or foreign suppliers, thereby increasing bad debts or non-performance by our foreign suppliers, as well as increasing our costs for financing and refinancing;
- changes in revenues due to variations in foreign currency exchange rates;
- controls on currency exchange; and
- adverse consequences deriving from the need to comply with more stringent regulatory requirements in foreign countries, including environmental rules, regulations and certification requirements.

Risks Relating to Our Company

Any failure to meet key stakeholders' expectations regarding environmental, social and corporate governance ("ESG") matters may damage our reputation, raise our costs, decrease our revenues, or expose us to additional risks.

There is an increasing focus from customers, investors and other key stakeholders concerning ESG matters, as public interest and legislative pressure related to companies' ESG practices continue to grow. Regardless of the industry, investors' increased focus and activism related to ESG and similar matters may hinder access to capital, as investors may decide to reallocate capital or to not commit capital as a result of their assessment of a company's ESG practices. In addition, certain institutional investors rely on third-party providers proxy vote recommendation, benchmark proxy voting guidelines and analyses of ESG attributes. If we fail to align our Annual Shareholders' Meeting proposals with such recommendations or guidelines, certain shareholders may vote against them, which may adversely affect us. Companies that do not adapt to or comply with investors,' consumers' or other stakeholders' expectations and standards, which are evolving, or that are perceived to have not responded appropriately to the growing concern for ESG issues, regardless of a legal requirement to do so, may suffer from reputational damage and the business, financial condition, and/or securities prices of such a company could be materially and adversely affected. If our ESG practices and policies fail to meet evolving expectations, standards and frameworks, our reputation, financial condition and employee retention may be negatively impacted.

We pursue certain transactions from time to time and we may not be able to achieve the expected benefits of such transactions or manage potential risks related to such transactions, which may adversely affect our business and growth prospects, as well as our results of operations and financial condition and the trading price for our securities.

In the course of our business, we analyze, pursue and carry out acquisitions, strategic alliances and divestitures, and, as part of our business strategy, we may acquire other assets or businesses or enter into further strategic partnerships in Brazil or other countries.

Disagreements with our joint operation partners, unexpected events or changes in market conditions, as well as the failure to successfully integrate new businesses or manage strategic alliances, could adversely affect our results of operations and financial condition or prevent us from realizing expected gains of these acquisitions or alliances. For example, we (as successor to Fibria) hold a 50% interest in Veracel, a joint operation with Stora Enso for the production of pulp, and a 51% interest in Portocel, our subsidiary (former subsidiary of Fibria) in which Celulose Nipo-Brasileira S.A. - CENIBRA holds the remaining 49% interest stake. In May 2014, Fibria (Stora Enso's former partner in the joint operation) commenced an arbitration against Stora Enso for alleged breach of its obligations under certain provisions of the joint operation shareholders' agreement. For further information on the arbitral proceeding, see Item 8. "Financial Information—Consolidated Statements and Other Financial Information—Civil Proceedings."

If we attempt to engage in future acquisitions, we would be subject to additional risks, including that we could fail to select the best partners or fail to effectively plan and manage any strategic alliance. Moreover, any significant acquisition may be subject to regulatory approval in Brazil and abroad and, as a result, may not be consummated, which may have an adverse effect on the trading price of our securities.

The expected synergies from operating as a combined company with other companies that merge into and with us may not be achieved.

We cannot provide any assurance as to the extent to which the synergies anticipated or expected from eventual future mergers, or as to the timing for their realization, or as to the expenses that will be incurred in connection with realizing synergic benefits. In particular, we may not be able to realize anticipated cost savings from combination of companies' production facilities, or anticipated synergic benefits from joint acquisitions of raw materials, sharing of improved production techniques and integration of administrative departments.

If we are not able to achieve the synergies from eventual future mergers, our results of operations and financial condition and the trading price for our securities may be adversely affected. Even if we achieve the expected synergies eventual future mergers, we may not be able to fully realize them within the anticipated timeframe.

We recorded a significant amount of goodwill and other intangible assets with determined useful life as a result of the Merger, which may be subject to impairment charges under certain circumstances in future periods in accordance with applicable accounting regulations and adversely affect our financial condition and results of operations or the trading price of our securities.

As of December 31, 2022, the value of our goodwill and other intangible assets with determined useful life relating to the Merger with Fibria were R\$7,897.1 million and R\$7,455.2 million, respectively. For further information, see note 16 to our audited consolidated financial statements. Under IFRS, goodwill and intangible assets with undetermined useful life are not subject to amortization and are tested annually to identify possible need for impairment, or more often if any event or circumstance indicates that an impairment loss may have been incurred. Other intangible assets that have determined useful lives are amortized on a straight-line basis over their estimated useful lives and reviewed for impairment whenever there is an indication of impairment. In addition, under IFRS we are required to perform an impairment analysis of assets with undetermined useful life when the book value of our net assets exceeds our market capitalization. As a result, we may be required to record an impairment charge for goodwill or other intangible assets in future periods if required under IFRS, which could lead to decreased assets and reduced net income. If a significant write down were required, the charge could adversely affect our financial condition and results of operations or the trading price of our securities.

The level of our indebtedness could adversely affect our financial condition and a material portion of our cash flow may need to be used to service our debt obligations, which could impair our ability to operate our business.

As of December 31, 2022, we had R\$74.6 billion of total consolidated outstanding indebtedness (which includes current and non-current loans, financing and debentures). We are subject to the risks normally associated with significant amounts of debt, which could have important consequences to investors. Our indebtedness could, among other things: (i) require us to use a substantial portion of our cash flow from operations to pay our obligations, thereby reducing the availability of our cash flow to fund working capital, operations, capital expenditures, dividend payments, strategic acquisitions, expansion of our operations and other business activities; (ii) increase our vulnerability to a downturn in general economic and industry conditions, and may make us unable to carry out capital spending that is important to our growth; (iii) limit, along with financial and other restrictive covenants in our debt instruments, our ability to incur additional debt or equity financing or dispose of assets; and (iv) decrease our ability to deleverage and place us at a competitive disadvantage compared to our competitors that have less debt.

A significant or prolonged downturn in general business and economic conditions, or other significant adverse developments with respect to our results of operations or financial condition, may affect our ability to comply with these covenants or meet those financial ratios and tests and could require us to take action to reduce our debt or to act in a manner contrary to our current business objectives. Moreover, the restrictions associated with these covenants and financial ratios may prevent us from taking actions that we believe would be in the best interest of our business and may make it difficult for us to execute our business strategy successfully or effectively compete with companies that are not similarly restricted. Additionally, despite these restrictions, we may be able to incur substantial additional indebtedness in the future, which might subject us to additional restrictive covenants that could affect our financial and operational flexibility and otherwise increase the risks associated with our indebtedness as noted above. We may also need to refinance all or a portion of our debt on or before maturity, and we may not be able to do this on commercially reasonable terms or at all.

Additionally, a default under our financial agreements that is not waived by the relevant creditors may result in an acceleration of the maturity of the outstanding balance of such debt and may also accelerate the maturity of other debt that benefits from cross-default or cross-acceleration provisions. For more information, see Item 5. “Operating and Financial Review and Prospects —Indebtedness.” If such events were to occur, our financial condition and share price could be adversely affected.

We operate under certain tax regimes in Brazil and abroad that may be suspended, cancelled or not renewed, any of which may adversely affect our financial condition and free cash flow generation.

We receive certain tax benefits by virtue of our investment projects in underdeveloped regions in Brazil such as SUDAM/SUDENE, which are covered by the Brazilian Internal Revenue Service, or *Receita Federal do Brasil* (RFB). We also benefit from tax incentives granted by states based on state laws. The program PROMARANHÃO in the state of Maranhão and the program Desenvolve in the state of Bahia, published through Special Regime nº 004/2012 and Decree No. 18.270/18, respectively, are the most relevant ones for our operations. We cannot assure you that the tax incentives we currently benefit from will be maintained or renewed, particularly, but not exclusively, in light of deteriorating macroeconomic conditions that may lead to changes in current material incentives, such as the Regime Especial de Aquisição de Bens de Capital para Empresas Exportadoras, which is a special regime for the acquisition of capital goods by exporting companies, and Preponderante Exportador (i.e. RECAP and REIDI), among others. If such tax benefits are not effectively renewed, this could have a material adverse effect on our generation of net cash flow. In the event of constitutional challenges or if we fail to comply with specific obligations to which we are subject in connection with the tax benefits described above, such benefits may be suspended or cancelled, and we may be required to pay the taxes deferred in the last five years in full, plus penalties and interest, which may adversely affect us.

Our exports and international trading activities are also conducted under certain tax regimes, including rulings and incentives in some foreign countries, including Austria. These tax rulings or benefits expire and have to be renewed from time to time. We cannot assure you that the tax regimes and incentives from which we currently benefit will be renewed or maintained in the future. In addition, we also benefit from provisions of international treaties entered into by the Brazilian federal government, such as the taxation treaty between Brazil and Austria, pursuant to which profit earned by our wholly-owned subsidiary in Austria is not subject to taxation in Brazil.

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Although we believe in the validity of the provisions of international treaties, RFB has a different view on how tax treaties apply. We have filed a writ of mandamus in Brazil to ensure the enforceability of the Brazil-Austria Treaty. The first instance court held in our favor granting the writ of mandamus and, therefore, prohibiting the RFB from taxing the profits of the Austrian entity. The decision is subject to an appeal, and we are currently awaiting a decision of the second instance court. If the final decision in this proceeding determines that Brazil-Austria treaty does not prevent RFB from taxing the profits of such Austrian entity, we may be materially adversely affected.

In addition to the foregoing concerns, a new regulation is under consideration in the Brazilian Congress that would have the effect of changing the current Brazilian transfer pricing rules as from 2024 and therefore modify the transfer pricing methodology used by Brazilian companies. If the new regulations are adopted as proposed, the current transfer pricing practiced between us and our Austrian entities may change resulting in a material adverse impact on our financial condition and results of operations.

Fluctuations in interest rates, as well as our inability to manage risks associated with the replacement of benchmark indices, could increase the cost of servicing our debt and negatively affect our overall financial performance.

Our financial results are affected by changes in interest rates, such as the London Interbank Offered Rate (“LIBOR”), the Brazilian Interbank Deposit Certificate Rate (*Certificado de Depósito Interbancário*, or “CDI”) and the Brazilian Long-Term Interest Rate (*Taxa de Juros de Longo Prazo*, or “TJLP”). The CDI rate has fluctuated significantly in the past in response to the expansion or contraction of the Brazilian economy, as it is an instrument for Brazilian Central Bank to manage inflation and pursue its policies targets. The CDI rate was 13.65% p.a. as of December 31, 2022, while it was 9.15% p.a. and 1.90% p.a. as of December 31, 2021 and 2020, respectively. The TJLP rate was 7.20% p.a., 5.32% p.a. and 4.55% p.a. as of December 31, 2022, 2021 and 2020, respectively.

A significant increase in interest rates may impact our ability to secure financing in acceptable terms and an increase in interest rates, particularly TJLP, CDI, LIBOR or the Secured Overnight Financing Rate (“SOFR”), or the inflation rate index for consumer goods, or IPCA, could have a material adverse effect on our financial expenses since a significant part of our debt (BNDES loans, Agribusiness Credit Receivable Certificates - CRA and Export Prepayment Facilities) is linked to those rates. On the other hand, a significant reduction in the CDI rate could adversely impact our financial revenues derived from investment activities, since a material portion of our cash is invested in Brazilian money market instruments that are linked to the CDI rate.

On March 5, 2021, the head of the United Kingdom Financial Conduct Authority (“FCA”) announced in a public statement the date of extinction of all Libor rates, including that LIBOR 3-months (term to which our contracts are linked) for June 30th, 2023. The Federal Reserve Board and the Federal Reserve Bank of New York convened the Alternative Reference Rates Committee (ARRC), a group of private-market participants, to help ensure a successful transition from U.S. dollar (USD) LIBOR to a more robust reference rate, its recommended alternative, the SOFR. Although the adoption of SOFR is voluntary, the impending discontinuation of LIBOR makes it essential that market participants consider moving to alternative rates such as SOFR and that they have appropriate fallback language in existing contracts referencing LIBOR. In this regard, our derivative and debt contracts may be affected by the change in the relevant rate. Because the publication of LIBOR will cease for June 2023, we have begun to migrate to the adoption of SOFR as an alternative rate, which will materialize with the termination of LIBOR.

The Company has identified all of its contracts subject to LIBOR remediation that have not yet been subject to the transition to an alternative reference rate and has been in discussions with the respective counterparties of each contract to ensure that the best market practices will be adopted at the time of transition of the index. These terms, however, are still under negotiation between the parties. We cannot predict how the (i) provisions relating to the discontinuation of LIBOR we have been including in our contracts, (ii) negotiations with other parties for definition of new applicable rates, or (iii) determination of an equivalent fee by a calculation agent will be implemented in practice and can give no assurance that such implementation will not have a material adverse effect on our financing costs.

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A failure or interruption of our third-party suppliers' or our information technology systems or automated machinery may impact or paralyze our business and negatively impact our operations. Our third-party suppliers' and our information technology systems may also be vulnerable to external actions such as cyber-attacks, which can have a negative impact on our operations, reputation, result in improper access of confidential information and disruption of our systems' integrity as well as result in fines, obligations to clients or legal litigation and have an adverse effect on the results of our business.

Cyber-attacks have increased exponentially over the years and according to the World Economic Forum, it is one of the top 10 global risks. The risks of a cyberattack have not decreased, and the expectation is that it will continue to increase, looking at the entire ecosystem considering suppliers, regulatory issues and the increasing use of technology and interconnections in the company's main processes.

Our operations are heavily reliant on information technology systems to efficiently manage business processes. Therefore, disruptions to these systems may impact or even paralyze our business and negatively impact our operations. In addition, we collect and store data, including proprietary business information, and may have access to confidential or personal information in certain activities of our businesses that is subject to privacy and security laws, regulations and customer-imposed controls. Moreover, any failure of our third-party suppliers' or our systems related to confidential information, caused by external cyber-attacks or internal actions, including negligence and/or misconduct of our employees, can have a negative impact on our reputation against competitors and external agents (government, regulators, suppliers and others).

Our third-party suppliers' and our information technology systems may have vulnerabilities that may be impacted through external actions such as natural disasters, viruses, cyberattacks and other security breaches.

Damage to or disruptions to certain critical systems could have a materially adverse effect on our business results, including fines, customer liabilities or legal litigation.

We and our third-party suppliers may be subject to breaches of automation systems causing partial and/or temporary shutdowns of operations and/or improper access to strategic information, in addition to change or loss of relevant data. The costs of addressing the vulnerability and/the problems mentioned may be significant depending on the criticality and relevance of the information.

There are measures implemented to dissuade, prevent, detect, and respond to unauthorized activities in our systems, however we cannot fully guarantee that these, or the procedures adopted by third-party suppliers, would be to protect us from certain types of attacks, which may have a material adverse effect on our business and reputation.

Any failure to adapt to or comply with recent global regulations on data privacy may adversely affect our results and reputation.

On August 15, 2018, the Brazilian General Data Protection Law (Lei Geral de Proteção de Dados – LGPD) came into force. The LGPD regulates the use of personal data in Brazil. The LGPD significantly transformed the data protection system in Brazil and is in line with recent European legislation (the General Data Protection Regulation, or GDPR) to which Suzano is also subject. The current privacy and personal data protection laws or regulations establish detailed rules for the collection, use, processing and storage of personal data.

The new law, in common with other applicable global regulations, will affect all economic sectors, including the relationship between customers and suppliers of goods and services, employees and employers and other relationships in which personal data is collected, both in the digital and physical environment. Pursuant to these laws, security breaches that may result in significant risk or damage to personal data must be reported to the data protection authorities (DPA) of each jurisdiction, within a reasonable time period. In light of the privacy and personal data protection laws, our practices related to personal data processing may undergo significant changes, generating additional costs to us due to the need to adapt such processing to the legal requirements and the applicable DPA's guidelines.

Failure to comply with these laws may result in administrative sanctions and/or litigations. As a result, failure by us to adhere to the laws enacted or approved in different jurisdictions in which we operate could adversely impact our business, financial condition or results of operations.

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Although we have sought to adjust our business processes that include personal data processing in order to comply with all applicable privacy and data protection requirements, we cannot assure that our personal data protection program will be deemed sufficient by the data protection authorities to meet the provisions of the laws, given the lack of orientation about specific requirements, nor that our practices will prevent any failures in the protection of personal data processed by us, including with respect to cybersecurity incidents.

A downgrade in our credit ratings may increase our borrowing costs and/or restrict the availability of new capital or financings and have a material adverse effect on us.

The ratings address the likelihood, according to the respective evaluation methodology of each rating agency, of payment of our debt and obligations at their maturity. The ratings also address the timely payment of interest and other costs on each interest payment date. The assigned ratings to us may be raised, lowered or held constant depending, among other factors, on the rating agencies' respective assessment of our financial strength or a change in methodology of credit assessment adopted by the credit risk agencies. We cannot assure you that our rating will remain for any given period of time or that the rating will not be lowered or withdrawn.

If our credit ratings are downgraded and the market were to perceive any such downgrade as a deterioration of our financial strength, our cost of borrowing would likely increase and our net income could decrease and our ability to obtain new financing may be adversely affected, all of which could have a material adverse effect on us.

In addition, credit rating is sensitive to any change in Brazilian sovereign credit ratings. The credit ratings of the Brazilian sovereign were downgraded in 2016 and 2018 and are no longer investment grade according to the methodologies of the major global rating agencies. Any further decrease in Brazilian sovereign credit ratings may have additional adverse consequences on our ability to obtain financing or our cost of financing and, consequently, on our results of operations and financial condition.

Unfavorable outcomes in litigation may negatively affect our results of operations, cash flows and financial condition.

In the ordinary course of our business dealings, we and our officers are, and may become, party to numerous tax, civil (including environmental) and labor disputes involving, among other remedies, significant monetary claims. An unfavorable outcome against us may result in our being required to pay substantial amounts of money, which could materially adversely affect our reputation, results of operations, cash flows and financial condition. Additionally, the amounts provisioned for legal proceedings may increase and existing provisions may become insufficient due to unfavorable outcomes in disputes against us. For more information on tax, civil (including environmental), labor and other proceedings, see Item 8. "Financial Information—Consolidated Statements and Other Financial Information—Legal and Administrative Proceedings."

Changes in the credit risk of customers and suppliers to whom we have made advances, sales through credit lines or loans may adversely affect us.

In the markets in which we operate, it is typical, and often a condition for competitive participation, for pulp and paper producers to make advances to suppliers or to make sales to customers on credit. When we make advances, sales on credit or loans to our suppliers or customers, we assume their credit risk. Additionally, we assume additional risks when using debt instruments to make advances and sales on credit to our customers. Therefore, changes in the macroeconomic environment or the market conditions under which our suppliers and our customers operate, in addition to problems related to the management of our suppliers and clients, may significantly affect their ability to make payments to us, directly impacting our assets and working capital.

These practices also expose us to the risk of a significant divergence between the rates under which we obtain financing from third parties and the rates that we grant to our customers and suppliers. We cannot assure you that we will always be able to match the terms under which we provide financing to our customers and suppliers with the terms of financing provided to us. Any increase in our customers' and suppliers' credit risk or divergence between their and our capital costs may materially adversely affect our shareholders' equity and results of operations.

Social crisis in the relationship with communities and class entities, as well as expropriation of any of our properties by the government, affect the regular use, cause damage, or deprive us of the use of or fair value compensation of our properties.

Organized social movements in Brazil defend agrarian reform and the redistribution of property, with irregular occupations in rural areas being the best known form of action. In addition, taking advantage of the cover provided by social movements, essentially criminal groups also illegally occupy rural areas. Such occupations when in areas of the company may interrupt our forestry or industrial activities and, consequently, negatively affect our productive and operational results.

In addition to stoppages, land conflicts can cause a series of risks to the integrity of our employees who work in the field, possible damage to areas of high environmental value such as Permanent Preservation Areas and buffer zones of Environmental Conservation Units, in addition to reputational damage.

An alternative to this scenario is the negotiation with state governments or the federal government and social movements aiming to definitively solve occupations already installed, and to avoid new occupations. According to Brazilian law, governments can act directly on the expropriation of areas, as long as they are in legal and environmental compliance. If the Brazilian government expropriates any property used by us for developing our activities, the results of our operations may be adversely affected. Moreover, if a property owned by us is expropriated, our equity may be adversely affected because it is not possible to guarantee that the compensation paid by the government will be adequate to the losses borne by us. The risk associated with this alternative is that the financial compensation offered by the governments proves to be insufficient or until the compensation via public debt securities, which have limited liquidity, is forced.

The deterioration in labor relations with employees could adversely affect the Company.

We depend on intensive use of labor in our activities. Most of our employees are represented by unions, and their employment contracts are regulated by collective bargaining agreements. New collective bargaining agreements may have shorter terms than our previous agreements, and, if we are not able to negotiate collective bargaining agreements on acceptable terms to us, we may be subject to a significant increase in labor costs, deterioration of employee relations, slowdowns or work stoppages, which could have a material adverse effect on us.

Additionally, changes in safety and outsourcing regulations may result in an increase in our labor-related costs. We may be considered secondarily liable for any employment obligations relating to such employees or a direct employment relationship may be established by the labor courts with the outsourced employees and us, according to the current regulation in force.

The introduction of a stricter legal framework regarding the use of outsourced employees or third-party subcontractors, and/or the imposition of additional obligations on the contractor of outsourced services, may increase our labor-related costs and may adversely affect our business and operations.

In accordance with existing labor laws and regulations, we are required to provide and ensure the proper use of safety equipment for our employees and other individuals working on our worksites. If we fail to provide all necessary safety equipment and ensure the proper use of the safety equipment, or if we work with companies that are not sufficiently committed to ensuring the safety of their own employees, we may be held liable for any accidents that take place at our worksites. Any accidents at our worksites may expose us to the payment of indemnifications, fines and penalties.

In addition, any changes to existing safety regulations may impose additional obligations on us and result in an increase in our expenses with respect to safety equipment and procedures. For instance, changes imposing a reduced workday for safety reasons may result in reduced productivity, forcing us to hire additional staff. Similarly, provisions requiring us to install or buy additional safety equipment could increase our labor-related costs and adversely affect our operating costs and results.

Our hedging activities may expose us to losses due to fluctuations in currency exchange rates or interest rates, which could have a material adverse effect on our results and financial condition.

We regularly enter into currency, interest rate, commodity price and inflation hedging transactions using financial derivatives instruments, such as future contracts, options and swaps, in accordance with our policies. We have traditionally used hedging transactions to, among others, (1) protect our revenue (which is primarily denominated in U.S. dollars) when converted to *reais* (our functional currency), (2) convert part of our debt which is denominated in *reais* into U.S. dollars, (3) swap floating interest rates of our debt to fixed interest rates, (4) swap floating monetary variation of our debt to fixed rate, and swap part of our IPCA indexed debt to CDI.

We account for our derivative instruments at fair value, in accordance with IFRS. The fair value of such instruments may increase or decrease due to fluctuations in currency exchange rates or interest rates, among others, prior to their settlement date. We may incur losses due to these market risk factors. Fluctuations may also result from changes in economic conditions, investor sentiment, monetary and fiscal policies, the liquidity of global markets, international and regional political events, acts of war, terrorism, among others.

In the event that we cease to undertake hedging transactions to the extent necessary, we may be exposed to currency exchange, interest rate and inflation risks, which could materially adversely affect our results of operations and financial condition.

Delays in the expansion of our facilities, building new facilities or the ramp up of new or expanded facilities may increase our costs and adversely affect our results of operations and financial condition.

As part of our strategy, we may decide to expand our existing production facilities or build new production facilities. The expansion or construction of a production facility involves various risks, such as engineering, construction, operational systems, integration with the existing mill on brownfield projects, regulatory and other expected or unexpected significant challenges. These risks delay or prevent the successful operation of the project or significantly increase our costs. Our ability to complete successfully any expansion or new construction project subject to risks, including:

- we may either not be able to complete any expansion or new construction project on time or within the expected budget or be required by market conditions or other factors to delay the initiation of construction or the timetable to complete new projects or expansions, including adverse weather conditions, natural disasters, pandemics, fires, delays in supply, inputs or labor and accidents that impair or prevent the development of ongoing projects;
- our new or modified facilities may not operate at designed capacity, ramp up its learning curve as planned or may cost more to operate than we expect;
- we may not be able to sell our additional production at competitive prices;
- we may not have cash, or be able to acquire financing, to implement our growth plans;
- variations on exchange rate or product price may decrease significantly generated value by expansion project or new facilities;
- climate changes could affect our forest base for new projects or brownfield, and significantly increase our wood cost;
- we may have a negative impact on existing mills that can result on operational instability;

Any of the above events could have a negative impact in our business and financial and operating results.

Our insurance coverage may be insufficient to cover our losses, especially in case of damage to our planted forests, which may cause a material adverse effect on our results and financial condition.

Our insurance coverage, including the general third party liability, may be insufficient to cover losses to our forests, mills, dams, hydroelectric plants and other operating facilities for accidents, operational risks and international and domestic transportation if we suffer any catastrophic claim or if there is a particular clause excluding the coverage. In addition, we do not maintain insurance coverage against wars, unforeseeable fortuitous events, force majeure, interruption of certain activities, including due to pandemics, as well as fire, thefts, pests, diseases, droughts and other risks to our forests. The incurrence of losses or other liabilities that are not covered by insurance, due to the limited extent of the insurance coverage, losses that exceed the limits of our insurance coverage or any other reason that prevents reimbursement or indemnification, could result in significant and unexpected additional costs, our ability to operate and/or shortage of wood supply, which may affect our production. Moreover, the terms and conditions for the renewal of our insurance policies may change in the future depending upon market circumstances and the type and amount of risks insured. See Item 4. “Information on the Company—Business Overview—Insurance.”

Risks Relating to Brazil

The Brazilian government has exercised, and continues to exercise, significant influence over the Brazilian economy. This influence, as well as Brazilian political and economic conditions, may materially and adversely affect us, our activities and the trading prices of our shares.

We conduct a substantial amount of our operations in Brazil, and we sell part of our products to customers in the Brazilian market. For the year ended December 31, 2022, 17.1% of our net revenues were derived from Brazil. Accordingly, our financial condition and results of operations are substantially dependent on economic conditions in Brazil. Future developments in the Brazilian economy may affect Brazil’s growth rates and, consequently, the consumption of our products. As a result, these developments could impair our business strategies, results of operations or financial condition.

The Brazilian economy has been characterized by frequent, and occasionally drastic, interventions by the Brazilian federal government, which have often changed monetary, credit and other policies to influence Brazil’s economy. The Brazilian federal government’s actions to control inflation and other policies have often involved wage and price controls, depreciation of the *real*, changes in tax policies, controls on remittances abroad, fluctuations of the Central Bank of Brazil’s base interest rate, as well as other measures. We have no control over, nor can we foresee, any measures or policies that the Brazilian federal government may adopt in the future. We may be materially adversely affected by changes in the policies of the Brazilian federal government, in addition to other general economic factors, including, without limitation:

- political, economic and social instability;
- monetary policies;
- political elections;
- inflation;
- exchange rate fluctuations;
- exchange controls and restrictions on remittances abroad;
- tax policy and amendments to the tax legislation;
- interest rates;
- liquidity of domestic and foreign capital and lending markets;
- government control of the production of our products;

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- restrictive environmental and real estate laws and regulations; and
- other political, social and economic policies or developments in or affecting Brazil.

Uncertainty as to whether the Brazilian federal government will implement changes in policy or regulations affecting these or other factors in the future may contribute to economic uncertainty in Brazil and to heightened volatility in the Brazilian securities markets and the securities issued by Brazilian companies, including us. Accordingly, such uncertainties and other future developments in the Brazilian economy may adversely affect our business, financial condition and results of operation, negatively impacting our available cash flows for payment, and the trading price of our common shares.

Changes in Brazilian fiscal policies and tax laws may adversely affect us.

The Brazilian federal government has indicated its willingness to implement a tax reform agenda, including to (i) revoke the income tax exemption over the distribution of dividends, which, if promulgated, would increase tax expenses associated with any dividends or distributions, and (ii) decrease import tax (which would increase competition and the role of international competitors), both of which could impact our ability to pay future dividends. Any purported tax reform or change in fiscal policies, if proposed and implemented, may also significantly impact our business. If there is a tax reform or any changes in applicable laws and regulations that alter the applicable taxes or tax incentives/special regimes, either during or after their terms of validity, our business and results may be affected.

Indeed, the Brazilian federal government has frequently implemented, and may continue to implement, changes in its fiscal policies, including, but not limited to, changes to tax rates, fees, sectorial charges and occasionally the collection of temporary contributions. Some of these measures may result in tax hikes that may negatively affect our business. Increases in taxes could also materially adversely impact industry profitability and the prices of our services, restrict our ability to do business in our existing and target markets and cause our financial results to be negatively impacted. If we are unable to pass on the additional costs associated with such fiscal policy changes to our clients through the prices we charge for our services, we may be adversely affected.

Uncertainty over whether the acting Brazilian federal government will implement changes in policy or regulation affecting these or other factors in the future may contribute to economic uncertainty in Brazil and to heightened volatility in the securities issued abroad by Brazilian companies.

Significant fluctuations in the exchange rate of the real against the value of the U.S. dollar may adversely affect our business, financial conditions or results of operations.

Our export revenues are directly affected by exchange rate variation. Depreciation of the *real* against the U.S. dollar will increase such revenues when denominated in *reais*, while appreciation of the *real* against the U.S. dollar will decrease such export revenues. Our revenues in the domestic market are also affected by exchange rate fluctuation, to the extent that imported products quoted in U.S. dollars become more or less competitive in the domestic market depending on the exchange rate variation.

Furthermore, some of our costs and operating expenses are also affected by fluctuations in the value of the *real* against the U.S. dollar, including export insurance, freight costs and the cost of certain chemicals we use as raw materials. Depreciation of the *real* against the U.S. dollar will increase such costs, while appreciation of the *real* against the U.S. dollar will reduce these costs.

Additionally, we may be adversely affected by depreciation of the *real* against the U.S. dollar, since a significant portion of our debt is expressed in U.S. dollars. Depreciation or appreciation of the *real* against the U.S. dollar may increase or decrease, as applicable, our financial expenses arising from these debt and other obligations in U.S. dollars, as well as adversely affect our ability to comply with certain covenants under financing agreements, which require us to maintain specific financial ratios. On the other hand, a significant appreciation of the *real* against the U.S. dollar or an appreciation during an extended period of time may significantly affect our cost structure and negatively affect our competitiveness in export markets.

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As a result of inflationary pressures in recent years, the Brazilian *real* has been periodically devalued in relation to the U.S. dollar and other foreign currencies. The Brazilian federal government has in the past implemented various economic plans and utilized a number of exchange rate policies, including sudden devaluations, periodic mini-devaluations during which the frequency of adjustments has ranged from daily to monthly, floating exchange rate systems, exchange controls and dual exchange rate markets. From time to time, there have been significant fluctuations in the exchange rate between the Brazilian *real*, the U.S. dollar and other currencies. There can be no assurance that the *real* will not depreciate or be devalued again against the U.S. dollar or against any other foreign currency.

Devaluations of the *real* relative to the U.S. dollar could create additional inflationary pressures in Brazil, lead to increases in interest rates, further limit our access to foreign financial markets and prompt the adoption of recessionary policies by the Brazilian federal government. Conversely, the depreciation of the *real* against the U.S. dollar may lead to a further deterioration of Brazil's current account and balance of payments and cause a decrease in Brazilian exports. Any of the foregoing developments may negatively affect the Brazilian economy as a whole, and, consequently, our results. In recent years, the Central Bank of Brazil has occasionally intervened to control unstable movements in the foreign exchange rate. We cannot predict whether the Central Bank of Brazil will continue to let the *real* float freely. Accordingly, it is not possible to predict what impact the Brazilian Central Bank exchange rate policies may have on us. We cannot assure that in the future the Brazilian federal government will not impose a currency band within which the real U.S. dollar-*real* exchange rate could fluctuate or set fixed exchange rates, nor can we predict what impact such an event might have on our business, financial position or operating results.

Economic and market conditions in other countries, including in the United States and emerging market countries, may materially and adversely affect the Brazilian economy and, therefore, our financial condition.

The market for securities issued by Brazilian companies is influenced by economic and market conditions in Brazil, and, to varying degrees, market conditions in other countries, whether emerging market countries or not. Although economic conditions are different in each country, the reaction of investors to developments in one country may cause the domestic or international capital markets prices to fluctuate. Developments or conditions in other countries, including non-recurrent events such as US-China trade war, acts of war and related sanctions and other events have at times significantly affected the availability of credit in the Brazilian economy and resulted in considerable outflows of funds and reductions in the amount of foreign currency invested in Brazil, as well as limited access to international capital markets, all of which may materially and adversely affect our ability to borrow funds at an acceptable interest rate or to raise equity capital when and if we should have such a need.

Additionally, we depend on third-party financing to carry out our activities, especially to finance our capital expenditures and working capital. In circumstances of limited liquidity, credit availability may be scarce, expensive or nonexistent, and we may face difficulties in our regular activities and in honoring our financial commitments.

Risks Relating to Our Shares and ADSs

Exchange controls and restrictions on remittances abroad may adversely affect holders of ADSs.

Brazilian laws provide that whenever a serious imbalance in Brazil's balance of payments exists or is anticipated, the Brazilian federal government may impose temporary restrictions on the repatriation by foreign investors of the proceeds of their investment in Brazil and on the conversion of Brazilian currency into foreign currency. For example, for six months in 1989 and early 1990, the Brazilian federal government restricted all fund transfers that were owed to foreign equity investors and held by the Central Bank of Brazil, in order to preserve Brazil's foreign currency reserves. These amounts were subsequently released in accordance with Brazilian federal government directives. Although the Brazilian federal government has never exercised such a prerogative since, we cannot guarantee that the Brazilian federal government will not take similar actions in the future.

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You may be adversely affected if the Brazilian federal government imposes restrictions on the remittance to foreign investors of the proceeds of their investments in Brazil and, as it has done in the past, on the conversion of the *real* into foreign currencies. These restrictions could hinder or prevent the conversion of dividends, distributions or the proceeds from any sale of shares, as the case may be, into U.S. dollars and the remittance of U.S. dollars abroad. We cannot assure that the government will not take this measure or similar measures in the future. Holders of ADSs could be adversely affected by delays in, or a refusal to grant, any required governmental approval for conversion of *real* payments and remittances abroad in respect of the shares, including the shares underlying the ADSs. In such a case, the ADS depository will distribute *reais* or hold the *reais* it cannot convert for the account of the ADS holders who have not been paid.

Holders of ADSs may face difficulties in serving process on or enforcing judgments against us and other persons, as well as may face difficulties in protecting their interests because we are subject to different corporate rules and regulations than a U.S. company.

We are organized under and are subject to the laws of Brazil and all our directors and executive officers and our independent registered public accounting firm reside or are based in Brazil. Substantially all of our assets and those of these other persons are located in Brazil. Moreover, our corporate affairs are governed by our bylaws and Brazilian Corporate Law, which differ from the legal principles that would apply if we were incorporated in a jurisdiction in the United States or elsewhere outside Brazil. In addition, the rights of an ADS holder, which are derivative of the rights of holders of our common shares, to protect their interests are different under Brazilian Corporate Law than under the laws of other jurisdictions. Rules against insider trading and self-dealing and the preservation of shareholder interests may also be different in Brazil than in the United States. Furthermore, the structure of a class action in Brazil is different from that in the US, and under Brazilian law, shareholders in Brazilian companies do not have standing to bring a class action, and under our by-laws must, generally with respect to disputes concerning rules regarding the operation of the capital markets, arbitrate any such disputes.

As a result, it may not be possible for holders of the ADSs to effect service of process upon us or these other persons within the United States or other jurisdictions outside Brazil or to enforce against us or these other persons judgments obtained in the United States or other jurisdictions outside Brazil. Because judgments of U.S. courts for civil liabilities based upon the U.S. federal securities laws may only be enforced in Brazil if certain conditions are met, the ADS holders may face greater difficulties in protecting their interests due to actions by us, our directors or executive officers than would shareholders of a U.S. corporation.

The relative volatility and lack of liquidity of the markets for our securities may adversely affect holders of our shares and the ADSs.

Investments in securities, such as our common shares or ADSs, of issuers from emerging market countries, including Brazil, involve a higher degree of risk than investments in securities of issuers from more developed countries. The Brazilian securities market is substantially smaller, less liquid, more concentrated and more volatile than major securities markets in the United States and other jurisdictions, and may be regulated differently from the ways familiar to U.S. investors. There is also significantly greater concentration in the Brazilian securities market than in major securities markets in the United States. These features may substantially limit the ability to sell our shares, including our shares underlying the ADSs, at a price and time at which holders wish to do so and, as a result, could negatively impact the market price of these securities.

In addition, although our public float represented 52.4% (excluding Treasury Shares) of our total capital float as of December 31, 2022, only 3.7% were represented by ADSs. Moreover, our controlling shareholders (including related parties and management) hold 45.8% of our stock. Any potential sale by these shareholders could adversely affect the market price of our securities.

Holders of ADSs may find it difficult to exercise voting rights at our shareholders' meetings.

Holders of ADSs do not have the same voting rights as holders of our shares. Holders of ADSs will not be our direct shareholders and will be unable to enforce directly the rights of shareholders under our bylaws and Brazilian Corporate Law, they are entitled to the contractual rights set forth for their benefit under the deposit agreement. Holders of ADSs will face practical limitations in exercising their voting rights because of the additional steps involved in our communications with ADS holders. For example, we are required to publish a notice of our shareholders' meetings in specified newspapers in Brazil. Holders of our shares will be able to exercise their voting rights by attending a shareholders' meeting in person or voting by proxy. By contrast, ADS holders will receive notice of a shareholders' meeting by mail from The Bank of New York Mellon, as our depository, following our notice to the depository requesting the depository to do so. To exercise their voting rights, ADSs holders have to provide instructions to the depository on a timely basis on how they wish to vote. In practice, the ability of a holder of ADSs to instruct the depository as to voting will depend on the timing and procedures for providing instructions to the depository, either directly or through the holder's custodian and clearing system and this voting process necessarily will take longer for holders of ADSs than for holders of our shares.

Holders of ADSs also may not receive the voting materials in time to instruct the depository to vote the shares underlying their ADSs. In addition, the depository and its agents are not responsible for failing to carry out voting instructions of the holders of ADSs or for the manner of carrying out those voting instructions. Accordingly, holders of ADSs may not be able to exercise voting rights, and they will have little, if any, recourse if the units underlying their ADSs are not voted as requested.

If holders of ADSs exchange their ADSs for underlying shares, they risk losing the ability to timely remit foreign currency abroad and other related advantages.

The ADSs benefit from the certificate of foreign capital registration, which permits our depository to convert dividends and other distributions with respect to common shares into foreign currency, and to remit the proceeds abroad. The conversion of ADSs directly into ownership of the underlying shares is governed by CMN Resolution No. 4,373/2014, and foreign investors who intend to proceed with such conversion are required to appoint a representative in Brazil for purposes of Annex I of CMN Resolution No. 4,373/2014, who will be in charge of keeping and updating the investors' certificates of registrations with the Central Bank of Brazil, which entitles registered foreign investors to buy and sell directly on the B3. These arrangements may require additional expenses from the foreign investor. Moreover, if such representatives fail to obtain or update the relevant certificates of registration, investors may incur additional expenses or be subject to operational delays which could affect their ability to receive dividends or distributions relating to the shares or the return of their capital in a timely manner.

If holders of ADSs do not qualify under CMN Resolution No. 4,373/2014, they will generally be subject to less favorable tax treatment on distributions with respect to our common shares. There can be no assurance that the certificate of registration of our depository, or any certificate of foreign capital registration obtained by holders of ADSs, will not be affected by future legislative or regulatory changes, or that additional Brazilian law restrictions applicable to their investment in the ADSs may not be imposed in the future.

Holders of our shares will be subject to, and holders of the ADSs could be subject to, Brazilian income tax on capital gains from sales of shares or ADSs. Brazilian Law No. 10,833/03 provides that gains on the disposition of assets located in Brazil by non-residents of Brazil, whether to other non-residents or to Brazilian residents, will be subject to Brazilian taxation. Our shares are expected to be treated as assets located in Brazil for purposes of the law, and gains on the disposition of our shares, even by non-residents of Brazil, are expected to be subject to Brazilian taxation. In addition, the ADSs may be treated as assets located in Brazil for purposes of the law, and therefore gains on the disposition of the ADSs by non-residents of Brazil may be subject to Brazilian taxation. Although the holders of ADSs outside Brazil may have grounds to assert that Law No. 10,833/00 does not apply to sales or other dispositions of ADSs, it is not possible to predict whether that understanding will ultimately prevail in the courts of Brazil given the general and unclear scope of Law No. 10,833/03 and the absence of judicial court rulings in respect thereof.

Holders of ADSs may be unable to exercise the preemptive rights relating to our shares underlying the ADSs.

Holders of ADSs may not be able to exercise the preemptive rights relating to our shares underlying their ADSs unless a registration statement under the Securities Act, is effective with respect to the rights or an exemption from the registration requirements of the Securities Act is available. We are not obligated to file a registration statement with respect to the shares or other securities relating to these preemptive rights, and we cannot assure holders of ADSs that we will file any such registration statement. Unless we file a registration statement or an exemption from registration applies, holders of ADSs may receive only the net proceeds from the sale of their preemptive rights by the depositary or, if the preemptive rights cannot be sold, the rights will be allowed to lapse.

We may issue new shares, including in the form of ADSs, which may result in a dilution of our current shareholders' stake.

We may seek to raise additional capital in the future through public or private issuances of shares or securities convertible into shares. According to article 172 of Brazilian Corporation Law, we may not be required to grant preemptive rights to our shareholders in the event of a capital increase through a public offering of shares or securities convertible into shares, which may result in a dilution of our current shareholders' stake in our company.

The holders of our shares (including our shares underlying the ADSs) may not receive dividends or interest on net equity.

According to our bylaws, our shareholders are entitled to receive a mandatory minimum annual dividend of the lower of (i) 25% of our annual net profit, calculated and adjusted under the terms of the Brazilian Corporation Law, or (ii) 10% of our operating cash generation in the corresponding fiscal period, which is calculated by subtracting the amount of the investments in maintenance of the respective fiscal year from the Adjusted EBITDA, as defined in our bylaws. Our bylaws allow for the payment of interim dividends, to the retained earnings account or the existing earnings reserves in the last yearly or six-month balance, by means of the annual dividend. We may also pay interest on net equity, as described by Brazilian law. The interim dividends and the interest on net equity declared in each fiscal year may be imputed as the mandatory dividend that results from the fiscal year in which they are distributed. At the general shareholders meeting, shareholders may decide on the capitalization, on the offset of our losses or on the net income retention, as provided for in the Brazilian Corporation Law, with the aforementioned net income not being made available for the payment of dividends or interest on own capital. Additionally, Brazilian Corporate Law allows a publicly traded company, like ours, to suspend the mandatory distribution of dividends and interest on net equity in any particular year if our board of directors informs our shareholders that such distribution would be inadvisable in view of our financial condition or cash availability.

Our management is strongly influenced by our controlling shareholders and their interests may conflict with the interests of our other shareholders.

Our controlling shareholders have the power to, among other things, appoint a majority of the members of our board of directors and to decide any matters requiring shareholder approval, including related-party transactions, corporate reorganizations and disposals, and the timing and payment of any future dividends, subject to the requirements of mandatory dividends under the Brazilian Corporation Law.

Our controlling shareholders may have an interest in making acquisitions, disposals of assets, partnerships, seeking financing or making other decisions that may conflict with the interests of the other shareholders.

Additionally, any of our controlling shareholders may opt to sell significant part or the totality of their respective equity to third parties. In case we cease to have controlling shareholders, the remaining shareholders may no longer have the right to the same protection granted by the Brazilian Corporation Law against the abuses practiced by other shareholders and, as consequence, they may face difficulty in the compensation for damages suffered.

Any unexpected change in our management, in our business strategy and policies, tentative of control acquisition or any dispute among shareholders regarding their rights, may adversely affect our business and operational results.

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In case a group of shareholders arises acting together or bound by a voting agreement, and such group is able to control decisions, we may suffer unexpected changes in our business strategy and policies, including through the mechanism of the replacement of the board of directors and statutory offices. In addition, we may become more vulnerable to hostile takeovers attempts and conflicts arising from such attempts.

Judgments of Brazilian courts with respect to our shares and the ADSs will be payable only in reais

Our bylaws provide that we, our shareholders, our directors and officers and the members of our fiscal council shall submit to arbitration any and all disputes or controversies that may arise amongst ourselves relating to, or originating from, the application, validity, effectiveness, interpretation, violations and effects of violations of the provisions of Brazilian Corporate Law, our bylaws, the rules and regulations of the CMN, the Brazilian Central Bank and the CVM, as well as other rules and regulations applicable to the Brazilian capital markets and the rules and regulations of the Arbitration Regulation of the Market Arbitration Chamber. However, in specific situations, including whenever precautionary motions are needed for protection of rights, the dispute or controversy may have to be brought to a Brazilian court. If proceedings are brought in the courts of Brazil seeking to enforce our obligations in respect of our shares or the ADSs, we will not be required to discharge our obligations in a currency other than *reais*. Under Brazilian exchange control limitations, an obligation in Brazil to pay amounts denominated in a currency other than *reais* may only be satisfied in Brazilian currency at the exchange rate, as determined by the Central Bank of Brazil, in effect on the date the judgment is obtained, and such amounts are then adjusted to reflect exchange rate variations through the effective payment date. The then-prevailing exchange rate may not afford non-Brazilian investors with full compensation for any claim arising out of or related to our obligations under our shares and ADSs.

As a foreign private issuer, we have different disclosure and other requirements than U.S. domestic registrants.

As a foreign private issuer, we may be subject to different disclosure and other requirements than domestic U.S. registrants. For example, as a foreign private issuer, in the United States, we are not subject to the same disclosure requirements as a domestic U.S. registrant under the Exchange Act, including the requirements to prepare and issue quarterly reports on Form 10-Q or to file current reports on Form 8-K upon the occurrence of specified significant events, the proxy rules applicable to domestic U.S. registrants under Section 14 of the Exchange Act or the insider reporting and short swing profit rules applicable to domestic U.S. registrants under Section 16 of the Exchange Act. In addition, we rely on exemptions from certain U.S. rules which will permit us to follow Brazilian legal requirements rather than certain of the requirements that are applicable to U.S. domestic registrants.

Furthermore, foreign private issuers are required to file their annual report on Form 20-F within 120 days following the end of each fiscal year, while U.S. domestic issuers that are accelerated filers are required to file their annual report on Form 10-K within 75 days following the end of each fiscal year. As a result of the above, even though, following the declaration of effectiveness of the registration to which this prospectus is attached, we will be required to make submissions on Form 6-K disclosing the information that we have made or are required to make public pursuant to Brazilian law, or are required to distribute to shareholders generally, and that is material to us, you may not receive information of the same type or amount that is required to be disclosed to shareholders of a U.S. company.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

We, Suzano S.A., were incorporated as a corporation on December 8, 1987 under the laws of Brazil. We have the legal status of a *sociedade por ações*, or a stock corporation, under the Brazilian Corporation Law. Our principal place of business is located at Avenida Brigadeiro Faria Lima, 1355, 7th floor, São Paulo, SP, 01452-919, Brazil (telephone: +55 11 3503-9000). Our shares are traded on the special listing segment of the B3, which provides for the highest level of corporate governance in the Brazilian market, and our ADSs are traded on the New York Stock Exchange.

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On December 10, 2018, we started trading our Level II ADRs, in accordance with the program approved by the CVM. The Bank of New York Mellon is acting as our depositary bank in the United States, responsible for issuing the respective depositary shares, at the ratio of one ADS for each two common shares. We are subject to reporting requirements under the Exchange Act and are required to file with the SEC, or furnish to the SEC, reports and other information. The SEC maintains a website at www.sec.gov that contains reports, proxy and information statements, and other information regarding registrants that make electronic filings with the SEC using its EDGAR system. We also make available on our website's investor relations page, free of charge, our annual report and the text of our reports on Form 6-K, including any amendments to these reports, as well as certain other SEC filings, as soon as reasonably practicable after they are electronically filed with or furnished to the SEC. Our website address is <http://ir.suzano.com.br>, and investor information can be found therein under the caption "Investor Relations." Information contained on our website is, however, not incorporated by reference in, and should not be considered a part of, this annual report.

Our activities began in 1924, when Leon Feffer, our founder, first entered the paper business to resell national and imported paper used for business cards, writing pads and stationery. In the late 1930s, with the purchase of its first machine, the Suzano Group began to produce its own paper. In the 1950s, Companhia Suzano was formed, becoming what we believe to be the first global industrial-scale producer of eucalyptus pulp. In the mid-1960s, Companhia Suzano became the first paper producer to use 100% eucalyptus pulp in the production of printing and writing paper, according to "The History of the Pulp and Paper Industry in Brazil" ("*A História da Indústria de Celulose e Papel no Brasil*"), published by the Brazilian Technical Association of Paper and Pulp (*Associação Brasileira Técnica de Papel e Celulose*), or the ABTCP, in 2004. Today, we believe we are the world's largest producer of market pulp, with an aggregate installed capacity of 10.9 million metric tons of eucalyptus pulp per year and a broad and diversified forest base.

On March 15, 2018, each of Suzano Holding S.A., David Feffer, Daniel Feffer, Jorge Feffer and Ruben Feffer, on one hand, and Votorantim and BNDESPAR, on the other hand, along with Suzano, as intervening party, entered into a voting agreement (*Compromisso de Voto e Assunção de Obrigações*) (the "Voting Agreement"), pursuant to which the parties agreed on the terms and conditions of a merger of shares (*incorporação de ações*) of Fibria Celulose S.A. ("Fibria") and Suzano (the "Merger"), and agreed to exercise their respective voting rights in favor of the Merger. On July 26, 2018, Suzano and Fibria entered into a merger agreement (the "Merger Agreement"), substantially in the form attached to the Voting Agreement, for the combination of the operations and shareholder bases of Fibria and Suzano through a corporate reorganization.

On January 14, 2019, following receipt of all required corporate and regulatory approvals, the Merger was consummated, and Fibria became our wholly owned subsidiary. Upon completion of the Merger, we became the world's largest producer of market pulp, with an aggregate installed capacity of 10.9 million metric tons of eucalyptus pulp per year and a broad and diversified forest base. Furthermore, on April 1, 2019, Fibria merged with and into Suzano. As a result, the separate corporate existence of Fibria ceased, and Suzano continued as the surviving entity under the laws of Brazil, with the resulting entity named Suzano S.A.

On October 28, 2021, the board of directors authorized the realization of investment for construction of a new pulp production mill with a nominal capacity of 2,550,000 tons of eucalyptus pulp per year, to be located in the municipality of Ribas do Rio Pardo, in the state of Mato Grosso do Sul, known as Cerrado Project. The Company estimates that the new plant will start operating in the second semester of 2024. The Project Cerrado represents an important development in the Company's long-term strategy, contributing to the expansion of its structural competitiveness, meeting the growing demand for hardwood pulp, and to the Company's evolution in sustainability.

A detailed chronology of the development of the Company from its founding is set forth in our [Annual Report on Form 20-F for the year ended December 31, 2021 \(File No. 001-38755\)](#), "Item 4A. History and Development of the Company", which is not incorporated by reference into this Annual Report.

B. Business Overview

Industry

Pulp can be either recycled or virgin pulp. Recycled pulp is made from used materials, such as printing and writing papers, newsprint, packaging and other types of carton board, and then processed by chemicals in order to remove printing inks and other elements. Virgin pulp can be manufactured from a number of raw materials, such as wood, bagasse and bamboo, and it is classified based on the type of wood or fiber derived from the corresponding raw material as well as the processing system used and whether the pulp will be bleached. Bleached pulp is used for several purposes, including printing and writing, specialty, packaging paperboard and tissue papers. Unbleached pulp has a brown color and is used in the production of packages, corrugated board, paperboard, packaging papers, bags and tissue.

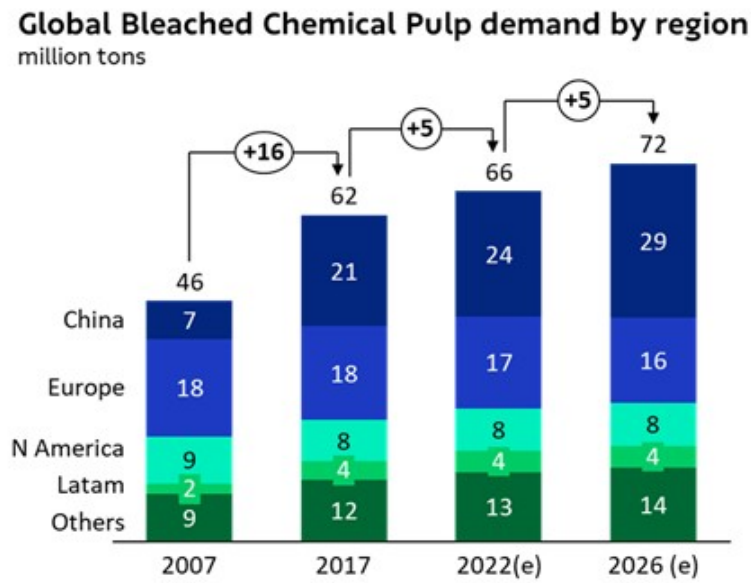
The most common raw material that we use to produce paper is wood pulp. Different tree species yield different fiber characteristics and, consequently, different paper attributes such as strength, softness and opacity.

There are two types of wood pulp: hardwood pulp and softwood pulp. Hardwood pulp is produced using hardwood trees, such as eucalyptus, aspen, birch, acacia, maple, oaks, beech trees and poplars, which have shorter fibers. Short fiber is generally best suited for the manufacture of products that require smoothness, brightness, uniformity and absorption properties, such as coated and uncoated printing and writing paper, tissue paper, specialty papers as image paper and décor laminate paper as well as packaging paperboard. Softwood pulp is produced using softwood trees (e.g. pine, spruce and fir) and is generally best suited for the manufacture of products that require greater durability and strength, such as kraftliner, newsprint, catalogues, boards, lightweight coated paper and tissue. However, paper producers may also substitute fibers used in the paper manufacturing process according to market availability by applying further processing, as refining mechanical treatment. The substitution depends on the raw materials and equipment available and the specifications of the final product. Pulp can be produced by integrated paper producers or by market pulp producers who sell the pulp to nonintegrated or semi-integrated paper producers. In 2021, approximately 37% of global pulp virgin fiber production was “market pulp” (Hawkins Wright – The Outlook for Market Pulp (August 2022)); that is, pulp sold by pulp mills and bought by paper mills. We produce pulp for our own paper production (integrated pulp) and to sell to other papermakers (market pulp). We produce only hardwood pulp from our renewable forests of planted eucalyptus trees. Eucalyptus pulp is widely accepted among producers of printing and writing paper, specialty papers and tissue papers worldwide because of its properties and cash production cost, and it has represented an increasing percentage of the world production of hardwood pulp. Eucalyptus trees in Brazil have a shorter growth cycle than other hardwood trees (approximately seven years in Brazil) and higher yield per planted hectare.

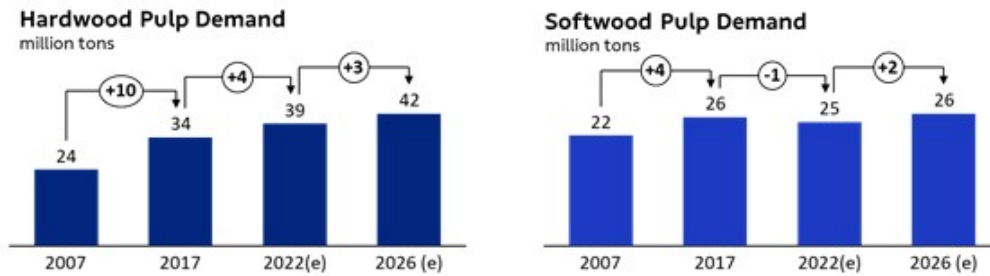
Brazil’s competitive advantage is driven by the fact that Brazil has the fastest tree growth rates in the world and the highest productivity rate. Thus, we believe that we are among Brazilian pulp producers that have the lowest production cost in the global market.

The key drivers of global virgin pulp demand growth are packaging, tissue and special paper. These grades presented a production compound annual growth rate (“CAGR”) from 2010 to 2020 of 2.2%, 3.5% and 1.3%.

Paper consumption in China has been the main driver of demand growth over the past years. According to PPPC, global demand for pulp (including softwood pulp and hardwood pulp) and for tissue is expected to continue increasing in the following years.



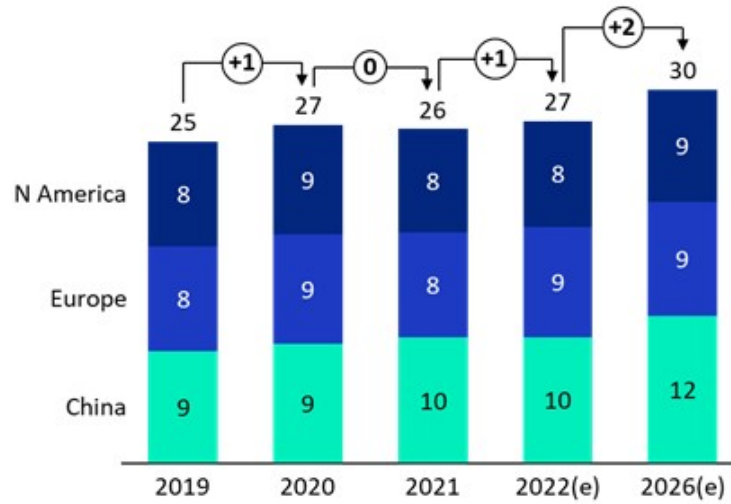
Source: Pulp and Paper Products Council – PPPC S&D (November 2022).



Source: Pulp and Paper Products Council – PPPC S&D (November 2022).

World Tissue Consumption Projection

million tons

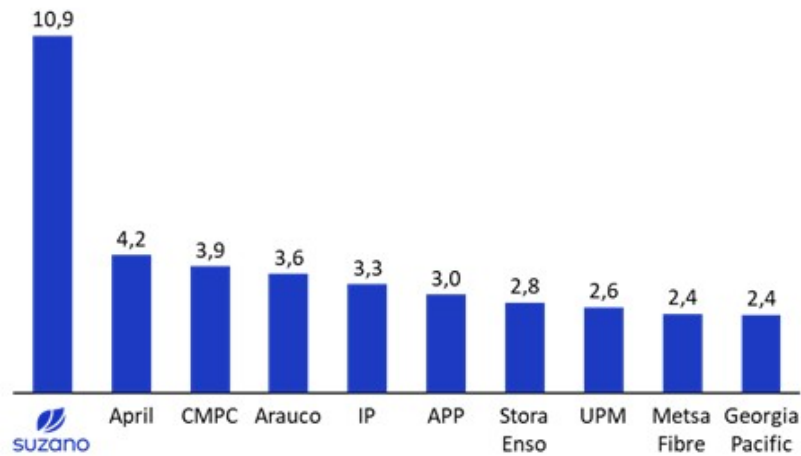


Source: Pulp and Paper Products Council – PPPC (December 2022).

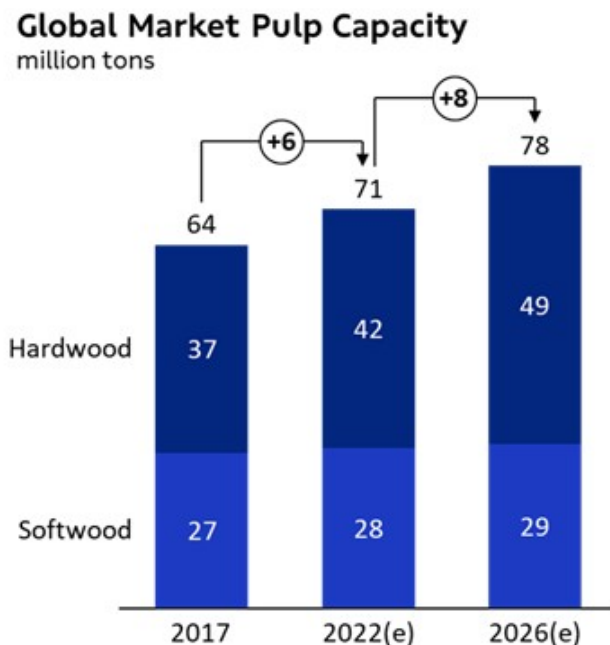
According to Hawkins Wright, in 2022, we were among the top 10 market pulp producers in terms of capacity, with a combined 14% market share of chemical market pulp capacity.

Top 10 Chemical Market Pulp Capacity

million tons



Source: Hawkins Wright, 2022.



Source: Pulp and Paper Products Council – PPPC S&D (November 2022).

Our Company

With more than 90 years of experience, we operate mainly in the pulp (paper grade and fluff) and paper (paperboard, printing and writing and tissue) segments. We believe that we are one of the largest vertically integrated producers of pulp and paper in Latin America and, according to Hawkins Wright, we were the largest producer of eucalypt pulp in the world and virgin market pulp in the world in 2022. As other Brazilian eucalyptus pulp producers, we have the lowest cost of pulp production in the world. We believe our modern technology of plantation and harvesting and our strategic location for plantation facilities are among our competitive strengths.

We believe we are one of Brazil’s largest paper producers, and based on data from IBÁ, we accounted for nearly 43% of the printing and writing paper and 26% of the paperboard produced in Brazil in 2022.

Our structure includes administrative offices in Salvador and São Paulo, two integrated pulp and paper production facilities in the state of São Paulo (Suzano and Limeira units), a non-integrated paper production facility in the state of São Paulo (Rio Verde unit), an integrated pulp, paper and tissue facility in the state of Bahia (Mucuri unit), an integrated pulp and tissue facility in the state of Maranhão (Imperatriz unit), two paper facilities in the states of Pará and Ceará (Facepa), and FuturaGene, a biotechnology research and development unit. We own one of the largest distribution structures for paper and graphic products in South America. Following the Merger, we also own pulp production facilities in the state of Espírito Santo (Aracruz unit), in the state of São Paulo state (Jacareí Unit), one unit with two production lines in Três Lagoas (in the state of Mato Grosso do Sul) and 50% equity participation in Veracel together with Stora Enso, an industrial unit located in Eunápolis (in the state of Bahia).

Our eucalyptus pulp production satisfies 100% of our requirements for paper production, and we sell the remaining production as market pulp. As of December 31, 2022 our total eucalyptus pulp installed capacity was 11.9 million tons per year. The scale of our production capacity, the proximity of our planted forests to our mills and the integration of our pulp and paper production process allow us to benefit from substantial economies of scale and low production costs.

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Our Limeira, Suzano, Rio Verde and Jacareí mills are located near the city of São Paulo, the largest consumer market in Brazil according to data from IBÁ and RISI. These mills are located approximately 150 km from the port of Santos, an important export hub. They can supply both domestic and international markets in a competitive manner.

Our Mucuri and Aracruz units are focused primarily on export markets. Mucuri is located approximately 250 km from Portocel, a port specialized in exporting pulp located in the state of Espírito Santo, in which Suzano holds a 51% stake, while Aracruz is located only 3 km from Portocel.

The Imperatriz unit, in Maranhão, is also focused primarily on export markets. Its gateway for the external market is the Port of Itaqui, 600 km far from Imperatriz. Exports are carried from our mill to the ports by train, which allows for very competitive transportation costs.

The Três Lagoas unit, in Mato Grosso do Sul, is focused on export markets, and most of its volume is transported by train to the Port of Santos, where all exporting volumes are shipped. The relatively short distances between our planted forests, our mills and most of our Brazilian customers or export facilities provide us with relatively low transportation costs.

Pulp and Paper

We produce a variety of eucalyptus pulp and paper products, including pulp used in our paper production processes, as well as market pulp. We sell pulp to the Brazilian market and to the export market. We produce coated and uncoated printing and writing paper, paperboard, tissue paper, market pulp and fluff pulp. Within the printing and writing paper category, we produce products of different sizes and shapes, such as cut paper for general purposes (cut-size), folio size and reels. Our sales are not concentrated in any specific customer, in either the Brazilian or the export markets. For the year ended December 31, 2022, no single customer accounted for more than 10% of our consolidated net sales revenue.

Pulp and Paper Production Process

Our production process comprises the three main stages: (i) planting and harvesting forests; (ii) pulp manufacturing; and (iii) paper manufacturing. Consistent with our strategy of conducting our business in accordance with the highest environmental standards, we use plantation and harvesting techniques that are environmentally friendly and sustainable, such as minimum-impact cultivation and soil preparation techniques that avoid erosion, maintain soil fertility along generations and promote high levels of efficiency and productivity.

Planting and Harvesting Forests

The development of our planted forests starts in our nurseries, where we use the most modern cloning technology available, and in third-party nurseries that use our genetic materials. The saplings we produce in our nurseries are a variety of eucalyptus that increases the production of pulp and are well suited for the climate and other geographic aspects of the micro-regions in which they will be planted. A harvester is used to cut, de-limb and de-bark the trees, and to cut them into logs. Part of the bark and leaves of the harvested trees is left in the planted forests. A forwarder carries the logs to the edge of the planting area, where a loader loads the logs onto a truck for transportation to the mill.

The management of our forests is the base that sustains our business, based on the planting and management of renewable forests, targeting of a competitive supply of wood through long-term planning and development and application of genetic improvements. As of December 31, 2022, we owned or leased approximately 2.7 million hectares of land, of which approximately 1.4 million hectares were used for eucalyptus cultivation and 1.1 million for forestry reserves, ensuring compliance with Brazilian law that determines the percentage of area required for legal and permanent preservation reserves, located mainly along the rivers. Remaining 0.2 million hectares are related to other uses such as roads. Our production units are in compliance with or exceed environmental standards – both Brazilian and international – for the production of pulp and paper.

Given the high degree of integration between the production of pulp and paper, we have a low conversion cost of pulp to paper.

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Several factors account for our competitive advantage with regard to the cost of wood for the production of pulp: favorable topographic, climate and soil conditions in the regions of Brazil where we operate; advanced genetic improvement and harvesting technology; low average distances between our planted forests and mills, which are among the shortest in the world; our clone selection system, which improves our forests' yield and industrial performance, integrating our forestry and industrial activities; and our advanced techniques to maximize soil potential, such as mosaic plantation and minimum environmental impact cultivation techniques. Together, these factors enable us to enjoy: a high and increasing average volume of wood per planted hectare; a higher concentration of fibers per ton of harvested wood; the sustainable development of our operations; relatively low operating costs; and eucalyptus tree harvest rotations of approximately seven years, a period shorter than the harvest rotation periods in other regions of the world.

Pulp Manufacturing

The pulp manufacturing process takes place in two stages:

The "Kraft" Cooking Process. The logs received in our pulp mills are first de-barked, if not already de-barked in the field, and chipped in small pieces. The wood chips are screened by size and then transferred with conveyors to the impregnation stage followed by a pressurization and feeding system to the digester where they are "cooked" with sodium sulfide and caustic soda. This "kraft" cooking process is known for minimizing damage to the pulp fibers and allows the recovery of chemicals, thereby preserving high uniformity and strength of the fibers for subsequent paper production or other uses. During the cooking process, the cellulose fibers are separated from lignin and resins to produce unbleached pulp fibers. The unbleached pulp is screened and washed and then submitted to a pre-bleaching stage where oxygen delignification takes place. The Kraft cooking combined with the pre-bleaching removes approximately 95.0% of the lignin. At this point, the pulp can already be used to make certain types of paperboard like in one of the paper machines of the Suzano mill. Although not our main product, unbleached pulp grades can be commercialized or used for specialty of packaging papers or boards. The lignin and by-products of the Kraft process form a substance known as "black liquor" that are separated and piped to evaporators, to increase the concentration of solids. Thereafter, the concentrated black liquor is burned in recovery boilers. In the recovery boilers, the black liquor is the main source of fuel to produce steam and electricity for the whole production process. Also, approximately 99.0% of the chemicals used in the kraft cooking process are recovered for reuse in a closed chemical recovery process loop. Only make up chemicals are required to recover losses.

Bleaching. To produce bleached pulp the unbleached pulp is submitted to a chemical bleaching process. The bleaching process promotes further selective delignification and increases brightness of the fibers. This process consists of a series of medium-consistency bleaching stages in towers. In each bleaching tower a different mixture of bleaching agents is applied and after each stage, the pulp is washed. Three or four bleaching stages are required to obtain a fully bleached pulp. Our modern and low environmental impact bleaching processes are elemental chlorine free (ECF). The bleaching process is designed to be harmless and utilizes chlorine-dioxide, sulfuric acid, caustic soda and oxygen peroxide and does not use elemental chlorine. At the end of the bleaching stages, the diluted bleached pulp, in its fluid state, is pumped to storage towers. Thereafter, the bleached pulp may be transferred directly to integrated operations in our own paper production or tissue paper facilities. Suzano produces paper in the Mucuri, Suzano and Limeira mills and also supplies slushed pulp to integrated paper producing customers in Jacareí (Ahlstrom) or Três Lagoas (Sylvamo Corporation). The tissue paper production takes place in the Mucuri and Imperatriz mills. The majority of bleached pulp is, however, sold as raw material after drying in big capacity drying machines and converted to bales. In the Suzano mill we are also producing dried pulp in rolls for fluff applications.

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Paper and Tissue Paper Manufacturing

We produce (i) uncoated woodfree printing and writing paper at our Mucuri unit, Limeira unit, Suzano unit and Rio Verde unit; (ii) coated woodfree printing and writing paper at our Suzano unit and Limeira unit; (iii) paperboard at our Suzano unit and (iv) tissue papers at Mucuri, Imperatriz and Belém. We start the paper production process by sending the pulp to refiners, which increases the fibers' resistance. The pulp slurry is then fed into the paper mill, where it is mixed with fillers and additives to provide the necessary properties required by paper grade and the end users. These additives include synthetic sizing, precipitated calcium carbonate, optical dyes, and others. During the paper and paperboard production, the sheet is formed, pressed and dried in a continuous process. At the end of the process, jumbo rolls are obtained and then converted into reels, folio sheets or cut-size paper. In the case of coated paper, the paper receives additional surface treatments with coating and additional drying before converting to reels or sized papers. Tissue papers are produced in dedicated tissue machines, different from other paper machines and seek for other characteristics like softness, volume and absorbance. Tissue paper production requires very little additives and mechanical preparation of the fibers (refining). The produced tissue paper mother rolls can be converted on site, converted in dedicated conversion units or sold.

Computerized systems control or monitor all process stages. The marketing, sales and production, personnel work close together to manage the programming and control of our paper production process. In this manner, we are able to plan, optimize and customize different product runs and to anticipate, respond and adapt to seasonal variations and customer preferences.

Pulp and Paper Production Schedule

Our integrated pulp and paper mills operate three shifts, 24 hours a day, every day of the year, with the exception of scheduled maintenance periods. The dates of these maintenance periods are flexible and may be moved as a result of factors such as production, market conditions and supply of materials. We keep an inventory of certain spare parts that we consider critical to the production process or that are difficult to replace. We have also developed a close relationship with our suppliers to ensure access to spare parts.

Pulp Sales

Pulp Sales

In the years ended December 31, 2022, 2021 and 2020, we sold 10.6 million tons, 10.6 million tons and 10.8 million tons of pulp as market pulp, respectively, of which 7.1%, 7.5% and 7.3% was sold in the Brazilian domestic market and 92.9%, 92.5% and 92.7% was sold in the export market.

The following table sets forth our Brazilian domestic and export sales of pulp for the periods indicated.

	For the year ended		
	December 31,		
	2022	2021	2020
	<i>(in tons)</i>		
Suzano's pulp sales volume			
Brazilian	751,212	796,708	786,621
International	9,848,441	9,789,129	10,036,495
Total	10,599,653	10,585,837	10,823,116

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Pulp Exports

The table below sets forth our pulp net sales by geographic region for the periods indicated.

	For the year ended December 31,					
	2022		2021		2020	
	RS (million)	Total (%)	RS (million)	Total (%)	RS (million)	Total (%)
Pulp net sales by geographic region						
Brazil	2,665.7	6.4	2,338.8	6.7	1,609.4	6.3
Asia	18,294.0	44.2	15,952.8	46.0	12,921.1	50.5
Europe	12,768.3	30.9	10,477.3	30.2	6,409.9	25.1
North America	7,055.6	17.0	5,694.3	16.4	4,341.0	17.0
Others	600.6	1.5	252.0	0.7	296.9	1.2
Exports	38,718.5	93.6	32,376.4	93.3	23,968.9	93.7
Total	41,384.2	100.0	34,715.2	100.0	25,578.3	100.0

Pulp Customers

In 2022, most of our sales were made under contracts to customers with whom we have a long-term relationship in the Brazilian and export markets. Most of our customers are tissue, printing and writing and specialty paper producers that value the high-quality pulp produced and the reliability of supply provided by us. The majority of deliveries to final customers during last year were made from our overseas terminals in the United States, Europe, – and direct shipments to Asia.

Prices may vary among the different geographic regions in which our customers are located. For a specific region, usually the price arrangements under our sales contracts are consistent with each customer profile, varying according to volume negotiated, regularity of purchase and our commercial strategy. Our sales contracts provide for early termination in the event of a material breach, insolvency of one of the parties or a force majeure event of an extended duration.

Suzano has a diversified customer base for its pulp products. Our customers generally purchase their products using credit provided by us. We believe we have a good knowledge base to manage our credit risk portfolio through financial (letters of credit and insurance) and non-financial instruments (guarantees).

Paper Sales

We sell our paper products in Brazil and abroad. The markets we seek to serve are large and very competitive. Although price is very important in these markets, we believe that customers that have high-quality standards prefer our products due to the value and quality our paper imparts to their final products. This preference is shared among customers of all segments, from producers of notebooks and non-promotional materials, to more sophisticated customers, such as producers of promotional materials, high-quality packaging and art books.

The table below sets forth our paper net revenues by geographic region for the periods indicated.

	For the year ended December 31,					
	2022		2021		2020	
	RS (million)	Total (%)	RS (million)	Total (%)	RS (million)	Total (%)
Paper net revenues by geographic region						
Brazil	5,858.9	69.4	4,380.6	70.1	3,358.2	68.8
Central and South America (1)	1,641.3	19.4	1,026.2	16.4	723.6	14.8
North America	608.7	7.2	424.9	6.8	263.3	5.4
Europe	325.5	3.9	318.7	5.1	262.9	5.4
Others	12.2	0.1	99.9	1.6	274.0	5.6
Exports	2,587.7	30.6	1,869.7	29.9	1,523.8	31.2
Total	8,446.6	100.0	6,250.3	100.0	4,882.0	100.0

(1) Excludes Brazil.

Paper Customers

Our customers generally purchase our products using commercial credit provided by our company. We have a diversified customer base for our paper products. We believe we have a good knowledge base to manage our credit risk portfolio through financial (letters of credit and insurance) and non-financial (guarantees) instruments. Additionally, we believe that our strategy to diversify our portfolio of paper clients improves our credit risk performance due to lower correlation between large, medium, small and micro sized clients.

Seasonality

Forest products, such as pulp and paper products, are typically cyclical. Changes in inventories are usually important in price determination. Furthermore, paper demand depends largely on general economic conditions, since production capacity slowly adjusts to changes in demand. Therefore, we can expect seasonal changes in paper net revenues in Brazil depending on such factors. Changes in production capacity may also affect prices.

Similarly, the pulp industry seasonality pattern has been historically correlated with that of paper production. World paper production normally increases by the end of the summer vacations in the northern hemisphere, as well as during the Christmas and New Year holidays. In Brazil, specifically, paper demand increases in the second half of the year, mainly due to the production of notebooks and books for the beginning of a new school year, which begins in February, and governmental programs such as the National Didactic Book Program (*Programa Nacional do Livro Didático*).

Compared to the pulp market, the market for paper has a larger number of producers and consumers and greater product differentiation. Although the price of paper is cyclical and historically tied to the price of pulp, with a slight time difference, it is generally considered less volatile than the price of pulp. The main factors affecting the price of paper are economic activity, ability to expand production and fluctuation in exchange rates.

Due to specific factors, including pulp and paper machine closures, start-up of new capacities, changes in the cost structure of the industry and the increase of global pulp demand, the seasonality trends observed in the past for the pulp industry may be subject to changes in the future. Nevertheless, seasonality has not caused significant impacts on us over the last three years. For this reason, we do not measure the impacts of seasonality in our results.

Raw Materials

The main raw materials used in pulp and paper production are described below.

Wood

We use fibers from three primary sources for the production of our paper: (i) our pulp; (ii) recycled paper; and (iii) mechanical pulp. Recycled paper and mechanical pulp are used in the interior layers of certain types of paperboard. We use eucalyptus trees for the production of all of our pulp.

The management of our planted forests is a key resource for wood. For further information, see “—Business Overview—Our Company—Pulp and Paper—Planting and Harvesting Forests.”

Energy

Suzano’s energy matrix is mainly renewable, with biomass (classified as an energy resource in the forest energy biomass categories) as its main source of energy.

Most of the energy generation comes from black liquor, a by-product of the pulp manufacturing process, produced in the kraft chemical recovery process adopted in our mills and burned in chemical recovery boilers, accounting for a large part of the steam generation.

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As secondary sources of energy we have the bark, wood chips and residues, applied in our processes and used as complementary fuels to meet the energy needs of the process, burned in auxiliary boilers. Therefore, our chemical recovery process allows us to generate energy in an environmentally friendly way.

A large part of the energy consumption is provided by our own electricity generation. Some of our industrial plants are self-producers that self-consume the energy generated and export surplus energy to the Brazilian national system. The plants that produce 100% of the energy consumed are Mucuri (BA), Imperatriz (MA), Três Lagoas (MS) and Veracel (BA).

The energy surplus is allocated from self-producing plants elsewhere to Suzano's plants with energy deficits, through contracts accounted for in the CCEE (Brazilian Energy Compensation Chamber).

Suzano went through the certification process to issue the I-REC (International REC Standard) based on the renewable energy generated by the Três Lagoas (MS) industrial unit. This certificate represents the renewable generation attributes of one megawatt-hour (MWh) of energy produced from biomass and can be sold by the generator on the electricity market. The quantity of 457,529 I-RECS was commercialized by Suzano in 2022.

In terms of energy efficiency, the chemical recovery process has a very relevant role in pulp and paper production. This item is always highlighted among the actions adopted by Suzano, and several projects with this focus have been developed at the company's industrial plants. Suzano has a long-term goal of increasing renewable energy exports to the national grid by 50% by 2030 (baseline 2018). In 2022, Suzano exported approximately 1,600 GWh of energy.

In 2022, the company's energy matrix was composed of 88% renewable sources. Non-renewables represented 12%, the most representative sources being natural gas, widely used in the process in the lime kiln, and diesel oil used in forestry logistics and transportation.

Chemicals

A variety of chemicals, including sodium sulphate, sodium hydroxide (caustic soda), sodium chlorate, chloride, hydrogen peroxide and oxygen, are utilized in the paper production process, mainly in the pulp production phase. In the production of coated paper, we use various additives, primarily kaolin, calcium carbonate, latex, starch, bleaches and binders. The chemicals used in the pulp production process are recovered and recycled within our pulp mills.

All chemical waste is treated in order to conform to the most current standards and practices of the pulp and paper industry worldwide. The chemicals used in the pulp and paper industry are commonly used in a variety of other industrial activities and do not present a uniquely hazardous threat. Notwithstanding this fact, we strictly adhere to all safety rules and regulations related to the transport, storage and production of chemical products. In addition, we maintain an insurance policy to cover liability in the event of an accident in the transportation, storage or production of chemical products.

Transportation

The cost of transportation of pulp and paper products to the consumer market is an important component of our competitiveness. In the years ended December 31, 2022, 2021 and 2020, logistics costs accounted for 21.5%, 23.0% and 23.7% of our cost of goods sold and selling expenses, respectively.

Our scale of production, the proximity of planted forests to our pulp mills and planted forests in relation to our factories and the integration of the processes of pulp and paper production gives us substantial economies of scale and lower production costs. Suzano, Rio Verde and Limeira units, in the state of São Paulo, are strategically located near our major customers for paper products and approximately 100 kilometers from the port of Santos. The Mucuri unit, which primarily services the external market, is strategically located approximately 250 kilometers from Portocel, a port that specializes in the exportation of paper and pulp, and approximately 320 kilometers from the port of Vitória. The Imperatriz unit, in Maranhão, which also primarily services the external market, is located approximately 670 kilometers from the port of Itaquí. The proximity of our forests, factories, Brazilian clients and ports allows us to enjoy relatively low transportation costs, which, in turn, provides a competitive cost structure for exports.

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In addition, the Brazilian market may take advantage of Jacareí mill's proximity to São Paulo and Rio de Janeiro, while the Aracruz mill has the one of the best logistics in the industry, approximately 3 kilometers to the Portocel port facility. The Tres Lagoas mill is located between two important railways in the southeast of Brazil, ensuring the cost competitiveness of this mill, although distance from the port is over 700 km.

Port Operations

The pulp produced for export is shipped on dedicated vessels or partial-service vessels by carriers hired through long-term or spot contracts to our terminals overseas and is then delivered to our customers.

We conduct operations in the port of Itaqui, (state of Maranhão), port of Santos (state of São Paulo) and port of Barra do Riacho (namely, Portocel - state of Espírito Santo).

Port of Itaqui

The port of Itaqui is located on the coast of the state of Maranhão. From this port, we exported in 2022 pulp produced at the Imperatriz mill, which is located approximately 670km away from the port of Itaqui. Since 2014 we have operated a warehouse within the port area to guarantee the continuity of its operations with *Empresa Maranhense de Administração Portuária* ("EMAP"), a public company held by the state government of Maranhão.

On July 27, 2018, we participated in a public auction conducted by ANTAQ for the concession of public areas and infrastructure for general cargo, especially pulp and paper in the port of Itaqui, for an initial period of 25 years. We were awarded the contract due to our proposal for Itaqui General Cargo Terminal (IQI 18), in the amount of R\$0.1 million. In 2020, we hired the companies responsible for building a warehouse of 73,000 tons, and a berth, to support long-term planning of the Imperatriz mill. In 2021, we concluded the construction of the berth in the port of Itaqui, which will be managed by EMAP and we will have preferential berthing rights. The berth was first tested in February 5, 2022, and the warehouse's operations started on September 2, 2022.

Port of Santos

The port of Santos is located on the coast of the state of São Paulo. From this port, we export pulp produced at the Jacareí and Três Lagoas, which are located approximately 150, and 750 kilometers away from the port of Santos, respectively. Through a concession, we operate terminal 32 (T32) of the port of Santos and at Vertere (DP World Santos) An expansion process is expected to start in 2023 in both ports to attend the demand for a new mill in Ribas do Rio Pardo (Cerrado Project).

Paper produced by us for export is mainly shipped out of the port of Santos, which is located approximately 80 kilometers from the Suzano unit and about 250 km from the Limeira unit, where most of the paper production designated to export markets comes from. We also operate with containers at the port of Santos, mainly used in the paper and fluff business.

Portocel

The pulp produced for export at the Aracruz, Mucuri and Veracel pulp mills is shipped out of the port of Barra do Riacho (Portocel), which is located approximately 3 kilometers, away from Aracruz, approximately 250 kilometers away from Mucuri and 260 nautical miles, from Veracel's barge terminal. We own 51% of Portocel, the company that operates the port terminal of Aracruz. The remaining 49% of Portocel is owned by Cenibra, another pulp manufacturer.

The Portocel is a modern facility that has the capacity to handle approximately 7.5 million metric tons of pulp and wood per year, from their owners and other players, and different types of material like aluminum, steel coils, granite and project cargo. Warehouse facilities at Portocel are capable of storing approximately 220,000 metric tons of pulp (static storage).

Marketing and Distribution

We have our own sales teams for our pulp and paper business units, which sell our products in both the Brazilian and international markets, to final consumer or distribution intermediaries. We sell our products in both the Brazilian and export markets. In the years ended December 31, 2022, 2021 and 2020, 82.9%, 83.6% and 83.7%, respectively, of our net sales revenue from market pulp and paper products was attributable to sales made outside of Brazil. Domestically in Brazil, we have a sales staff consisting of employees operating in various regions of Brazil.

Pulp

Our pulp business unit's commercial strategy is based on three pillars: strong relationships, long-term partnerships and differentiated services. To ensure proximity with our national and international customers and to ensure that our products are tailored to their needs, we use a Brazilian sales team, which services Latin America, and local sales teams in the United States, Austria and China. In Brazil and in each of our international offices, we have technical assistance departments that focus on our customers' needs, with the purpose of providing our customers with smart technical solutions for their transition from other types of fiber to eucalyptus fiber. We organize annual technical workshops, in Brazil and in each of the countries where we operate, to share with our customers and international offices our innovative initiatives, technical developments and market strategy.

Paper

In 2022, 69.4% of our paper net sales were made to the Brazilian market. In order to better serve this market, we have divided it into six segments, designing different commercial and marketing strategies for each segment:

- *Packaging*: this is the main end use of our paperboard sales and involves production of packaging for the pharmaceutical, cosmetic, tobacco, toys, clothing, shoes, food, beverage, hygiene, and cleaning industries;
- *Advertising and Catalogs*: this segment mainly involves coated paper sales and production of promotional flyers, catalogues, displays and signs;
- *Books*: this segment accounts for the production of books, magazines and newspapers and involves the sale of all of the paper types that we produce (coated, uncoated and paperboard);
- *Notebooks*: this segment involves the production of notebooks and diaries in both the local and export markets, and uses uncoated paper and paperboard;
- *Mailing*: this segment mainly involves the production of forms and invoices, which use uncoated paper;
- *Copy Paper*: this segment encompass office end uses and retail channel, which involves the commercialization of uncoated paper in cut-size format (e.g., letter and A4 sizes) in stationery stores and self-service businesses.

In order to serve the first five segments listed above, we combine different distribution channels: large paper volumes are sold directly to publishers and converters and small paper volumes are sold through publishing distributors. In the copy paper segment, sales are made indirectly, through paper distributors and directly through our call center and e-commerce.

We own distributors for our paper and graphic products, one in Brazil and one in Argentina, Stenfar S.A.I.C. Importadora y Exportadora and Stenfar. For Brazilian distribution, we rely on four regional distribution centers: two in São Paulo, one in Serra (Espírito Santo) and one in São José dos Pinhais (Paraná), as well as our local distribution centers, in the cities of Campinas and Ribeirão Preto (state of São Paulo), Belém (state of Pará), Brasília (federal district), Campo Grande (state of Mato Grosso do Sul), Londrina (state of Paraná), Fortaleza (State of Ceará), Goiânia (State of Goiás), Manaus (State of Amazonas), Porto Alegre (State of Rio Grande do Sul), Recife (state of Pernambuco), Rio de Janeiro (state of Rio de Janeiro), Salvador (state of Bahia) and Uberlândia (state of Minas Gerais).

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Other than distributing our own line of paperboard and printing and writing paper, we also distribute other product lines to reach the graphics, editorial and consumer segments and to public agencies. Stenfar is a company-owned distributor of paper and computer supplies operating in Argentina through which we conduct such distribution operations. Stenfar has been operating for more than 58 years and has an important and active presence in the market. Stenfar has three subsidiaries in Buenos Aires, Córdoba and Mar del Plata. Stenfar services the graphics, editorial and consumer segments and public agencies, working with printing and writing paper, paperboard and computer supplies. According to market estimates on paper and computer supplies distribution, we believe Stenfar is one of the largest distributors in its market in the area.

In addition to providing our customers a more complete portfolio of services and products, our distribution operations in Brazil and Stenfar's distribution operations in Argentina reinforce our commitment to strengthen our distribution channels, enlarging our network and directly benefiting our clients through greater proximity and agility in serving them.

In addition to our own lines of paperboard and writing and printing paper, we also distribute other product lines, for the graphics, publishing, consumer, converter and government entities segments.

Competition

The pulp industry is highly competitive. The top 20 producers currently supply approximately 72.0% of the global virgin market pulp capacity according to Hawkins Wright. We face substantial competition from numerous producers of paper and hardwood market pulp, including major Brazilian producers, such as Bracell, Eldorado, CMPC and Celulose Nipo Brasileira S.A. (Cenibra). Many factors influence competitive position, including mill efficiency and operating rates and the availability, quality and cost of wood, energy, water, chemicals, logistics and labor, and exchange rate fluctuations. Latin American pulp producers have structural cost advantages over other global competitors, mainly in North America and Europe, due to their shorter harvest periods and higher land productivity, which is only partially offset by geographical distance from the end markets. Many of our Latin America competitors enjoy cost advantages similar to ours, including low production costs, and have access to similar sources of funding to finance their expansion projects.

The international pulp and paper markets are highly competitive and involve a large number of producers worldwide. As a vertically integrated pulp and paper producer, we compete not only with other vertically integrated pulp and paper producers, but also with companies that produce only pulp or paper. Many of these producers have greater financial resources than we do and enjoy lower financing costs. However, as the largest producer of eucalyptus pulp and virgin market pulp in the world in 2022, according to Hawkins Wright, we maintain our competitive advantage by keeping production costs low, maintaining long-term contracts with our customers and vertically integrating our operations.

Environmental Matters

General

We are committed to produce pulp and paper with a minimum of waste production and with the lowest impact on natural resources and the environment. Our continuing goal is to avoid and mitigate adverse impacts on the environment by controlling our emissions into the air and water, preserving biodiversity and by fully complying with Brazilian environmental regulations and recognized international environmental standards.

Our industrial units are ISO 14001 certified, which attests to our environmental management system. The Mucuri unit was the first in the pulp and paper sector globally to obtain this certification in 1996. We also have received other certifications, including ISO 9001 and ISO 45001.

Our forests units are certified by the Forest Stewardship Council ("FSC") and the Programme for the Endorsement of Forest Certification ("PEFC"), which attests that our forest management is environmentally correct and socially just. The FSC seal, created by different multisector international organizations, has strong international recognition and it is also labeled in several of our products and our clients' products. We operate, therefore, under strict compliance with environmental laws and regulations.

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Aiming for positive environmental impacts, we promote the conservation of biodiversity and eco-efficiency of our operations, optimizing the use of our resources and applying the best environmental management practices, as defined by FSC, on an ongoing basis, such as:

- Conserving ecosystems and their biodiversity;
- Using renewable and non-renewable natural resources in a rational manner;
- Promoting responsible use of water, minimizing the impacts of operations on local water resources and safeguarding the natural water cycle in forests;
- Focusing on prevention and control of atmospheric emissions (NOx, SOx, TRS, greenhouse gases and particulate matter) and of effluents (COD and AOX);
- Promoting the concept of the 4R's (rethink, reduce, reuse and/or recycle), aiming at less disposal of solid waste in own and/or third party landfills;
- Optimizing energy performance, seeking maintenance of the low carbon energy matrix, as further explained below under “ - Climate Change”;
- Stimulating climate change mitigation and adaptation actions;
- Respecting rights, social and cultural values of indigenous peoples, traditional and local communities, as well as the people involved in operations of forest management;
- Complying with the environmental legal framework, including binding international agreements and voluntary commitments pertinent to our operations, such as Ecolabels.

We reinforce our commitment to establish plantations exclusively in areas previously anthropized by other uses whose conversion has not occurred under our responsibility, committing to a zero-deforestation policy.

Our environmental commitments are supported and monitored by relevant organizations and coalitions. We also maintain a strong partnership with recognized forums and organizations to discuss and share knowledge on sustainability issues. Some examples are the UN Global Compact, Climate, Forest and Agriculture Brazilian Coalition, the Alliance for the restoration of the Amazon, One Trillion Trees (1t.org); the World Wildlife Fund / New Generation Plantation, The Brazilian Forest Dialogue, Brazilian Tree Industry (IBÁ), the Brazilian Corporate Council for Sustainable Development (CEBDS), GHG Protocol Brazil.; Capitals Coalition and the Taskforce on Nature-related Financial Disclosures (TNFD).

Furthermore, we also have a strong commitment to community service and participate in and fund a variety of projects, including projects supported by Instituto Ecofuturo, a non-governmental organization that we have created and sponsor, whose purpose is to generate and share knowledge and practices that contribute to creating a culture of sustainability.

Water

After the disclosure of our Commitments to Renewing Life, a set of 15 Long- Term Goals, in February 2020, we deployed the goal of reducing specific water withdrawal by 15% by 2030, linked to SDG 6 – clean water and sanitation, and governance has been integrated into our management routine.

Considering the expected curve until 2030, we defined each mill's internal annual and monthly targets. The results of each mill's internal targets are monitored monthly in a meeting with the Executive Officer of Pulp Operations, together with representatives of all mills, integrating them with the governance of safety, production, quality and cost indicators.

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Taking into consideration our governance model, the industrial directors and managers monitor the indicators of each mill weekly. Any deviations are treated according to the management tools adopted in our Operational Excellence model.

The results are disclosed to all of our employees at the monthly results meetings of each mill, engaging people in relation to the topic. Moreover, at the Units, the internal targets were stratified by each industrial sector and its performance is monitored at routine Production Meetings.

We reduced almost 3% of water withdrawal in 2022 compared to the volume reported by us in 2021. The Company's performance is in track with our long-term goal to reduce the specific water withdrawal by 15% by 2030.

To this end, we implemented actions in all mills aimed at optimizing the use of water, which include the replacement of equipment to generate more water efficiency and the use of recovered water in machines.

The year was quite challenging with 6 schedule maintenance downtimes at the Três Lagoas, Limeira, Mucuri, Imperatriz, Aracruz and Jacaréi units. The schedule maintenance downtimes usually favor an increase in specific water withdrawal indicator, as we continue to use water while we are not producing. Therefore, the units optimized water consumption during shutdowns, applying process controls, for example, avoiding overflowing the cooling tower. In addition, projects were implemented with the aim of optimizing water consumption, which directly contributed to improving the indicator.

In 2022, we mapped out best practices with respect to water use in our units and other market participants. As a result, we improved our water use management and governance practices. These actions contributed to the reduction of specific water withdrawal in 2022. To reinforce the topic's governance priority, we defined targets linked to variable remuneration to the Chief Operating Officer, Industrial Officers and lower positions.

Solid Waste and Wastewater

Waste management is present in our processes and operations, both industrial and forestry. The treatment of effluents in all industrial units is carried out in our own Effluent Treatment Plants and includes primary (physical) and secondary (biological) treatment, a stage in which oxygen and nutrients are added and the pH is controlled. At Limeira, Jacaréi, Três Lagoas and Maranhão Mills, the activated sludge technology is used for secondary treatment, while aerated lagoons are used at the Suzano and Aracruz Mills. The Mucuri Mill uses both technologies. The biological sludge generated at the effluent treatment plants has been treated in different eco-efficient ways, such as composting plants at the Limeira Mill, drying and burning at the Jacaréi, Imperatriz and Três Lagoas Mills.

In addition to complying with the applicable rules on solid waste, our mills have a waste management plan and operational procedures. Waste management includes daily monitoring and forums focused on reducing solid waste generation, increased recycling and internal reuse and reduction of shipment to landfills. The mills also receive internal and external audits.

In 2020 we had announced a very challenging goal of reduce by 70% the industrial waste sent to landfill by 2030. In 2022, our units in Limeira, Jacaréi and Rio Verde kept its performance of not sending waste to landfills.

The main highlight of the year was the consolidation of composting project at the Mucuri/BA unit, which reduced the unit's indicator by almost 20%. Every month, 10,000 tons of organic waste is generated at the unit, which is no longer sent to landfills and is now composted in partnership with a composting company, becoming fertilizers. We also had a significant improvement at the Imperatriz unit, because during rainy periods it hadn't been possible to reuse the primary and secondary sludge as biomass due to the high moisture concentration. So, a drying hothouse was installed, and this material also started to be burned in the boilers to power generation during the rainy months.

Biodiversity

We are engaged in carrying out and developing sustainable forestry operations. We are committed to a strict zero deforestation policy and adoption of best forest management practices, as defined by FSC. Therefore, our eucalyptus plantations are established exclusively in areas previously anthropized by other uses, such as cattle grazing, and co-exist interleaved with areas destined for biodiversity conservation - the mosaic landscapes approach, favoring the connection of native fragments and the establishment of ecological corridor. Our forest management practices follow all the legislation, standards and commitments undertaken, being certified by international widely recognized standards, the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC), both auditable certification schemes.

We maintain and protect more than 1 million hectares of native vegetation, which corresponds approximately to 40% of our total area. In this natural preserved territory, since the nineties, Suzano conducts periodic biodiversity monitoring, species of fauna and flora. To increase the protection and monitoring of biodiversity, we voluntarily identified areas considered global or nationally important for biodiversity conservation, defined as High Conservation Value Areas (HCVA) and Private Natural Heritage Reserves (IUCN Category IV).

Additionally, aware of the different levels of fragmentation that the biomes in which we operate faces – which is one of the main threats to the biodiversity loss in Brazil and in the world –, through a collaborative process, in 2021 we launched a long-term commitment to conserve the biodiversity. The scope of the target considered our representativeness extent and territorial influence, focusing on the priority areas for the biodiversity conservation in Brazil, going beyond our properties. We have committed to “connect half a million hectares of priority areas for the conservation of biodiversity in the Cerrado (Brazilian Savannah), Atlantic Forest and Amazon” by 2030, measuring yearly the connected fragments (in hectares) and other benefits, such as the creation of a network of protected areas; the conservation of key species; business models creation that generate shared value and biodiverse production; biodiversity impact drivers’ relief from anthropic pressures, among others.

Climate Change

With one of the largest forest bases in the world, we understand our role in fighting climate change and constantly seek to expand our performance and engagement in the issue. Together, native forests and eucalyptus plantations contribute directly to removing and storing CO₂ from the atmosphere. Therefore, we are committed to doing more than neutralizing direct and indirect emissions from our value chain. Our purpose is to remove significant additional amounts of carbon from the atmosphere, thus mitigating the effects of the global climate crisis. These climate ambitions are among our sustainability long-term goals:

- Removing 40 million tons of CO₂ equivalent from 2020 to 2025; and
- Reducing the intensity of carbon emissions (Scopes 1 and 2) by ton of product produced (tCO₂eq/t) by 15% by 2030.

The board of directors, supported by the Sustainability Committee, directly oversees the opportunities and risks of climate change, monitoring the Company’s strategy. In 2022, part of the executives’ variable compensation was linked to sustainability goals, with the CEO and five executives committed to climate-related targets.

Climate change and its potential effects are considered one of our priority risks at a corporate level. In this sense, it has its own structured system for assessment, treatment (i.e. response to risk), monitoring and reporting. The Company’s assessment of the potential physical impacts of climate change, as well as those arising from the transition to a low-carbon economy, is carried out on an ongoing basis and will continue to evolve. The Risk Management area monitors the evolution and mitigation of priority risks through the definition of action plans and controls, with report to the Board at least once a year. Additionally, the risk management process also includes specific approaches at the operational level. One example is the modeling of climate change scenarios and monitoring of indicators for the technical research, development and innovation (“R&D&I”) team. These data are used to calibrate harvest and planting planning models and to review the assessment of co-related climate risks to define new specific action plans, when necessary.

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We reuse biomass and wood residues from the production process to generate a significant portion of its energy requirements. Approximately 88% of the entire operation and energetic matrix (that involves forest, industry, logistic, etc.) comes from renewable fuels (such as black liquor and biomass), and the remaining 12% from non-renewable resources (such as natural gas and fuel oil). We are self-sufficient in the Mucuri, Imperatriz and Três Lagoas units in terms of energy needs and some mills are even selling surplus energy back to the grid. In 2022, 4,148,649 GJ of renewable electric energy were supplied to the public grid from these units.

The systemic view with which Suzano works on climate change makes us believe in the importance of engaging and influencing different sectors towards a low-carbon economy to build a prosperous and fair future, focused on regeneration and sustainability. Therefore, we strengthen our dialogue and partnership with governments, companies, NGOs, associations and academia by actively participating in forums and working groups. In 2022, the Company outlined a broad engagement strategy in COP 27, the United Nations Climate Conference. Our main objective was to engage the business sector and influence positive climate policies, such as carbon markets, and support the COP27 High-Level Champions to drive the carbon neutral and even carbon positive agenda.

Since 2021, Suzano participates in the Science Based Target Initiative (SBTi), a movement that seeks to promote the reduction of greenhouse gas emissions and resulting global transition to a low-carbon economy. By joining, we are also taking part in the Race to Zero campaign, a coalition supported by the United Nations that brings together leaders committed to working towards a healthy, resilient recovery, with the objective of stimulating the decarbonization of the world economy. We also take part in the Climate Action 100+ initiative, led by investors to ensure that the largest corporate emitters of greenhouse gases take the necessary measures on climate change.

Sustainability Strategy

Sustainability is an essential part of our strategy and governance practices. Our board of directors has formal responsibility for overseeing sustainability aspects. The new composition of the Committee has 30% gender diversity and is composed of board members and independent members, with diverse backgrounds and meets three times a year.

In our business, we make innovation and sustainability go hand in hand to transform renewable raw material from trees into innovative and sustainable bioproducts for billions of consumers in over 100 countries. We strive to be an agent of change and develop solutions to address the greatest challenges of our society. Combining our energy efficient operations, eucalyptus farms and conservation areas, we are a company contributing to tackling climate change, while improving the lives of the communities where we are present.

In 2022, Suzano contracted an “A&B loan” financed by the International Finance Corporation (IFC) and a syndicate of commercial banks, in a total amount of US\$ 600 million, after IFC carried out an extensive Due Diligence process based on the IFC’s Performance Standards. The operation considers important ESG aspects, being associated with 2 sustainability performance targets (SPT): reduce the intensity of greenhouse gas (GHG) emissions and increase the participation of women in leadership positions at the Company.

Suzano also achieved significant advances in ESG indices and ratings. Achieved CDP Water “A-list”, maintaining “A-” score in Climate and Forests; rating for “Low Risk” on Sustainalytics; obtaining EcoVadis Gold medal; composed once again the Dow Jones Sustainability Indexes (DJSI) Emerging Markets; remained in the Corporate Sustainability Index (ISE B3); and upgraded its MSCI ESG rating to “BB”. The evolutions reward the constant search for improvement in performance, communication, transparency and engagement.

Our non-financial information is reported annually and audited by an independent third party. The Annual Report and Sustainability Center was published before the 2023 General Meeting, adhering to the main sustainability reporting frameworks, such as Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD), Global Reporting Initiative (GRI) standards guidelines for disclosure. Further information is available at our Investor Relations website (www.suzano.com.br/ir).

Reinforcing our commitment in promoting a regenerative business, Suzano announced, in partnership with Itau Unibanco, Marfrig, Rabobank, Santander and Vale, the creation of Biomas, a company fully dedicated to restoration, conservation and preservation of forests in Brazil. The objective of the initiative is, over 20 years, to reach a total restored and protected area of 4 million hectares of native forests in different Brazilian biomes, such as the Amazon, Atlantic Forest and Cerrado.

Brazilian Environmental Regulation

The Brazilian federal constitution assigns to the Brazilian federal government, the states, the federal district and the municipalities the authority to enact laws and issue regulations regarding environmental protection and preservation of Brazilian fauna and flora, as well as the power to enforce such laws. States can only enact laws and issue regulations to supplement federal law, exerting full legislative power only in the absence of federal regulations. The municipalities have authority to enact laws and issue regulations only with respect to matters of local interest or to supplement federal and state laws.

The Brazilian environmental policy establishes that activities (i) considered actually or potentially polluting; (ii) that use natural resources; or (iii) that, in any manner, may result in environmental degradation, are subject to prior environmental licensing. This procedure is necessary both for the initial installation or expansion of any facility that meets any of those characteristics. The environmental licensing process generally follows three consecutive stages: preliminary license, installation license and operating license.

Regarding licensing procedures, municipalities have the jurisdiction to license facilities that only have a local environmental impact, pursuant to definitions issued by the State Environmental Council. The Brazilian federal government is responsible for the environmental licensing of projects and activities: (i) within the Brazilian inland borders; (ii) located in the Brazilian territorial sea, continental platform or exclusive economic zone (which term is defined under Brazilian law); (iii) located in indigenous lands; (iv) located in national parks or other federal conservation areas; (v) between two or more Brazilian states; (vi) of military nature; (vii) regarding radioactive material and/or nuclear power; (viii) of national interest, as defined in the Executive Order No. 8,437/ 2015. Finally, the states are responsible for the environmental licensing of all the other activities located within their borders.

The preparation of an environmental impact study and its corresponding environmental impact report, or EIA/RIMA, is required for purposes of licensing activities with significant environmental impact. In any such event, the company is required to pay a compensation fee for negative environmental impacts caused by the relevant project. This fee can amount to up to 0.5% of the total cost of the project. Since most of our main activities began before the enacting of the law that established the environmental compensation fee, we were not required to pay such compensation in those cases (projects performed before the year 2000). However, the activities started after the enactment of the National System of Conservation Units – SNUC’s law are subject to the obligation to pay environmental compensation. Therefore, new projects may require additional investments to compensate for the environmental impact.

We have licenses for the operation of our plants, which are generally valid for five years from date of issuance and may be renewed for additional five-year periods. The operating permits require, among other things, that we periodically report our compliance with environmental laws, regulations and standards. With regard to our plants, we are currently either (i) in compliance with all operating and environmental licenses or (ii) in the process of renewing these licenses.

Our forestry activities are regulated by the Brazilian federal government and the state governments of the states of São Paulo, Bahia, Espírito Santo, Minas Gerais, Rio Grande do Sul, Mato Grosso do Sul, Piauí, Tocantins and Maranhão. The planting and harvesting of trees can only be done in accordance with a project previously approved by the state agencies, except for the States of São Paulo and Mato Grosso do Sul, where a forestry license is not required. Furthermore, in observance of the new Forestry Code (Federal Law n. 12,651/2012), we must keep at least 20% of our rural landholdings covered with native forests or replanted with native plant species as a legal reserve (*reserva legal*). Legal reserves must be registered with a new registry system named the Rural Environmental Registration (*CAR – Cadastro Ambiental Rural*). In such system, the land owners shall provide information on all the environmentally protected areas to the supervisory agency. However, this restriction increases to 35% in the Cerrado biome and up to 80% in the Amazon forest biome. Also, according to federal law, native vegetation from areas along rivers and other water bodies as well as steep slopes and hilltops are to be treated as permanent preservation areas, which are essential to the conservation of water resources, scenery, animal, human and plant health, biodiversity and soil in the area. Our forestry operations are in compliance with all applicable laws and regulations. See “—Environmental Matters.”

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Our operations are subject to various environmental laws and regulations, including those relating to air emissions, effluent discharges, solid waste, odor and reforestation. In Brazil, individuals or legal entities that violate environmental laws can be punished by criminal sanctions that range from fines, imprisonment and confinement, in the case of individuals, to fines, restriction orders or dissolution, in the case of legal entities. In addition, administrative sanctions that can be imposed include, among others:

- fines that may reach up to R\$10 million if operating without a license and R\$50 million in the case of severe environmental damages;
- partial or total suspension of activities;
- forfeiture or restriction of tax incentives or benefits; and
- forfeiture or suspension of participation in credit lines with official credit establishments.

In addition to criminal and administrative sanctions, pursuant to Brazilian environmental laws, the violator must also provide compensation and reimbursement for the damage that was caused to the environment and third parties. At the civil level, there is joint and strict liability for environmental damages. This means that the obligation to compensate for the damage caused to the environment may affect each and every individual or legal entity directly or indirectly involved, regardless of the existence of actual fault by the agents involved. Therefore, the engagement of third parties to carry out any intervention in our operations, such as the final disposal of waste, does not exempt the contracting party from eventual damages to the environment caused by the contractor. In addition, environmental laws provide for the possibility of piercing the corporate veil, in relation to the controlling shareholder, whenever such corporate veil is an obstacle for the reimbursement of damages caused to the environment.

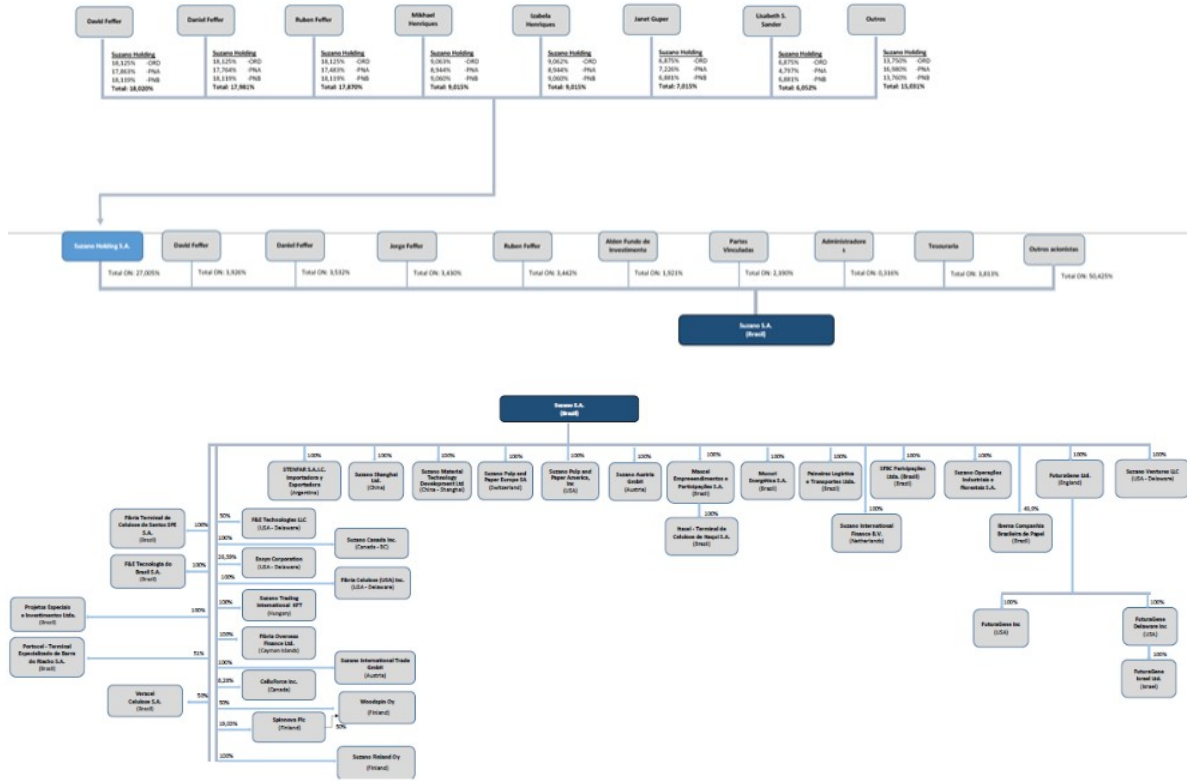
Using advanced technology, our operations comply with all applicable Brazilian laws and regulations, and we believe that we also meet all recognized international standards determined by institutions and agreements to which we or Brazil are signatories. In the past five years, we have not received any administrative penalties or warnings that might be considered relevant or material fines that might be considered relevant in respect of violations of Brazil's environmental laws or policies.

Insurance

We believe that we maintain adequate insurance coverage for our facilities with respect to our operational and commercial risks. Consistent with industry norms and practice in Brazil, we do not maintain insurance coverage for fire and other risks to our planted forests. Nonetheless, we adopt a series of measures, such as maintenance of a firefighting brigade and keeping the lanes between our production units of eucalyptus trees unobstructed, which historically has significantly prevented the spread of fires. We use the amounts we would otherwise pay as premiums for fire insurance to implement preventive and safety measures, such as installing fire towers and fire control equipment and training firefighting personnel. It is our policy to maintain insurance coverage for our inventory of wood.

Organizational Structure

The following chart shows our corporate structure as of December 31, 2022.

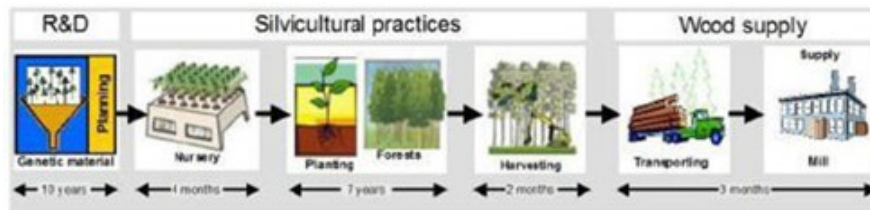


Property, Plant and Equipment

Eucalyptus Planted Forests

General

One of our greatest strengths is that we are a fully integrated low-cost producer of pulp and paper. That is due, in part, to the low cost of cultivating and processing eucalyptus trees compared to other species. As shown in the illustration below, the short growth cycle of our eucalyptus trees — seven years — presents a significant competitive advantage in relation to the costs associated with other fibers. For more information about our low wood costs, see “—Raw Materials—Wood.”



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Our planted forests along with those of our partners are concentrated in the south of the State of Bahia, in the state of Espírito Santo, in the state of Mato Grosso do Sul, in the state of São Paulo, in the east of the state of Minas Gerais, in the states of Rio de Janeiro and Rio Grande do Sul, in the states of Tocantins, Pará and in southwest of the state of Maranhão, and in north and east of the states of Maranhão and Piauí.

The table and chart below set forth the location and capacity of our planted eucalyptus forests as of December 31, 2022:

State	Planted Area (thousand hectares)	Conservation Area (thousand hectares)	Other (thousand hectares)	Total (thousand hectares)
São Paulo	215	129	16	360
Minas Gerais	22	37	2	61
Rio de Janeiro	2	1	—	3
Mato Grosso do Sul	496	257	108	861
Bahia ⁽¹⁾	267	207	24	498
Espírito Santo	152	109	12	273
Rio Grande do Sul	10	1	—	2
Tocantins, Maranhão, Pará, and Piauí	252	359	54	665
Total ⁽²⁾	1,405	1,101	216	2,723

(1) Includes the forests associated with the production facility of Veracel. Excludes forest base linked to the sale of forest assets in Southern Bahia State.

(2) Excludes forestry partnership program of 120 thousand hectares.



Map of location of eucalyptus planted forests

Assisted Growth

For new plantings, we use both seeds and clones selected for their characteristics, such as height and diameter, productivity per hectare, lack of branches below the crown, suitability to local soil and climate conditions, and resistance to disease. Saplings grown from selected seeds and clones are initially cultivated inside climate-controlled greenhouses for 30 days. These saplings are then transferred to outdoor nurseries, where they are allowed to grow for another 70 to 90 days, after which they are moved to be planted.

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We conduct research specific to each of our growing regions, utilizing general concepts of plant physiology and genetics. In the future, our productivity may increase through cloned hybrid cuttings or selected seeds. The research program also continues to seek ways to improve the uniformity of wood quality and maintain ecological balance by studying the soil, plant nutrition and pest control.

Harvesting

Eucalyptus trees are harvested by our employees and by independent contractors through an automated system and, in some cases, manually. Logs are generally transported to our pulp mills as needed and we store small amounts of logs at all of our production facilities. Logs to be used in our production facilities in São Paulo are currently stored in the forests for an average of two to five months to allow them to dry before transportation. In Bahia, logs are transferred to the mill 40 days after harvesting.

Plant Locations and Capacity

We produce pulp and paper products from ten facilities consisting of: (i) two integrated pulp and paper production facilities in the state of São Paulo (the Suzano and Limeira units) including fluff production, (ii) a non-integrated paper production facility in the state of São Paulo (the Rio Verde unit), and a Market Pulp production in the state of São Paulo (Jacaré unit), (iii) an integrated pulp, paper and tissue facility in the state of Bahia (the Mucuri unit), (iv) an integrated pulp and tissue facility in the state of Maranhão (the Imperatriz unit), (v) a market pulp production in the state of Mato Grosso do Sul (Três Lagoas unit), (vi) a market pulp production in the state of Espírito Santo (Aracruz unit) and (vii) two non-integrated tissue paper (Facepa) production in the states of Pará and Ceará (Belém unit and Fortaleza unit). The following table identifies our pulp and paper mills and sets forth the nominal total volume of the production capacity at each mill, as of December 31, 2022.

Unit/Location	Major Products	Production Capacity (in thousand tons per year)
Mucuri unit — Bahia	Integrated Pulp	200
	Market Pulp	1,480
	Paper	250
	Tissue	60
Suzano unit — São Paulo	Integrated Pulp	450
	Market Pulp	70
	Fluff ⁽¹⁾	100
	Paper ⁽¹⁾	550
Limeira — São Paulo	Integrated Pulp	290
	Market Pulp	400
	Paper	400
Rio Verde — São Paulo	Non-integrated Pulp	—
	Market Pulp	—
	Paper	50
Imperatriz unit	Integrated Pulp	60
	Market Pulp	1,590
	Paper	—
Tissue Facepa (Belém & Fortaleza)	Tissue	60
	Non-integrated Pulp	—
	Market Pulp	—
Aracruz — Espírito Santo	Tissue	30
	Market Pulp	2,340
Três Lagoas — Mato Grosso do Sul	Market Pulp	3,250
Jacaré — São Paulo	Market Pulp	1,100
Veracel ⁽²⁾ — Bahia	Market Pulp	560

(1) Flexibility to produce either fluff pulp or printing and writing paper.

(2) Represents 50% of the annual production capacity and production of Veracel's pulp mill.

ITEM 4. A. INFORMATION ON THE COMPANY

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion of our financial condition and operating results should be read in conjunction with our audited consolidated financial statements as of December 31, 2022 and 2021, and for each of the three years ended December 31, 2022, and the accompanying notes thereto, which have been prepared in accordance with IFRS as issued by the IASB, as well as with the information presented under “Presentation of Financial and Other Data” and “Item 3. Key Information — A. Selected Financial Data.”

The following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those discussed in the forward-looking statements for several reasons, including, without limitation, the risks described in “Forward-Looking Statements” and Item 3. “Key Information – Risk Factors.”

Overview

With almost 100 years of experience, we operate mainly in the pulp (paper grade and fluff) and paper (paperboard, printing and writing and tissue) segments. We believe that we are one of the largest vertically integrated producers of pulp and paper in Latin America and, according to Hawkins Wright, Suzano was the largest producer of eucalyptus pulp and virgin market pulp in the world in 2022. In common with other Brazilian eucalyptus pulp producers, we have the lowest cost of pulp production in the world. We believe our modern technology of plantation and harvesting and our strategic location for plantation facilities are among our competitive strengths.

We believe we are one of Brazil’s largest paper producers, and based on data from IBÁ, we accounted for nearly 43% of the printing and writing paper and 26% of the paperboard produced in Brazil in 2022.

Foreign Currency Impact in Our Operations

As a predominantly exporting company, our results are exposed to exchange variations. As such, fluctuations in the exchange rate, especially with regards to the U.S. dollars, may impact our operating results. We issue debt securities in the international markets as an important part of the capital structure that is also exposed to fluctuations in the exchange rate. The mitigation of these risks comes from our own exports, which creates a natural hedge. Furthermore, we employ U.S. dollar sales, in futures markets, including strategies with options, as a way to ensure attractive levels of operating margins for a portion of our income. The sales in future markets are limited to a percent of the currency over the 24-month horizon and, as such, are dependent on the availability of exchange ready for sale in the short-term.

Pulp Segment

The year of 2022 was characterized by positive fundamentals for the hardwood pulp market, mainly due to solid demand in the main markets and supply constraints, resulting in historical average price peaks in the period.

In the Chinese market, the demand for pulp for tissue papers proved resilient and stable, following the trend of a shift to online purchasing channels. The demand for Packaging and Printing and Writing paper remained stable, driven by an increase in export volumes, mainly to other Asian markets. In addition, the difference between softwood and hardwood pulp prices throughout the year favored greater consumption of the latter.

In Europe, despite the geopolitical and economic context, demand remained healthy, especially for tissue and specialty papers. In the North American market, the demand for tissue papers showed a growth trend at pre-pandemic levels and the printing and writing segment also showed growth when compared to the previous year.

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On the supply side, there was a restriction in the availability of hardwood pulp throughout the period, which can be explained by: i) labor strikes in Europe; ii) sanctions imposed on Russian wood, resulting from the conflict between Russia and Ukraine; iii) residual difficulties in the logistics chain; iv) unscheduled stoppages due to climatic factors; and v) postponement of the entry of new capacity expected.

In this context, Suzano presented a marginally higher sales volume in comparison with the previous year, as a result of strong commercial activity. Our sales volume in 2022 increased slightly, from 10.59 million tons in 2021 to 10.60 million tons in 2022. Net revenue from pulp sales totaled R\$41,384.32 million in 2022 (an increase of 19.2% compared to 2021) due to higher pulp prices. The share of pulp revenue from exports was 94%, while the domestic market accounted for 6%. With regard to distribution for end use, 63% of pulp sales went to sanitary paper production, 16% to printing and writing paper, 14% to special papers and 7% to other uses.

The average net pulp selling price was US\$756/ton in 2022 (an increase of 24% compared to 2021), while average net price in *reais* stood at R\$3,904/ton (an increase of 19% compared to 2021).

Paper Segment

According to the IBÁ, domestic sales of printing and writing paper and paperboard decreased 1% in 2022 compared to 2021, while imports increased 24%.

Company's domestic sales remained practically on the same level of 2021, as we had a strong comparison period last year, for Printing & Writing papers, and a continued strong performance of paperboard supported by domestic consumption of essential goods. Paper sales increased to 1.31 million tons in 2022, compared to 1.29 million tons in 2021.

In 2022, our net revenue from paper sales totaled R\$8,447 million, a 35.1% increase from 2021. Net revenue from domestic and export increased 33.7% and 38.4%, respectively, with 69.4% coming from domestic sales and 30.6% from exportations. The geographic breakdown of our total revenue from paper sales in 2022 was 88.8% in Latin America (including Brazil), 7.2% in North America and 4.0% in other regions.

The average net paper price in 2022 was R\$6,467/ton, 34% higher than in 2021. In the domestic market, the average net paper price was R\$6,159/ton, a 30% increase compared to 2021. In the international market, average price was US\$1,412/ton, a 51% increase compared to 2021. In Brazilian *real*, the average price in the international market was R\$7,294/ton, 45% higher than in 2021.

Off-Balance Sheet Arrangements

We participate in a number of off-balance sheet arrangements, mainly related to guarantees and take or pay contracts. We also have a number of swap transactions as described in "Item 11. Quantitative and Qualitative Disclosures about Market Risk." All of these transactions are further described elsewhere in this annual report. See notes 4 and 24 to our audited consolidated financial statements.

A. Operating Results

Results of operations

The following discussion of our results of operations is based on our audited consolidated financial statements as of December 31, 2022 and 2021 and for the three years ended December 31, 2022. For a discussion of our results of operations for the year ended December 31, 2021 compared to the year ended December 31, 2020, please see "Item 5. Operating and Financial Review and Prospects—A. Operating Results—Results of Operations— Year ended December 31, 2021 Compared to Year Ended December 31, 2020" of our annual report on Form 20-F for the year ended December 31, 2021.

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References to increases or decreases in any year or period are made by comparison with the corresponding prior year or period, except as the context otherwise indicates.

	For the year ended December 31,			
	2022 US\$(3)	2022 (in thousands of R\$), except per share data	2021	2020
Net sales	9,550,366	49,830,946	40,965,431	30,460,277
Cost of sales	(4,757,132)	(24,821,288)	(20,615,588)	(18,966,331)
Gross profit	4,793,234	25,009,658	20,349,843	11,493,946
Operating income (expenses)				
Selling	(475,917)	(2,483,194)	(2,291,722)	(2,174,652)
General and administrative	(327,686)	(1,709,767)	(1,577,909)	(1,443,192)
Income from associates and joint ventures	54,501	284,368	51,912	36,142
Other Operating Income, net	214,983	1,121,716	1,648,067	531,150
Operating profit before net financial income (expenses)	4,259,115	22,222,781	18,180,191	8,443,394
Net financial income (expenses)				
Financial expenses	(879,769)	(4,590,370)	(4,221,301)	(4,459,425)
Financial income	18,533	967,010	272,556	327,475
Derivative financial instruments	1,295,890	6,761,567	(1,597,662)	(9,422,682)
Monetary and exchange variations, net	631,426	3,294,593	(3,800,827)	(12,530,891)
Net income (loss) before taxes	5,491,995	28,655,581	8,832,957	(17,642,129)
Income taxes				
Current	(97,916)	(510,896)	(292,115)	(181,926)
Deferred	(910,324)	(4,749,798)	94,690	7,109,120
Net income (loss) for the period	4,483,755	23,394,887	8,635,532	(10,714,935)
Result of the period attributed to the controlling shareholders	4,481,212	23,381,617	8,626,386	(10,724,828)
Result of the period attributed to non-controlling shareholders	2,543	13,270	9,146	9,893
Earnings (loss) per share				
Basic (1)	3.369	17.57724	6.39360	(7.94890)
Diluted (2)	3.368	17.57305	6.39205	(7.94890)

- (1) Basic earnings per share is calculated using the income attributable to controlling shareholders divided by the weighted average number of outstanding common shares.
- (2) Diluted earnings per share is calculated based on the results attributable to the controlling shareholders divided by the weighted average number of outstanding common shares, subtracted from the potential dilutive effect generated by the conversion of all common shares. Due to the loss recorded in the period, we do not consider the dilution effect in the calculation
- (3) In thousands of US\$, except per share data. For convenience purposes only, amounts in *reais* in the year ended December 31, 2022 have been translated to U.S. dollars using a rate of R\$5.2177 to US\$1.00, the commercial selling rate for U.S. dollars at December 31, 2022 as reported by the Central Bank of Brazil.

Year ended December 31, 2022 compared to year ended December 31, 2021

Our net sales revenue increased 21.6%, or R\$8,865.5 million, from R\$40,965.4 million in the year ended December 31, 2021 to R\$49,830.9 million in the corresponding period in 2022, mainly due to (i) 24.2% increase in pulp prices in U.S. dollars, (ii) 39.9% increase in paper prices in U.S. dollars.

Our net sales revenue from pulp increased 19.2%, or R\$6,669.1 million, from R\$34,715.2 million in the year ended December 31, 2021 to R\$41,384.3 million in the corresponding period in 2022, mainly due to 24.2% increase in pulp prices in U.S. dollars. Our net sales revenue from pulp represented 84.7% of total net sales revenue in the year ended December 31, 2021, compared to 83.0% in the corresponding period in 2022.

Our net sales revenue from pulp exports increased 19.6%, or R\$6,342.2 million in 2022, from R\$32,376.4 million in the year ended December 31, 2021 to R\$38,718.6 million in the corresponding period in 2022, mainly due to 24.2% increase in pulp exports prices in U.S. dollars, and. Net revenues from pulp exports represented 77.7% of total net revenues in the year ended December 31, 2022.

Our average international net sales price of pulp in the year ended December 31, 2022 increased 24.2%, or US\$148.1/ton, from US\$613/ton in the year ended December 31, 2021 to US\$761/ton in the corresponding period in 2022. In the domestic market, our average net pulp sales price increased 25.7%, or US\$138.7/ton, from US\$544/ton in the year ended December 31, 2021 to US\$687 ton in the corresponding period in 2022.

Our net sales revenue from paper increased 35.0%, or R\$2,196.4 million, from R\$6,250.2 million in the year ended December 31, 2021 to R\$8,446.6 million in the corresponding period in 2022. Net sales revenue from paper represented 15.3% of total net sales in the year ended December 31, 2021, compared to 17.0% in the corresponding period in 2022. The increase in net sales revenue from paper in the year ended December 31, 2022 compared to the corresponding period in 2021 is mainly due to higher prices as volumes remains stable growing less than 1%. Net revenues from paper exports represented 5.2% of total net revenues in the year ended December 31, 2022. Our net sales revenue from paper in the domestic market increased 33.7%, or R\$1,478.3 million, from R\$4,380.6 million in the year ended December 31, 2021 to R\$5,858.9 million in the corresponding period in 2022, impacted mainly by sales price increase.

The average international net paper sales price in 2022 increased 51.3%, or US\$478.8/ton, from US\$933.2/ton in the year ended December 31, 2021 to US\$1,412.0/ton in the corresponding period in 2022. In the domestic market, the average net paper sales price increased 29.8%, or R\$1,412.5/ton, from R\$4,746.5/ton in the year ended in December 31, 2021 to R\$6,159.0/ton in the corresponding period in 2022.

Cost of sales

Our total cost of sales increased 20.4%, or R\$4,205.7 million, from R\$20,615.6 million in the year ended December 31, 2021 to R\$24,821.3 million in the corresponding period in 2022, mainly due to higher input costs, specially brent and caustic soda, as well as wood and fixed costs.

Gross profit

Our gross profit increased 22.9%, or R\$4,659.9 million, from R\$20,349.8 million in the year ended December 31, 2021 to R\$25,009.7 million in the corresponding period in 2022, due to the factors mentioned above. Our gross margin in the year ended December 31, 2021 was 49.7% compared to 50.2% in the corresponding period in 2022, mainly due to increase in sales price, partially offset by the increase in total cost of sales, as described above.

Selling, general and administrative

Our selling expenses increased 8.4%, or R\$191.5 million, from R\$2,291.7 million in the year ended December 31, 2021 to R\$2,483.2 million in the corresponding period in 2022. The main variation is due to the inflation pressure on logistics cost, in turn largely related to commodity prices increase.

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Our general and administrative expenses increased 8.4%, or R\$131.9 million, from R\$1,577.9 million in the year ended December 31, 2021 to R\$1,709.8 million in the corresponding period in 2022. The variation is due to an increase in personnel expenses.

Income from associates and joint ventures

Our income from associates and joint ventures, increase R\$ 232.5 million, from R\$51.9 million in the year ended December 31, 2021 to R\$284.4 million in the corresponding period in 2022. The increase is mainly due to (i) gain in equity result (ii) the realization of comprehensive income related to the foreign exchange variation of Suzano Trading Ltd.'s overseas investment, due to the company incorporation on September 30, 2022

Other Operating Income, net

Our other operating income (expenses), decreased R\$526.4 million, from R\$1,648.1 million in the year ended December 31, 2021 to R\$1,121.7 million in the corresponding period in 2022. The decrease is mainly due to (i) the updated fair value of biological assets, which happens in the second and fourth quarters of each year (ii) the recognition of a tax credit arising from the exclusion of VAT (ICMS) from PIS and COFINS tax basis.

Operating profit before net financial income (expenses)

Our operating profit before net financial income (expense) increased 22.2%, or R\$4,042.6 million, from a profit of R\$18,180.2 million in the year ended December 31, 2021 to a profit of R\$22,222.8 million in the corresponding period in 2022, due to the facts mentioned above. Our operating margin in the year ended December 31, 2021 was 44.4% compared to 44.6% in the corresponding period in 2022. This increase is mainly due to increase in sales price benefiting net revenues.

Net financial income (expenses)

Our net financial income (expenses) increased R\$15,780.0 million, from a loss of R\$9,347.2 million for the year ended December 31, 2021 to a gain of R\$6,432.8 million in the corresponding period in 2022. This increase was largely due to (i) an increase in expenses (income) from monetary and exchange rate variation, net of R\$7,095.4 million, and (ii) an increase in expenses (income) from derivative financial instruments of R\$8,359.2 million in the year ended December 31, 2022 compared to the same period of 2021 as described in note 27 to our audited consolidated financial statements.

Net income (loss) before taxes

Our net income (loss) before taxes increased R\$19,822.6 million, from R\$8,832.9 million in the year ended December 31, 2021 to a R\$28,655.6 million in the same period in 2022. This result was largely impacted by the factors mentioned above.

Income taxes

Our income taxes increased 2,564.7% or R\$5,063.3 million, from R\$197.4 million in the year ended December 31, 2021, compared to R\$5,260.7 million during the corresponding period in 2022. This increase was largely due to the fact that in the year ended December 31, 2022, there was an increase in profit before income taxes compared to a profit before income taxes in the same period of 2021. The increase in the effective rate of income and social contribution tax expenses from 2.2% in the year ended December 31, 2021 to 18.4% in the corresponding period in 2022 is mainly due to the increase of the tax effect on temporary differences in the year ended December 31, 2022 compared to the corresponding period in 2021, as follows (i) an increase of R\$2,700 million on Taxation (difference) on MtM ("mark-to-market") over foreign exchange; (ii) an increase of R\$2,093 million on MtM over derivatives – for further details, please refer to Financial Statements – note 12.1.3).

Net income (loss) for the year

Our net income increased 170.9% or R\$14,759.4 million, from R\$8,635.5 million in the year ended December 31, 2021 to a net gain of R\$23,394.9 million during the corresponding period in 2022. This result was mainly due to the factors mentioned above.

B. Liquidity and Capital Resources

Sources and Uses of Funds

Our cash flow from operating, investing and financing activities is affected by various factors. The key factors that affect our cash flow from operations are (i) the volume of product sold and the market price of pulp, (ii) the exchange rate between *reais* and U.S. dollars and (iii) the cost of our raw materials. Investing activities are mainly affected by (i) our capital expenditure program and (ii) our decision to divest some of our assets, such as fixed assets and biological assets. Finally, our cash flow from financing activities is directly related to the level of new debt we have incurred and on the repayment of existing debt.

In our opinion, we believe that our working capital is sufficient for our present requirements. Our primary sources of liquidity have historically been cash flows from operating and financing activities and short-term and long-term borrowings.

Our material cash requirements have historically included the following:

- working capital;
- debt service; and
- capital expenditures.

Long-term borrowings have generally been used to finance our major capital expenditure projects and have historically been sourced principally by either export prepayment contracts under which we, or one of our wholly owned subsidiaries, borrow funds by offering the guarantee of export contracts, issuance of Agribusiness Receivables Certificates (“CRA”), or capital expenditures acquisition financing programs offered by BNDES. The scheduled maturities of these long-term loans have been structured to match the expected cash flow from the conclusion of the related capital expenditure projects and, as a result, reduce the risk of any significant deterioration of our liquidity position. We also rely on bonds or notes issued in the international markets by wholly-owned subsidiaries, mainly domiciled in other countries.

As of December 31, 2022 and 2021, our cash and cash equivalents were R\$9,506.0 million and R\$13,590.8, respectively. Of our cash and cash equivalents and marketable securities held as of December 31, 2022, 28% was denominated in *reais* invested in both public and private financial investments. The remaining 72% of our cash, cash equivalents and marketable securities was denominated in U.S. dollars.

We also have access to two RCF (Revolving Credit Facilities) in the total amount of US\$ 1,275.0 million. US\$100.0 million is available until February 2024 and US\$1,175.0 million until February 2027.

The fair value of derivative financial instruments represented a positive net balance of R\$27.0 million as of December 31, 2022.

As of December 31, 2022, our balance sheet presented a stable working capital balance (current assets less current liabilities) of R\$22,630.1 million compared to R\$22,551.7 million on December 31, 2021. Our current assets as of December 31, 2022, were equivalent to 2.6 times our current liabilities.

For 2023, we have already announced to the market, as approved by our board of directors, the intention to invest R\$6,360.2 billion as maintenance capex (for further information please see “– Capital Expenditures” below). This will primarily be financed by the cash and cash equivalents and cash generation for 2023.

For the year of 2023, we also believe that we will be able to access either capital or banking markets, if necessary.

With respect to long term capital needs, we use a model of ten years to monitor our needs in a series of scenarios and variables, including currency exchange rates and commodity prices, with the intention to preserve the liquidity and improve the capital structure. In this context, we work to anticipate exercises of liability management to improve liquidity or if conditions are favorable.

All of our future liquidity conditions rely on a series of scenarios and may be adversely affected depending on market and other conditions. Actual liquidity may differ significantly for several reasons, including, without limitation, the risks described in “Forward-Looking Statements” and Item 3. “Key Information – Risk Factors.”

Operating Activities

Our net cash provided by operating activities totaled R\$21,640.6 million in the year ended December 31, 2022, compared to net cash provided in operating activities of R\$17,637.5 million in the year ended December 31, 2021. This increase of R\$4,003.1 million was primarily due to higher operating cash generation.

Investing Activities

Our net cash used in investing activities totaled R\$17,015.8 million during the year ended December 31, 2022, compared to net cash used in investing activities of R\$10,358.7 million in the year ended December 31, 2021. During the year ended December 31, 2022 investing activities for which our used cash primarily consisted of (i) R\$9,791.2 million used in additions to property, plant and equipment, (ii) R\$4,957.4 million used in additions to biological assets and (iii) cash invested in assets acquisitions net in the amount of R\$2,079.5 million.

Financing Activities

Our financing activities used net cash of R\$8,107.2 million during the year ended December 31, 2022 compared to net cash used in financing activities of R\$1,573.9 million in the year ended December 31, 2021. During the year ended December 31, 2022, our principal sources of financing were (i) R\$1,336.7 million in loans and financing, which mainly consisted of R\$1,093.0 in financing programs offered by BNDES, (ii) repayment of R\$282.2 million of derivative transactions. During the year ended December 31, 2022, our principal uses of financing was repayment of R\$2,517.9 million of loans, financing and debentures.

Capital Expenditures

Our capital expenditures (capital expenditures incurred – cash basis) totaled R\$16,308.6 million in the year ended December 31, 2022, in comparison to R\$6,342.4 million in the year ended December 31, 2021. In the year ended December 31, 2022, the amount of R\$5,632 million was allocated to industrial and forestry maintenance. Investments in projects related Expansion, Modernization, Port Terminals and others amounted to R\$3,309.9 million. Investments related to Cerrado Project amounted to R\$7,367.1 million.

The approved budget of our capital expenditures for 2023, amounting to R\$18,494.8 million, encompasses remaining investments in projects previously disclosed to the market, such as investment in potential new investments in lands and forests that may increase our future competitiveness and maintain options for the future growth of our business. The increase compared to 2022 is largely due to greater investment in the Cerrado Project, considering industrial investments, forestry, infrastructure and logistics, as disclosed in the Material Fact of December 1, 2022.

Indebtedness

As of December 31, 2022, our total consolidated outstanding indebtedness (which includes current and non-current loans, financing and debentures) was R\$74,574.6 million, of which R\$3,335.0 million represented current indebtedness (R\$3,301.3 million refers to loans and financing and R\$33.7 million refers to debentures) and R\$71,239.6 million represented non-current indebtedness (R\$65,818.5 million refers to loans and financing and R\$5,421.1 million refers to debentures). The description of our consolidated financings and loans is presented below:

Type	Interest rate	Average annual interest rate - %	Current		Non-current		Total		
			December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022 (1)	December 31, 2022	December 31, 2021
			(in thousands of R\$)		(in thousands of R\$)		(in thousands of US\$)		
In foreign currency									
BNDES	UMBNDDES	5.2	11,207	14,399		11,952	2,148	11,207	26,351
Bonds	Fixed	5.0	907,059	972,053	43,218,286	46,253,007	8,456,857	44,125,345	47,225,060
Export credits (Pre-payment / ACC)	Libor/Fixed	5.7	156,156	818,896	16,779,064	17,916,691	3,245,725	16,935,220	18,735,587
Financial Leasing	SOFR	3.8	26,755	—	113,217	—	26,826	139,972	—
Others			5,980	782	—	—	1,146	598	782
			1,107,157	1,806,130	60,110,567	64,181,650	11,732,703	61,217,724	65,987,780
In local currency									
BNDES	TJLP	8.4	69,495	67,499	246,004	312,077	60,457	315,499	379,576
BNDES	TLP	12.0	41,640	32,854	1,775,991	703,502	348,359	1,817,631	736,356
BNDES	Fixed	4.7	18,666	24,672	4,011	22,611	4,346	22,677	47,283
BNDES	SELIC	15.2	67,115	35,086	814,320	782,685	168,932	881,435	817,771
CRA (“Agribusiness Receivables Certificates”)	CDI/IPCA	12.7	1,829,966	1,561,639	—	1,687,560	350,723	1,829,966	3,249,199
Export credit note	CDI	12.8	76,463	39,535	1,277,616	1,276,330	259,516	1,354,079	1,315,865
Rural producer certificate	CDI	12.7	13,144	7,335	274,127	273,852	55,057	287,271	281,187
Export credits (“Pre-payment”)	Fixed	8.1	77,694	77,694	1,315,813	1,314,737	267,073	1,393,507	1,392,431
Debentures	CDI	14.2	3,369	2,198	5,421,113	5,418,088	1,045,442	5,454,802	5,440,068
Others (revolving cost, working capital, FDI and fair value adjustment on business combination)			—	(18,887)	—	—	—	—	(18,887)
			2,227,872	1,849,407	11,128,995	11,791,442	2,559,915	13,356,867	13,640,849
			3,335,029	3,655,537	71,239,562	75,973,092	14,292,618	74,574,591	79,628,629
Interest on financing			1,238,623	1,204,490	—	—	237,389	1,238,623	1,204,490
Non-current funding			2,096,406	2,451,047	71,239,562	75,973,092	14,055,229	73,335,968	78,424,139
			3,335,029	3,655,537	71,239,562	75,973,092	14,292,618	74,574,591	79,628,629

Notes:

- (1) For convenience purposes only, amounts in *reais* for the year ended December 31, 2022 have been translated to U.S. dollars using a rate of R\$5.2177 to US\$1.00, the commercial selling rate for U.S. dollars at December 30, 2022 as reported by the Central Bank of Brazil. These translations should not be considered representations that any such amounts have been, could have been or could be converted into U.S. dollars at that or at any other exchange rate.

Debt

Our major categories of long-term indebtedness are described below. The total amounts given below include accrued interest.

- Export financing lines in the total outstanding amount of US\$3,772.3 million as of December 31, 2022 (equivalent to R\$19,682.8 million)⁽¹⁾. This category includes export pre-payment facilities (syndicated and bilateral loans) and export credit notes.
- U.S. dollar-denominated fixed rate notes in the total outstanding amount of US\$8,456.9 million as of December 31, 2022 (equivalent to R\$44,125.3 million)⁽¹⁾. We have issued in public offerings several series of fixed-rate debt securities, through our subsidiaries, guaranteed by us.
- Certificates of Agribusiness Receivables in the total outstanding amount of US\$350.8 million as of December 31, 2021 (equivalent to R\$1,830.0 million)⁽¹⁾.

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- Debentures in the total outstanding amount of US\$ 1.045.4 million as of December 31, 2022 (equivalent to R\$5,454.8 million) (1).

Note:

(1) For convenience purposes only, amounts in reais for the year ended December 31, 2022 have been translated to U.S. dollars using a rate of R\$5.2177 to US\$1.00, the commercial selling rate for U.S. dollars at December 30, 2022 as reported by the Central Bank of Brazil. These translations should not be considered representations that any such amounts have been, could have been or could be converted into U.S. dollars at that or at any other exchange rate.

We have two credit lines available, as of December 31, 2022, with international banks, which will mature in 2024 and 2027, as detailed below. The revolving credit lines allow more efficient cash management, consistent with our strategic focus on reduction of cost of capital. As of December 31, 2022, we had no outstanding drawn amounts under either facility and the total amount available under these facilities was US\$1,275.0 million.

Banco Nacional de Desenvolvimento Econômico e Social (BNDES)

On March 29, 2022, the Company raised R\$243 million with BNDES at an interest rate of long-term rate (TLP), plus 2.33% per year, with two years of grace period and maturity on May 2036. The resources were applied on Industrial Projects.

On September 29, 2022, the Company raised R\$50 million with BNDES at an interest rate of long-term rate (TLP) plus 1.77% per year, with seven years of grace period and maturity on November 2034. The resources were applied on Forestry Projects.

On November 29, 2022, the Company raised R\$400 million with BNDES at an interest rate of long-term rate (TLP) plus 1.75% per year, with two years of grace period and maturity on October 2042. The resources were applied on Industrial Projects.

On December 27, 2022, the Company raised R\$400 million with BNDES at an interest rate of long-term rate (TLP) plus 1.65% per year, with seven years of grace period and maturity in December 2037. The resources were applied on Forestry Projects.

To each financing operation with BNDES, the Company is obliged to use the asset financed as collateral.

Export Credit Supported Facility

On November 1, 2022, the Company signed a new credit facility (Export Credit Supported Facility) with Finnish Export Credit – FEC guaranteed by Finnvera, a Finnish export credit agency, in the amount of up to US\$800 million or its equivalent in euros. The cost of the facility is 4.63% per year, with an amortization schedule starting in 2025 for ten years. The resources are destined to the Cerrado Project. By December 31, 2022, the line was fully available, and no disbursements were made.

International Finance Corporation (IFC) A&B Loan

On December 22, 2022, the Company signed a new credit facility (“A&B Loan”), to be funded by International Finance Corporation (IFC) and a syndicate of commercial banks, in the amount of US\$600 million. The credit line is comprised of the following tranches: (i) “A-loan”, of US\$250 million, funded by IFC, at the cost of Term SOFR + 1,80% per year and an eight-year tenor, with a six-year grace period; and (ii) “B-Loan”, a syndicated loan of US\$350 million, at the cost of Term SOFR + 1,60% per year, and seven-year tenor, with a five-year grace period of principal amount. By December 31, 2022, the line was fully available, and no disbursements were made.

The new credit facility has sustainability key performance indicators (KPIs) associated with the following goals: (a) reducing the intensity of greenhouse gas (GHG) emissions; and (b) increasing the representativeness of women in leadership positions in the Company, evidencing Suzano’s commitment to a more efficient usage of natural resources in its operations and with diversity & inclusion, in line with the implementation of its Commitments to Renewing Life published in February 2020. The resources will be destined to Cerrado Project.

Payments on maturity

Bonds

Senior Notes 2025

On November 9, 2017, Fibria Celulose S.A., through its subsidiary Fibria Overseas Finance Ltd., concluded the issuance of “Bond Fibria 2025”, in the amount of US\$600 million, with a coupon of 4% p.a. and semi-annual payments, maturing in 2025. The funds were received on November 14, 2017 and were used to prepay debts.

The proceeds obtained from the issuance of Senior Notes 2031 were used for a partial settlement through a tender offer of US\$260 million of Senior Notes 2025 at the price of 106.6% of the issue value plus the proportional interest in circulation. The settlement of the process of repurchase occurred on September 15, 2020.

Green Bonds 2026 (Senior Notes 2026)

On July 7, 2016, Suzano S.A. subsidiary Suzano Austria GmbH issued Senior Notes totaling US\$500 million, with a coupon of 5.75%, with semi-annual interest payments, maturing in 2026. The Senior Notes comply with the Green Bonds Principles established by the International Capital Market Association. Suzano invested the proceeds in sustainable projects in forest management, restoration of native forests, maintenance or development of environmental preservation areas, water management, energy efficiency, renewable energy, and reduction of greenhouse gas emissions,

On September 5, 2017, the Company reopened Senior Notes 2026 in the additional volume of US\$200 million, with interest corresponding to 4.625% p.a., to be paid semiannually, and maturing on July 14, 2026.

The proceeds obtained from the issuance of Senior Notes 2031 were used for a partial settlement through a tender offer of US\$183 million of Senior Notes 2026 at the price of 115.2% of the issue value plus the proportional interest in circulation. The settlement of the process of repurchase occurred on September 15, 2020.

Green Bonds 2027 (Senior Notes 2027)

On January 11, 2017, Fibria Celulose S.A., through its subsidiary Fibria Overseas Finance Ltd., concluded the issuance of “Green Bond Fibria 2027”, in the amount of US\$700 million, with a coupon of 5.5% p.a. and semi-annual payments, maturing in 2027. The funds received were dedicated to investments in environmental projects that contributed to the achievement of the Company’s long-term sustainability goals.

Sustainability-Linked Notes 2028 (Senior Notes 2028)

On September 8, 2021, Suzano S.A. subsidiary Suzano Austria GmbH issued Senior Notes totaling US\$500 million, with a coupon of 2.50%, with semi-annual interest payments, maturing in 2028. The Notes have the same environmental performance indicators (KPI) assumed by the Senior Notes 2032 (see below) and are fully guaranteed by the Company. However, in case of non-compliance with any of the indicators, the increase in interest rates will be of 25.0 basis points by target.

Senior Notes 2029

On September 17, 2018, Suzano S.A. subsidiary Suzano Austria GmbH issued Senior Notes in the amount of US\$1 billion, with a coupon of 6% per annum, with semi-annual interest payments, maturing in January 2029.

On January 29, 2019, Suzano Austria GmbH reopened the Senior Notes 2029 with the additional issue of debt securities in the amount of US\$750 million. The notes mature in January 2029 and were issued with interest of 5.465% p.a., which will be paid semiannually.

Senior Notes 2030

On May 21, 2019, Suzano S.A. subsidiary Suzano Austria GmbH issued Senior Notes in the aggregate amount of US\$1 billion, with a coupon of 5%, to be paid semiannually, and maturing in January 2030.

Sustainability-Linked Notes 2031 (Senior Notes 2031)

On September 14, 2020, Suzano S.A. subsidiary Suzano Austria GmbH issued Senior Notes totaling US\$750 million, with a coupon of 3.75% p.a., to be paid semiannually and maturing on January 15, 2031. The Notes have environmental performance indicators (“KPIs”) associated with a goal of reducing GHG emissions of the Company by 2025. Under the terms of the Notes, if the Company does not satisfy the Sustainability Performance Target and provide confirmation thereof to the Trustee together with a related confirmation by the External Verifier at least 30 days prior to July 16, 2026, the interest rate payable on the Notes will be increased by twenty-five basis points from July 16, 2026 to the Maturity Date.

On November 19, 2020, Suzano Austria GmbH made an additional issuance of debt securities under Senior Notes 2031, in the principal amount of US\$500 million, with yield to maturity of 3.10% p.a.

Sustainability-Linked Notes 2032 (Senior Notes 2032)

On July 1, 2021, Suzano S.A. subsidiary Suzano Austria GmbH issued Senior Notes totaling US\$1 billion, with a coupon of 3.125%, with semi-annual interest payments and maturing in 2032. The Notes have environmental performance indicators associated with a goal of (i) reducing the industrial water withdrawal intensity and (ii) achieving 30% in the representative of women in leadership positions in the Company. Under the terms of the Senior Notes 2032, from July 16, 2027 until the maturity date, the interest rate payable will increase by 12.5 basis points unless the Company provides confirmation to the Trustee together with a related confirmation by the External Verifier at least 30 days prior to July 16, 2027, of compliance with the target of reducing industrial water withdrawal to a volume less than or equal to 26.1m³ per ton produced, calculated using the average of realized values in 2025 and 2026. In parallel, from July 16, 2026 until the due date, the interest rate payable will increase by 12.5 basis points unless we provide confirmation to the trustee, together with a confirmation issued by the external expert at least 30 days prior to July 16, 2026, that the target of 30% or more women in leadership positions has been met by December 31, 2025.

Senior Notes 2047

On March 9, 2017, Suzano S.A. subsidiary Suzano Austria GmbH issued Senior Notes totaling US\$300 million, with a coupon 7.0% p.a., to be paid semiannually and maturing in March 2047.

On September 5, 2017, the Company reopened Senior Notes 2047 in the additional volume of US\$200 million, with yield corresponding to 6.3% p.a. Suzano used the proceeds for general corporate purposes and to repurchase US\$146 million in the Senior Notes due 2021 bonds.

On November 6, 2018, the Company made a new reopening on Senior Notes 2047 in the amount of US\$500 million.

On May 21, 2019, Suzano Austria GmbH issued an additional amount of US\$ 250 million at a yield of 6.245% p.a.

The Company has fully and unconditionally guaranteed each of the foregoing issuances made respectively by Fibria Overseas Finance Ltd. and Suzano Austria GmbH, each of which is a wholly-owned finance subsidiary of Suzano S.A.

Export Prepayment Agreements (EPPs)

On February 25, 2019, Suzano S.A. entered into an export prepayment agreement in the amount of R\$738.8 million, with annual interest payment of 8.35% p.a. and maturing in 2024.

On June 14, 2019, Suzano S.A. entered into an export prepayment agreement in the amount of R\$578.4 million, with annual interest payment of 7.70% p.a. and maturing in 2024.

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On June 14, 2019, Suzano S.A., through its wholly owned subsidiary Suzano International Trade GmbH (formerly known as Fibria International Trade GmbH) and Fibria Overseas Finance Ltd., entered into a syndicated export prepayment transaction in the amount of US\$750 million, with a term of six years, grace period of five years and quarterly interest payments of 1.15% plus Libor 3M. On December 27, 2021 the Company, concluded a transaction to extend the debt maturity date to 2027.

On February 14, 2020, Suzano S.A., through its wholly owned subsidiary Suzano Pulp and Paper Europe S.A., entered into a syndicated export prepayment agreement in the amount of US\$850 million with a term of six years and maturity in February 2026, grace period of 4 years and quarterly interest payments of 1.15% plus Libor 3M.

On February 10, 2021, Suzano S.A., through its subsidiary Suzano Pulp and Paper Europe S.A. (“Suzano Europe”), entered into a sustainability-linked export prepayment agreement in the amount of US\$1.57 billion maturing in six years, with quarterly interest rate payment of LIBOR plus 1.15%, which may be subject to positive or negative adjustments ranging from -2bps/+2bps p.a. depending on our progress in achieving certain milestones towards satisfying key performance metrics (“KPIs”) related to our industrial water withdrawals and greenhouse gas emissions, to be confirmed by an independent external verifier.

Revolving Credit Facility (RCF)

On February 20, 2019, Suzano S.A., through its wholly owned subsidiary Suzano Pulp and Paper Europe S.A., entered into a syndicated Revolving Credit Facility agreement in the amount of US\$500 million, available until February 2024.

On February 8, 2022, Suzano S.A., through its subsidiaries Suzano Pulp and Paper Europe S.A. and Suzano International Trade GmbH, in order to improve the management of its financial liquidity, structured a new Revolving Credit Facility, increasing the total available through revolving credit lines from US\$500 million to US\$1.275 billion. Of the new total amount, US\$100 million is available until February 2024. The additional amount of US\$1.175 billion is available until February 2027 and has the same financial costs as the line available to February 2024. As of March 2023, the full amount is available, but had not been used.

Debentures

On June 29, 2018, Suzano S.A. issued R\$4.68 billion in its sixth debenture issuance, single series, non-convertible, maturing in June 2026 with interest rate of 112.50% of CDI. For the full amount of the issuance, the Company contracted the respective hedge in U.S. dollar at the cost of 5.74% per annum.

On October 17, 2019, Suzano S.A. issued R\$750 million in its eighth debenture issuance, single series, non-convertible, maturing in September 2028 with interest rate of 100% of CDI plus spread of 1.20% p.a.

Banco Nacional de Desenvolvimento Econômico e Social (BNDES)

As of March 31, 2023, Suzano S.A. had 74 different contracts with BNDES registered in its financial statements (including lines raised by Veracel Celulose S.A.), in a total principal amount of R\$3.1 billion. Drawdown dates vary between 2013 and 2023 and maturity dates fall between 2023 and 2042.

Agribusiness Credit Receivables (CRA)

On June 23, 2016, Fibria Celulose S.A. concluded the public distribution of R\$470 million in Agribusiness Credit Receivables, issued by Eco Securitizadora de Direitos Creditórios do Agronegócio S.A., backed in export credit notes issued by the Company. The amount will be due by June 2023, with annual interest payments and cost at IPCA (inflation) plus 5.9844% per annum.

On August 15, 2016, Fibria Celulose S.A. concluded the public distribution of R\$374 million in Agribusiness Credit Receivables, issued by Eco Securitizadora de Direitos Creditórios do Agronegócio S.A., backed in export credit notes issued by the Company. The amount will be due by August 2023, with annual interest payments and cost at IPCA (inflation) plus 5.9844% per annum.

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On December 29, 2016, Fibria Celulose S.A. concluded the public distribution of R\$494 million in Agribusiness Credit Receivables, issued by Eco Securitizadora de Direitos Creditórios do Agronegócio S.A., backed in export credit notes issued by the Company. The amount will be due by 2023, with annual interest payments and cost at IPCA (inflation) plus 6.1346% per annum.

Export Credit Notes and Rural Product Credit

On July 31, 2018, Suzano S.A. obtained funds in the form of an Export Credit Notes (“NCE”) in the amount of R\$770.6 million, maturing in July 2026 with an interest rate of 0.99% per annum plus CDI, which will be paid semi-annually. For the full issuance amount, the Company contracted a hedge in U.S. dollar at the cost of 5.71% per annum.

On August 27, 2018, Suzano S.A. capitalized funds of Export Credit Notes (“NCE”) and the Rural Product Credits (“CPR”) in the amount of R\$511 million and R\$ 275 million, respectively, maturing in August 2026, at the interest rate of 1.03% per annum plus Interbank Deposit Certificate (“CDI”), payable semi-annually. For the full amount, the Company contracted a hedge in U.S. dollar at the cost of 5.60% per annum.

Covenants

Currently, we have no financial covenants. On December 31, 2022, we were in compliance with all other non- financial covenants, which are required under certain long-term borrowings.

C. Research and development, patents and licenses, etc.

Research and Development

Our Research, Development and Innovation (“R&D&I”) efforts are organized under a Chief Technology and Innovation Officer. This initiative aims to increase synergy between areas, accelerating innovation that generates gains throughout the entire value chain. The integration is extended to all of our industrial and forestry areas in close collaboration with production, marketing and sales personnel.

Our technology and innovation facilities are spread to meet the demands and particularities of all of our mills and forest units. The technology centers, where there are the main assets and laboratories, are located in:

- Aracruz – state of Espírito Santo, Brazil – where efforts are towards the main business (pulp and forest development);
- Itapetininga – state of São Paulo, Brazil – biotechnology activities of Suzano e with a focus on later stage development;
- Jacarei – state of São Paulo, Brazil – dedicated to work on activities related to our Eucalyptus Breeding Program;
- Limeira – state of São Paulo, Brazil – focused on biorefinery, consumer goods, fluff, packaging and paper developments;
- Burnaby, Canada – dedicated to biorefinery research; and
- Rehovoth, Israel – where concentrates developments of FuturaGenes’ early to mid-stage biotechnology R&D.

Efforts in R&D&I are conducted not only within our research facilities, but also in partnership with various universities, suppliers and private research institutes in Brazil and abroad.

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By attempting to improve our processes to develop innovative and higher quality products in a sustainable way, our research and development activities are mainly directed at increasing forestry productivity, reducing the operational costs and optimizing industrial processes, making our production more efficient, advance in the value chain with products using our fiber and developing new products through (i) forest management with optimization of natural resources and costs; (ii) robust eucalyptus breeding program; (iii) improving the use of eucalyptus fiber in the manufacture of pulp, paper, packaging, paperboard and consumer goods (tissue, nonwoven and diapers); (iv) developing new applications for eucalyptus fiber including nanomaterials; and (v) developing a eucalyptus bio refinery to obtain renewable base chemicals.

In regard the forest technology and innovation, our efforts are targeted to eucalyptus breeding, biotechnology, forest management, soil nutrition and forest protection. Our goal is to continue improving our planted forest productivity and quality in a sustainable manner. Based on this purpose, our research group is developing new eucalyptus clones based on growth, cellulose content and wood quality, by making use of state-of-the-art techniques like genetic recombination through controlled pollination, to explore all the germplasm's diversity genomic tools for the selection of new clones, extensive field evaluation and laboratory analysis.

In 2022, the breeding team was responsible to recommend new clones in combination with others genetic material that was planted in different sites. With this allocation we expect to increase our gain in MAICel (air dry ton of cellulose - adt/ha.year) above the actual recommendation. This allocation was done using the Tetrys, a system that combine the best match between the clone, environment and the risks (biotic and abiotic), maintaining the sustainability of our breeding program and the wood supply.

Other important results were the expansion of field experimentation. In 2022, we focused in enlarged our breeding field trials in our environments. We planted trails with different types of germplasms: *Eucalyptus* pure species and hybrids considering progenies, clonal and expanded clonal trials. Around 2/3 of these trials were planted in the "Cerrado" region, where we are expanding our operational plantations. This set of trials will support us to identify the best clones to be planted in few years.

About Veracel, a joint-venture between Suzano and Stora-Enso, they implemented the Verotima, an optimizer with focus on eucalyptus clones allocation, based on MAICel (adt/ha/year) calculated with clones operational data, like basic density, Yield and MAI (m³/ha.year). Other important implementations were adoption of strategy of Rolling Front, that will provide more flexibility and agility in the generation of improved seeds. Besides, breeding strategies focus in 2022 was to advance in the Climate changes study that we are putting effort since 2020, aiming to detect the impact on eucalyptus productivity at Veracel. Other important action that we performed was the establishment of management and genetic material trials in a current drier Veracel site with objective to select clones, progenies and management practices for the future.

Suzano conducts biotechnology research and development at its facilities in Israel and Brazil to maximize forest productivity, resilience and sustainability, utilizing state-of-the-art technologies including bioinformatics, genomics, gene transformation and gene editing. FuturaGene's activities are focused on improving plantation productivity by enhancing and protecting yield whilst reducing inputs and the carbon footprint at the level of both forest and industrial operations, thus optimizing natural resource use efficiency. In order to do this, Suzano uses bioinformatics and genomic tools, as well as gene transformation and gene editing technologies to introduce genetic changes into plantation tree species to offer solutions for pest and disease resistance, weed management, drought resistance and heat tolerance to enhance the resilience of these species in the face of abiotic and biotic threat, resulting from climate change.

In 2022, Suzano submitted the first-ever dossier for commercial release of an Insect Resistant Eucalyptus to CTNBio's, the Brazilian biosafety regulatory body. This new modified eucalyptus has demonstrated high efficiency in controlling caterpillars, which are a key defoliating pest in the forest sector. This trait allows control of the pests from day one of infestation, before any damage is visible, obviating the requirement for intensive, post-facto spraying, a significant environmental boost. Thus, defoliation is prevented, and extensive yield loss is avoided.

Continuing our commitment to share value, FuturaGene in collaboration with Corteva Agriscience, generated the highest quality Eucalyptus genome sequence based on our main model clone and made the data freely available to academia, the private sector and the wider scientific community. It will facilitate research to advance understanding and innovation in eucalyptus cultivation, including the identification and selection of beneficial traits for crop resilience, forest health and sustainable wood production. The release of this genome fully supports Suzano commitment to share value and contribute to global forest health as set out in the commitments of our GM Tree Policy.

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Besides efforts in genetic field, we have sought innovations to ensure greater efficiency in forest management processes, aiming at greater productivity per planted area and cash cost reduction, while seeking to reduce the use of natural resources in this type of operations. The results in terms of “innovability” in forest management were obtained from the development of projects, which were focused on increasing productivity and forest resilience.

Forest Management has been continually investing resources in the search for the new technologies to achieve Management 4.0 in the company, aiming to i. expand the diagnosis of climate impacts on productivity and aims to support the process of selecting more resilient forests; ii. optimize the selection of areas with greater productive potential and lower risk for regrowth (coppice) management, contributing to the reduction of Capex for forest formation and iii. increase governance in the management of damaged areas, in order to improve the use of these areas and wood, as well as address aspects of compliance and risk management.

Suzano has been improving its knowledge about the relationships between water use by the forest based on different strategies, aimed at ensuring the sustainability of production by maintaining natural resources and reducing losses due to abiotic stresses. In this way, we made significant progress in our “Commitment to Renew Life – CRF”, which seeks to carry out differentiated management to increase water availability in critical hydrographic basins. Based on a careful analysis, we expanded the governance, as well as planning all the necessary actions to achieve the necessary KPIs. In 2022, among 15,000 companies in the world, we were among the best companies (A-list Index) in the management of water resources by the CDP (Carbon Disclosure Project). The index measures the scope of disclosure, awareness and management of environmental risks and best practices associated with leadership in the water resources issue. Additionally, we developed a new technology called seedling protection collar. The collar is a suspension of cellulose fiber, obtained from a certain organic residue from the manufacturing process, which, applied around the seedlings, forms a kind of barrier, reducing soil temperature and water evaporation, which consequently also significantly reduces the number of irrigations traditionally used to ensure the survival of seedlings in the field. It is estimated that there will be savings of approximately 532 million liters of water for every 100,000 hectares planted. This technology was one of our cases recognized by the ABTCP award (Pulp and Paper Brazilian Association) in the sustainability category.

Currently, losses in forest productivity caused by biotic and abiotic stresses are one of the most important constraints for the future sustainability of eucalyptus plantations. To minimize the impacts that these stresses can cause, we have been intensified the use of genetic resistance. In 2022, we started activities incorporating early evaluations for resistance to diseases and, in an innovative way, new procedures to evaluate and select clones tolerant to water deficit. Still in the area of sanitation, we achieved a record in the production and release of natural enemies of pests, aiming to prevent damage from pests and chemical insecticide applications in the field.

Finally, the management area started installing a new experimental network. This experimental area, called the trilogy, covers the areas of management, improvement and forestry, which is being installed at the MS site (main focus of forestry expansion). The experimental network aims to capture new opportunities for continuous improvement of technical recommendations to increase the productivity and quality of planted forests in the future.

Our main business, pulp production, was in the center of efforts during 2022. There was an evolution in the Fiber-to-Fiber project, with good achievements in terms of other fibers substitution per Euca pulp already in the portfolio, but also in terms of diversification. Our targets were designed to incorporate more Eucalyptus in packaging market. Eucapack (our unbleached chemical pulp), Eucapack Plus (unbleached and with the incorporation of performance additives) and EucaStrong (bleached reinforced pulp) can better compete with softwood and birch fibers.

Those platforms bring new possibilities in fiber portfolio and also important reduction in cash cost and even more sustainable performance through process modification, smaller wood consumption and usage of chemicals.

Important to highlight too that our team works closely with commercial, marketing and business intelligence areas, under a established governance that aims the speed of the development process.

To support the achievement of Suzano’s Long Term Goals, the Pulp R&D&I Team increased the research effort in technologies to repurpose industrial residues and established partnerships with universities abroad to better understand how our fibers and process compares with other forest and crops fibers, challenging ourselves to keep learning the usage of sustainability tools in the development phase. Trials with research institutes, start-ups and potential partners were held in 2022 and will continue in 2023.

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After the start up in 2021 of our Microfibrilated Cellulose (MFC) pilot plant in Jväskeyla (Finland), in 2023 we evolved with the construction and startup of the 1 kton/year demonstration plant that produces from MFC to Textile filaments. The demo aims to prove in a pre-commercial scale the success of the technology implemented, and it is an important step to pursue high scalability levels for textile market from Eucalyptus pulp, based on a project started in 2017.

The MFC market in Brazil is also evolving, and in 2022 we could homologate in civil construction sector a different and promising application for our Eucalyptus MFC.

We got in 2023 an important prize as the most innovative company from the ABTCP (Pulp and Paper Brazilian Association) with the development of lignin, together with group O Boticário, that, taking advantage of the anti-oxidation and anti-UV properties of lignin, formulated a new foundation and solar protection specially for dark skins.

Also, in the lignin business other applications were homologated in phenolic resins field as well as in elastomers, improving our customer basis.

Other fields in product development also had important evolution through R&D&I projects. The generation of advanced bio-oil fractions applications came up with a promising trials scale increase. Together with one of the most important players in agro-chemical business, we are testing in several areas the application of fractions of bio-oil as active component for improving performance in soybean production.

One more announcement marked the year, the creation of Suzano Ventures, the Company corporate venture capital fund with an initial outlay of US\$ 70 million to be invested in startups. With this initiative, Suzano plans to accelerate the open innovation process and become a global platform to foster entrepreneurship involving solutions for the bioeconomy based on planted forests. Suzano Ventures' investments will be focused on: (i) pulp biomass technologies and applications; (ii) pulp packaging; (iii) agrotechnology companies that accelerate agroforestry yield; and (iv) carbon sequestration, measurement and management, in businesses in the Pre Seed to Series A phases.

The concepts of innovation and efforts involved have been kept maintaining a strong and robust transformation in the Paper & Packaging, Fluff and Consumer Goods businesses. Innovative solutions and strategic alliances with key focus on sustainability, delivered significant projects besides new business opportunities meeting convertors, customer and society needs.

In 2022, Paper and Packaging R&D Team has focused the efforts in the consolidation of our portfolio through extension line, process optimization and robustness of our developments not only in our intern manufactures but also in our partnership's. They are:

- Kraftliner: new grammages of the paper used for manufacture external layers of cardboard sheets were homologated in Limeira and Suzano Units, being a successful in innovation sales, it means responsible for 33% of total.
- Bluecup Bio: Through partnerships with relevant brand owners, the paper version cold liquids developed for cups with heat-sealable, biodegradable, recyclable and compostable waterproofing, was consolidate with its participation in Rock in Rio 2022.
- Flexible Packages: One of the mains projects developments of UNPE is Flexible Packaging and R&D team advanced with technical validation regarding sealability on important brand owner as Boticario (perfume samples secondary packaging).

The Consumer Goods R&D team focused 2022 on keeping the high-quality standards of our current product portfolio, but also worked with focus on improving costs (such as revising products specifications and seeking opportunities with our suppliers, in order to reduce the consumption of raw materials, without compromising the quality and product positioning in the market). Beside the necessity to improve costs and the business rentability, we also had 2 products launches:

- Mimmo Paperpack: our 2-ply tissue with heat sealable paper packaging, which was developed together with the R&D Paper and Packaging team. It was an innovation on the national market, once this is the first 12 rolls and compacted rolls with a paper packaging.

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- Scala Kitchen towel renovation (Belém unit): the embossing pattern used for this product was re-engineered and now encompass a new embossing technology, which reduces the damage to the fibers, making possible to obtain a final product with 30% improvement on resistance (compared to the previous version of the same product, produced at the same unit).

The Fluff R&D strategy for 2022 kept similar to the one proposed in 2021: expand Eucafluff presence in the hygiene products market. Thus, the technical challenge for 2022 maintained the focus on expand the application on 100% Eucafluff absorbent panels. The open innovation process initiated in 2021 were kept evolving during 2022 aiming get in contact with a different network of startups and research centers, in order to select the best projects or technological routs to be evaluated.

Intellectual Property

Suzano, Suzano Canada, Futuragene and Portocel currently have, in total, 426 granted patents and patent applications, 54 protected varieties of eucalyptus and more than 300 potential new eucalyptus varieties, which is under evaluation by Forestry Breeding Program.

Veracel currently have, in total, 1 patent application and 3 protected varieties of eucalyptus and 2 potential new eucalyptus varieties.

Achievements during 2022 in the intellectual property field include filing of 2 new technologies as patent and identification of 12 new varieties of Eucalyptus for protection. The patent applications filed in 2022 cover the developments in plant protection from ants and promoters for genetic transformation.

Due to our investments in research and development activities, we are not dependent on any third party's patent or trademark, license, royalty agreement, industrial agreement or new production process.

Trademarks

We have registered many of our trademarks in countries across five continents, including, among others, the United States and Canada, countries of the European Union, and countries located in Latin America, Africa, Asia and Oceania.

In 2022, we requested 52 and received 58 registrations related to 17 new trademarks, including Report Suzano®, Suzano Biopulp®, Suzano Eucafluff®, Lin Suzano®, Vista Suzano®, Greenbag®, Greenpack®, Suzano®, Just®, TP CYCLE®, INFINNI®, MAX BABY®, Suzano®, Eucafluff®, and we requested 21 trademark renewals, mostly related to registries for the trademarks Fibria®, Eucafluff®, One®, ARTWORK®, REPORT®, SUZANO ENERGIA RENOVAVEL® and SUZANO RENEWABLE ENERGY®.

D. Trend Information

The primary trends which influence our sales and production and inventory levels are the patterns and cycles of pulp purchases by paper producers, pulp and paper prices, the level of pulp inventory in the hands of pulp producers in the global market, global economic conditions and the effect of currency fluctuations. See “—Overview” for a discussion of the potential effects of the trend on our business.

E. Critical Accounting Estimates

See Note 3 to our audited consolidated financial statements included in this Annual Report.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

We are managed by our board of directors and by our executive officers. The address of our management is Avenida Brigadeiro Faria Lima, 1355, 7th Floor, São Paulo, State of São Paulo, Brazil.

board of directors

Our board of directors is the decision-making body responsible for determining general guidelines and policies for our business, including our overall long-term strategies, as well as the control and oversight of our performance. Our board of directors is also responsible for, among other things, supervising our executive officers' actions. It holds meetings whenever called by its chairman, any of its vice-chairmen or our chief executive officer. Currently, our board of directors consists of nine members, five of which are independent members. Under the provisions of the *Novo Mercado*, at least two or 20% of the members of our board of directors (whichever is the greater) must be independent directors, as defined under Brazilian law. The following table sets forth the name, age, position, date of election and term expiration of each of the members of our board of directors:

Name	Age	Position	Date of Election	Term of Expiration
David Feffer	66	Chairman	April 25, 2022	April 25, 2024
Daniel Feffer	63	Vice Chairman	April 25, 2022	April 25, 2024
Nildemar Secches	74	Vice Chairman	April 25, 2022	April 25, 2024
Ana Paula Pessoa	56	Member	April 25, 2022	April 25, 2024
Gabriela Feffer Moll	39	Member	April 25, 2022	April 25, 2024
Maria Priscila Rodini Vansetti Machado	64	Member	April 25, 2022	April 25, 2024
Paulo Rogério Caffarelli	57	Member	April 25, 2022	April 25, 2024
Paulo Sergio Kakinoff	48	Member	April 25, 2022	April 25, 2024
Rodrigo Calvo Galindo	46	Member	April 25, 2022	April 25, 2024

The following is a summary of the business experience of our current directors:

David Feffer. Mr. David Feffer holds a degree in Business Administration in Brazil and has specialization courses at Harvard Business School (USA), Columbia University (USA), IMD (Switzerland), The Aspen Institute (USA), Singularity University (USA) and Stanford University (USA). He currently serves as the Chairman of the board of directors of the Company. He is also a member of the following non-statutory committees of the Company: (a) Strategy and Innovation Committee (Coordinator), (b) Sustainability Committee; (c) Management and Finance Committee (Coordinator) and (d) People Committee. Mr. David Feffer also holds the following positions in other companies: (i) Chief Executive Officer of Suzano Holding S.A.; (ii) member of the board of directors and Chief Executive Officer of Polpar S.A.; (iii) Chief Executive Officer of IPLF Holding S.A.; (iv) Chief Executive Officer of Premesa S.A. He is also a member of several social and cultural institutions, among which the following stand out: (i) Chairman of the board of directors of the ALEF-Peretz School and (ii) Member of the Deliberative Board of the Associação Beneficente Israelita Brasileira Hospital Albert Einstein.

Daniel Feffer. Mr. Feffer holds a Law degree from Mackenzie University and completed non-degree programs at Fundação Getulio Vargas, Harvard University and the Massachusetts Institute of Technology (MIT) in the United States, IMD in Switzerland and London Business School in England. He currently serves as Vice Chairman of the Company's board of directors and as a member of the Sustainability Committee of the Company. Mr. Feffer also holds the following positions in other companies: (i) chairman of the board of ICC Brasil; (ii) chairman of the board of curators of the Arymax Foundation (Fundação Arymax); (iii) chairman of the directors' committee and vice chairman of the senior board of the Ecofuturo Institute – Future for Sustainable Development (Instituto Ecofuturo – Futuro para o Desenvolvimento Sustentável); (iv) chairman of the advisory board of IBÁ; (v) member of the board of IEDI – Instituto Econômico para Desenvolvimento Industrial; (vi) founding member of the board of Compromisso Todos Pela Educação; and (vii) member of the strategy board of FIESP.

Nildemar Secches. Mrs. Nildemar Secches holds a degree in Mechanical Engineering from University of São Paulo (USP), a postgraduate degree in Finance from PUC-RJ, and a doctorate in Economics from Unicamp. He currently serves as Vice Chairman of the Company's board of directors and a member of the Company's following non-statutory committees: (i) Strategy and Innovation Committee; (ii) Management and Finance Committee; (iii) People Committee (Coordinator); and (iv) Appointment and Compensation Committee (Coordinator). Mr. Nildemar also holds the following positions in other companies: (i) Vice-Chairman of the board of directors of WEG S/A; and (ii) Vice-Chairman of the board of directors of Iochpe-Maxion S.A. His main professional experiences in the last five years include acting as: (i) member of the board of directors of Ultrapar Participações S.A., from 2002 to 2021; and (ii) member of the board of directors of Itaú-Unibanco, from 2012 to 2017.

Ana Paula Pessoa. Mrs. Pessoa holds a bachelor's degree in economics and International Relations and a Master's degree in Development Economics from Stanford University. She currently serves as member of the board of directors and audit committee of the Company. Ms. Pessoa also holds the following positions in other companies: (i) partner, investor and board chairwoman at Kunumi AI, an artificial intelligence start-up in Brazil; (ii) member of the Advisory Board of Credit Suisse Brasil; (iii) member of the board of directors of News Corporation, NY; (iv) board member of Vinci Group, Paris; (v) board member of COSAN; (vi) member of Global Advisory Council (GAC) at Stanford University, California, (vii) member of the consulting board of The Nature Conservancy Brazil (viii) member of the audit committee for Fundação Roberto Marinho; and (ix) member of audit committee of the Instituto Atlantico de Gobierno, Madrid. Ms. Pessoa previously held the following positions: (a) CFO of the Rio 2016 Olympic and Paralympic Games (b) invested and was chairwoman of Neemu Internet; (c) founder and managing director of Brunswick São Paulo. Additionally, Ms. Pessoa worked 18 years on companies of the Organizações Globo. She has worked for the United Nations Development Program and the World Bank in the US and Africa.

Gabriela Feffer Moll. Mrs. Moll has a degree in Hotel Management, an Executive MBA from Fundação Dom Cabral an executive course from Harvard University, Insper and Insead. She currently serves as member of the board of directors of the Company and a member of the Company's following non-statutory committees: (i) People Committee; (ii) Sustainability Committee; (iii) Management and Finance Committee; and (iv) Strategy and Innovation Committee. Mrs. Moll also holds the following positions in other companies: (i) member of the board of directors of MDS; (ii) member of the ESG and People Committee of Bionexo, and (iii) member of the Board of the ELF (Group of Empowerment and Female Leadership of the Israeli Federation of the State of São Paulo (Federação Israelita do Estado de São Paulo – FISESP). Gabriela started her career at GI - Grupo de Incentivo and in 2010 founded AG Sport, a consultancy specializing in the idealization and organization of large events, in which she was responsible for the development of the company's commercial and strategy area. In 2015, she joined Dotz, working on the business development fronts and implementing a new 100% digital self-service model to open up the small business market. At Suzano S.A., as of 2017, she led the communication of products and the digital transformation of the Paper and Packaging Unit. Also at Suzano, after its merger with Fibria, she worked in the integration cell responsible for monitoring the synergies arising from the merger. Mrs. Gabriela Feffer Moll is daughter of Mr. David Feffer

Maria Priscila Rodini Vansetti Machado. Mrs. Maria Priscila Rodini Vansetti Machado holds a degree in Agricultural Engineering from University of São Paulo (USP), with a specialization in Executive Management and Global Strategy Leadership from the Wharton School. She currently serves as member of the Board of Directors of the Company, as well as Coordinator of the Company's Sustainability Committee. Mrs. Maria Priscila Vansetti also currently serves Biologicals & Business Development Vice President at Corteva Agriscience. She began her career at DuPont Brasil, in 1981, in the agricultural division, where she held leadership positions in the areas of Regulatory Affairs, Government Relations and Research & Development. In 1996, she transferred to Wilmington, DE, USA, where she held various positions in the areas of Development and Marketing. In 2008, she was promoted to Business Director of DuPont Canada, and was relocated to Mississauga, ON, Canada. From September 2014 to September 2015, she served as global Director of Strategic Planning of the DuPont Crop Protection Division. In October 2015, she returned to Brazil to serve as CEO of DuPont Brazil and Vice-President for Latin America of the Crop Protection Division of DuPont Brazil and Latin America. With the merger of Dow and DuPont in September 2017, she was named Strategy and Business Development Vice President of Corteva Agrisciences. For years, she has served on the Board of Directors of the American Chamber of Commerce (AmCham), of the Brazilian Chemical Manufacturers' Association (Abiquim), of the Agribusiness Council of the São Paulo State Industry Federation (FIESP) and of the Board of Directors of the Canadian Association of Crop Protection (CropLife Canada).

Paulo Rogerio Caffarelli. Mr. Paulo Rogerio Caffarelli holds a degree in Law from PUC/Curitiba, with specialization in Foreign Trade (FAE/CDE Curitiba) and International Trade Law (IBEJ Curitiba). He has a MBA in Corporate Law and Finance (FGV/RJ) and a Master in Business Management and Economics (University of Brasilia). He currently serves as (i) member of the board of directors and Audit Committee of the Company and (ii) President of the BBC Bank of the Simpar Group since October 2021. From November 2018 to May 2021, he was President of Cielo S.A. He joined Banco do Brasil in 1981, becoming Vice President of Wholesale, International Business and Private Banking and Capital Markets (BB BI) from 2011 to 2014 and serving as President of May 2016 to October 2018. He was Executive Secretary at the Ministry of Finance from February 2014 to February 2015 and has also worked at Companhia Siderúrgica Nacional as executive corporate Director. In the last five years, he served on the board of directors of the following companies: Banco do Brasil S.A.; Brasilprev; Elo Participações S.A.; Banco Votorantim; CBSS Visavale (Alelo); Vale; Brasilcap Capitalização. He was also member of the Advisory board of Febraban – Brazilian Federation of Banks.

Paulo Sergio Kakinoff. Mr. Kakinoff holds a graduate degree in Business Administration from Mackenzie University. He currently serves as member of the board of directors of the Company and people committee of the Company. Mr. Kakinoff also holds the following positions in other companies: (i) member of the board of directors of Porto Seguro S.A.; (ii) member of the board of directors of Grupo Vamos S.A.; (iii) member of the board of directors of Tembici S.A.; (iv) chief executive officer of GOL Linhas Aéreas since 2012. Mr. Kakinoff began his career as an intern at Volkswagen do Brasil, at the age of seventeen. In the nineteen years in which he worked for the group, he held the positions of Officer of Sales & Marketing, Executive Officer of the Group for South America at the head office (Germany) and, in 2009, he was appointed president of Audi in Brazil, remaining until June, 2012. He was independent member of the board of directors of GOL Linhas Aéreas for two years.

Rodrigo Calvo Galindo. Mr. Galindo currently serves as a member of the board of directors of the Company and a member of the Company's following non-statutory committees: (i) Management and Finance Committee; (ii) Strategy and Innovation Committee; and (iii) People Committee. He also holds the following positions in other companies (i) chairman of the board of directors of Cogna Educação S.A.; (ii) chairman of the board of directors of Endeavor Brasil. Mr. Galindo has been managing educational institutions for over twenty-nine years. He was CEO of Cogna/Kroton Educacional, officer of operations and officer of College Education at Kroton Educacional, CEO of Grupo Educacional IUNI, Administrative Dean of the University of Cuiabá and responsible for the management, accreditation and implementation of college education institutions in Bahia, Mato Grosso, Amapá, Acre and Rondônia. Mr. Galindo also served as member of the board of directors of Burger King Brasil, Clínica SIM and of Arezzo&Co.

Executive Officers

Our executive officers are responsible for executing general business and all related and necessary or advisable measures, except for those matters attributed to our shareholders' meeting or our board of directors, pursuant to applicable law and/or our bylaws. Our executive officers consist of a chief executive officer and four to nine executive officers, each of whom must be a Brazilian resident, with recognized technical and administrative experience. Our executive officers are appointed by our board of directors for one-year term and are eligible for re-election. Currently, our board of executive officers consists of seven executive officers. The following table sets forth selected information regarding the current members of our board of executive officers:

Name	Age	Position	Date of Election	Term of Expiration ⁽¹⁾
Walter Schalka	62	Chief Executive Officer	April 27, 2023	April 27, 2024
Aires Galhardo	45	Executive Officer – Pulp Operation	April 27, 2023	April 27, 2024
Carlos Anibal Fernandes De Almeida Jr	53	Executive Officer – Forestry, and Procurement	April 27, 2023	April 27, 2024
Christian Orglmeister	49	Executive Officer – New Businesses, Strategy, IT and Digital	April 27, 2023	April 27, 2024
Fernando de Lellis Garcia Bertolucci	57	Executive Officer – Sustainability, Research & Innovation	April 27, 2023	April 27, 2024
Leonardo Barretto De Araujo Grimaldi	48	Executive Officer – Commercial Pulp and Logistics	April 27, 2023	April 27, 2024
Marcelo Feriozzi Bacci	53	Chief Financial and Investor Relations Officer	April 27, 2023	April 27, 2024

(1) The term of the mandates of the members of our executive officers is one (1) year, until the first meeting of the board of directors to be held after the 2024 Company's Ordinary General Meeting

The following is a summary of the business experience of our current executive officers who are not members of the board of directors or related committees:

Walter Schalka. Mr. Schalka holds a degree in engineering from Instituto Tecnológico da Aeronáutica (ITA) and has a post graduate degree in business administration from Fundação Getulio Vargas, and executive programs at IMD and Harvard Business School. He currently serves as the chief executive officer of the Company. Mr. Schalka started his career at Citibank and, in 1989, Mr. Schalka assumed the position of Chief Financial and Administrative Officer at Dixie Lalekla. With the merger of the companies Toga and Dixie Lalekla, in 1995, he became General Manager of the Dixie Toga Group and, in 1997, assumed the presidency of the group. In 2005, he joined Grupo Votorantim as president of Votorantim Cimentos, being responsible for their operations in Brazil and fourteen other countries. Since 2013 at the head of Suzano, Schalka has led important company movements, including the merger with Fibria.

Aires Galhardo. Mr. Aires Galhardo holds a degree and a post-graduate degree in Business Administration from Fundação Getúlio Vargas. Currently, he serve as executive officer of Pulp Operation of the Company. Mr. Aires also holds the following positions in other companies: (i) member of the board of directors at Fundação Arus de Seguridade Social; (ii) Officer at Losango RS Administração e Participações Ltda; (iii) Officer at Mucuri Energética S.A.; (iv) Officer at Projetos Especiais e Investimentos Ltda; (v) Director at Suzano Industriais e Florestais S.A.; and (vi) member of the board of directors of Veracel Celulose S.A.; His main professional experiences in the last five years include also acting in leadership positions in the areas of Logistics, Forestry and Operations at Votorantim Celulose e Papel (VCP) and later at Fibria.

Carlos Anibal de Almeida Jr. Mr. Carlos Anibal Fernandes de Almeida Junior holds a degree in Electrical Engineering from the Federal University of Minas Gerais, a postgraduate degree and a MBA in General Administration from IBMEC (São Paulo). He currently serves as the Executive Officer of Forestry and Procurement of the Company. Mr. Carlos Anibal also holds the following positions at other companies: (i) Officer at Fibria Overseas Finance Ltd.; (ii) Chief Executive Officer at Fibria Terminal de Celulose de Santos SPE S.A.; (iii) Director of Itacel - Terminal de Celulose; (iv) Director of Maxcel Empreendimentos e Participações S.A.; (v) member of the board of directors of Suzano Shanghai Ltd.; (vi) member of the board of directors of Fibria Celulose USA; (vii) member of the board of directors of Portocel; and (viii) Executive Officer of Suzano Industriais e Florestais S.A. His main professional experiences in the last five years also include acting as Executive Officer of the Pulp Business Unit, Executive Officer Sales and Marketing of Pulp and Paper and Executive Officer of the Pulp Business, at the Company.

Christian Orglmeister. Christian Orglmeister holds a degree in Production Engineering from Centro Universitário da Fundação Educacional Inaciana - FEI, a postgraduate degree from Fundação Getúlio Vargas and an Executive MBA from TRIUM (LSE, HEC and NYU). Currently he serves as the Executive Officer of New Businesses, Strategy, IT and Digital of the Company. Mr. Christian Orglmeister also holds the position of Chairman of the board of directors of Woodspin Oy, Suzano's JV with Spinnova in Finland, a biofiber startup in the textile market. His main professional experiences in the last five years also include acting as: (i) Managing Director of BCG, in Brazil; and (ii) independent member of Suzano's People Committee.

Fernando de Lellis Garcia Bertolucci. Mr. Fernando de Lellis Garcia Bertolucci holds a degree in Agricultural Engineering, a Master's degree in Genetic Improvement, an Honoris Causa Doctorate from ESAL/UFLA and specialization courses in Forest Management (UFLA), Business Management (Fundação Dom Cabral), Product Development (University of Cambridge, England), Driving Strategic Innovation (IMD, Switzerland) and Global Executive Academy (MIT, USA). Currently, he serves as the Executive Officer of Sustainability, Research and Innovation of the Company. Mr. Fernando Bertolucci also holds the following positions in other companies: (i) Vice-Chairman of the Executive Board of the Brazilian Technical Association of Pulp and Paper; (ii) Officer at F&E Tecnologia Brasil S.A; (iii) member of the board of directors of Woodspin (JV Suzano/Spinnova); and (iv) Director at Suzano Canada Inc. His main professional experiences in the last five years also include acting as: (i) Officer of Technology and Innovation at Fibria Celulose S.A.; (ii) member of the board of directors of ANPEI; and (iii) member of Spinnova's board of directors.

Leonardo Barretto de Araujo Grimaldi. Leonardo Barretto de Araujo Grimaldi holds a degree in Business Administration from Fundação Getúlio Vargas and has taken specialization courses at Wharton (USA) and Singularity University (USA). He currently serves as the Executive Officer of Commercial Pulp and Logistics of the Company. Mr. Leonardo Grimaldi also holds the following positions in other companies: (i) member of the board of directors of Ibema S.A.; (ii) member of the board of directors of Suzano Pulp Paper America; (iii) member of the board of directors of Fibria Overseas Finance; (iv) member of the board of directors of Suzano Shanghai Ltd.; (v) member of the board of directors of Fibria Celulose USA Inc.; (vi) member of the board of directors of Suzano Shanghai Material Technology Development; and (vii) member of the board of directors of Suzano Pulp Paper Europe. His main professional experiences in the last five years also include acting as Executive Officer of People and Management, and Health and Safety at the Company, and, previously, as Executive Director of the Paper and Packaging Unit.

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Marcelo Feriozzi Bacci. Mr. Marcelo Feriozzi Bacci holds a degree in Public Administration from Fundação Getúlio Vargas, a specialization in Finance and Capital Markets from Ibmec São Paulo and an MBA from Stanford University (USA). He currently serves as the Executive Officer of Finance and Investor Relations of the Company, leading the areas of Treasury, M&A, Legal, Investor Relations, Controllershship, Shared Services, Taxes, Planning, Risk Management and Compliance. Mr. Marcelo Bacci also holds the following positions in other companies: (i) Chairman of the board of directors of Veracel Celulose; (ii) member of the board of directors of Suzano Pulp Paper America; (iii) member of the board of directors of Fibria Overseas Finance; (iv) member of the board of directors of Suzano Shanghai Ltd.; (v) member of the board of directors of Fibria Celulose USA Inc.; (vi) member of the board of directors of Suzano Shanghai Material Technology Development; (vii) member of the board of directors of Suzano Ventures; (viii) Officer of Itacel - Terminal de Celulose; (ix) Officer of Maxcel Empreendimentos e Participações S.A.; (x) Officer of Mucuri Energetica S/A; (xi) Officer of Projetos Especiais e Investimentos Ltda; (xii) Officer of F&E Tecnologia Brasil S.A.; (xiii) Officer of Suzano Industriais e Florestais S.A.; (xiv) member of the Supervisory Board of Suzano International Trade GMBH; (xv) member of the board of directors at Fundação Arus de Seguridade Social; (xvi) Chairman of the board of directors of the Brazilian Institute of Financial Executives; and (xvii) member of the Advisory Board of Sierentz Agro Brasil. His main professional experiences in the last five years include acting as: (i) Executive Officer of Promon; (ii) Chief Financial Officer of Louis Dreyfus Commodities; (iii) Executive Vice President of Suzano Holding; and (iv) Chairman of the Board of Ibema Papelcartão.

Fiscal Council

Our fiscal council is a non-permanent corporate body comprised of three members, with an equal number of alternates, in case our shareholders request it to be convened at the annual general shareholders' meeting. Under our bylaws, the members of our fiscal council must sign, before taking office, a compliance statement in accordance with the *Novo Mercado* rules.

Pursuant to the Brazilian Corporation Law, our fiscal council is independent from our management and our external auditors. In case our fiscal council is installed, members of our fiscal council serve a one-year term that ends at the shareholders' meeting the year following their election. The fiscal council is primarily responsible for reviewing management's activities, our audited consolidated financial statements and for reporting its findings to our shareholders.

The following table sets forth the name, position, date of appointment and term expiration for each member of our fiscal council, which has been convened as requested in the annual general shareholders' meeting held on April 26, 2023:

Name	Age	Position	Date of Election	Term of Expiration ⁽¹⁾
Eraldo Soares Peçanha	71	Member	April 26, 2023	2024
Luiz Augusto Marques Paes	61	Member	April 26, 2023	2024
Rubens Barletta	76	Member	April 26, 2023	2024
Kurt Janos Toth	75	Alternate	April 26, 2023	2024
Roberto Figueiredo Mello	74	Alternate	April 26, 2023	2024
Luiz Gonzaga Ramos Schubert	86	Alternate	April 26, 2023	2024

(1) The term of the mandates of the members of our fiscal council shall terminate on the date of our annual general shareholders' meeting in charge of evaluating our audited consolidated financial statements for the year ended December 31, 2022.

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The following is a summary of the business experience of the current members of our fiscal council:

Eraldo Soares Peçanha. Mr. Eraldo Soares Peçanha holds a degree in Accounting and Business Administration from Universidade Cândido Mendes in Rio de Janeiro. He is currently a member of the Company's Fiscal Council. Mr. Eraldo also holds the following positions at other companies: (i) a full member of the Fiscal Council of Cadam S.A.; and (ii) a member of the Audit Committee of Banco do Estado do Rio Grande do Sul. His main professional experiences include: (i) Aracruz Celulose S.A. - Accounting, Internal Audit, and Controller Manager (1974 to 1996); (ii) CSN-Cia. Siderúrgica Nacional - Controllership and IT Director (1996 to 2003); (iii) Embratel S.A. - Controlling Director and Corporate Governance Executive Director (2003 to 2008); and (iv) Icatu Seguros S.A. - Executive Director of Customer Services (2008 to 2011). He also acted as a member of the Audit Committee in the open Sas: Vale, Net Serviços de Comunicação, JBS, Ideiasnet, and S.A. Closed: Ferrovia Centro Atlântica, Itá Energética, and Officer Distribuidora Prod. Tecnologia; as an alternate in the S.A. open: Ouro Fino Saúde Animal Participações, CCR, AES Tiete Energia, Tupy and Padtec Holding. He was also a member of the Fiscal Council in the private retirement entities of some companies where he worked. Since 2012 he has been working as a consultant in the areas of Corporate Governance, Controllership, and Accounting/Financial Processes & Systems.

Luiz Augusto Marques Paes. Mr. Luiz Augusto Marques Paes holds a Law degree from the Law School of the University of São Paulo – USP. He is currently a permanent member of the Company's Fiscal Council. Mr. Luiz Paes also holds the following positions at other companies: (i) effective member of the Fiscal Council of Vamos Locação de Caminhões, Máquinas E Equipamentos S.A.; (ii) permanent member of the Fiscal Council of Cyrela Brazil Realty S.A. Empreendimentos e Participações; (iii) permanent member of the Fiscal Council of Cury Construtora e Incorporadora S.A.; (iv) member of the Audit Committee of JSL S.A.; and (v) partner at the law firm Paes e Colauto Sociedade de Advogados, working in the area of legal consulting in Tax and Corporate Law.

Rubens Barletta. Mr. Rubens Barletta holds a law degree from São Bernardo do Campo Law School. He currently serves as member of the fiscal council of the Company. Mr. Barletta is also a permanent member of the fiscal councils of the following companies: (i) Banco Alfa de Investimento S.A.; (ii) Alfa Holdings S.A.; and (iii) Tegma Gestão Logística S.A. From 1999 to 2010, he served as a permanent member of the fiscal council of Financeira Alfa S.A. – Crédito, Financiamento e Investimentos. and of Consórcio Alfa de Administração S.A. Mr. Barletta has been a partner at Barletta, Schubert e Luiz Sociedade de Advogados, a firm specializing in private law, with emphasis on Corporate Law. From 1961 to 2008, he was an employee, intern and then partner at Law Firm Augusto Lima S.C.

Kurt Janos Toth. Mr. Kurt Janos Toth holds a degree in Economic Sciences from Universidade Federal Fluminense and a postgraduation in Finance from the Pontifical Catholic University of Rio de Janeiro. He is currently an alternate member of the Company's Fiscal Council. His main professional experiences in the last 5 years include acting as a member of the following Audit Committees: (i) Tupy S.A. (2017 to 2021); (ii) Brasileira Participações S.A. (2018 to 2019); and (iii) Eletropaulo Metropolitana Eletricidade de São Paulo S. A. (2015 to 2017)

Roberto Figueiredo Mello. Mr. Roberto Figueiredo Mello holds a Law degree from the Law School of the University of São Paulo – USP. He is currently an alternate member of the Company's Fiscal Council. Mr. Roberto is also a founding partner of Pacaembu Serviços e Participações Ltda

Luiz Gonzaga Ramos Schubert. Mr. Luiz Gonzaga Ramos Schubert graduated in Law from the Law School of São Bernardo do Campo. He is currently an alternate member of the Company's Fiscal Council. Luiz Schubert is also a partner at Barletta e Schubert Sociedade de Advogados. His main professional experiences: from 1972 to March 2009, he participated as an intern and, later, he was a partner at the Escritório de Advocacia Augusto Lima S/C.

Audit Committee

In 2011, the CVM approved an Instruction (No. 509/2011) governing the *comitê de auditoria estatutário* (statutory audit committee), an audit committee established under the bylaws of the issuer and subject to certain requirements under the CVM rules. Effective January 2018, the B3 listing rules for its *Novo Mercado* segment require that a company listed on the *Novo Mercado* (such as ourselves) create and implement an audit committee in accordance with the CVM rules. The *Novo Mercado* segment of B3 is a premium listing segment for Brazilian companies that meet the highest standards of corporate governance. For further information on the *Novo Mercado* listing segment, see Item 9. “The Offer and Listing—Markets—São Paulo Stock Exchange Corporate Governance Standards.”

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On April 1, 2019, our shareholders approved an amendment to our bylaws requiring us to establish a statutory audit committee in accordance with CVM Instruction No. 509/2011. Our statutory audit committee is an advisory committee of our board of directors, and provides assistance in matters involving our accounting, internal controls, financial reporting and compliance. Our statutory audit committee also recommends to our board of directors the appointment of our independent auditors and evaluates the effectiveness of our internal financial and legal compliance controls. According to CVM Instruction No. 509/2011, our statutory audit committee must have at least three members, and not more than five members, which must be independent in accordance with the independence requirements of the CVM and at least one of whom must have recognized experience in corporate accounting. Additionally, CVM Instruction No. 509/2011 and the B3 *Novo Mercado* listing rules both require that at least one member of the audit committee be a board member, but they permit the appointment of other members who are not members of the board of directors provided such other members meet the independence requirements of the CVM. Our bylaws expressly require that our statutory audit committee consist of one or more persons who are members of our board of directors and one or more persons who are not members of our board of directors.

Our statutory audit committee is not equivalent to or comparable with a U.S. audit committee. Pursuant to Exchange Act Rule 10A-3(c)(3), which provides for an exemption under the rules of the U.S. Securities and Exchange Commission, or SEC, regarding the audit committees of listed companies, a foreign private issuer is not required to have an audit committee equivalent to or comparable with a U.S. audit committee if the foreign private issuer has a body established and selected pursuant to home country legal or listing provisions expressly requiring or permitting such a body, and if the body meets the requirements that (i) it be separate from the full board, (ii) its members not be elected by management, (iii) no executive officer be a member of the body, and (iv) home country legal or listing provisions set forth standards for the independence of the members of the body. We believe that our statutory audit committee complies with these requirements, and we rely on the exemption provided by Rule 10A-3(c)(3) under the Exchange Act. The following table sets forth the name, position, date of appointment and term expiration for each of the members of our audit committee:

Name	Position	Date of Election	Term Expiration
Ana Paula Pessoa	Coordinator	May 4, 2022	2024
Carlos Biedermann	Financial Expert	May 4, 2022	2024
Marcelo Moses de Oliveira Lyrio	Member	May 4, 2022	2024
Paulo Rogerio Caffarelli,	Risk Expert	May 4, 2022	2024

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The following is a summary of the business experience of the current members of our audit committee who are not members of our board of directors:

Carlos Biedermann. Mr. Carlos Biedermann holds a degree in Business Administration and Public Administration from the Federal University of Rio Grande do Sul, in Accounting from UNISINOS and a postgraduate degree in Capital Markets from Fundação Getúlio Vargas. He is currently a member of the Company's Statutory Audit Committee. Mr. Carlos Biedermann also holds the following positions in other companies: (i) member of the Audit Committee of Grupo Algar; (ii) Coordinator of the Audit Committee of the Cornélio Brennand Group; (iii) member of the board of directors of Grupo Solar; (iv) member of the Board of Amcham of Rio Grande do Sul - American Chamber of Commerce; (v) member of the Board of ADVB - Association of Marketing and Sales Directors of Brazil and Agenda 2020; (vi) President of the Deliberative Council of Grêmio FBPA; (vii) member of the Consultative Board of Lojas Lebes; (viii) member of the Audit Committee of Moinho Paulista S.A.; (ix) member of Copel's board of directors and Audit Committee; (x) member of Unimed's board of directors; (xi) Chairman of the board of directors of BriviaDez; (xii) member of the Audit Committee of Banco do Estado do Rio Grande do Sul - BANRISUL; (xiii) member of the board of directors of Madero S.A.; (xiv) member of the board of directors of CFL Participações; (xv) member of the Audit Committee of the Edson Queiróz Group; and (xvi) member of the Audit Committee and board of directors of the Raymundo da Fonte Group. His main professional experiences in the last five years include acting as: (i) leading partner at PricewaterhouseCoopers (PwC); (ii) Chairman of the Audit Committee and Vice-Chairman of the Brazilian Institute of Corporate Governance (IBGC); (iii) member of the board of directors of the Young Presidents Organization (YPO/WPO); and (iv) independent member of the board of directors of Calçados Azaleia.

Marcelo Moses de Oliveira Lyrio. Mr. Lyrio holds a degree in economic sciences from Pontifícia Universidade Católica - PUC of Rio de Janeiro. He currently serves as a member of our audit committee. Mr. Lyrio also holds the position of chairman of the advisory board of CEO Coaching Internacional (CEOCI), where he also mentors the founding partner, CEO and chairman of the CEOCI, and he is also founding partner of Prêncipio Assessoria Empresarial. Previously, Mr. Lyra was (i) chairman of the board of directors of Braskem S.A. (April 2018-October 2019); (ii) partner and co-founder of Signatura Lazard and Managing Director (MD) for Lazard in Brazil from 2004 to 2016, during which he worked as an advisor to large Brazilian and foreign business groups in connection with their local and international investments. Prior to Lazard, he worked from 1990 to 2004 at ING Bank and ING Barings in several areas of the institution, including as President for ING Brazil from 2001 through 2004.

As of April 26, 2023, the members of our audit committee, on an individual basis and as a group, directly owned less than 1.0% of our common shares.

Family relationship

Messrs. David Feffer and Daniel Feffer, Chairman and Vice-Chairman of the board of directors of the Company, respectively, are brothers. Mrs. Gabriela Feffer Moll, member of the board of directors, is the daughter of Mr. David Feffer, Chairman of the Company's board of directors.

B. Compensation

Aggregate compensation for the members of our board of directors and our executive officers is determined annually at our shareholders' meeting, in accordance with our bylaws. Our board of directors is responsible for the distribution of such amount between its members and the members of our board of executive officers.

Our shareholders' meeting held on April 26, 2023 approved the global compensation for the members of our board of directors, fiscal council and board of executive officers for the fiscal year of 2023 in the amount of up to R\$150 million.

For the years ended December 31, 2022, 2021, and 2020, the aggregate compensation of all of our directors, officers and members of our fiscal council was R\$99.2 million, R\$109.8 million and R\$133.7 million, respectively, which includes bonuses in the aggregate amount of R\$11.6 million, R\$13.0 million and R\$10.7 million, respectively. In addition, for 2022, 2021 and 2020 we paid an aggregate of R\$0.548 million, R\$0.530 million and R\$0.522 million into our pension plan on behalf of our directors.

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Information on elements of compensation for the year ended December 31, 2022 is detailed in the table below (the percentages reflect the percentage of total remuneration represented by the category)

Elements of Remuneration	board of directors	Board of Executive Officers (Statutory)	Fiscal Council
Fixed Remuneration	83.02 %	31.0 %	83.3 %
Benefits	0.1 %	1.4 %	0.0 %
Social Contribution	16.7 %	6.9 %	16.7 %
Variable Remuneration	0.0 %	14.7 %	0.0 %
Long Term Incentive Plan	0.0 %	46.0 %	0.0 %
TOTAL	100.0 %	100.0 %	100.0 %

In addition to receiving a fixed salary, our entire board of executive officers participate in a profit-sharing program based on the achievement of certain personal and corporate goals. We also provide the following benefits, among others, to certain members of our board of directors and our entire board of executive officers: life insurance, health care plans, dental care, meal vouchers, transport, payroll loans and private pension plans. In addition to the benefits, we offer our management team long-term incentive programs. A quick overview of such programs follows below.

Phantom Shares Plan

Our phantom shares plan is settled in cash and based on the market price of our shares. We grant the phantom shares in addition to the salaries of beneficiaries. The phantom shares vest within three years of working at Suzano and, after such period they can be redeemed by the beneficiary at an exercise price corresponding to a given percentage over the average market price of our shares at closing in the 90 trading days prior to the exercise date.

Phantom shares are granted to the eligible beneficiaries in accordance with general conditions established in specific regulations managed by the (non-statutory) people committee, under the guidelines and conditions defined thereby. Every year, the people committee establishes the corporate performance indicators (condition for acquisition) which, if achieved, entitle beneficiaries to receive phantom shares.

Annually, if certain performance targets are met, our main executives and certain non-executive employees who are beneficiaries are granted “phantom shares” in an amount determined by dividing the number of salaries paid and the arithmetic mean of the closing prices of our shares in the last 90 trading sessions. The number of salaries paid is determined based on (i) the achievement of targets; and (ii) the discretionary quantities attributed by the people committee with regard to the level of achievement of the corporate indicators.

After they are granted, the phantom shares may be redeemed in cash by the beneficiaries provided they fulfill the stipulated vesting period (3 years at the Company).

Share Appreciation Rights Plan

We make available to certain of our executives and employees a Share Appreciation Rights Plan, under which the payment, in cash, is linked to the price of our shares and, for a group of executives, is also linked to the performance of our shares in relation to our competitors. The difference between this plan and the phantom shares plan is the fact that there is a minimum appreciation requirement for vesting.

The options have an exercise price (or minimum level of share appreciation) that represents the average of the last 90 trading days prior to the grant date. The plan is composed of one tranche with a vesting period ending three years after the grant and maturing six months after the end of the vesting period. After 5 years, the options are exercised automatically.

The beneficiary is invited to participate in the plan. The acceptance by the beneficiary requires the investment of an amount equivalent to 5% of the grant at the date of the grant, and 20% at the end of the vesting period, which must be deposited in our bank account.

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The beneficiary's gain varies depending on the performance of our shares and may vary up to 25% more depending of the relative performance of our shares and the competing shares (TSR – Total Shareholder Return). This percentage is calculated based on our performance for the relevant period in comparison with our competitors' performance and may vary between 75% and 125%.

Maximum, Minimum and Average Individual Remuneration of our board of directors, Board of Executive Officers and Fiscal Council

Year 2022	Number of Members	Number of Remunerated Members	Highest Remuneration (in reais)	Lowest Remuneration (in reais)	Average Remuneration (in reais)
board of directors	9.33	9.33	8,247,041.76	924,000.00	2,047,231.36
Board of Executive Officers	7.00	7.00	23,840,344.33	7,266,205.54	11,935,174.34
Fiscal Council	3.00	3.00	395,040.00	395,040.00	395,040.00

Note on Calculations:

- The average annual remuneration of each body was calculated by dividing the total amount of annual compensation (fixed, variable and indirect benefits, including social contribution) for each body by the number of remunerated members in the respective body.
- The lowest annual individual remuneration (fixed, variable and indirect benefits, including social contribution) of each body excludes all members of the respective body who have held the position for less than 12 months.
- The highest annual individual remuneration (fixed, variable and indirect benefits, including social contribution) of each body makes no exclusions, considering all remuneration received by the respective member for functions exercised in the last 12 months.

Employee compensation policies

Policy on salaries and variable compensation

The Company ensures a competitive compensation policy, conducting an annual survey of positions and salaries among the biggest and best companies in diverse various segments, at its discretion. The compensation consists of a fixed monthly salary, which is related to the level of complexity of the position, and an annual share in the Company's results through the variable compensation program.

The variable compensation program mostly aims at leveraging business and results, encouraging employees to effectively contribute to the Company's growth, strengthening the commitment to sustainable results, while making the short- and long-term visions compatible, enabling that the Company's growth results in a financial compensation, as well as retaining employees.

Short-Term Variable Compensation Programs

We have two variable compensation programs based on the definition of group and individual targets. These targets are cascaded across all hierarchical levels.

Long-Term Variable Compensation Programs

We have share-based compensation plans for certain non-management employees within our two Long-Term Incentive (LTI) plans linked to the price our stock, paid in local currency. These are the Phantom Shares Plan and the Share Appreciation Right (SAR) plan, described above. Both plans depend on the stock price, and the SAR plan also depends on the performance of our shares in relation to our main competitors (TSR – Total Shareholder Return).

On November 10, 2017, we migrated our class "A" preferred shares (SUZB5) to common shares (SUZB3). Since then, our common shares have become the underlying asset of our LTI plans.

Benefits policy

Below is a list of some of the benefits offered to employees:

Dental Care: we offer dental care to employees from certain units, which also covers their dependents. At the Mucuri unit, the benefit also covers the parents of employees.

Health Insurance Plan: we offer medical assistance to employees through health insurance plans managed by third -parties, according to the relevant work location. Employees, their dependents (i.e., spouse or partner, children younger than 21 and single, children younger than 24 who are students, and children with disabilities in any age) and interns are entitled to health insurance. The health insurance offered by us has a copayment model, i.e., the employee copays a percentage of the costs of medical procedures, following the rules of the insurance plan and applicable regulations. No monthly fixed contribution is paid. There is an accredited network in all locations to serve employees and their dependents. In addition, employees are entitled to reimbursement of expenses incurred at non-accredited locations, in accordance with the rules of the plan.

Meal Voucher: Credit provided on the last business day of each month, to a prepaid meal card, at locations that do not have a cafeteria.

Cafeteria: Outsourced restaurants that offer meals at manufacturing units, distribution centers and logistic centers (breakfast, lunch, dinner and supper).

Food Voucher: Credit provided on the last business day of each month, to a prepaid food card.

Transportation Voucher: Benefit intended to cover expenses with daily commute to and from work.

Christmas Basket: All employees are eligible for this benefit, which is delivered in December through a prepaid Christmas card.

Toy Check: All employees with children aged up to 12 years are entitled to this benefit. Employees receive a prepaid toy card, which is always delivered in December.

Studying is Growing Program: In partnership with employees who are parents, this benefit aims to improve the academic performance of their children through cash prizes to students who obtain good grades at the end of the academic year. These prizes are paid in accordance with predefined criteria and analysis of the student's report card by the 1st quarter of the subsequent year, and are deposited into the employee's account.

School Supplies Kit: Every year, we deliver school supplies to the children of employees, according to the level enrolled. Employees' children older than 5 (completed by January 31 of a given year) who are in pre-school, primary or secondary education are eligible for this benefit.

Child Care Assistance: Benefit envisaged in the collective bargaining agreement, by which expenses with day care or babysitter services are reimbursed. All female employees who are mothers, male employees who are widowers or legally separated and who hold custody of their children aged 0 to 72 months (depending on the location where the employee works) are entitled to this benefit. The benefit amount is credited to the employee's payroll. For this, the employee must submit monthly proof of the expenses to the HR department at their unit and there is no deductible.

Allowance for Child with Disability: This benefit is envisaged in the collective bargaining agreement, by which expenses with specialized treatment and education of employees' children with disabilities are reimbursed. All employees who have children with disabilities or who hold legal custody of a person with disabilities are entitled to this benefit. The benefit is granted upon submission of the respective medical certificate attesting to the disability. The benefit amount is credited in the payroll and the employee must submit monthly proof of expenses to the HR department at the unit. There is no age limit for dependents to receive this benefit. There is no deductible for the employee.

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Tribute for Time of Service: At the end of each year, employees completing their 10, 20, 30 and 40 –year anniversary of service at Suzano are honored.

Life Insurance: This benefit insures the employee and their dependents in case of death and/or disability. The amount insured corresponds to 36 times the employee’s salary (capped at R\$1.2 million).

Payroll Loans: This benefit is offered to active employees and is governed by the Brazilian Labor Code (CLT) (employees on INSS leave, interns and contractors are not eligible). To obtain the benefit, employees must have been working at the Company for at least six months. The loan is repayable in up to 36 months with a maximum monthly installment up to 30% of available compensation. Total deductions (including the loan installment, to be deducted from payroll) cannot exceed 40% of available compensation.

Private Pension Plan: Suzano Prev is our supplementary pension plan, managed by BrasilPrev. All employees aged between 14 and 89 are entitled to this benefit.

C. Board Practices

Our board of directors meets at least four times per year and whenever necessary, according to our interest or when called by its chairman or by the majority of its members. Our board of directors is responsible for, among other things, establishing our general business policies and for electing our executive officers and supervising their activities. Our board of executive officers meets periodically to review our production, commercial and financial operations. Our board of directors and our board of executive officers is governed by each of their respective internal rules, which have been approved by our board of directors in 2019 and 2018, respectively. These rules set forth the structure and functioning, as well as rights and obligations of the members of our board of directors and board of executive officers.

According to the Brazilian Corporation Law and our by-laws, the members of our board of directors are elected by the holders of our common shares at the general shareholders meeting. The members of our board of directors serve two-year terms. In April 2022, the sitting and alternate members of our board of directors were elected to serve a two-year mandate starting on April 25, 2022.

D. Employees

As of December 31, 2022, we employed a total of 19,319 employees (Suzano + Portocel + Ecofuturo + Futuragene + 50% Veracel), distributed as follows:

	As of December 31, 2022
Management	1,405
Specialists/Engineers	77
Administrative	4,608
Operations	13,229
Total	19,319

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The increase in the number of employees (1,898 people) compared to 2021, increase in our forest base, insourcing, formation of a succession pool for industrial units and hiring of employees for the Cerrado Project.

On December 31, 2022, 25,140 workers (Suzano = 24,132 + 50% Veracel = 1,008) employed by outsourced subcontractors and service providers were used. This scenario represents an increase of 17.6% in outsourced subcontractors and service providers compared to the previous year, equivalent to an increase of 3,772 employees. The workforce is mostly allocated in forestry operations and logistics with 53% of workers, followed by 26% of workers distributed in industrial operations and 21% of workers in support and administrative activities.

In the years of 2022, 2021, 2020 and 2019, the number of accidents in our facilities were 155, 163, 146, 195, respectively.

Our relationship with our employees is subject to the terms and conditions set forth in each of the collective labor agreements executed by us with the local unions to which our employees belong.

E. Share Ownership

As of April 26, 2023, the members of our board of directors and our executive officers, other than members of the Feffer family, as a group, directly owned less than 1.0% of our common shares. See Item 7. “Major Shareholders and Related Party Transactions.”

F. Disclosure of a Registrant’s Action to Recover Erroneously Awarded Compensation

Not applicable.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

As of April 14, 2023, our capital stock fully subscribed and paid in was R\$9,235.5 million divided into 1,324,117,615 common shares.

The table below presents certain information as of April 14, 2023, regarding (i) any person known to us as the owner of 5% or more of our outstanding common stock, (ii) total amount of the common stock owned by the members of our board of directors, executive officers and fiscal council; and (iii) total amount of the common stock owned by our related parties.

Shareholder	Number of Common Shares	Total Capital (%)
Suzano Holding S.A (1)	367,612,329	27.8 %
David Feffer	53,443,764	4.0 %
Daniel Feffer	48,077,095	3.6 %
Jorge Feffer	47,687,360	3.6 %
Ruben Feffer	46,856,578	3.5 %
Alden Fundo de Investimento em Ações	26,154,744	2.0 %
Other Related Parties (2)	29,805,821	2.3 %
board of directors, Executive Officers and Fiscal Council	4,291,788	0.3 %
<i>(Other Shareholders) Public Float:</i>	683,460,636	51.6 %
Treasury Shares	16,727,500	1.3 %
Total	1,324,117,615	100.0 %

(1) The controlling shareholders of Suzano Holding S.A. are David Feffer, Daniel Feffer, Jorge Feffer and Ruben Feffer.

(2) Includes other relatives of the Feffer family.

In addition, as of April 14, 2023, 3.8% of our common shares were held in the form of ADSs. Our major shareholders do not have different voting rights from other shareholders.

Shareholders' Agreements

Feffer Voting Agreement

David Feffer, Daniel Feffer, Jorge Feffer, Ruben Feffer, Suzano Holding S.A. and Alden Fundo de Investimento em Ações (“Fundo Alden”), as well as their stocks, their successors and permitted assignees, as the case may be, are parties to a voting agreement dated September 28, 2017 and amended on July 12, 2022, relating to their respective stakes in our company. The voting agreement became effective on September 28, 2017 and shall be in force until June 23, 2042. The voting agreement (a) will terminate automatically if the shareholders’ agreement of Suzano Holding is terminated, and (b) may be terminated at any time by any two of David Feffer, Daniel Feffer, Jorge Feffer, Ruben Feffer and any of their successors or permitted assignees. The shareholders’ agreement of Suzano Holding was entered into on September 28, 2017 and similarly will be in force until June 23, 2042.

Pursuant to the voting agreement, the parties are required to vote as a block at our shareholders’ meetings. Prior to each of our shareholders’ meetings, the parties are required to hold a meeting to determine the vote to be cast by each party with respect to all matters submitted for voting at such shareholders’ meeting. Each party is entitled to one vote at such preliminary meetings, and decisions are taken by vote of the majority of the shares bound by the agreement.

Feffer Stock Transfer Agreement

David Feffer, Daniel Feffer, Jorge Feffer and Ruben Feffer are parties to a stock transfer agreement dated as of, and effective on, September 28, 2017, and amended on July 12, 2022, which will be in force until June 23, 2042.

Pursuant to the stock transfer agreement, each party and its successors agrees to not transfer, sell, assign or encumber shares subject to the stock transfer agreement (including through market transactions on an exchange), subject to certain exceptions, without the prior written consent of the other parties.

The stock transfer agreement also includes customary rights of first offer and rights of first refusal to all parties in the event of a sale or transfer of one of the parties. Moreover, the stock transfer agreement prohibits the transfer of shares to a third party that, directly or indirectly, engages in a competing activity, or that presents a common interest with whom engages in a competing activity, in each case with respect to our company.

B. Related-Party Transactions

For transactions with related parties, we shall observe the usual market prices and conditions, as well as the corporate governance practices adopted by us and those recommended and/or required by the legislation.

Transactions with Suzano Holding S.A.

The transactions with our controlling shareholder, Suzano Holding S.A, in the year ended December 31, 2022, totaled R\$91 thousand, mainly related to administrative expenses sharing and, to a lesser extent, to guarantees provided by Suzano Holding S.A.

Other transactions

We are currently engaged in commercial pulp transactions with Ibema Companhia Brasileira de Papel (“Ibema”) that is a joint venture between us and Ibema Participações S.A (“Ibemapar”) concluded in January 2016. Currently, we hold 49.9% of Ibema’s share capital and Ibemapar holds the remaining 50.1%.

In the year December 31, 2022, 2021 and 2020, our net revenue from these transactions was R\$237.1 million, R\$184.9 million and R\$ 117.3 million, respectively.

We also enter into expense sharing with certain other parties controlled by some of our controlling shareholders in the ordinary course of business.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

See Item 18. “Financial Statements.”

Legal Proceedings

We are currently party to numerous legal proceedings in Brazil relating to civil, administrative, tax, labor, environmental and corporate issues arising in the normal course of our business. Our audited consolidated financial statements only include provisions for probable and reasonably estimable losses and expenses we may incur in connection with pending proceedings. The roll forward of provisions according to the nature of each lawsuit is set forth below:

	December 31, 2022		December 31, 2021	
	Judicial deposits	Provision Provision, net <i>(in thousands of R\$)</i>	Provision, net	
Tax	149,951	2,868,479	2,718,528	2,837,864
Labor	12,270	255,805	243,535	133,623
Civil	21,623	315,870	294,247	261,125
	<u>183,844</u>	<u>3,440,154</u>	<u>3,256,310</u>	<u>3,232,612</u>

Although the amounts of any liability that could arise against us with respect to these actions cannot be accurately predicted, in our opinion, except as described below, such actions, if decided adversely to us, would not, individually or in the aggregate, have a material adverse effect on our financial condition. The amount of the legal cases assessed as reasonably possible, as of December 31, 2022, is R\$ 8,201.2 million for tax proceedings, R\$ 321.4 million for labor proceedings and R\$ 4,414.9 million for civil proceedings.

Tax Proceedings

As of December 31, 2022, we were involved as the defendant in approximately 31 administrative and judicial proceedings of tax and welfare nature, which likelihood of loss is probable, involving a plurality of taxes, such as corporate income tax (“IRPJ”), social contribution on net income (“CSLL”), retained income tax (“IRRF”), social integration program (“PIS”), social contribution on revenue (“COFINS”), tax on industrialized products (“IPI”), social contribution, tax on rural real estate (“ITR”), value added tax on goods and services (“ICMS”), tax on services (“ISS”) and real estate tax (“IPTU”).

As of December 31, 2022, we had provisions, net of judicial deposits, of R\$2,718.5 million related to tax claims for which our legal counsel considers that the likelihood of loss is probable. In addition, the total amount related to proceedings in which we are defendants, and for which our legal counsel considers the likelihood of loss possible, is R\$8,201.2 million. As of December 31, 2022, we had no provision accrued for claims which likelihood of loss is possible.

The remaining tax and welfare proceedings refer to other taxes, such as social contribution, IRPJ, CSLL, ITR, ICMS, ISS, IRRF, PIS and COFINS, mainly due to divergences on the interpretation of applicable tax rules and ancillary tax obligations.

We list below our liabilities (i) individually classified as possible losses deemed relevant by us or (ii) which updated value involves, individually, an amount higher than R\$100 million:

- a. *Tax Assessment – IRPJ/CSLL – exchange of industrial and forestry assets:* In December 2012, a tax assessment was issued by the Brazilian Internal Revenue Service (“RFB”) against us, with respect to IRPJ and CSLL under the allegation that there was no taxed capital gain in February 2007, when we finalized an exchange of industrial and forestry assets with International Paper. In January 2016, the Tax Federal Administrative Court (“CARF”) rejected the appeal filed by us. The appeal was rejected as per the casting vote of CARF’s President. After notification of the decision, in May 2016, since no new appeal at the administrative level is permitted, we filed a complaint with the judicial courts. We presented judicial guarantee, which was accepted. The lawsuit was ruled in favor of the Company and the Government Attorney’s Office filed the appeal which are still pending judgment. We continued not provisioning this matter, given that, based on the opinion of our internal and external legal counsel, the likelihood of loss is possible. In the year ended December 31, 2022 the amount is R\$2,506.0 million (R\$2,351.7 million as of December 31, 2021).
- b. *Tax Assessment – IRPJ/CSLL – disallowance of depreciation, amortization and depletion expenses – 2010:* In December 2015, a tax assessment was issued by the Brazilian Internal Revenue Service (RFB) against us, with respect to IRPJ and CSLL. The main argument of the assessment is the non-deductibility of depreciation, amortization and depletion expenses, during the fiscal year of 2010. We filed an administrative appeal, which was judged partially valid. We filed an appeal against this decision in November 2017. and the trial was converted into diligence. Currently, the diligence is expected to be initialized. In the year ended December 31, 2022 the amount is R\$777.4 million (R\$728.6 million as of December 31, 2021).
- c. *IRPJ/CSLL – partial approval – 1997:* we requested approval to offset 1997 tax losses with amounts owed to the tax authorities. In March 2009, the authorities approved only R\$83.0 million, which generated a difference of R\$51.0 million. We are still awaiting the conclusion of the analysis of the credits discussed at the administrative level following a favorable decision of CARF in August 2019, which granted the Voluntary Appeal filed by us. For the remaining credit, we have appealed the rejection of the tax credits and obtained a partially favorable decision and the final decision is under discussion in the judicial level which is still pending. . In the year ended December 31, 2022 the amount is R\$111.8 million (R\$106.8million as of December 31, 2021).

- d. *Tax Incentive — Agency for the Development of the Northeastern Brazil (ADENE)*: in 2002 the Brazilian Internal Revenue Service (RFB) granted our request to benefit from reductions in corporate income tax and nonrefundable surcharges calculated on operating profits (as defined) for Aracruz facilities A and B (period from 2003 to 2013) and plant C (period from 2003 to 2012), when the qualification reports for the tax reductions are approved by SUDENE. In 2004, we were served an Official Notice by the liquidator of the former Superintendence for the Development of the Northeast (“SUDENE”), who reported that the right to use the benefit previously granted is unfounded and would be cancelled. In 2005, the RFB served us an assessment notice requiring the payment of the amounts of the tax incentive used, plus interest. After administrative discussions, the assessment notice was partially upheld and recognized our right to the tax incentive through 2003. Our management, supported by our legal counsel, believes that the decision to cancel the tax benefits is erroneous and should not prevail, either with respect to benefits already used, or with respect to benefits not used until the corresponding final periods. Currently the request for clarification is pending of judgment after the adverse decision of the lower court judge. In the year ended December 31, 2022 the amount is R\$136.7 million (R\$129.7 million as of December 31, 2021).
- e. *PIS/COFINS – Goods and Services – 2009 to 2011*: in December 2013, the Brazilian Internal Revenue Service (RFB) issued an assessment against us demanding the collection of PIS and COFINS credits disallowed because they were allegedly not linked to our operating activities. In the first instance, the objection filed by us was dismissed. After the Voluntary Appeal was filed, it was partially provided in April 2016. From this decision, the National Treasury filed a Special Appeal to the Superior Chamber, which is still pending judgment, and we filed a request for clarification which was partially favorable. The updated amount involved up to December 31, 2022 is R\$ 180.2 million (R\$ 169.8 million as of December 31, 2021).
- f. *Compensation – IRRF – period 2000*: We filed a lawsuit requesting the compensation of IRRF credits originated in the year ended December 31, 2000 regarding debts owed to the RFB. In April 2008, the Brazilian Internal Revenue Service (RFB) partially recognized the credit in our favor. From this decision, we filed a Voluntary Appeal with CARF, and the trial was converted into diligence. Currently, the diligence is expected to be initialized. In the year ended December 31, 2022 the amount is R\$116.1 million (R\$111.4 million as of December 31, 2021).
- g. *Tax assessment – Corporate Income Tax and Social Contribution*: on October 5, 2020, we were notified about the tax assessment issued by the Brazilian Internal Revenue Service (RFB) claiming the payment of Corporate Income Tax and Social Contribution, in the total amount of R\$454.9 million, resulting from the remeasurement of profit of our wholly-owned subsidiary Suzano Trading Ltd in the years ended December 31, 2014, 2015 and 2016. In addition to us, certain Statutory Executive Officers’ (“Officers”) from Suzano Trading were also included as co-responsible. The legal counsel considered the risk of loss as possible in regards to us and, in reference to the Officers, also possible but with greater chances of success (possible to remote). In the year ended December 31, 2022 the amount involved is R\$516,433 (R\$470,119 as at December 31, 2021).
- h. *Tax assessment – taxation on a universal basis – year 2015*: on November 3, 2020, we received a tax assessment for the collection of income tax and social contribution, alleging unpaid tax related to the year ended December 31, 2015, due to the absence of profits earned by subsidiaries abroad in the determination of taxable income and social contribution calculation basis. The legal counsel considered the risk of loss as possible in regard to us and, in reference to the Officers, also possible but with greater chances of success (possible to remote). Currently, we presented the defense at the administrative level and the trial was converted into diligence, which is expected to be initialized in the year ended December 31, 2022. The corresponding amount is R\$516.4 million (R\$470.1 million as of December 31, 2021).

Labor Proceedings

As of December 31, 2022, we were involved in 1,117 labor proceedings assessed as reasonably probable, representing a contingency provision, net of judicial deposit, of R\$243.5 million duly provisioned in our audited consolidated financial statements. In addition, we were involved in 1,248 labor proceedings assessed as reasonably possible, with a total amount under dispute totaling R\$ 321.4 million. We are also party to collective disputes involving unions located in the states of Bahia, Espírito Santo, São Paulo and Mato Grosso do Sul.

The labor proceedings filed against Suzano involve the usual matters under dispute in other agroindustrial companies, such as overtime and termination payments, additional compensation for allegedly unsafe/unhealthy labor conditions, in addition to lawsuits filed by outsourced and third-party employees claiming that we are secondarily or jointly liable for compensation owed to them by their original employers.

Civil, Land and Environmental Proceedings

As of December 31, 2022, we were involved in 66 judicial civil and environmental proceedings assessed as reasonably probable, representing a contingency provision, net of judicial deposits, of R\$294.2 million duly provisioned in our audited consolidated financial statements. In addition, we have 221 civil and environmental proceedings assessed as reasonably possible, amount under dispute totaling R\$ 4,414.9 million.

The civil judicial proceedings refer mainly to indemnification claims, real estate possession challenges, claims for the revision of contractual provisions, bankruptcy, reimbursement of funds claimed from landowners and land lawsuits. The environmental judicial proceedings involving us mainly relate to licensing issues and environmental impacts of our activities. We are also a party in administrative proceedings that discuss issues related to forestry operations and environmental licensing. Material claims are outlined below.

Environmental Matters

We currently have two relevant public civil claims (*ação civil pública*) filed by the Federal Public Prosecution Office in the north and northeast regions of Brazil, which challenge the jurisdiction of the state's environmental agency to grant environmental licenses and claiming compensation for the impacts of our operation. The Federal Public Prosecution Office alleges that the environmental licensing proceedings related to the installation of our industrial plant in the state of Maranhão should be carried out by the Brazilian Federal Environmental Agency – IBAMA. The risks involved in such proceedings include delays in our plantation schedule and the suspension of the activities carried out in our Maranhão unit until a new permit is issued and the impacts are repaired. The superior court is still to rule on an appeal against the injunction granted against us, and the other claim are still pending judgement by the trial judge.

In addition, we are involved in a dispute related to possible environmental damages in Cubatão (a city in the state of São Paulo), allegedly caused by Cia Santista de Papel, a company that was acquired by Ripasa S.A. Celulose e Papel, which in turn was acquired by us in 2008. This lawsuit is ongoing for over thirty years and involves more than twenty other companies. Claimants in this lawsuit seek reparation for the environmental damage allegedly caused to Serra do Mar's State Park (an area under environmental protection) by several companies that maintained activities in the industrial district of Cubatão until the 1990s.

On September 2017, the lawsuit was ruled in favor of the plaintiff, sentencing the defendant companies to recover the damages allegedly caused or, should the environment be already recovered, to pay a compensation of equal value of the cost of the recovery. This compensation would be allocated to expand Serra do Mar's State Park. The ruling, however, did not determined the amount that should be paid as compensation, leaving the definition of this value to a latter procedural stage.

The companies involved signed an agreement that has already been approved by the court and the action was closed.

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In December 2020 the Prosecutors Office of the State of Bahia served us in a public civil claim (*ação civil pública*) questioning the applicability of the concept of “Consolidated Rural Areas”, established by Federal Law No. 12.651 / 2012, in the areas inserted in the Mata Atlântica Biome. The process is still in a preliminary and a preliminary injunction was issued recognizing the Regulatory Decree for the Atlantic forest biome as applicable and requesting in depth technical studies from INEMA (Bahia Environmental Institute) in order to identify possible Consolidated Rural Areas in the region. This decision subject to appeal from both, Suzano and INEMA (Bahia Environmental Institute).

The municipality of Nova Viçosa, located in the state of Bahia, filed a Public Civil Action against Suzano claiming collective damages due to alleged consequences of the dredging operations of a navigation channel located in the Municipality of Caravelas operated by Suzano until 2021. Despite these dredging operations being carried out by Suzano in accordance with the environmental permits issued by INEMA (Bahia Environmental Institute) and IBAMA (Brazil’s Federal Environmental Agency), the municipality claims that the dredging was allegedly causing impacts on fishing and aesthetics elements of the Municipality.

Due to the lack of legal and factual requirements for an injunction, the motion by the municipality was almost denied in whole, except to a partial grant by the Judge to oblige Suzano to hire an audit to attest the robustness of its corporate governance. Suzano appealed to the State Court, in which Prosecutor’s office recently presented an opinion stating that Suzano’s appeal should be ruled in favor of Suzano due to the lack evidence of causality between the alleged damages and the dredging activities.

In Parallel, 50 individuals filled lawsuits against Suzano claiming individual damages for alleged losses incurred due to alleged consequences of the dredging operations. All motions for preliminary injunctions by these individuals were rejected by the Judge - due to the lack of legal and factual requirements - and these decisions were ultimately upheld by the State Court of Appeals.

Civil Matters

Regarding civil matters, we are involved in two public civil claims (*ação civil pública*) filed by the Federal Public Prosecution Office requesting (i) a preliminary injunction to prohibit our trucks from transporting wood in federal highways above legal weight restrictions, (ii) an increase in the amount of fines for cases of overweight, and (iii) compensation for damages to property allegedly caused to federal highways, the environment and the economic order, and compensation for moral damages. One of these claims was ruled against us. We presented an appeal to the Court of Appeals, requesting an interim relief to stay the effects of such ruling until a final decision is reached. We are currently waiting for the ruling on the interim relief by the 1st Regional Federal Court Appeals. In 2021, both were suspended due to the decision of the Supreme Court of Justice STJ to evaluate the points of discussion in the form of a repetitive appeal. Still no date for judgment.

In November 2020, a sea logistic supplier initiated an arbitration proceeding against us due to the early termination of the agreement. The counterparty seeks to enforce a put provision (imposing the ownership and acquisition of barges) allegedly foreseen in the agreement as a penalty for the early termination, and the payment of purported losses and damages suffered because of termination. Our position is that the put is not due, and, even if it was due, the put provision is abusive under the economic ratio of the contract. The court of arbitration ruled the matter, partially accepting the counterparty claims’, as some of the values will need to be subject to a future phase of calculation of the award.

Also, in 2015 the Company sued a competitor who improper and unauthorizedly used a variety of eucalyptus protected by intellectual property rights (cultivar) of the former Fibria. The prohibition of cultivation of this biological asset by the competitor is protected by an injunction still in force. The district court ruled the case, confirming the preliminary injunction and determining Respondent to cease and refrain from planting and propagating eucalyptus clones of VT02 throughout the national territory, as well as ordering it to pay compensation for material damages to be fixed in a further phase of calculation of the award, which was already initiated by the Company. While the sentence is pending, the competitor filed an action to annul the cultivar registration, but the course of the first action was not harmed. The first claim was ruled on April 2021 and, until this point, there was not any decision capable of restraining the Company’s rights in this matter.

Land Disputes

We were served in March 2014 in a public civil claim (*ação civil pública*) filed by the Federal Prosecutor's Office regarding real property acquired by us in the northern part of the state of Espírito Santo. The Federal Prosecutor requested the nullity of the deeds, compensation for moral damages and suspension of financing for our operations in the municipalities of São Mateus and Conceição da Barra, both located in the state of Espírito Santo. A preliminary injunction was granted, which blocked around 6,000 hectares of our land in such municipalities and suspended any financing for us by BNDES for either production or planting of eucalyptus pulp on the properties relating to the public civil claim.

In September 2015, we were served a notice of another public civil claim (*ação civil pública*) filed by the same Federal Prosecutor's Office, requesting the nullity of the deeds of other certain properties acquired in the northern part of the state of Espírito Santo. A preliminary injunction was granted blocking around 5,601 hectares of our land in the same municipalities of São Mateus and Conceição da Barra. We filed our judicial defense and an appeal against such injunction, which is still pending judgment.

In October 2021, both cases were ruled and the Federal District Court, decided for the nullity of the land titles and determined the return of these areas and respective properties rights to the State's title.

The decisions rendered are not final and the company has filed appropriate appeals claiming for reversal of this decision before the Federal State Court of Espírito Santo.

It is important to highlight that Suzano is the legitimate owner of the properties under discussion and will continue to discuss the matter in court, in order to prove the legality of the acquisitions made at the time of acquisition, in accordance with applicable laws and practices applicable at the time of purchase.

Administrative and Other Proceedings

Land Issues

In April and October 2006, and in December 2009, the Brazilian Institute for Land Reform – INCRA, published a public notice informing that certain reports issued by commissions created by INCRA concluded that approximately 34,430 hectares of land located in the state of Espírito Santo should belong to certain quilombola communities (comunidades quilombolas de Linharinho, São Jorge e São Domingos). From that total area, approximately 25,330 hectares corresponded to property owned by us. The issues raised by INCRA reports are still underway, and there is no final decision by the INCRA. We are confident that the acquisition of this area by us complied with the applicable legislation and was duly registered with the appropriate governmental offices.

Dividends

General

The Brazilian Corporation Law and our bylaws require that we distribute annually to our shareholders a mandatory minimum dividend, which we refer to as the mandatory dividend, equal to at least 25% of our net income after taxes, after certain deductions, including accumulated losses and any amounts allocated to employee and management participation, any amount allocated to our legal reserve, and any amount allocated to the contingency reserve and any amount written off in respect of the contingency reserve accumulated in previous fiscal years, in each case in accordance with Brazilian law.

In accordance with article 26 of our bylaws, the minimum mandatory dividend corresponds to the lower of: (i) 25% of the adjusted annual net profits, adjusted according with the Brazilian Corporate Law, and (ii) 10% of the Operating Cash Flow Generation in the relevant fiscal year. The Operating Cash Flow Generation ("GCO") is calculated using the following formula: $GCO = \text{Adjusted EBITDA} - \text{Maintenance Capex}$, where "GCO" means the consolidated Generation of Operational Cash of the Fiscal Year, expressed in national currency, "EBITDA" means our net profit of the fiscal year expressed in national currency, before the income tax and social contribution on net income, financial income and expenses, depreciation, amortization and depletion. "Adjusted EBITDA" means the EBITDA excluding items not recurrent and/or not cash and gains (losses) arising from changes in fair value of sale of the biological assets.

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Dividends must be distributed within 60 days from the date of its declaration, unless a shareholders' resolution determines another date, not later than the end of the fiscal year in which such dividend was declared. The Brazilian Corporation Law permits, however, a company to suspend the mandatory distribution of dividends if its board of directors reports to the shareholders' meeting that the distribution would be incompatible with the financial condition of the company, subject to approval by the shareholders' meeting and review by the fiscal council. Net income not distributed due to the suspension mentioned here must be attributed to a special reserve and, if not absorbed by subsequent losses, must be paid as dividends as soon as the financial situation of the company permits.

The amounts available for distribution are determined on the basis of financial statements prepared in accordance with the requirements of the Brazilian Corporation Law. In addition, amounts arising from tax incentive benefits or rebates are appropriated to a separate capital reserve in accordance with the Brazilian Corporation Law. This investment incentive reserve is not normally available for distribution, although it can be used to absorb losses under certain circumstances or be capitalized. Amounts appropriated to this reserve are not available for distribution as dividends.

The Brazilian Corporation Law permits a company to pay interim dividends out of preexisting and accumulated profits for the preceding fiscal year or semester, based on financial statements approved by its shareholders. We may prepare financial statements semiannually or for shorter periods. Our board of directors may declare a distribution of dividends based on the profits reported in semiannual financial statements. Our board of directors may also declare a distribution of interim dividends based on profits previously accumulated or in profits reserve, which are reported in such financial statements or in the last annual financial statement approved by resolution taken at a shareholders' meeting.

In general, shareholders who are not Brazilian residents must register their equity investment with the Central Bank of Brazil to have dividends, sales proceeds or other amounts with respect to their shares eligible to be remitted outside of Brazil. The common shares underlying the ADSs are held in Brazil by Banco Itaú S.A., also known as the custodian, as agent for the depositary, which is the registered owner on the records of the registrar for our shares.

Payments of cash dividends and distributions, if any, are made in *reais* to the custodian on behalf of the depositary, which then converts such proceeds into U.S. Dollars and causes such U.S. Dollars to be delivered to the depositary for distribution to holders of ADSs. In the event that the custodian is unable to convert immediately the foreign currency received as dividends into U.S. Dollars, the amount of U.S. Dollars payable to holders of ADSs may be adversely affected by devaluations of the Brazilian currency that occur before the dividends are converted. Under the Brazilian Corporation Law, dividends paid to persons who are not Brazilian residents, including holders of ADSs, will not be subject to Brazilian withholding tax.

Payment of dividends

Related to the period of 2022, on December 1, 2022, our board of directors approved the distribution of interim dividends in the total amount of R\$2,350 million (two billion three hundred and fifty million reais), at the ratio of R\$1.794780909 per Company share, considering the number of "ex-treasury" shares on the present date, declared to the balance of retained earnings ascertained in the balance sheet dated September 30, 2022. Interim dividends will be distributed "ad referendum" of the Annual General Meeting that approves the accounts for the fiscal year ended December 31, 2022, pursuant to the second paragraph of article 204 of Law 6,404, of December 15, 1976 ("Brazilian Corporations Law") and in article 28 of the Company's Bylaws.

The early payment of dividends related to 2022, in the amount of R\$2,350 million, was imputed to the mandatory minimum dividends determined at the end of the year, in the amount of R\$2,256 million, and includes the proposed additional dividend of R\$93 million.

Payment of interim dividends was made on December 27, 2022, in local currency, based on the shareholding position held at the end of B3 S.A. – Brasil, Bolsa, Balcão ("B3") trading session on December 16, 2022 (record date in Brazil). The shares issued by the Company traded "ex-dividends" as of December 19, 2022, inclusive.

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Related to the year 2021, on April 25, 2022, our Shareholder's in the Annual Ordinary and Extraordinary Shareholder's meeting approved the distribution of dividends in the total amount of R\$1.8 billion, related to: a) R\$1.0 billion as anticipated dividends to the net income account for the year, as approved by our board of directors on January 7, 2022, and R\$90 thousand due to variations in stock ownership verified in January 2022; and b) R\$799.9 million declared at the Annual Ordinary and Extraordinary Shareholder's meetings held on April 25, 2022, paid on May 13, 2022, in local currency, based on the stock ownership at the close of the trading session of B3 S.A. – Brasil, Bolsa, Balcão, on May 4, 2022.

In accordance with the Brazilian Corporation Law and our bylaws, our shareholders approved that there would be no distribution of dividends for the fiscal year of 2020, given that there was no net profit for such year.

B. Significant Changes

Cerrado Project – Capex Update

As disclosed in a Material Fact on April 27, 2023, the capital investment related to the full execution of the Cerrado Project was revised from R\$19.3 billion to R\$22.2 billion, of which R\$15.9 billion refer to investment in industrial capital and R\$6.3 billion in investments in forestry, logistics and others. Production cash cost estimates (not including scheduled maintenance stops) are maintained at approximately R\$500 per ton, from the completion of the learning curve of the new industrial plant and approximately R\$400 per ton from the beginning of the second forest cycle.

Generation of carbon credits

The Company has ongoing carbon credit projects certifications, including: Horizonte de Carbono Project, which aims to restore degraded areas through the reforestation of native and eucalyptus trees. On March 30, 2023, the certifier Verra completed the validation and verification of 1.9Mt CO₂e of the Horizonte Project (VCS ID 3350), of which 10% will be allocated to the Verra reserve and 1.7Mt CO₂e is eligible for the issuance of credits. The Company has not yet issued such credits.

The carbon credits are registered by Verra, an accredited company that holds a global platform, which is also responsible for the custody of the credits. This company has developed the Verified Carbon Standard (VCS) program, currently regarded as the global reference standard, in the best understanding of the company.

STF decision – Effectiveness of final and unappealable tax decisions

On February 8, 2023, the Federal Supreme Court in Brazil concluded the judgment of Items 881 and 885, which discussed the effects of res judicata. Notwithstanding, considering the information available up to the date of preparation of these financial statements, the Company is not a party to any litigation related to a tax not being collected due to a past decision considered unappealable, therefore, the Company has no material adjustment due to the February 8, 2023 decision.

Treasury Shares Cancelled

On February 28, 2023, the Company cancelled 37,145,969 shares that were being held in treasury, against the balances of available earnings reserves, without changing the share capital. After the cancellation of shares, the share capital of R\$9,269,281 is now divided into 1,324,117,615 common shares, all nominative, book-entry and without par value.

Acquisition of Tissue Business in Brazil

On October 24, 2022, the Company announced to the market that it had entered into a contract to acquire Kimberly-Clark's tissue business in Brazil. The base price for the transaction is US\$175 million (equivalent to R\$922,915 on the date of signature of the contract), subject to the usual adjustments for this type of transaction, and will be paid in full on the date of closing of the transaction, which is subject to the fulfillment of conditions precedent and approval by the Brazilian antitrust authorities ("Conselho Administrativo de Defesa Econômica - CADE").

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The acquisition involves a factory located in Mogi das Cruzes (São Paulo), which contractually provides an installed capacity of 130 thousand tons per year for manufacturing, marketing, distributing and/or selling tissue products in Brazil, including ownership of the “Neve” brand, offering complementary product categories and geographical coverage to the Suzano brand.

On March 30, 2023, the General Superintendence of the CADE gave a favorable opinion on the operation, which became final on April 18, 2023. The conclusion of the deal is still subject to verification of other conditions precedent commonly practiced by the market in this type of transaction.

Other Significant Changes

Other significant changes or events have occurred after the close of the balance sheet at December 31, 2022. For further information on such events, please see note 32 to our audited consolidated financial statements.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

Our ADSs are listed on the New York Stock Exchange under the trading symbol “SUZ.” Our common shares trade on the São Paulo Stock Exchange under the symbol “SUZB3.” On December 31, 2022, we had approximately 75,000 shareholders of record at the B3.

B. Plan of Distribution

Not applicable.

C. Markets

Trading on the São Paulo Stock Exchange

Settlement of transactions conducted on the B3 becomes effective two business days after the trade date. Delivery of, and payment for, shares is made through the facilities of separate clearinghouses for each exchange, which maintain accounts for member brokerage firms. The seller is ordinarily required to deliver the shares to the clearinghouse on the second business day following the trade date. The clearinghouse for the B3 is *Companhia Brasileira de Liquidação e Custódia*, or CBLC.

In order to better control volatility, the B3 has adopted a “circuit breaker” system pursuant to which trading sessions may be suspended for a period of 30 minutes or one hour whenever the indices of these stock exchanges fall below the limits of 10% and 15%, respectively, in relation to the index registered in the previous trading session.

The B3 is less liquid than the New York Stock Exchange or other major exchanges in the world. At December 31, 2022, the aggregate market capitalization of the 92 companies listed on the São Paulo Stock Exchange Index (Ibovespa) was equivalent to approximately US\$679 billion. Although any of the outstanding shares of a listed company may trade on a Brazilian stock exchange, in most cases fewer than half of the listed shares are actually available for trading by the public, the remainder being held by small groups of controlling persons, governmental entities or one principal shareholder.

Trading on the B3 by non-residents of Brazil is subject to certain limitations under Brazilian foreign investment and tax legislation. See Item 10. “Additional Information — Taxation” and Item 10. “Additional Information — Exchange Controls.”

B3 Corporate Governance Standards

The B3 has three listing segments:

- Level 1;

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- Level 2; and
- Novo Mercado (New Market)

These listing segments have been designed for the trading of shares issued by companies that voluntarily undertake to abide by corporate governance practices and disclosure requirements in addition to those already required under the Brazilian Corporation Law. The inclusion of a company in any of these listing segments requires adherence to a series of corporate governance rules. These rules are designed to increase shareholders' rights and enhance the quality of information provided by Brazilian corporations.

In 2004, we listed our shares on the Level 1 segment of the BM&FBOVESPA (former name of the B3), thus guaranteeing transparency in our operations and accountability to our shareholders. In September 2017, we approved the admission of our shares for trading on the listing segment called *Novo Mercado* of B3, followed by the conversion of the preferred shares issued by us into common shares at the ratio of one preferred share, class "A" or class "B", for one common share. In addition, we also approved the restatement of our bylaws to adapt them to *Novo Mercado* rules and a change of our methodology to calculate mandatory dividends, also reflecting best corporate governance practices. We concluded the migration to *Novo Mercado* segment of B3 in November 2017.

As a result, in addition to the disclosure obligations imposed by the Brazilian Corporation Law and the CVM, we also must comply with the following additional disclosure requirements set forth by the *Novo Mercado* rules:

- no later than six months following our listing on the *Novo Mercado*, we must disclose financial statements and consolidated financial statements at the end of each quarter (except the last quarter of the year) and at the end of each fiscal year, including a statement of cash flows which must indicate, at a minimum, the changes in our cash and cash equivalents, divided into operating, financing and investing activities;
- from the date on which we release our financial statements relating to the second fiscal year following our listing on the *Novo Mercado* we must, no later than four months after the end of the fiscal year: (i) prepare our annual financial statements and consolidated financial statements, if applicable, in accordance with U.S. GAAP or IFRS, in *reais* or U.S. dollars, in the English language, together with
- management reports, (b) notes to the financial statements, including information on net income and shareholders' equity calculated at the end of such fiscal year in accordance with Brazilian GAAP, as well as management proposals for allocation of net income, and (c) our independent auditors' report; or (ii) disclose, in the English language, complete financial statements, management reports and notes to the financial statements, prepared in accordance with the Brazilian Corporation Law, accompanied by (a) an additional note regarding the reconciliation of year-end net income and shareholders' equity calculated in accordance with Brazilian GAAP to U.S. GAAP or IFRS, as the case may be, which must include the main differences between the accounting principles used, and (b) the independent auditors' report; and
- from the date on which we release our first financial statement prepared as provided above, no more than 15 days following the term established by law for the publication of quarterly financial information, we must: (i) disclose, in its entirety, our quarterly financial information translated into the English language or (ii) disclose our financial statements and consolidated financial statements in accordance with Brazilian GAAP, U.S. GAAP or IFRS as provided above, accompanied by the independent auditors' report.

No later than six months following the listing of our common shares on the *Novo Mercado*, we must disclose the following information together with our ITR:

- our consolidated balance sheet, consolidated income statement and a discussion and analysis of our consolidated performance, if we are obliged to disclose consolidated financial statements at year-end;
- any direct or indirect ownership interest exceeding 5.0% of our capital stock, considering any ultimate individual beneficial owner;

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- the number and characteristics, on a consolidated basis, of our common shares held directly or indirectly by any controlling shareholders, members of our board of directors, board of executive officers and fiscal committee;
- changes in the numbers of our common shares held by any controlling shareholders, members of our board of directors, board of executive officers and fiscal committee in the immediately preceding 12 months;
- in an explanatory note, our statement of cash flows and consolidated statement of cash flows, which should indicate the cash flows changes in cash balance and cash equivalent, separated into operating, financing and investing activities; and
- the number of free-float shares, and their percentage in relation to the total number of issued shares.

The following information must also be included in our Brazilian annual report (*Formulário de Referência*) within seven business days of the occurrence of the following events, among others:

- change in management or of an audit committee member;
- change in capital stock;
- issuance of new securities even if for private subscription;
- change in the rights of the securities issued;
- change in direct or indirect holdings by controlling shareholders or variations in their share positions equal to or greater than 5% of the same types or class of stocks of the issuer;
- when any natural or legal person, or a group of persons representing the same interest, has a direct or indirect share that is equal to or higher than 5% of the same type or class of stocks of the issuer, provided that the issuer is aware of such change;
- any change in the share position held by the persons mentioned in the two preceding items, in an amount greater than 5% of the same types or class of stocks of the issuer, provided that the issuer is aware of such change;
- merger, merger of shares, or spin-off;
- change in the projections or estimates or disclosure of new projections or estimates;
- execution, amendment or termination of a shareholders' agreement filed at the company's headquarters or to which the controlling shareholder is party that provides for the exercise of voting rights or the control of the company; and
- bankruptcy, judicial recovery, liquidation, or court approval of an extrajudicial recovery.

All members of our board of directors, our board of executive officers and our fiscal council have signed a management compliance statement (*Termo de Anuência dos Administradores*) under which they take personal responsibility for compliance with the *Novo Mercado* listing agreement, the rules of the Market Arbitration Chamber and the regulations of the *Novo Mercado*.

Additionally, pursuant to the *Novo Mercado* rules, we must, by December 10 of each year, publicly disclose and send to the B3 an annual calendar with a schedule of our corporate events. Any subsequent modification to such schedule must be immediately and publicly disclosed and sent to B3.

Significant Differences between our Corporate Governance Practices and NYSE Corporate Governance Standards

See Item 16G. "Corporate Governance — Significant Differences between our Corporate Governance Practices and NYSE Corporate Governance Standards."

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

As of December 31, 2022, our outstanding, fully paid-in share capital is R\$9,235.5 million, comprised of 1,361,263,584 registered, book-entry common shares, with no par value. There has been one increase in the total amount of our share capital in January 10, 2019, with the issuance of 255,437,439 common shares, with no par value. In September, 2017, we approved the admission of our shares for trading on the listing segment called Novo Mercado of B3, followed by the conversion of the preferred shares issued by us into common shares at the ratio of one preferred share, class “A” or class “B”, for one common share. In addition, we also approved the restatement of our bylaws to adapt them to Novo Mercado rules and the change of the methodology to calculate mandatory dividends, also reflecting best corporate governance practices. We concluded the migration to Novo Mercado segment of B3 in November 2017 and the conversion of the preferred shares issued by us into common shares became effective.

The rights attributed to the new common shares (converted from our preferred shares) are identical to the rights previously granted to our then existing common shares. The rights attributed to the new common shares include: (i) the right to vote in our shareholders’ meetings; (ii) the right to receive 100% of the amount paid per voting share in the controlling block in the event our control is sold; (iii) the right to receive dividends and interest on own capital declared by us. For further information, see Item 10.B below and Exhibit 2.1 to this annual report, “Description of Securities Registered under Section 12 of the Exchange Act—I. Common Shares”.

B. Memorandum and Articles of Association

Our bylaws, approved by our shareholders at our general meeting held on April 26, 2023, are filed as Exhibit 1.1 to this annual report. The information otherwise contemplated by this Item has previously been reported in our registration statement on Form F-4 filed with the Commission on August 6, 2018 (Reg. No. 333-226596). This description does not purport to be complete and is qualified in its entirety by reference to our Bylaws, the Brazilian corporation law and the rules and regulations of the CVM and the *Novo Mercado*.

Voting Rights

Each common share entitles its holder to one vote at the matters of the shareholders’ meetings, in accordance with the Brazilian Corporation Law, our bylaws and the Novo Mercado regulation.

Shareholders’ Meetings

According to Brazilian Corporation Law, shareholders must be previously notified through a notice published three times in Brazilian official gazettes in order for an annual or extraordinary shareholders’ meeting to be held. The notification must occur at least twenty one (21) days prior to the meeting scheduled date, pursuant to Brazilian Corporation Law. If the meeting so noticed is not held for any reason on first notice, a second notification must be published at least eight (8) days before the second meeting date.

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On the first notice, meetings may be held only if shareholders holding at least one-fourth of voting shares are represented. Extraordinary meetings for the amendment of the bylaws may be held on the first notice only if shareholders holding at least two thirds of the voting capital are represented. On a second call, the meetings are held regardless of quorum.

Pursuant to our bylaws and Brazilian Corporation Law, shareholders at our annual shareholders' meeting, which is required to be held within the first four months following the end of the fiscal year, will convene to: (i) take the management accounts; examine, discuss and vote on the financial statements; (ii) decide on the uses to which the net income of the fiscal year should be put and on the distribution of dividends; and (iii) elect the members of the Fiscal Council and, when applicable, the members of the board of directors.

An Extraordinary Shareholders' Meeting shall be convened whenever the Company interests so require, and/or to resolve on following matters pursuant to the Brazilian Corporation Law: (i) amend our bylaws; (ii) elect or dismiss members of the board of directors (*Conselho de Administração*), at any time; (iii) install our fiscal council and elect and dismiss its members, if such body was not installed in the annual shareholders' meeting; (iv) authorize the issuance of debentures; (v) suspend the rights of a shareholder in the event such shareholder does not comply with obligations imposed by law or our bylaws; (vi) accept or reject in-kind contributions offered by a shareholder in consideration for issuance of capital stock; (vii) resolve on the bonus share, division or reverse split of shares; (viii) pass resolutions to reorganize the legal form of, merge, consolidate or split the company, to dissolve and liquidate the company, to elect and dismiss our liquidators and to examine their accounts; (ix) waiver of the requirement to hold a public offering for the acquisition of shares as a condition for the Company's delisting from Novo Mercado; (x) authorize management to declare us insolvent and to request a judicial recovery (*recuperação judicial*, a procedure involving protection from creditors available under Brazilian law); (xi) resolve on the execution of transactions with related parties or the sale or the contribution, to another company, if the transaction value represents more than 50% of the company's total assets, according to the previous financial statement approved by the shareholders; (xii) any matter submitted by the board of directors.

Still according to our bylaws, the Shareholders Meeting which has as a matter of its agenda the resolution over (i) the cancellation of the company's registry as a publicly held company; or (ii) the change or the exclusion of Article 30 regarding the tender offer in case of acquisition of relevant interest, shall be called, with at least, sixty (60) days in advance.

Dividends

The Brazilian Corporation Law and our bylaws require that we distribute annually to our shareholders a mandatory minimum dividend, which we refer to as the mandatory dividend, after certain deductions, including accumulated losses and any amounts allocated to employee and management participation, any amount allocated to our legal reserve, and any amount allocated to the contingency reserve and any amount written off in respect of the contingency reserve accumulated in previous fiscal years, in each case in accordance with Brazilian law.

In accordance with article 26 of our bylaws, the minimum mandatory dividend corresponds to the lower of: (i) 25% of the adjusted net profits, and (ii) 10% of the Operating Cash Flow Generation in the relevant fiscal year. The Operating Cash Flow Generation ("GCO") is calculated using the following formula: $GCO = \text{Adjusted EBITDA} - \text{Maintenance Capex}$, where "EBITDA" means the net profit of the fiscal year of the Company expressed in national currency, before the income tax and social contribution on net income, financial income and expenses, depreciation, amortization and depletion. "Adjusted EBITDA" means EBITDA excluding items not recurrent and/or not cash and gains (losses) arising from changes in fair value of sale of the biological assets. "Maintenance Capex" means the amount, expressed in national currency, of the investments in maintenance executed in the fiscal year.

Acquisition of a Relevant Interest

Any person, including, without limitation, any natural or legal person, investment fund, condominium, securities portfolio, universality of rights, or other form of organization, resident, domiciled or headquartered in Brazil or abroad solely or jointly with another bound person(s) (person or group of persons bound by a voting agreement or similar agreement, or acting jointly representing the same interests), shareholder(s) or not of the Company, which subscribes, acquires or, in any other form, including, without limitation, by means of exchange, conversion, corporate reorganization (including, but not limiting to the merger of the Company and/or of its shares or the merger by the Company of other company or the shares thereof), or even upon acquisition of preemptive rights and/or subscription of shares or other securities issued by the Company convertible into shares or which give the right to its subscription or purchase of shares of the Company, becomes holder, directly or indirectly, in Brazil or offshore, of any percentage equal to or greater than twenty percent (20%) of the total shares issued by the Company shall, within the maximum term of thirty (30) days counting from the date of the event which results in the ownership of the relevant interest, launch or, in the case of a registered tender offer in the terms of CVM Resolution 85/22, file a registry request before CVM of, a tender offer for the acquisition of the totality of the shares issued by the Company, which shall be liquidated in the maximum term of (a) forty eight (48) days counting from the launch of the offer not subject to registration, and (b) one hundred and eighty (180) days counting from the date of registry filing, in the case of an offer subject to registration, in the terms of the law and applicable legislation, except for certain delays which do not arise from any act or omission of the offeror.

Disclosure of Significant Interest

CVM rules provides that all shareholders or groups of shareholders will be required to disclose, through notice to us and to the stock exchanges on which our securities are traded, the negotiation of securities that results in the shareholder surpassing or decreasing the thresholds of 5%, 10%, 15%, and so on, of participation in a certain class or type of share representative of a company's capital stock.

Pursuant to our bylaws, any person who holds Outstanding Shares in an amount greater than five percent (5%) of the total shares issued by us, and that wishes to carry out a new acquisition of shares issued by us ("New Acquisition"), shall be obliged, prior to each New Acquisition, to communicate in writing to our Investor Relations Officer, at least three (3) business days prior to the date of the New Acquisition: (i) the number of Outstanding Shares that it intends to acquire; (ii) the intention to acquire; (iii) if it has an interest to appoint a member to the board of directors or to the Audit Committee; (iv) the source of the resources that will be used for such acquisition; and (v) the strategic plans related to its investment in the Company. By "Outstanding Shares" we mean all shares issued by us, except those (i) owned, directly or indirectly, by the controlling shareholder or persons related thereto; (ii) in the Company's treasury; (iii) held by a company controlled by us; and (iv) directly or indirectly held by our directors, officer or other members of our management.

In the event that the person does not comply with such obligations, the provisions regarding the tender offer for the acquisition of the totality of the shares shall be observed.

Sale of Control

In the event of a direct or indirect sale of our shareholding control, through a single or series of transactions, the acquirer must conduct a public tender offer for all shares held by the remaining shareholders in order to ensure equal treatment of all shareholders (tag-along right). The tender offer is subject to applicable laws and regulations, our bylaws and the rules of the Novo Mercado.

Delisting from the Novo Mercado

According to the new Novo Mercado Listing Rules the withdrawal from the Novo Mercado may be: (i) voluntary; or (ii) mandatory, as a result of the violation of any the rules of the Novo Mercado or the deregistration as publicly-held company.

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The withdrawal, however, shall only occur after the launching of a public tender offer for our outstanding shares, which shall (i) follow, as applicable, the CVM regulation that rules that the mandatory tender offer for the deregistration as publicly held company (including the abovementioned possibility to request a second valuation report); and (ii) be launched at a fair price, as appointed in the appraisal report issued by a specialized institution with proven experience for the purposes of the tender offer; and (iii) be approved by at least one third (1/3) of the shareholders representing the free float that participate in the tender offer auction (whether by selling its shares or expressly agreeing with the withdrawal from the Novo Mercado).

The obligation to launch such public tender offer, however, may be waived by the majority of the shareholders representing our free float present at the shareholders' meeting convened to resolve on that matter. Such shareholders' meeting may be held on first call with the attendance of shareholders representing two thirds (2/3) of the free float or, on second call, with the attendance of any number of shareholders representing the free float.

The withdrawal from the Novo Mercado does not necessarily result in our deregistration as a publicly-held company on the B3. If we participate in a corporate reorganization involving the transfer of our shareholders' base to a company that is not listed in the Novo Mercado, such resulting company or companies must apply for listing on Novo Mercado within one hundred and twenty (120) days from the date of the general shareholders meeting that approved the reorganization, unless the majority of the shareholders representing our free float present at such shareholders' meeting agrees with the non-listing of the resulting company.

Pursuant to the new rules of the Novo Mercado, the voluntary withdrawal shall be preceded by a public tender offer at fair market value. For the withdrawal to move forward, shareholders representing more than one third (1/3) of the outstanding shares shall need to accept the tender offer or expressly agree to delist without selling the shares.

According to the rules of the Novo Mercado, in the event of a transfer of our shareholding control within 12 months following our delisting from the Novo Mercado, the selling controlling shareholder(s) and the acquirer must offer to acquire the remaining shares for the same price and terms offered to the selling controlling shareholders, duly updated, or pay the difference, if any, between the tender offer price accepted by the former shareholders, duly updated, and the price obtained by the controlling shareholder in selling its shares.

Delisting as Publicly-Held Company

Our delisting as publicly-held company shall be conditioned to: (i) the launching of a public tender offer for the acquisition of all of our outstanding shares in accordance with the provisions of Brazilian Corporation Law, the CVM rules and regulations, by us, our controlling shareholders or a group of controlling shareholders and (ii) the acceptance of at least two thirds (2/3) of the shareholders representing the free float that show up at the tender offer auction (whether by selling its shares or expressly agreeing with the delisting), in which case we would become a privately-held company. The price offered for such outstanding shares must at least correspond to the fair value of such shares as set forth in the respective appraisal report issued by a specialized institution with proven experience hired by the offeror for the purposes of the tender offer.

Shareholders holding at least ten percent of the free float of our shares may require our management to call a special shareholders' meeting to determine whether to perform another valuation using the same or a different valuation method. This request must be made within 15 days following the disclosure of the price to be paid for the shares in the public tender offer. If the new valuation price is equal to or lower than the original valuation price, the shareholders making such request as well as those who vote in its favor must reimburse the Company for any costs incurred in preparing the new appraisal report. If the new valuation price is higher than the original valuation price, the offeror shall then decide whether to proceed with the public tender offer observing the new price or withdraw the tender offer, in which case the Company will continue to be registered as a publicly-held company.

Preemptive Rights

Each of our shareholders has a general preemptive right to subscribe for shares or convertible securities in any capital increase, in proportion to its shareholding, except (i) in case of sale on a stock exchange or by public subscription, (ii) pursuant to an exchange for shares in a public offer for the acquisition of control, in accordance with the Brazilian Corporate Law, (iii) for subscription of shares in accordance with the special law for tax incentives, (iv) conversion of debentures and other securities into shares, since, in these cases, the preemptive right must be exercised when the security is issued, (v) in the event of the grant and exercise of any stock option to acquire or subscribe for shares of our capital stock; and (vi) in the context of a capital increase derived from merger, merger of shares and/or spin-off implemented according to Brazilian Corporation Law. A minimum period of 30 days following the publication of notice of the issuance of shares or convertible securities is allowed for exercise of the right, and the right is negotiable. However, according to our bylaws, our board of Directors can eliminate this preemptive right or reduce the 30-day period in case we issue debentures that are convertible into shares, warrants (*bônus de subscrição*) or shares within the limits authorized by the bylaws and the Brazilian Corporate Law: (i) through a stock exchange or through a public offering or (ii) through an exchange of shares in a public offering to acquire control of another publicly-held company.

You may not be able to exercise the preemptive rights relating to the common shares underlying your ADSs unless a registration statement under the Securities Act is effective with respect to the shares to which the rights relate or an exemption from the registration requirements of the Securities Act is available and our ADS depository determines to make the rights available to you. See Item 3. “Key Information — Risk Factors — Holders of ADSs may be unable to exercise the preemptive rights relating to our shares underlying the ADSs.”

Right of Withdrawal

The Brazilian Corporation Law provides that, under certain circumstances, a shareholder has the right to withdraw its equity interest from the company and to receive payment for the portion of shareholders’ equity attributable to its equity interest. Withdrawal rights may be exercised by dissenting or non-voting shareholders, if a vote of at least 50% of voting shares authorizes us:

- to establish new shares or to disproportionately increase an existing class of preferred shares relative to the other classes of shares, unless such action is provided for or authorized by the bylaws;
- to modify a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or to create a new class with greater privileges than the existing classes of preferred shares;
- to reduce the mandatory distribution of dividends;
- to merge with another company (including if we are merged into one of our controlling companies) or to consolidate, except as described in the fourth paragraph following this list;
- to approve our participation in a centralized group of companies, as defined under the Brazilian Corporation Law, and subject to the conditions set forth therein, except as described in the fourth paragraph following this list;
- to change our corporate purpose;
- to terminate a state of liquidation of the corporation;
- to dissolve the corporation;
- to transfer all of our shares to another company or in order to make us a wholly owned subsidiary of such company, known as a merger of shares (*incorporação de ações*), except as described in the fourth paragraph following this list;
- to approve the acquisition of control of another company at a price which exceeds certain limits set forth in the Brazilian Corporation Law, except as described in the fourth paragraph following this list; or

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- to conduct a spin-off that results in (a) a change of our corporate purposes, except if the assets and liabilities of the spinoff company are contributed to a company that is engaged in substantially the same activities, (b) a reduction in the mandatory dividend or (c) any participation in a centralized group of companies, as defined under the Brazilian Corporation Law.

In addition, in the event that the entity resulting from *incorporação de ações*, or a merger of shares, a consolidation or a spinoff of a listed company fails to become a listed company within 120 days of the shareholders' meeting at which such decision was taken, the dissenting or non-voting shareholders may also exercise their withdrawal rights.

Only holders of shares adversely affected by the changes mentioned in the first and second items above may withdraw their shares. The right of withdrawal lapses 30 days after publication of the minutes of the relevant shareholders' meeting. In the first two cases mentioned above, however, the resolution is subject to confirmation by the preferred shareholders, which must be obtained at a special meeting held within one year. In those cases, the 30-day term is counted from the date the minutes of the special meeting are published. We would be entitled to reconsider any action giving rise to withdrawal rights within 10 days following the expiration of such rights if the withdrawal of shares of dissenting shareholders would jeopardize our financial stability.

The Brazilian Corporation Law allows companies to redeem their shares at their economic value, subject to certain requirements. Since our bylaws currently do not provide that our shares be subject to withdrawal at their economic value, our shares would be subject to withdrawal at their book value, determined on the basis of the last balance sheet approved by the shareholders. If the shareholders' meeting giving rise to withdrawal rights occurs more than 60 days after the date of the last approved balance sheet, a shareholder may demand that its shares be valued on the basis of a new balance sheet that is of a date within 60 days of such shareholders' meeting.

Pursuant to the Brazilian Corporation Law, in events of consolidation, merger, *incorporação de ações*, participation in a group of companies, and acquisition of control of another company, the right to withdraw does not apply if the shares meet certain tests relating to liquidity and dispersal of the type or class of shares on the market. In such cases, shareholders will not be entitled to withdraw their shares if the shares are a component of a general securities index in Brazil or abroad admitted to trading on the securities markets, as defined by the CVM, and the shares held by persons unaffiliated with the controlling shareholder represent more than half of the outstanding shares of the relevant type or class.

Arbitration

We, our shareholders, managers and members of the Audit Committee, whether sitting or alternate members, if any, undertake to resolve, through arbitration, before the Market Arbitration Chamber (*Câmara de Arbitragem do Mercado*), pursuant to its regulations, any controversies that may arise between them, relating to or arising from their respective condition as an issuer, shareholder, administrator and/or member of the Audit Committee, in particular, of the provisions contained in Law No. 6,385/76, the Brazilian Corporations Law, our bylaws, in the rules issued by the National Monetary Council, by the Central Bank of Brazil and by the Brazilian Securities and Exchanges Commission (*CVM*), as well as in the other rules applicable to the operation of the capital markets in general, in addition to those contained in the Novo Mercado Rules, the other regulations of B3 and the Novo Mercado Listing Agreement.

C. Material Contracts

Financing Agreements

For a description of the main agreements comprising our short and long-term indebtedness as of December 31, 2022, see Item 5. "Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Sources and Uses of Funds—Indebtedness."

D. Exchange Controls

There are no restrictions on ownership of our common shares by individuals or legal entities domiciled outside Brazil. However, the right to convert dividend payments and proceeds from the sale of common shares into foreign currency and to remit such amounts outside Brazil is subject to exchange control restrictions and foreign investment legislation, which generally require, among other things, obtaining an electronic registration with the Central Bank of Brazil.

Under Resolution No. 4.373/2014, foreign investors may invest in almost all financial assets and engage in almost all transactions available in the Brazilian financial and capital markets, provided that some requirements are fulfilled. In accordance with Resolution No. 4.373/2014, the definition of foreign investor includes individuals, legal entities, mutual funds and other collective investment entities that are domiciled or headquartered abroad.

Investors under Resolution No. 4.373/2014, from no favorable tax regime countries, who are not a Tax Haven Holder that does not impose income tax or in which the maximum income tax rate is lower than 20%, are entitled to favorable tax treatment. See “Taxation—Material Brazilian Tax Considerations.”

Resolution No. 1,927 provides for the issuance of depositary receipts in foreign markets in respect of shares of Brazilian issuers. An application was filed to have the ADSs approved by the Central Bank of Brazil and the CVM under Annex V, and we received final approval before the ADSs Offering.

An electronic registration, which replaced the amended Certificate of Registration, was issued in the name of the depositary with respect to the ADSs and is maintained by the Custodian on behalf of the Depositary. This electronic registration was carried on through the SISBACEN. Pursuant to the electronic registration, the Custodian and the Depositary are able to convert dividends and other distributions with respect to the common shares represented by the ADSs into foreign currency and remit the proceeds outside Brazil. In the event that a holder of ADSs exchanges the ADSs for common shares, the holder will be entitled to continue to rely on the Depositary’s electronic registration for only five business days after the exchange. Thereafter, a holder must seek to obtain its own electronic registration. Unless the common shares are held pursuant to Resolution No. 4.373/2014 by a duly registered investor or a holder of common shares, who applies for and obtains a new electronic registration, that holder may not be able to obtain and remit abroad U.S. Dollars or other foreign currencies upon the disposition of the common shares, or distributions with respect thereto. In addition, if the foreign investor resides in a no favorable tax regime country or is not an investor registered pursuant to Resolution No. 4.373/2014, the investor will also be subject to less favorable tax treatment.

E. Taxation

Brazilian Tax Considerations

The following discussion contains a description of the material Brazilian income tax consequences of the purchase, ownership and disposition of shares or ADSs by a holder which is non-resident or not domiciled in Brazil for Brazilian tax purposes (“Non-Brazilian Holder”). It does not purport to be a comprehensive description of all Brazilian tax considerations that may be applicable to any particular Non-Brazilian Holder.

This summary is based upon tax laws of Brazil and administrative and judicial decisions as in effect on the date of this annual report, which are subject to changes (possibly with retroactive effect) and to differing interpretations. You should consult your own tax advisors as to the Brazilian tax consequences of the purchase, ownership and sale of our common shares or ADSs.

Although there is no treaty for the avoidance of double taxation between Brazil and the United States, the tax authorities of the two countries have been having discussions that may culminate in such a treaty. No assurance can be given, however, as to whether or when a treaty will enter into force or how it will affect the U.S. holders of our common shares or ADSs.

For purposes of Brazilian taxation, there are two types of Non-Brazilian Holders of common shares or ADSs: (a) Non-Brazilian Holders registered before the Central Bank of Brazil and the CVM to invest in Brazil in accordance with Central Bank of Brazil Resolution No. 4,373/14 (“4,373/2014 Holders”); and (b) other Non-Brazilian Holders, which include Non-Brazilian Holders who invest in Brazilian companies under Law No. 4,131/1962. As a general rule, 4,373/2014 Holders are subject to a favorable tax regime in Brazil, as described below.

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Central Bank of Brazil Resolution No. 4,373/2014 permits foreign investors, defined to include individuals, legal entities, mutual funds and other collective investment entities, domiciled or headquartered abroad to invest in almost all financial assets and to engage in almost all transactions available in the Brazilian financial and capital markets, provided that certain legal and regulatory requirements are fulfilled. The foreign investors must (a) appoint at least one representative in Brazil with powers to perform actions relating to the foreign investment; (b) file the appropriate foreign investor registration form; (c) obtain the register as a foreign investor before the Brazilian securities commission; and (d) obtain the register of the foreign investment before the Central Bank of Brazil.

Taxation of Gains

Gains realized on the disposal of common shares are subject to income tax in Brazil, regardless of whether the sale or the disposal is made by a Non-Brazilian Holder to a resident or person domiciled in Brazil. This is due to the fact that the common shares can be considered assets located in Brazil for purposes of Law No. 10,833/2003.

According to our interpretation of the applicable law, capital gains realized by a Non-Brazilian Holder on the disposal of common shares sold on a Brazilian stock exchange (which includes a transaction carried out on the organized over-the-counter market) are:

- exempt from income tax when realized by a Non-Resident Holder that (i) is a 4,373 Holder, and (ii) is not resident or domiciled in a country or location which is defined as a Favorable Tax Jurisdiction (as described below);
- arguably subject to income tax at a 15% rate in the case of gains realized by (A) a Non-Brazilian Holder that (1) is not a 4,373 Holder and (2) is not resident or domiciled in a Low or Nil Tax Jurisdiction; or by (B) a Non-Brazilian Holder that (1) is a 4,373 Holder and (2) is resident or domiciled in a Low or Nil Tax Jurisdiction; and
- subject to income tax at a rate of up to 25% in the case of gains realized by a Non-Brazilian Holder that is not a 4,373 Holder, and is resident or domiciled in a Low or Nil Tax Jurisdiction.

Any other gains realized by a Non-Brazilian Holder on a sale or disposal of the shares that is not carried out on a Brazilian stock exchange are:

- subject to income tax at the rate of 15% when realized by a Non-Brazilian Holder that (i) is a 4,373 Holder and (ii) is not resident or domiciled in a Low or Nil Tax Jurisdiction (as defined below), although different interpretations may be raised to sustain the application of the progressive rates set forth by Law No. 13,259/2016;
- subject to income tax at progressive rates ranging from 15% to 22.5% (15.0% for the part of the gain that does not exceed R\$5.0 million, 17.5% for the part of the gain that exceeds R\$5.0 million but does not exceed R\$10.0 million, 20.0% for the part of the gain that exceeds R\$10.0 million but does not exceed R\$30.0 million and 22.5% for the part of the gain that exceeds R\$30.0 million) in case of gains realized by a Non-Brazilian Holder that (1) is not a 4,373 Holder and (2) is not resident or domiciled in a Low or Nil Tax Jurisdiction (as defined below); and
- subject to income tax at a 25% rate in case of gains realized by a Non-Brazilian Holder that is resident or domiciled in a Low or Nil Tax Jurisdiction (as defined below).

If these gains are related to transactions conducted on the Brazilian non-organized over-the-counter market with intermediation, withholding income tax of 0.005% on the sale value will also apply and can be used to offset the income tax due on the capital gain.

In the case of a redemption of securities or a capital reduction by a Brazilian corporation, such as ourselves, the positive difference between the amount effectively received by the Non-Resident Holder and the proportional acquisition cost of the common shares redeemed is treated, for tax purposes, as capital gains derived from the sale or exchange of common shares not carried out on a Brazilian stock exchange, and is subject to the same tax treatment above described.

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The exercise of preemptive rights relating to our common shares will not be subject to Brazilian taxation. Any gains realized by a Non-Resident Holder on the sale or disposal or assignment of preemptive rights relating to our common shares will be subject to Brazilian income tax according to the same rules applicable to the sale or disposal of common shares (see above). Tax authorities may attempt to tax such gains even when sale or assignment of such rights takes place outside Brazil, based on the provisions of Law No. 10,833/03.

There is no assurance that the current preferential treatment for Non-Brazilian Holders of common shares under CMN Resolution No. 4,373/2014 will continue in the future or that it will not be changed in the future. Reductions in the rate of tax provided for by Brazil's tax treaties do not apply to the tax on gains realized on sales or exchange of common shares.

Sale of ADSs by non-Brazilian holder to another non-Brazilian holder

Gains realized outside Brazil by a Non-Brazilian Holder on the disposal of ADSs should not be subject to Brazilian tax. As mentioned above, according to Law No. 10,833/2003 of December 2003, the disposal of assets located in Brazil by a Non-Brazilian Holder, whether to other Non-Brazilian Holder or Brazilian holders, may become subject to taxation in Brazil. Although we believe that the ADSs do not fall within the definition of assets located in Brazil for the purposes of Law no. 10,833, considering the general and unclear scope of it and the lack of definitive judicial court ruling to act as the leading case in respect thereto, we are unable to predict whether such understanding will ultimately prevail in the courts of Brazil.

In case the ADSs are considered assets located in Brazil, gains on disposal of ADSs by a Non-Brazilian Holder to a resident in Brazil or even to a Non-Brazilian resident may be subject to income tax in Brazil according to the rules described below for ADSs or the tax rules applicable to common shares, as applicable.

Exchange of ADSs for common shares

Although there is no clear regulatory guidance, the withdrawal of ADSs in exchange for common shares is not subject to Brazilian income tax to the extent that, as described above, ADSs do not fall within the definition of assets located in Brazil for the purposes of Law No. 10,833/2003.

Upon receipt of the underlying common shares in exchange for ADSs, Non-Brazilian Holders may also elect to register with the Central Bank the U.S. dollar amount of such preferred shares or common shares as a foreign portfolio investment under Resolution No. 4,373/2014 or as a foreign direct investment under Law No. 4,131/1962.

Exchange of common shares for ADSs

Regarding the deposit of common shares in exchange for ADSs, the difference between the acquisition cost of the common shares and the market price of the common shares may be subject to Brazilian income tax at progressive rates that may vary from 15.0% to 22.5% (15.0% for the part of the gain that does not exceed R\$5.0 million, 17.5% for the part of the gain that exceeds R\$5.0 million but does not exceed R\$10.0 million, 20.0% for the part of the gain that exceeds R\$10.0 million but does not exceed R\$30.0 million and 22.5% for the part of the gain that exceeds R\$30.0 million), except for Non-Brazilian Holders located in a Nil or Low Taxation Jurisdiction, which, in this case, would be subject to income tax at a flat rate of 25.0%. In some circumstances, there may be arguments to claim that this taxation is not applicable in the case of a Non-Brazilian Holder that is a 4,373 Holder and is not a resident of or domiciled in a Nil or Low Taxation Jurisdiction.

Taxation of Dividends

As a result of the tax legislation adopted on December 26, 1995, dividends based on profits generated after January 1, 1996, including dividends paid in kind, payable by us regarding common shares or ADSs, are exempt from withholding income tax. Dividends relating to profits generated prior to January 1, 1996 may be subject to Brazilian withholding income tax at varying rates, depending on the year the profits were generated.

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Beginning in 2008, the Brazilian accounting rules were significantly modified in order to align them with IFRS. After the issuance of such new rules, a transitory tax regime (*regime tributário de transição*), or RTT, was created mainly to ensure neutrality of the new accounting rules in connection with the calculation and payment of corporate taxes on income. Thus, according to the RTT, Brazilian companies had, only for purposes of calculation of their taxable profit, to use the accounting rules and criteria that existed until December 2007.

As a result of the application of the RTT, the accounting profit of a Brazilian company might be significantly higher (or lower) than its taxable profit. Although this specific matter has not been expressly regulated by law, the Brazilian tax authorities issued a normative instruction stating that the amount of dividends paid in excess of the profit of a company determined as per the accounting rules and criteria that existed until December 2007 should be subject to taxation.

On April 14, 2014, Law No. 12,973 was issued to, among other, terminate the Transitory Regime (RTT) and regulate how corporate taxable income should be assessed taking as a starting point the accounting profit calculated according to the new accounting rules introduced as from 2008. Such Law states that dividends related to all accounting profits generated between January 2008 and 31 December 2013 in excess of the established methods and criteria in force in December 31, 2007, are not subject to withholding tax, and does not integrate the calculation of income tax and social contribution. With reference to 2014, the law is not clear, but tax authorities state that dividends paid in excess of the profit of a company determined as per the accounting rules and criteria that existed until December 2007 should be subject to withholding income tax at the rate of 15%, or 25% if the Non-Brazilian Holder is domiciled in a country or location that does not impose income tax or where the maximum income tax rate is lower than 20% (“Nil or Low Taxation Jurisdiction”). As of 2015, in view of the termination of the RTT, there would be no differences between the accounting and the taxable profit, so that dividends generated since 2015 should be fully paid with no Brazilian withholding tax implications.

Interest Attributed to Shareholders' Equity

According to Brazilian laws and our bylaws, we may opt to distribute income as interest attributed to shareholders' equity as an alternative to the payment of dividends.

Distribution of an interest on equity charge attributed to shareholders' equity regarding common shares or ADSs as an alternative form of payment to shareholders, including non-Brazilian holders of common shares or ADSs, is subject to Brazilian withholding income tax at the rate of 15% or 25%, in case of a Nil or Low Taxation Jurisdiction holder.

Such payments, subject to certain limitations and requirements, are deductible for Brazilian income tax purposes. This interest is limited to the daily pro rata variation of the federal government's long-term interest rate, as determined by the Central Bank from time to time, and cannot exceed the greater of:

(a) 50% of net income (after the social contribution on net profits and before the provision for corporate income tax, and the amounts attributable to shareholders as interest on net equity) for the period with respect to which the payment is made; or

(b) 50% of the sum of retained earnings and earnings reserves as of the date of the beginning of the period with respect to which the payment is made.

Tax on foreign exchange transactions (“IOF/Exchange”)

Pursuant to Decree No. 6,306/2007, dated December 14, 2007, as amended, or Decree No. 6,306/2007, the conversion of Brazilian currency into foreign currency (e.g., for purposes of paying dividends and interest) and the conversion of foreign currency into Brazilian currency may be subject to the Tax on Foreign Exchange Transactions or IOF/Exchange. Currently, for most exchange transactions, the rate of IOF/Exchange is 0.38%. However, exchange transactions carried out for the inflow of funds in Brazil for investments in the Brazilian financial and capital market made by a foreign investor (including a Non-Resident Holder, as applicable) are subject to IOF/Exchange at a 0%. The IOF/Exchange rate will also be 0% for the outflow of funds from Brazil related to these types of investments, including payments of dividends and interest on shareholders' equity and the repatriation of funds invested in the Brazilian market.

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On March 15, 2022, the Decree 10,997/2022 was published, establishing an immediate reduction of the IOF/Exchange for some transactions, such as the reduction of the rate applicable to short-term foreign loan operations to zero. In other cases, however, the rate reduction is gradual over the next years and it is expected that the IOF-Exchange rate will be decreased to zero for all transactions as of 2029.

The Brazilian government may increase the rate of the IOF/Exchange to a maximum of 25.0% of the amount of the foreign exchange transaction at any time, but such an increase would not apply retroactively.

Tax on transactions involving bonds and securities (“IOF/Bonds Tax”)

The IOF may also be imposed on any transactions involving bonds and securities, including those carried out on Brazilian futures and commodities stock exchanges. As a general rule, the rate of this tax for transactions involving common shares or ADSs is currently zero. The executive branch, also by a Presidential Decree, may increase the IOF rate by up to 1.5% per day, but only with respect to future transactions.

U.S. Federal Income Tax Considerations

This summary describes certain U.S. federal income tax considerations that are likely to be relevant to the purchase, ownership and disposition of our common shares or ADSs by a U.S. holder (as defined below). This summary is based on the Internal Revenue Code of 1986 (the “Code”), as amended, its legislative history, existing and proposed regulations promulgated thereunder, published rulings and court decisions, all as currently in effect. These authorities are subject to change, possibly on a retroactive basis. In addition, this summary assumes the deposit agreements governing our shares and ADSs, and all other related agreements, will be performed in accordance with their terms.

This summary is not a comprehensive discussion of all of the tax considerations that may be relevant to a particular investor’s decision to purchase, hold, or dispose of our shares or ADSs. In particular, this summary is directed only to U.S. holders (as defined below) that hold our shares or ADSs as capital assets and does not address tax consequences to U.S. holders who may be subject to special tax rules, such as banks, brokers or dealers in securities or currencies, traders in securities electing to mark to market, financial institutions, life insurance companies, tax exempt entities, regulated investment entities, entities that are treated as partnerships for U.S. federal income tax purposes (or partners therein), holders that own or are treated as owning 10% or more of our shares, by vote or value, persons holding our shares or ADSs as part of a hedging or conversion transaction or a straddle, persons whose functional currency is not the U.S. dollar, or U.S. expatriates. Moreover, this summary does not address state, local or non-U.S. taxes, the U.S. federal estate and gift taxes, or the Medicare contribution tax applicable to net investment income of certain non-corporate U.S. holders, or alternative minimum tax consequences of acquiring, holding or disposing of our shares or ADSs.

As used below, a “U.S. holder” is a beneficial owner of our shares or ADSs that is, for U.S. federal income tax purposes, (i) a citizen or individual resident of the United States, (ii) a corporation (or an entity taxable as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any State thereof or the District of Columbia, (iii) an estate, the income of which is subject to U.S. federal income tax without regard to its source, or (iv) a trust if (1) a court within the United States is able to exercise primary supervision over the administration of the trust, and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (2) the trust has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person.

If a partnership (including for this purpose any entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of our shares or ADSs, the U.S. federal income tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership. A holder of our shares or ADSs that is a partnership and partners in that partnership are urged to consult their own tax advisers regarding the U.S. federal income tax consequences of the purchase, ownership and disposition of our shares or ADSs.

You should consult your own tax advisors about the consequences of the acquisition, ownership, and disposition of our shares or ADSs, including the relevance to your particular situation of the considerations discussed below and any consequences arising under foreign, state, local or other tax laws.

Treatment of our ADSs for U.S. Federal Income Tax Purposes

In general, a holder of our ADSs will be treated, for U.S. federal income tax purposes, as the beneficial owner of the underlying shares that are represented by those ADSs. Accordingly, except as specifically noted below, the tax consequences discussed below with respect to ADSs will be the same for our shares, and exchanges of our shares for ADSs (or vice versa), generally will not be subject to U.S. federal income tax. For purposes of the following summary, any reference to our shares shall be understood to also include reference to the ADSs, unless otherwise noted.

Taxation of Dividends

Subject to the discussion below under “—Passive Foreign Investment Company Status,” the gross amount of any distribution of cash or property with respect to our shares or ADSs that is paid out of our current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) will generally be includible in your taxable income as ordinary dividend income on the day on which you receive the dividend, in the case of our shares, or the date the depository receives the dividends, in the case of our ADSs, and will not be eligible for the dividends-received deduction allowed to corporations under the Code. If such distribution exceeds the amount of the current and accumulated earnings and profits, it will be treated as a non-taxable return of capital (and reduction in tax basis) to the extent of your tax basis in the shares on which they are paid, and to the extent it exceeds that basis it will be treated as capital gain from the sale or exchange of the shares. We do not expect to maintain calculations of our earnings and profits in accordance with U.S. federal income tax principles. U.S. holders therefore should expect that distributions generally will be treated as dividends for U.S. federal income tax purposes.

If you are a U.S. holder, dividends paid in a currency other than U.S. dollars generally will be includible in your income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day you receive the dividends, in the case of our shares, or the date the depository receives the dividends, in the case of our ADSs. A U.S. holder will have a tax basis in any distributed Brazilian currency equal to its U.S. dollar amount on the date of receipt, and any gain or loss realized on a subsequent conversion or other disposition of the Brazilian currency generally will be treated as U.S. source ordinary income or loss. If dividends paid in Brazilian currency are converted into U.S. dollars on the date they are received by a U.S. holder or the Depository or its agent, as the case may be, the U.S. holder generally should not be required to recognize foreign currency gain or loss in respect of the Brazilian currency. U.S. holders should consult their own tax advisers regarding the treatment of foreign currency gain or loss, if any, on any foreign currency received that is converted into U.S. dollars after it is received.

Subject to certain exceptions for short-term positions, the U.S. dollar amount of dividends received by an individual with respect to our shares or ADSs will be subject to taxation at a maximum U.S. Federal income tax rate of 20% (plus an additional 3.8% Net Investment Income tax — see “Net Investment Income Tax”) if the dividends are “qualified dividends.” Dividends paid on our shares or ADSs will be treated as qualified dividends if:

- the shares and ADSs on which the dividend is paid are readily tradable on an established securities market in the United States; the U.S. holder meets the holding period requirement for the shares and ADSs (generally more than 60 days during the 121-day period that begins 60 days before the ex-dividend date); and
- we were not, in the year prior to the year in which the dividend was paid, and are not, in the year in which the dividend is paid, a passive foreign investment company (a “PFIC”).

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Our ADSs are listed on the NYSE and our ADSs should qualify as readily tradable on an established securities market in the United States so long as they are so listed. As described in more detail under “—Passive Foreign Investment Company Status,” below, based on our audited financial statements and relevant market and shareholder data, we believe that we were not treated as a PFIC for U.S. federal income tax purposes with respect to our 2022 and 2021 taxable years and will not be a PFIC in our current taxable year. Given that the determination of PFIC status involves the application of complex tax rules, and that it is based on the nature of our income and assets from time to time, no assurances can be provided that we will not be considered a PFIC for the current (or any past or future) taxable year. Holders should consult their own tax advisers regarding the availability of the reduced dividend tax rate in light of their own particular circumstances.

Because our shares are not themselves listed on a U.S. exchange, dividends received with respect to our shares that are not represented by ADSs may not be treated as qualified dividends. U.S. holders should consult their own tax advisers regarding the potential availability of the reduced dividend tax rate in respect of our shares.

The U.S. Treasury Department has announced its intention to promulgate detailed rules pursuant to which holders of stock of non-U.S. corporations, and intermediaries through whom the stock is held, will be permitted to rely on certifications from issuers to establish that dividends are treated as qualified dividends. Because those detailed procedures have not yet been issued, it is not clear whether we will be able to comply with them. Special limitations on foreign tax credits apply to dividends subject to the reduced rate of tax for qualified dividends. U.S. holders of our shares are urged to consult their own tax advisers regarding the availability of the reduced qualified dividend tax rate in the light of their own circumstances.

Dividend distributions with respect to our shares or ADSs generally will be treated as “passive category” income from sources outside the United States for purposes of determining a U.S. holder’s U.S. foreign tax credit limitation. Subject to the limitations and conditions provided in the Code and the applicable U.S. Treasury Regulations, a U.S. holder may be able to claim a foreign tax credit against its U.S. federal income tax liability in respect of any Brazilian income taxes withheld at the appropriate rate applicable to the U.S. holder from a dividend paid to such U.S. holder. Alternatively, the U.S. holder may deduct such Brazilian income taxes from its U.S. federal taxable income, provided that the U.S. holder elects to deduct rather than credit all foreign income taxes for the relevant taxable year. The rules with respect to foreign tax credits are complex and involve the application of rules that depend on a U.S. holder’s particular circumstances. Accordingly, U.S. holders are urged to consult their tax advisers regarding the availability of the foreign tax credit under their particular circumstances.

U.S. holders should be aware that the IRS has expressed concern that parties by whom ADSs are held or to whom they are transferred may be taking actions that are inconsistent with the claiming of foreign tax credits by U.S. holders of ADSs. Accordingly, the discussion above regarding the creditability of Brazilian withholding taxes could be affected by future actions that may be taken by the IRS.

U.S. holders that receive distributions of additional shares or rights to subscribe for our shares as part of a pro rata distribution to all our shareholders generally will not be subject to U.S. federal income tax in respect of the distributions, unless the U.S. holder has the right to receive cash or property, in which case the U.S. holder will be treated as if it received cash equal to the fair market value of the distribution.

Taxation of Dispositions of our Shares or ADSs

Subject to the discussion below under “—Passive Foreign Investment Company Status,” if a U.S. holder realizes gain or loss on the sale, exchange or other taxable disposition of our shares or ADSs, that gain or loss will be capital gain or loss and generally will be long-term capital gain or loss if the shares or ADSs have been held for more than one year. Long-term capital gain realized by a U.S. holder that is an individual generally is subject to a maximum U.S. Federal income tax rate of 20% (plus an additional 3.8% Net Investment Income tax — see “*Net Investment Income Tax*”). The deductibility of capital losses is subject to limitations.

Gain, if any, realized by a U.S. holder on the sale or other disposition of our shares or ADSs generally will be treated as U.S. source income for U.S. foreign tax credit purposes. For years beginning after December 28, 2021, any Brazilian tax imposed on the sale or disposition of shares or ADS is unlikely to be treated as a creditable foreign income tax. Alternatively, any Brazilian withholding tax may be taken as (i) a foreign tax credit to offset U.S. federal income tax on non-U.S. source income or gains that the U.S. holder has in the same “basket” of income, or (ii) as a deduction against taxable income, provided the U.S. holder takes a deduction and not a credit for all foreign income taxes paid or accrued in the same taxable year.

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U.S. holders should consult their own tax advisors regarding the application of the foreign tax credit rules to their investment in, and disposition of, our shares or ADSs.

If a U.S. holder sells or otherwise disposes of our shares or ADSs in exchange for currency other than U.S. dollars, the amount realized generally will be the U.S. dollar value of the currency received at the spot rate on the date of sale or other disposition (or, if the shares or ADSs are traded on an established securities market at such time, in the case of cash basis and electing accrual basis U.S. holders, the settlement date). An accrual basis U.S. holder that does not elect to determine the amount realized using the spot exchange rate on the settlement date will recognize foreign currency gain or loss equal to the difference between the U.S. dollar value of the amount received based on the spot exchange rates in effect on the date of the sale or other disposition and the settlement date. A U.S. holder generally will have a tax basis in the currency received equal to the U.S. dollar value of the currency received at the spot rate on the settlement date. Any currency gain or loss realized on the settlement date or the subsequent sale, conversion, or other disposition of the non-U.S. currency received for a different U.S. dollar amount generally will be U.S.-source ordinary income or loss, and will not be eligible for the reduced tax rate applicable to long-term capital gains. If an accrual basis U.S. holder makes the election described in the first sentence of this paragraph, it must be applied consistently from year to year and cannot be revoked without the consent of the IRS. A U.S. holder should consult its own tax advisors regarding the treatment of any foreign currency gain or loss realized with respect to any currency received in a sale or other disposition of the shares or ADSs. Deposits and withdrawals of shares by U.S. holders in exchange for ADSs will not result in the realization of gain or loss for U.S. federal income tax purposes.

Passive Foreign Investment Company Status

Special U.S. tax rules apply to companies that are considered to be PFICs. We will be classified as a PFIC in a particular taxable year if, either:

- 75 percent or more of our gross income for the taxable year is passive income; or
- the value of our assets (generally determined on the basis of a quarterly average) that produce or are held for the production of passive income is at least 50 percent.

For this purpose, passive income generally includes dividends, interest, gains from certain commodities transactions, rents, royalties and the excess of gains over losses from the disposition of assets that produce passive income.

We believe, and the following discussion assumes, that we were not a PFIC for our taxable year ending December 31, 2022 and that, based on the present composition of our income and assets and the manner in which we conduct our business, we will not be a PFIC in our current taxable year. However, the determination of whether we are a PFIC is a factual determination made annually, and our status could change depending, among other things, upon changes in the composition of our gross income and the relative quarterly average value of our assets. Accordingly, we cannot be certain that we will not be a PFIC in the current year or in future years. If we were a PFIC for any taxable year in which you hold our shares or ADSs, you (including certain indirect U.S. holders) will generally be subject to adverse U.S. federal income tax consequences, including the possible imposition of ordinary income treatment for gains or “excess distributions” (generally a distribution in excess of 125% of the average distributions received during the past three years or, if shorter, your holding period) that would otherwise be taxed as capital gains or dividends, along with an interest charge on gains or “excess distributions” allocable to prior years in your holding period during which we were determined to be a PFIC regardless of whether we continued to be a PFIC in any subsequent year, unless you elect to mark your shares or ADSs to market for tax purposes on an annual basis. If we are deemed to be a PFIC for a taxable year, dividends on our shares would not constitute “qualified dividends” subject to preferential rates of U.S. federal income taxation for non-corporate taxpayers. In addition, if we are deemed to be a PFIC for a taxable year, you would be subject to increased reporting requirements. You are encouraged to consult your own tax advisor as to our status as a PFIC and the tax consequences to you of such status.

Net Investment Income Tax

A U.S. holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a 3.8% tax on the lesser of (1) the United States holder's "net investment income" (or undistributed "net investment income" in the case of estates and trusts) for the significant taxable year and (2) the excess of the United States holder's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between \$125,000 and \$250,000, depending on the individual's circumstances). A U.S. holder's net investment income will generally include its dividend income and its net gains from the disposition of our shares, unless such dividend income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are a U.S. holder that is an individual, estate or trust, you are urged to consult your own tax advisor regarding the applicability of this Net Investment Income tax to your income and gains in respect of your investment in our shares.

Foreign Financial Asset Reporting

Certain U.S. holders that own "specified foreign financial assets" with an aggregate value in excess of US\$50,000 on the last day of the taxable year or US\$75,000 at any time during the taxable year are generally required to file an information statement along with their tax returns, currently on IRS Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer that are not held in accounts maintained by financial institutions. The understatement of income attributable to "specified foreign financial assets" in excess of US\$5,000 extends the statute of limitations with respect to the tax return to six years after the return was filed. U.S. holders who fail to report the required information could be subject to substantial penalties. Holders are encouraged to consult with their own tax advisors regarding the possible application of these rules, including the application of the rules to their particular circumstances.

Backup Withholding and Information Reporting

Dividends paid on, and proceeds from the sale or other disposition of, our shares or ADSs to a U.S. holder generally may be subject to the information reporting requirements of the Code and may be subject to backup withholding (currently at the rate of 24%) unless the U.S. holder provides an accurate taxpayer identification number and makes any other required certification or otherwise establishes an exemption. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. holder will be allowed as a refund or credit against the U.S. holder's U.S. federal income tax liability, provided the required information is furnished to the IRS in a timely manner.

A holder that is a foreign corporation or a non-resident alien individual may be required to comply with certification and identification procedures in order to establish its exemption from information reporting and backup withholding.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to various market risks, including changes in foreign currency exchange rates, interest rates, correction indexes and prices of commodities that may affect the financial results of Suzano. In order to manage the impacts in the results in adverse scenarios, we have provided procedures for the monitoring of political exposure for the implementation of risk management.

The policies establish the limits and instruments to be implemented with the goal of: (i) protection of cash flow due to currency devaluation, (ii) interest rate exposure mitigation, (iii) reduction in the impacts of commodity price fluctuation and (iv) exchange of debt indexes.

In the process of market risk management, the identification, evaluation and implementation, as well as the contracting of financial instruments for risk protection are performed. The development management area accompanies the fulfillment of the limits established in our policies.

Exchange Rate Risk

As a predominantly exporting company, our results are exposed to exchange variations. As such, fluctuations in the exchange rate, especially with regards to the U.S. dollars, may impact our results.

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We issue debt securities in the international markets as an important part of the capital structure that is also exposed to fluctuations in the exchange rate. The mitigation of these risks comes from our own exports, which creates a natural hedge. Furthermore, we enter in derivatives transactions in the financial markets, including using strategies with options, as a way to ensure attractive levels of operating margins for a portion of our income. The foreign exchange hedging strategy follows our financial policies.

For the net exposure of assets and liabilities in foreign currency see note 4.4.1. of the audited consolidated financial statements, included in this Annual Report.

Sensitivity Analysis – Foreign Exchange Exposure

For purposes of risk analysis, we use scenarios to evaluate the sensitivity that the variations in long and short positions, indexed in foreign currency, may suffer. We take as a base case the values recognized in accounting on December 31, 2022 and, from there onwards, appreciations and depreciations are simulated, between 25% and 50%, of the *real* compared to other foreign currencies. For the sensitivity analysis see notes 4.4.1.1. and 4.4.1.2. of the audited consolidated financial statements, included in this Annual Report.

Commodity Price Risk

We are exposed to commodity prices reflected primarily in the sale price of pulp in the international market. Increases and decreases in production capacities in the global market, as well as the macroeconomic conditions may impact our operational results.

It is not possible to guarantee that prices will remain at levels that are beneficial to our results. We may use financial instruments to mitigate the sales price of part of the production, but in certain cases the employment of price protection for pulp may not be available.

We are also exposed to international oil prices, reflected in the logistical costs of transportation and commercialization.

On December 31, 2022 the Company did not hold a position to hedge its logistics costs.

Sensitivity Analysis – Exposure to Commodity Prices

We did not have open assets indexed to commodities in 2022.

Derivatives by Contract Type

For the open positions of derivatives negotiated in the over-the-counter market, grouped by class of asset and reference index as of December 31, 2022, 2021, see note 4.5. of the audited consolidated financial statements, included in this Annual Report.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

The Bank of New York Mellon, as depositary, has agreed to reimburse us for expenses it incurs that are related to the establishment and maintenance of our ADS program. The depositary has agreed to reimburse us for our continuing and annual stock exchange listing fees. It has also agreed to pay the standard out-of-pocket maintenance costs for the ADRs, and to reimburse us annually for certain investor relations programs or special promotional activities. In certain instances, the depositary has agreed to provide additional payments to us based on any applicable performance indicators relating to the ADR facility. There are limits on the amount of expenses for which the depositary will reimburse us, but the amount of reimbursement available to us is not necessarily tied to the amount of fees the depositary collects from investors.

The depositary collects its fees for delivery and surrender of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

See discussion at Item 5. “Operating and Financial Review and Prospects—Liquidity and Capital Resources—Covenants.”

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None.

ITEM 15. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures: Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in the Exchange Act under Rule 13a-15(e)) as of the end of the period covered in this annual report, has concluded that, as of that date, our disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act was being recorded, processed, summarized and reported within the time periods specified in the applicable rules and forms, and was accumulated for and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow for timely decisions regarding the required disclosure.

Management’s Report on Internal Control over Financial Reporting: Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f) and for its assessment of the effectiveness of internal control over financial reporting. Our internal control over financial reporting is a process designed by, or under the supervision of, the principal executive and principal financial officers, or persons performing similar functions, and effected by the Company’s Statutory Audit Committee, the Company’s board of directors, management, and other personnel to provide reasonable assurances regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with and in compliance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

Our internal control over financial reporting includes those policies and procedures that (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with and in compliance with IFRS as issued by the IASB, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our audited consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with our policies or procedures may deteriorate.

The effectiveness of our internal control over financial reporting as of December 31, 2022, is based on the criteria established in Internal Control — Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on that assessment, management has concluded that our internal control over financial reporting was effective as of December 31, 2022.

Audit of the Effectiveness of Internal Control over Financial Reporting: Our independent registered public accounting firm, PriceWaterhouseCoopers Auditores Independentes Ltda., has audited the effectiveness of our internal control over financial reporting, as stated in their report as of December 31, 2022, which is included herein.

Changes in Internal Control over Financial Reporting: There was no change in our internal control over financial reporting that occurred in the period covered by this annual report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16.A. AUDIT COMMITTEE FINANCIAL EXPERT

Our board of directors has determined that Mr. Carlos Biedermann, a member of our audit committee, is an audit committee financial expert within the meaning of Sarbanes-Oxley and related regulations.

ITEM 16.B. CODE OF ETHICS

Our board of directors adopted the “Code of Conduct” document, which sets out the company’s ethical principles and values and applies to all our board members, directors, suppliers and employees, including our chief executive officer, our chief financial officer, our chief accounting officer and the other members of our finance department. No waiver, either express or implied, of provisions of our Code of Conduct was granted to our chief executive officer, chief financial officer or chief accounting officer in 2022. A copy of our Code of Conduct has been filed as Exhibit 11.1 to this annual report.

Our Code of Conduct addresses, among others, the following topics:

- honest and ethical conduct, treating conflicts and misconduct with absolute secrecy;
- full, fair, accurate, timely, and understandable disclosure in reports and documents that we file with, or submit to public communications made by us;
- compliance with laws, internal procedures and rules and also rules established by Brazilian and international capital market regulatory agencies; and
- the prompt internal reporting of breaches related to our Code to the Ombudsman.

In order to keep the highest governance standards, every two years we review our Code of Conduct to assure that the document is up-to-date and follows best practices and regulations. In 2021, we approved the last revision of our Code of Conduct. All of our employees in management positions confirmed their commitment with our Code of Conduct and to undertake to comply with its principles and guidelines while performing their professional activities by performing mandatory training

Additionally, we have conducted awareness actions in order to enforce the importance of business integrity, compliance and the governance instruments – our Code of Conduct and the Ombudsman. Video-learning format regarding the anti-corruption policy and our Code of Conduct have been given to employees, in order to reinforce the main guidelines and practices established by our Code of Conduct. This training program is mandatory for our employees and at the end of the training each employee signs the training electronically.

ITEM 16.C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth by category of service the total fees for services performed by PricewaterhouseCoopers during the fiscal years ended December 31, 2022 and 2021.

Year Ended December 31	2022 <i>(In thousands of reais)</i>	2021 <i>(In thousands of reais)</i>
Audit Fees	13,966.3	14,715.6
Tax Fees	86.9	88.0
Audit Related Fees	2,139.5	—
All Other Fees	—	—
Total	16,192.7	14,803.6

Audit Fees

Audit fees in 2022 and 2021 consisted of the aggregate fees billed by PricewaterhouseCoopers Auditores Independentes Ltda. (PCAOB ID 1351) in connection with the audit of our annual financial statements, the reviews of our quarterly financial statements, and the audit of the statutory financial statements of our subsidiaries. Audit fees also include fees for services that can only be reasonably provided by our independent auditors, such as the issuance of comfort and consent letters and the review of periodic documents filed with the SEC.

Tax Fees

Tax fees consisted of the aggregate fees billed by PricewaterhouseCoopers Auditores Independentes Ltda. in connection with the consulting services for recovery of tax credits abroad and others.

Audit Related Fees

The all related fees are fees consisting of work related to the external audit performed for specific projects in target companies that were charged by PricewaterhouseCoopers Auditores Independentes Ltda.

Pre-Approval Policies and Procedures

Neither our board of directors nor our audit committee has established pre-approval policies and procedures for the engagement of our registered public accounting firm for services. Our board of directors expressly approves on a case-by-case basis any engagement of our registered public accounting firm for audit and non-audit services provided to us or our subsidiaries. Any services provided by PriceWaterhouseCoopers Auditores Independentes Ltda. that are not specifically included within the scope of the audit must be pre-approved by our board of directors in advance of any engagement. It is within the scope of our audit committee to provide recommendations to our board of directors regarding any such engagement.

ITEM 16.D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Under the listed company audit committee rules of the NYSE and the SEC, we must comply with Rule 10A-3 under the Exchange Act, which requires that we establish an audit committee composed of members of the board of directors that meets specified requirements. Pursuant to Exchange Act Rule 10A-3(c)(3), a foreign private issuer is not required to have an audit committee equivalent to or comparable with a U.S. audit committee if the foreign private issuer has a body established and selected pursuant to home country legal or listing provisions expressly requiring or permitting such a body, and if the body meets the requirements that (i) it be separate from the full board, (ii) its members not be elected by management, (iii) no executive officer be a member of the body, and (iv) home country legal or listing provisions set forth standards for the independence of the members of the body. We believe that our statutory audit committee complies with these requirements, and we rely on the exemption provided by Rule 10A-3(c)(3) under the Exchange Act. See Item 6.A. “Directors and Senior Management—Audit Committee” for a description of our statutory audit committee.

ITEM 16.E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

In the year ended December 31, 2022, the Company has 51,911,569 (12,042,004 as at December 31, 2021) of its own common shares held in treasury, with an average cost of R\$40.84 per share, with a historical value of R\$2,120,324 (R\$218,265 as at December 31, 2021) and the market corresponding to R\$2,504,214 (R\$723,845 as at December 31, 2021). This change is due to the May and July/2022 Repurchase Program. Additionally, on October 27, 2022, the Company’s board of directors approved a new Repurchase Program of up to 20,000,000 of its own shares (October/2022 Program), with a maximum term for carrying out the acquisition of up to 18 months.

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On May 4, 2022, the Company's board of directors approved the Repurchase Program ("May/2022 Program") for up to 20,000,000 of its own shares. The May/2022 Program ended on August 3, 2022, through which it repurchased all the shares provided for at the average cost of R\$48.33 (forty-eight Brazilian Reais and thirty-three cents), with a market value corresponding to R\$966,600.

<u>Period</u>	<u>Number of Shares</u>	<u>Average Price Paid per Share (RS)</u>	<u>Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs</u>	<u>Maximum Number of shares (or units) that May Yet be Purchased under de Plans or Programs</u>
Month 1				
04/05/2022	452,000	48.76	452,000	19,548,000
31/05/2022				
Month 2				
01/06/2022	11,953,100	48.45	12,405,100	7,594,900
30/06/2022				
Month 3				
01/07/2022	5,035,900	48.36	17,441,000	2,559,000
31/07/2022				
Month 4				
01/08/2022	2,559,000	47.62	20,000,000	—
03/08/2022				
Total	20,000,000	48.33	20,000,000	—

On July 27, 2022, the Company's board of directors approved a new Share Repurchase Program ("July/2022 Program") of up to 20,000,000 of its own shares, with a maximum term for carrying out the acquisitions up to January 27, 2024. The July/2022 Program ended on September 27, 2022, through which it repurchased all the shares provided for at the average cost of R\$46.84 , with a market value corresponding to R\$936,800.

<u>Period</u>	<u>Number of Shares</u>	<u>Average Price Paid per Share</u>	<u>Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs</u>	<u>Maximum Number of shares (or units) that May Yet be Purchased under de Plans or Programs</u>
Month 1				
27/07/2022	—	—	—	20,000,000
31/07/2022				
Month 2				
01/08/2022	17,685,600	47.20	17,685,600	2,314,400
31/08/2022				
Month 3				
01/09/2022	2,314,400	44.06	20,000,000	—
27/09/2022				
Total	20,000,000	46.84	20,000,000	—

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On October 27, 2022, the Company's board of directors approved a new Share Repurchase Program ("October/2022 Program") of up to 20,000,000 of its own shares, with a maximum term for carrying out the acquisitions up to April 27, 2024 (inclusive).

Period	Number of Shares	Average Price Paid per Share	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of shares (or units) that May Yet be Purchased under de Plans or Programs
Month 1				
27/10/2022	—	—	—	20,000,000
31/10/2022				
Month 2				
01/11/2022	—	—	—	20,000,000
30/11/2022				
Month 3				
01/12/2022	—	—	—	20,000,000
31/12/2022				
Month 4				
01/01/2023	234,400	45.63	234,400	19,765,600
31/01/2023				
Month 5				
01/02/2023	268,500	45.21	502,900	19,497,100
28/02/2023				
Month 6				
01/03/2023	1,459,000	44.11	1,961,900	18,038,100
31/03/2023				
Total	1,961,900	44.44	1,961,900	18,038,100

The repurchase programs totaled R\$1,990,566 in market value, plus transaction costs of R\$1,072, with a total disbursement of R\$1,991,638.

ITEM 16.F. CHANGES IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16.G. CORPORATE GOVERNANCE

Significant Differences between our Corporate Governance Practices and NYSE Corporate Governance Standards

We are subject to the NYSE corporate governance listing standards. As a foreign private issuer, the standards applicable to us are considerably different than the standards applied to U.S. listed companies. Under the NYSE rules, we are required only to: (i) have an audit committee or audit board, pursuant to an applicable exemption available to foreign private issuers, that meets certain requirements, as discussed below, (ii) provide prompt certification by our chief executive officer of any material noncompliance with any corporate governance rules, and (iii) provide a brief description of the significant differences between our corporate governance practices and the NYSE corporate governance practice required to be followed by U.S. listed companies. The significant differences between our corporate governance practices and those required for U.S. listed companies follows below.

Majority of Independent Directors

The NYSE rules require that a majority of a company's board of directors must consist of independent directors. Independence is defined by various criteria, including the absence of a material relationship between the director and the listed company. Under Brazilian law, according to the provisions of the Novo Mercado, at least 20% or two of the members of our board of directors (whichever is the greater) must be independent directors, as defined under Brazilian law. Currently, our board of directors consists of nine members, five of which are independent members.

Executive Sessions

NYSE rules require that the non-management directors must meet at regularly scheduled executive sessions without management. The Brazilian Corporation Law does not have a similar provision. According to the Brazilian Corporation Law, up to one third of the members of a company's board of directors can be elected by management. In our case, none of our directors serve both as executive officer and director, simultaneously. There is no requirement under Brazilian law that our directors meet regularly in the absence of our executive officers. As a result, our directors do not typically meet in executive sessions.

Nominating/Corporate Governance Committee

NYSE rules require that listed companies have a nominating/corporate governance committee composed entirely of independent directors and governed by a written charter addressing the committee's purpose and detailing its responsibilities, which include, among others, identifying and selecting qualified board member nominees and developing a set of corporate governance principles applicable to a company. We are not required under applicable Brazilian law to have a nominating committee/corporate governance committee and the Brazilian law also does not require that this committee be composed entirely of independent directors, if created. We do have an Appointment and Compensation Committee governed by a written charter, which is an advisory committee of our board of directors composed of three members, two of which are independent. The purpose of such committee is (i) to propose to the board of directors compensation policies and guidelines for managers, members of the Audit Committee and other remunerated committees, subject to the legislation and regulations applicable to the bylaws; (ii) to evaluate and propose appointment of members to compose the Company's management positions, verifying and attesting their qualification to perform their activities, according to the regulations, policies and other rules to which the Company is subject or has voluntarily adopted.

Compensation Committee

NYSE rules require that listed companies have a compensation committee composed entirely of independent directors and governed by a written charter addressing the committee's required purpose and detailing its required responsibilities, which include, among other things, reviewing corporate goals relevant to CEO compensation, evaluating CEO performance and approving CEO compensation levels and recommending to the board non CEO compensation, incentive compensation and equity based plans. We are not required under applicable Brazilian law to have a compensation committee, although we have established an advisory committee, comprised of board members and independent members, to advise on certain of these matters. Under the Brazilian Corporation Law, the total amount available for compensation of our directors and executive officers and for profit sharing payments to our executive officers must be established by our shareholders at the annual general meeting. Our board of directors, based on recommendations and analysis of the compensation committee, is responsible for determining the compensation and profit-sharing of our executive officers, as well as the compensation of our board and committee members, which is established according to market standards and internal rules of compensation

Audit Committee

Under NYSE Rule 303A.06 and the requirements of Rule 10A-3 of the SEC, domestic listed companies are required to have an audit committee consisting entirely of independent directors that otherwise complies with Rule 10A-3. In addition, a company's audit committee must have a written charter that addresses the matters outlined in NYSE Rule 303.A.06(c), have an internal audit function and otherwise fulfill the requirements of the NYSE and Rule 10A-3. Under the B3 listing rules for its Novo Mercado segment, we are required to have a "statutory audit committee" that complies with the CVM rules. The statutory audit committee is an advisory committee of the board of directors, and provides assistance in matters involving accounting, internal controls, financial reporting and compliance. The statutory audit committee also recommends to our board of directors the appointment of our independent auditors and evaluates the effectiveness of internal financial and legal compliance controls. The statutory audit committee is not, however, equivalent to or comparable with a U.S. audit committee. Pursuant to Exchange Act Rule 10A-3(c)(3), which provides for an exemption under the rules of the SEC regarding the audit committees of listed companies, a foreign private issuer is not required to have an audit committee equivalent to or comparable with a U.S. audit committee if the foreign private issuer has a body established and selected pursuant to home country legal or listing provisions expressly requiring or permitting such a body, and if the body meets the requirements that (i) it be separate from the full board, (ii) its members not be elected by management, (iii) no executive officer be a member of the body, and (iv) home country legal or listing provisions set forth standards for the independence of the members of the body. See Item 6.A, "Directors and Senior Management—Audit Committee" for a description of our statutory audit committee.

Shareholder Approval of Equity Compensation Plans

NYSE rules require that shareholders be given the opportunity to vote on all equity compensation plans and material revisions thereto, with limited exceptions. Under Brazilian corporate law, shareholders must approve all stock option plans. In addition, any issuance of new shares that exceeds our authorized share capital is subject to shareholder approval.

Corporate Governance Guidelines

NYSE rules require that listed companies adopt and disclose corporate governance guidelines. We have a Corporate Governance Policy which exists to guarantee that principles of transparency, ethics, accountability, compliance with the law, and respect are always assured for everyone, regardless of whether they are shareholders, employees, stakeholders, or other persons related to Suzano. Moreover, it is used as the basis for the Company's business models, policies, and guidelines. We also observe the requirements of the Brazilian Securities Commission (CVM) and we adhere to the Novo Mercado listing standards of the B3.

Code of Business Conduct and Ethics

NYSE rules require that listed companies adopt and disclose a code of business conduct and ethics for directors, officers and employees, and promptly disclose any waivers of the code for directors or executive officers. Applicable Brazilian law does not have a similar requirement. We believe our code substantially addresses the matters required to be addressed by the NYSE rules. A copy of our Code of Conduct has been filed as Exhibit 11.1 to this annual report. For a further discussion of our Code of Conduct, see Item 16.B "Code of Ethics."

Internal Audit Function

NYSE rules require that listed companies maintain an internal audit function to provide management and the audit committee with ongoing assessments of the company's risk management processes and system of internal control. Brazilian law does not require that companies maintain an internal audit function. However, as an issuer on the New York Stock Exchange, we maintain an internal audit function. Our internal audit function is under the supervision of our statutory audit committee and is responsible for independently evaluating corporate, forest and industrial processes, verifying compliance with standards and policies adopted by us and analyzing possible cases of irregularities, such as fraud, bribery, corruption, conflicts of interest, insider information, embezzlement and damage to property.

The internal audit considers a risk-based approach and the views of our management and members of our audit committee. The audit results are reported to our chief executive officer and our statutory audit committee.

ITEM 16.H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16. I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 17. FINANCIAL STATEMENTS

Not applicable.

ITEM 18. FINANCIAL STATEMENTS

See pages F-1 through F-[98], included herein.

INDEPENDENT AUDITOR'S REPORT
Report of independent registered
public accounting firm

To the Board of Directors and Shareholders of
Suzano S.A.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Suzano S.A. and its subsidiaries (the "Company") as of December 31, 2022 and 2021, and the related consolidated statements of income (loss), comprehensive income (loss), changes in equity and cash flows for each of the three years in the period ended December 31, 2022, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Recoverability of deferred tax assets

As described in Notes 3.2.21 and 12 to the consolidated financial statements, the Company's consolidated deferred tax assets balance recorded in non-current assets was BRL 3,986,415 thousand as of December 31, 2022, arising from tax loss carryforwards, negative tax base and temporary differences. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available to be used to offset tax loss carryforwards, negative tax base and temporary differences, based on projections of future taxable results. Management's cash flow projections included significant judgments and assumptions relating to net average pulp and paper prices and the transfer price with the subsidiary based in Austria.

The principal considerations for our determination that performing procedures relating to the deferred tax assets is a critical audit matter are there was the significant judgment by management when estimating the recoverable amount of deferred tax assets and the timing when tax loss carryforwards, negative tax base and temporary differences will occur. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate management's cash flow projections and significant assumptions, related to the net average pulp and paper prices and the transfer price with the subsidiary based in Austria. In addition, professionals with specialized skill and knowledge were used to assist in performing these procedures and evaluating the audit evidence obtained regarding the estimated cash flow model that supports the projections of future taxable results.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's projections, including controls over the valuation of the recoverable amount of deferred tax assets. These procedures also included, among others, testing management's process for estimating the recoverable amount; evaluating the appropriateness of the cash flow model that supports the projections of future taxable results; testing the completeness, accuracy, and relevance of underlying data used in the model; and evaluating the significant assumptions used by management, related to the net average pulp and paper prices and the transfer price with the subsidiary based in Austria. Evaluating management's assumptions relating to net average pulp and paper prices involved evaluating whether the assumptions used by management were reasonable considering; (i) the current and past performance of the Company, (ii) the consistency with external market and industry data, and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit.

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Valuation of biological assets

As described in Notes 3.2.17 and 13 to the consolidated financial statements, the Company's consolidated biological assets balance was BRL 14,632,186 thousand as of December 31, 2022 and are measured at fair value, less estimated costs to sell. Fair value is estimated by management using a discounted cash flow model. Management's cash flow projections included significant judgments and assumptions relating to gross average sale price of eucalyptus and the average annual growth (IMA) of biological assets.

The principal considerations for our determination that performing procedures relating to the valuation of biological assets is a critical audit matter are (i) there was a high degree of auditor subjectivity in applying our procedures relating to the fair value measurement of the biological assets due to the significant amount of judgment required by management when developing these estimates; (ii) significant audit effort was required in assessing the significant assumptions relating to average annual growth (IMA) and gross average sale price of eucalyptus and (iii) professionals with specialized skill and knowledge were used to assist in performing these procedures and evaluating the audit evidence obtained regarding the estimated discount cash flow model and discount rate.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the completeness of data and the model used to measure the fair value of the biological assets. Our procedures also included, among others, testing management's process for developing the fair value estimate; evaluating the appropriateness of the discounted cash flow model; testing the completeness, accuracy, and relevance of underlying data used in the model; and evaluating the significant assumptions used by management, related to the average annual growth (IMA) and the gross average eucalyptus sale price. Evaluating management's assumptions relating to average annual growth (IMA) and gross average eucalyptus sale price involved evaluating whether the assumptions used by management were reasonable considering: (i) the consistency with external market and industry data; and (ii) whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation of the Company's discounted cash flow model and the discount rate.

Goodwill impairment test - Pulp Cash-Generating Unit

As described in Notes 3.2.20 and 16.1 to the consolidated financial statements, the goodwill associated with the Pulp Cash-Generating unit ("CGU") was BRL 7,897,051 thousand as of December 31, 2022, arising from Fibria acquisition in January, 2019. Potential impairment is identified by comparing the value in use of the CGU to its carrying amount, including goodwill. Value in use is estimated by management using a discounted cash flow model. Management's cash flow projections for Pulp CGU included significant judgments and assumptions relating to net average pulp prices and the discount rate.

The principal considerations for our determination that performing procedures relating to the goodwill impairment test of Pulp CGU is a critical audit matter are there was the significant judgment by management when developing the value in use measurement for the CGU. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate management's cash flow projections and the significant assumptions net average pulp prices and discount rate. In addition, professionals with specialized skill and knowledge were used to assist in performing these procedures and evaluating the audit evidence obtained regarding the estimated discounted cash flow model and discount rate.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment test, including controls over the valuation of the Company's Pulp CGU. These procedures also included, among others, testing management's process for developing the value in use estimate; evaluating the appropriateness of the discounted cash flow model; testing the completeness, accuracy, and relevance of underlying data used in the model; and evaluating the significant assumptions used by management, related to the net average pulp prices and the discount rate. Evaluating management's assumptions relating to net average pulp prices involved evaluating whether the assumptions used by management were reasonable considering: (i) the current and past performance of the CGU, (ii) the consistency with external market and industry data, (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit, (iv) assess and evaluate the objectivity, competence and capacity of the experts engaged by management in developing the value in use measurement of the CGU. Professionals with specialized skill and knowledge were used to assist in the evaluation of the Company's discounted cash flow model and the discount rate.

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Provision for judicial liabilities relating to tax

As described in Notes 3.2.24 and 20.1 to the consolidated financial statements, the Company's consolidated provision for judicial liabilities relating to tax was BRL 2,718,528 thousand (net of judicial deposits) as of December 31, 2022. The Company recognizes liabilities in the consolidated financial statements for the resolution of pending litigation when management determines that a loss is probable, and the amount of the loss can be reasonably estimated. No liability for an estimated loss is accrued in the consolidated financial statements for unfavorable outcomes when, after assessing the information available, (i) management concludes that it is not probable that a loss will be incurred in any of the pending litigation; or (ii) management is unable to estimate the loss for any of the pending matters.

The principal considerations for our determination that performing procedures relating to provision for judicial liabilities relating to tax is a critical audit matter are there was significant judgement by management when assessing the likelihood of a loss being incurred and when determining whether a reasonable estimate of the loss for each claim can be made, which in turn led to a high degree of auditor judgment and effort in evaluating management's assessment of the loss contingencies associated with litigation claims. Professionals with specialized skill and knowledge were used to assist in the evaluation of the likelihood of loss being incurred.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's evaluation of tax litigation claims, including controls over determining whether a loss is probable and whether the amount of loss can be reasonably estimated. These procedures also included, among others, obtaining and evaluating the letters of audit inquiry with internal and external legal counsel, evaluating the reasonableness of management's assessment regarding whether an unfavorable outcome is reasonably possible or probable and reasonably estimable, and evaluating the sufficiency of the Company's litigation contingency disclosures. Professionals with specialized skill and knowledge were used to assist in the evaluation of the likelihood of loss being incurred.

/s/ PricewaterhouseCoopers Auditores Independentes Ltda.
São Paulo, Brazil
February 28, 2023

We have served as the Company's auditor since 2017.

Management's Report on Internal Control over Financial Reporting

1 The management of Suzano S.A. and subsidiaries (the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting.

2 The Company's internal control over financial reporting is a process designed by, or under the supervision of, the principal executive and principal financial officers, or persons performing similar functions, and effected by the Company's Statutory Audit Committee, the Company's Board of Directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with and in compliance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Company's internal control over financial reporting includes those policies and procedures that (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with and in compliance with IFRS as issued by the IASB, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

3 Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

4 The effectiveness of the Company's internal control over financial reporting as of December 31, 2022, is based on the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on that assessment, management has concluded that, as of December 31, 2022, the Company's internal control over financial reporting is effective.

São Paulo, February 28, 2023

/s/ Walter Schalka
Walter Schalka
Chief Executive Officer

/s/ Marcelo Feriozzi Bacci
Marcelo Feriozzi Bacci
Chief Financial Officer
and Investor Relations Officer

Suzano S.A.

Consolidated financial statements
Year ended December 31, 2022 and 2021
(In thousands of R\$, unless otherwise stated)

**CONSOLIDATED BALANCE SHEET**

ASSETS	Note	December 31, 2022	December 31, 2021
CURRENT			
Cash and cash equivalents	5	9,505,951	13,590,776
Marketable securities	6	7,546,639	7,508,275
Trade accounts receivable	7	9,607,012	6,531,465
Inventories	8	5,728,261	4,637,485
Recoverable taxes	9	549,580	360,725
Derivative financial instruments	4.5	3,048,493	470,261
Advances to suppliers	10	108,146	59,564
Dividends receivable	11	7,334	6,604
Other assets		1,021,234	937,786
Total current assets		37,122,650	34,102,941
NON-CURRENT			
Marketable securities	6	419,103	250,054
Recoverable taxes	9	1,406,363	1,269,164
Deferred taxes	12	3,986,415	8,729,929
Derivative financial instruments	4.5	1,825,256	971,879
Advances to suppliers	10	1,592,132	1,282,763
Judicial deposits		362,561	300,715
Other assets		279,955	296,844
Biological assets	13	14,632,186	12,248,732
Investments	14	612,516	524,066
Property, plant and equipment	15	50,656,634	38,169,703
Right of use	19.1	5,109,226	4,794,023
Intangible	16	15,192,971	16,034,339
Total non-current		96,075,318	84,872,211
TOTAL ASSETS		133,197,968	118,975,152

The accompanying notes are an integral part of these consolidated financial statements.

Suzano S.A.

Consolidated financial statements
Year ended December 31, 2022 and 2021
(In thousands of R\$, unless otherwise stated)

**CONSOLIDATED BALANCE SHEET**

	Note	December 31, 2022	December 31, 2021
LIABILITIES			
CURRENT			
Trade accounts payable	17	6,206,570	3,288,897
Loans, financing and debentures	18.1	3,335,029	3,655,537
Lease liabilities	19.2	672,174	623,282
Derivative financial instruments	4.5	667,681	1,563,459
Taxes payable		449,122	339,553
Payroll and charges		674,525	590,529
Liabilities for assets acquisitions and associates	23	1,856,763	99,040
Dividends payable	11	5,094	919,073
Advances from customers		131,355	103,656
Other liabilities		494,230	368,198
Total current liabilities		14,492,543	11,551,224
NON-CURRENT			
Loans, financing and debentures	18.1	71,239,562	75,973,092
Lease liabilities	19.2	5,510,356	5,269,912
Derivative financial instruments	4.5	4,179,114	6,331,069
Liabilities for assets acquisitions and associates	23	205,559	306,912
Provision for judicial liabilities	20.1	3,256,310	3,232,612
Employee benefit plans	21.2	691,424	675,158
Deferred taxes	12	1,118	
Share-based compensation plans	22.3	162,117	166,998
Advances from customers		136,161	149,540
Other liabilities		157,339	143,505
Total non-current liabilities		85,539,060	92,248,798
TOTAL LIABILITIES		100,031,603	103,800,022
EQUITY			
	25		
Share capital		9,235,546	9,235,546
Capital reserves		18,425	15,455
Treasury shares		(2,120,324)	(218,265)
Retained earnings		24,207,869	3,927,824
Other reserves		1,719,516	2,114,907
Controlling shareholders'		33,061,032	15,075,467
Non-controlling interest		105,333	99,663
Total equity		33,166,365	15,175,130
TOTAL LIABILITIES AND EQUITY		133,197,968	118,975,152

The accompanying notes are an integral part of these consolidated financial statements.

Suzano S.A.



Consolidated financial statements

Year ended December 31, 2022, 2021 and 2020

(In thousands of R\$, unless otherwise stated)

CONSOLIDATED STATEMENTS OF INCOME (LOSS)

	Note	December 31, 2022	December 31, 2021	December 31, 2020
NET SALES	28	49,830,946	40,965,431	30,460,277
Cost of sales	30	(24,821,288)	(20,615,588)	(18,966,331)
GROSS PROFIT		25,009,658	20,349,843	11,493,946
OPERATING INCOME (EXPENSES)				
Selling	30	(2,483,194)	(2,291,722)	(2,174,652)
General and administrative	30	(1,709,767)	(1,577,909)	(1,443,192)
Income from associates and joint ventures	14	284,368	51,912	36,142
Other operating income, net	30	1,121,716	1,648,067	531,150
OPERATING PROFIT BEFORE NET FINANCIAL INCOME (EXPENSES)		22,222,781	18,180,191	8,443,394
NET FINANCIAL INCOME (EXPENSES)				
Financial expenses	27	(4,590,370)	(4,221,301)	(4,459,425)
Financial income		967,010	272,556	327,475
Derivative financial instruments		6,761,567	(1,597,662)	(9,422,682)
Monetary and exchange variations, net		3,294,593	(3,800,827)	(12,530,891)
NET INCOME (LOSS) BEFORE TAXES		28,655,581	8,832,957	(17,642,129)
Income and social contribution taxes				
Current	12	(510,896)	(292,115)	(181,926)
Deferred	12	(4,749,798)	94,690	7,109,120
NET INCOME (LOSS) FOR THE YEAR		23,394,887	8,635,532	(10,714,935)
Attributable to				
Controlling shareholders'		23,381,617	8,626,386	(10,724,828)
Non-controlling interest		13,270	9,146	9,893
Earnings (loss) per share				
Basic	26.1	17.57724	6.39360	(7.94890)
Diluted	26.2	17.57305	6.39205	(7.94890)

The accompanying notes are an integral part of these consolidated financial statements.

Suzano S.A.**Consolidated financial statements****Year ended December 31, 2022, 2021 and 2020***(In thousands of R\$, unless otherwise stated)***CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

	December 31, 2022	December 31, 2021	December 31, 2020
Net income (loss) for the year	23,394,887	8,635,532	(10,714,935)
Other comprehensive income (loss)			
Fair value investments in equity measured at fair value through other comprehensive income	(3,441)	2,020	6,290
Tax effect on the fair value of investments	1,170	(687)	(2,139)
Actuarial gain (loss) on post-employment plans of subsidiaries	(9,499)	2,289	3,522
Tax effect of the actuarial loss	3,260	(778)	(1,015)
Actuarial gain (loss) on post-employment plans of subsidiaries	(3,182)	117,353	(37,188)
Tax effect of the actuarial loss	1,082	(39,900)	12,644
Items with no subsequent effect on income	(10,610)	80,297	(17,886)
Exchange rate variations on conversion of financial statements of subsidiaries abroad	(16,035)	46,006	(2,857)
Realization of exchange variation on investments abroad ⁽¹⁾	(235,737)	(825)	—
Items with subsequent effect on income	(251,772)	45,181	(2,857)
	23,132,505	8,761,010	(10,735,678)
Attributable to			
Controlling shareholders'	23,119,235	8,751,864	(10,745,571)
Non-controlling interest	13,270	9,146	9,893

(1) Refers substantially to the exchange rate variations on Suzano Trading Ltd., a company which was merged on September 30, 2022.

The accompanying notes are an integral part of these consolidated financial statements.

Suzano S.A.

Consolidated financial statements
Year ended December 31, 2022, 2021 and 2020
In thousands of R\$, unless otherwise stated)



CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital		Capital reserves		Attributable to controlling shareholders*							Non-controlling interest	Total equity		
	Share Capital	Share issuance costs	Stock options granted	Other	Treasury shares	Tax incentives	Legal Reserve	Reserve for capital increase	Special statutory reserve	Dividends proposed	Other reserves			Retained earnings (losses)	
Balances at December 31, 2019	9,269,281	(33,735)	5,979	6,410,885	(218,265)		317,144				2,221,341		17,972,630	115,339	18,087,969
Total comprehensive income															
Net (loss) for the year												(10,724,828)	(10,724,828)	9,893	(10,714,935)
Other comprehensive income for the year											(20,743)	(20,743)	(20,743)		(20,743)
Transactions with shareholders															
Loss absorption (Note 25.6)				(6,410,885)			(317,144)						6,728,029		
Stock options granted			4,633												4,633
Realization of fair value attributable to non-controlling interest														(19,676)	(19,676)
Unclaimed dividends forfeited												130	130		130
Partial Realization of deemed cost, net of taxes											(70,654)	70,654			
Balances at December 31, 2020	9,269,281	(33,735)	10,612		(218,265)						2,129,944	(3,926,015)	7,231,822	105,556	7,337,378
Total comprehensive income															
Net (loss) for the year															
Other comprehensive income for the year											125,478	8,626,386	8,626,386	9,146	8,635,532
Transactions with shareholders															
Stock options granted (note 22.3)			4,843												4,843
Unclaimed dividends forfeited													49		49
Proposed minimum mandatory dividends												(913,111)	(913,111)		(913,111)
Additional proposed dividend										86,889		(86,889)			
Fair value attributable to non-controlling interest														(15,039)	(15,039)
Internal changes in equity															
Constitution of reserves						812,909	235,019	2,513,663	279,295			(3,840,886)			
Realization of deemed cost, net of taxes											(140,515)	140,515			
Balances at December 31, 2021	9,269,281	(33,735)	15,455		(218,265)	812,909	235,019	2,513,663	279,344	86,889	2,114,907	(140,515)	15,075,467	99,663	15,175,130
Total comprehensive income															
Net income for the year													23,381,617	23,381,617	23,394,887
Other comprehensive income for the year												(262,382)	(262,382)		(262,382)
Transactions with shareholders															
Stock options granted (Note 22.3)			5,335												5,335
Shares granted (Note 22.3)			(2,365)			2,365									
Shares repurchased (Note 25.5)					(1,904,424)								(1,904,424)		(1,904,424)
Unclaimed dividends forfeited												2,308	2,308		(1,904,424)
Proposed additional dividend payment (Note 1.2.3)								(719,903)	(80,000)				(799,903)		(799,903)
Payment of supplementary dividends								(97)		(86,889)			(86,986)		(86,986)
Proposed minimum mandatory dividends (Note 25.2)												(2,256,367)	(2,256,367)		(2,256,367)
Additional proposed dividend (Note 25.2)												(93,633)	(93,633)		(93,633)
Fair value attributable to non-controlling interest														(7,600)	(7,600)
Internal changes in equity															
Constitution of reserves (Note 25.3)						66,871	1,169,080	17,937,885	1,993,098			(21,166,934)			
Reversal of the tax incentive reserve						(502)		502							
Realization of deemed cost, net of taxes											(133,009)	133,009			
Balances at December 31, 2022	9,269,281	(33,735)	18,425		(2,120,324)	879,278	1,404,099	19,732,050	2,192,442	86,889	1,719,516	(133,009)	33,061,032	105,333	33,166,365

The accompanying notes are an integral part of these consolidated financial statements.

Suzano S.A.



Consolidated financial statements

Year ended December 31, 2022, 2021 and 2020

(In thousands of R\$, unless otherwise stated)

CONSOLIDATED STATEMENTS OF CASH FLOW

	December 31, 2022	December 31, 2021	December 31, 2020
OPERATING ACTIVITIES			
Net income (loss) for the year	23,394,887	8,635,532	(10,714,935)
Adjustment to			
Depreciation, depletion and amortization (Notes 27 and 30)	7,206,125	6,879,132	6,565,441
Depreciation of right of use (Note 19.1)	231,966	203,670	186,768
Sublease of ships	(11,314)	(44,706)	(35,841)
Interest expense on lease liabilities	433,613	427,934	397,746
Result from sale and disposal of property, plant and equipment and biological assets, net (Note 30)	509	(412,612)	(8,372)
Income (expense) from associates and joint ventures	(284,368)	(51,912)	(36,142)
Exchange rate and monetary variations, net (Note 27)	(3,294,593)	3,800,827	12,530,891
Interest expenses on financing, loans and debentures, net (Note 27)	4,007,737	3,207,278	3,286,254
Expenses with early settlements premium (Note 27)		260,289	391,390
Capitalized loan costs (Note 27)	(359,407)	(18,624)	(10,636)
Accrual of interest on marketable securities	(707,211)	(178,320)	(94,868)
Amortization of transaction costs (Note 27)	69,881	107,239	101,741
Derivative losses, net (Note 27)	(6,761,567)	1,597,662	9,422,682
Fair value adjustment of biological assets (Note 13)	(1,199,759)	(763,091)	(466,484)
Deferred income tax and social contribution (Note 12.3)	4,749,798	(94,690)	(7,109,120)
Interest on actuarial liabilities (Note 21.2)	59,258	55,849	53,092
Provision for judicial liabilities, net (Note 20.1)	88,198	65,318	1,288
(Reversal of) provision for doubtful accounts, net (Note 7.3)	1,652	(637)	6,022
Provision for inventory losses, net (Note 8.1)	56,060	73,574	65,675
Provision (reversal) for loss of ICMS credits, net (Note 9.1)	58,003	(99,183)	(82,293)
Tax credits (note 20.3 and 30)	1,324	(441,880)	-
Other	2,794	26,449	35,451
Decrease (increase) in assets			
Trade accounts receivable	(3,267,356)	(3,393,787)	884,451
Inventories	(967,995)	(654,757)	651,203
Recoverable taxes	(381,408)	186,013	659,930
Other assets	264,025	(54,136)	54,651
Increase (decrease) in liabilities			
Trade accounts payable	1,533,118	1,363,478	140,480
Taxes payable	422,591	271,700	47,212
Payroll and charges	83,742	97,792	92,278
Other liabilities	(9,007)	(191,976)	(266,546)
Cash generated from operations	<u>25,421,296</u>	<u>20,859,425</u>	<u>16,749,409</u>
Payment of interest on financing, loans and debentures (Note 18.2)	(4,019,072)	(2,953,573)	(3,244,949)
Payment of early settlement premiums (Note 18.2)		(260,289)	(378,381)
Interest received on marketable securities	544,849	98,110	186,853
Payment of income taxes	(306,453)	(106,180)	(188,296)
Cash provided by operating activities	<u>21,640,620</u>	<u>17,637,493</u>	<u>13,124,636</u>
INVESTING ACTIVITIES			
Additions to property, plant and equipment (Note 15)	(9,791,238)	(2,150,584)	(1,503,255)
Additions to intangible (Note 16)	(90,499)	(285,278)	(2,307)
Additions to biological assets (Note 13)	(4,957,380)	(3,807,608)	(3,392,298)
Proceeds from sales of property, plant and equipment	251,183	1,411,251	183,504
Capital increase in subsidiaries and affiliates	(67,020)	(51,816)	-
Marketable securities, net	67,426	(5,216,921)	3,841,493
Advances for acquisition (receipt) of wood from operations with development and partnerships	(355,362)	(257,672)	135,693
Dividends received	6,604	6,453	753
Asset acquisitions (Notes 1.2.4 and 1.2.5)	(2,090,062)	-	-
Cash and cash equivalents from asset acquisitions	10,590	-	-
Acquisitions of non-controlling interests		(6,516)	-
Cash used in investing activities	<u>(17,015,758)</u>	<u>(10,358,691)</u>	<u>(736,417)</u>
FINANCING ACTIVITIES			
Proceeds from loans, financing and debentures (Note 18.2)	1,335,715	16,991,962	14,761,796
Payment of derivative transactions (Note 4.5.4)	282,225	(1,921,253)	(4,465,640)
Payment of loans, financing and debentures (Note 18.2)	(2,517,934)	(15,469,423)	(19,092,810)
Payment of leases (Note 19.2)	(1,044,119)	(1,012,137)	(824,245)
Payment of dividends (Notes 1.2.2 and 1.2.3)	(4,150,782)	(9,683)	-
Liabilities for assets acquisitions and associates	(107,888)	(153,357)	(164,240)
Shares repurchased	(1,904,424)	-	-
Cash provided (used) by financing activities	<u>(8,107,207)</u>	<u>(1,573,891)</u>	<u>(9,785,139)</u>
EXCHANGE VARIATION ON CASH AND CASH EQUIVALENTS	<u>(602,480)</u>	<u>1,050,808</u>	<u>982,850</u>
Increase (decrease) in cash and cash equivalents, net	<u>(4,084,825)</u>	<u>6,755,719</u>	<u>3,585,930</u>
At the beginning of the year	13,590,776	6,835,057	3,249,127
At the end of the year	9,505,951	13,590,776	6,835,057
Increase (decrease) in cash and cash equivalents, net	<u>(4,084,825)</u>	<u>6,755,719</u>	<u>3,585,930</u>

The accompanying notes are an integral part of these consolidated financial statements.

Suzano S.A.



Explanatory notes to the consolidated financial statements
Year ended December 31, 2022 and 2021

1. COMPANY'S OPERATIONS

Suzano S.A. ("Suzano" or "Company"), is a public company with its headquarters in Brazil, at Avenida Professor Magalhães Neto, No. 1,752 - 10th floor, rooms 1010 and 1011, Bairro Pituba, in the city of Salvador, State of Bahia, and its main business office in the city of São Paulo.

Suzano's shares are traded on B3 S.A. ("*Brasil, Bolsa, Balcão*" - "B3"), listed in the New Market under the ticker SUZB3, and its American Depositary Receipts ("ADRs") in a ratio of 1 (one) per common share, Level II, are traded in the New York Stock Exchange ("NYSE") under the ticker SUZ.

The Company has 13 industrial units, located in the cities of Cachoeiro de Itapemirim and Aracruz (Espírito Santo State), Belém (Pará State) being 2 units, Eunápolis and Mucuri (Bahia State), Maracanaú (Ceará State), Imperatriz (Maranhão State), Jacareí, Limeira, Rio Verde and Suzano, being two units (São Paulo State) and Três Lagoas (Mato Grosso do Sul State). Additionally, it has five technology centers, 23 distribution centers and three ports, all located in Brazil.

These units produce hardwood pulp from eucalyptus, paper (coated paper, paperboard, uncoated paper and cut size paper) and packages of sanitary paper (consumer goods - tissue) to serve the domestic and foreign markets.

Pulp and paper are sold in foreign markets by Suzano, as well as through its wholly-owned associates in Austria, the United States of America, Switzerland and Argentina, and its sales offices in China.

The Company's operations also include the commercial management of eucalyptus forest for its own use, the operation of port terminals, and the holding of interests, as a partner or shareholder, in other companies or enterprises, and the sale and generation of electric energy generated during the pulp production process.

The Company is controlled by Suzano Holding S.A., through a voting agreement whereby it holds 45.76% of the common shares of its share capital.

The financial statements were approved and their issuance was authorized by the Board of Directors on February 28, 2023.

Suzano S.A.



Explanatory notes to the consolidated financial statements Year ended December 31, 2022 and 2021

1.1. Equity interests

The Company holds equity interests in the following entities:

Entity	Main activity	Country	Type of investment	Accounting method	% equity interest	
					December 31, 2022	December 31, 2021
Caravelas Florestal S.A. ^{(5) (7)}	Industrialization and commercialization of standing wood	Brazil	Direct	Consolidated		
Cellulose Inc.	Nanocrystalline pulp research and development	Canada	Direct	Fair value through other comprehensive income	8.28 %	8.28 %
Ensyn Corporation	Biofuel research and development	United States of America	Direct	Equity	26.59 %	26.24 %
F&E Technologies LLC	Biofuel production, except alcohol	United States of America	Direct/Indirect	Equity	50.00 %	50.00 %
F&E Tecnologia do Brasil S.A.	Biofuel production, except alcohol	Brazil	Direct	Consolidated	100.00 %	100.00 %
Fibria Celulose (USA) Inc.	Business office	United States of America	Direct	Consolidated	100.00 %	100.00 %
Fibria Overseas Finance Ltd.	Financial fundraising	Cayman Island	Direct	Consolidated	100.00 %	100.00 %
Fibria Terminal de Celulose de Santos SPE S.A.	Port operations	Brazil	Direct	Consolidated	100.00 %	100.00 %
FuturaGene Ltd.	Biotechnology research and development	England	Direct	Consolidated	100.00 %	100.00 %
FuturaGene Biotechnology Shanghai Company Ltd. ⁽¹⁾	Biotechnology research and development	China	Indirect	Consolidated		100.00 %
FuturaGene Delaware Inc.	Biotechnology research and development	United States of America	Indirect	Consolidated	100.00 %	100.00 %
FuturaGene Israel Ltd.	Biotechnology research and development	Israel	Indirect	Consolidated	100.00 %	100.00 %
FuturaGene Hong Kong Ltd. ⁽⁸⁾	Biotechnology research and development	Hong Kong	Indirect	Consolidated	100.00 %	100.00 %
FuturaGene Inc.	Biotechnology research and development	United States of America	Indirect	Consolidated	100.00 %	100.00 %
Ibema Companhia Brasileira de Papel	Industrialization and commercialization of paperboard	Brazil	Direct	Equity	49.90 %	49.90 %
Maxcel Empreendimentos e Participações S.A.	Holding	Brazil	Direct	Consolidated	100.00 %	100.00 %
Itacel - Terminal de Celulose de Itaquí S.A.	Port operations	Brazil	Indirect	Consolidated	100.00 %	100.00 %
Mucuri Energética S.A.	Power generation and distribution	Brazil	Direct	Consolidated	100.00 %	100.00 %
Paineiras Logística e Transportes Ltda.	Road freight transport	Brazil	Direct	Consolidated	100.00 %	100.00 %
Portoel - Terminal Espec. Barra do Riacho S.A.	Port operations	Brazil	Direct	Consolidated	51.00 %	51.00 %
Projetos Especiais e Investimentos Ltda.	Commercialization of equipment and parts	Brazil	Direct	Consolidated	100.00 %	100.00 %
Rio Verde Participações e Propriedades Rurais S.A. ⁽⁷⁾	Forest assets	Brazil	Direct	Consolidated	100.00 %	100.00 %
SFBC Participações Ltda.	Packaging production	Brazil	Direct	Consolidated	100.00 %	100.00 %
Spinnova Plc ⁽²⁾	Research and development of sustainable raw materials (wood) for the textile industry	Finland	Direct	Equity	19.03 %	19.14 %
Stenfar S.A. Indl. Coml. Imp. Y. Exp.	Commercialization of paper and computer materials	Argentina	Direct	Consolidated	100.00 %	100.00 %
Suzano Austria GmbH.	Business office	Austria	Direct	Consolidated	100.00 %	100.00 %
Suzano Canada Inc.	Lignin research and development	Canada	Direct	Consolidated	100.00 %	100.00 %
Suzano Finland Oy	Industrialization, commercialization of cellulose, microfiber cellulose and paper.	Finland	Direct	Consolidated	100.00 %	100.00 %
Suzano International Finance B.V. ⁽⁹⁾	Financial fundraising	Netherlands	Direct	Consolidated	100.00 %	100.00 %
Suzano International Trade GmbH.	Business office	Austria	Direct	Consolidated	100.00 %	100.00 %
Suzano Material Technology Development Ltd. ⁽⁶⁾	Biotechnology research and development	China	Direct	Consolidated	100.00 %	100.00 %
Suzano Operações Industriais e Florestais S.A.	Industrialization, commercialization and exporting of pulp	Brazil	Direct	Consolidated	100.00 %	100.00 %
Suzano Pulp and Paper America Inc.	Business office	United States of America	Direct	Consolidated	100.00 %	100.00 %
Suzano Pulp and Paper Europe S.A.	Business office	Switzerland	Direct	Consolidated	100.00 %	100.00 %
Suzano Shanghai Ltd.	Business office	China	Direct	Consolidated	100.00 %	100.00 %
Suzano Trading International KFT	Business office	Hungary	Direct	Consolidated	100.00 %	100.00 %
Suzano Trading Ltd. ⁽⁷⁾	Business office	Cayman Island	Direct	Consolidated	100.00 %	100.00 %
Suzano Ventures LLC ⁽³⁾	Corporate venture capital	United States of America	Direct	Consolidated	100.00 %	100.00 %
Veracel Celulose S.A.	Industrialization, commercialization and exporting of pulp	Brazil	Direct	Proportional Consolidated	50.00 %	50.00 %
Vitex BA Participações S.A. ^{(4) (7)}	Holding	Brazil	Direct	Consolidated		
Parkia BA Participações S.A. ^{(4) (7)}	Holding	Brazil	Direct/Indirect	Consolidated		
Garacuí Comercial Ltda. ^{(4) (7)}	Industrialization and commercialization of standing wood	Brazil	Indirect	Consolidated		
Vitex SP Participações S.A. ^{(4) (7)}	Holding	Brazil	Direct	Consolidated		
Parkia SP Participações S.A. ^{(4) (7)}	Holding	Brazil	Direct/Indirect	Consolidated		
Sobrasil Comercial Ltda. ^{(4) (7)}	Industrialization and commercialization of standing wood	Brazil	Indirect	Consolidated		
Vitex MS Participações S.A. ^{(4) (7)}	Holding	Brazil	Direct	Consolidated		
Parkia MS Participações S.A. ^{(4) (7)}	Holding	Brazil	Direct/Indirect	Consolidated		
Duas Marias Comercial Ltda. ^{(4) (7)}	Industrialization and commercialization of standing wood	Brazil	Indirect	Consolidated		
Vitex ES Participações S.A. ^{(4) (7)}	Holding	Brazil	Direct	Consolidated		
Parkia ES Participações S.A. ^{(4) (7)}	Holding	Brazil	Direct/Indirect	Consolidated		
Claraíba Comercial Ltda. ^{(4) (7)}	Industrialization and commercialization of standing wood	Brazil	Indirect	Consolidated		
Woodspin Oy	Development, production, distribution and commercialization of wood-based textile fibers, yarns and filaments, produced from cellulose and microfiber cellulose.	Finland	Direct/Indirect	Equity	50.00 %	50.00 %

1) Equity interest discontinued during the year.

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- 2) On February 14, May 31, August 17, and December 19, 2022, the equity interest was changed as a result of the issuance of new shares by the entity under its stock option program.
- 3) On May 17, 2022, incorporation of equity interest.
- 4) On June 22, 2022, acquisition of equity interest (note 1.2.4).
- 5) On August 9, 2022, acquisition of equity interest (note 1.2.5).
- 6) On September 22, 2022, establishment of legal entity with full equity interest from Suzano S.A.
- 7) On September 30, 2022, merger of the entity by Suzano S.A. due to corporate reorganization.
- 8) On April 8, 2022, the entity was discontinued.
- 9) On December 29, 2022, establishment of legal entity with full equity interest from Suzano S.A.

1.2. Major events in the year

1.2.1. Effects of the war between Russia and Ukraine

The Company has continuously monitored the impacts of the current conflict between Russia and Ukraine, both direct and indirect, on society, the economy and markets (global and domestic), with the objective of evaluating possible impacts and risks for the business.

The Company's assessment has covered four main areas:

- (i) Personnel: Suzano does not have employees or facilities of any nature in any of the locations directly impacted by the conflict.
- (ii) Supply Chain: the Company did not identify any short-term or long-term risk of possible interruptions or shortages of materials for its industrial and forestry activities. So far, the only effects observed have been greater volatility in commodities and energy prices.
- (iii) Logistics: internationally, there was no change in the Company's logistical operations, with all the routes used remaining unchanged and the moorings in the planned locations being maintained. At the domestic level, no changes in logistical flows were identified.
- (iv) Commercial: to date, the Company has continued with its transactions as planned, maintaining service to its customers in all its sectors of activity. Sales to a few customers located in Russia were suspended, without any significant financial impact.

As a result of the current scenario, the Company has taken steps to expand its monitoring of the situation, together with its main stakeholders, in order to ensure any updates and information flows required for its global decision-making are available in a timely manner.

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1.2.2. Interim dividends

On January 7, 2022, through a notice to shareholders, the distribution of dividends by the Company in the total amount of R\$1,000,000 was approved, at the ratio of R\$0.741168104 per Company share, based on the number of “ex-treasury” shares on the same date. The dividend was declared “ad referendum” at the General Meeting that approved the accounts for the fiscal year ended December 31, 2021, to the balance of retained earnings for the third trimester of 2021, and in line with the net income shown in the semi-annual balance sheet dated June 30, 2021. This followed the resolution at the Company’s Extraordinary General Meeting of October 25, 2021 which approved the full offsetting of the Company’s accumulated losses, through a partial deduction from the balance of retained earnings. Interim dividends will be allocated to the mandatory minimum dividend for the fiscal year ended December 31, 2021.

The payment of interim dividends was made on January 27, 2022, in Brazilian Reais. There was no monetary restatement or additional interest between the dividend declaration date and the effective payment date.

Dividends are exempt from Income Tax, in accordance with the Brazilian legislation.

1.2.3. Supplementary dividends

On April 26, 2022, through a notice to shareholders, the distribution of supplementary dividends by the Company was approved, in the amount of R\$799,903, at the ratio of R\$0.592805521 per share, based on the number of “ex-treasury” shares on the same date.

The payment of the supplementary dividends was on May 13, 2022, in Brazilian Reais. There was no monetary restatement or additional interest between the dividend declaration date and the effective payment date.

Dividends are exempt from Income Tax, in accordance with the current legislation.

1.2.4. Share purchase and sale agreement - Parkia

On April 28, 2022, through a material fact, the Company disclosed that it had entered into a “Share Purchase and Sale Agreement” (the “SPA”) on April 27, 2022, between the Company as purchaser, and as sellers Investimentos Florestais Fundo de Investimento em Participações Multiestratégia (“FIP”) and Arapar Participações S.A (“Arapar” and, together with the FIP, the “Sellers”), as well as the Target Companies as intervening parties. The parties agreed on the terms and conditions for the acquisition by the Company (the “Transaction”), on the closing date, of all the shares held by the Sellers in the following companies: (i) Vitex SP Participações S.A. (ii) Vitex BA Participações S.A. (iii) Vitex ES Participações S.A. (iv) Vitex MS Participações S.A. (v) Parkia SP Participações S.A. (vi) Parkia BA Participações S.A. (vii) Parkia ES Participações S.A. and (viii) Parkia MS Participações S.A. (the “Target Companies”).

As consideration for the shares of the Target Companies, the Company agreed to pay US\$667,000 (equivalent to R\$3,444,255 on the date of signature of the contract). The consideration was subject to post-closing price adjustments, based on the variations in the working capital of the Target Companies.

The closing of the Transaction was subject to the fulfillment of conditions precedent, and approval of the Transaction by the Brazilian antitrust authorities (“Conselho Administrativo de Defesa Econômica - CADE”), and corporate approvals by the Parties and by the Company, through General Shareholders’ Meetings.

On June 22, 2022, the Company concluded the acquisition of the entire share capital of the Target Companies, and the first installment in the amount of US\$330,000 (equivalent to R\$1,704,054 on the transaction date) was paid. The second installment, in the amount of US\$337,000 (equivalent to R\$1,740,201 on June 30, 2022), was recorded under Liabilities for assets acquisitions and associates, and held in United States dollars with maturity in June 2023. The price was adjusted and resulted in the payment of R\$18,726, as provided for in the contract.

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Considering the characteristics of the assets (substantially land, without processes that would characterize a business), the Company elected to apply the optional test to identify a concentration of fair value under paragraph B7A of IFRS 3. The transaction was accounted for as an asset acquisition, given that substantially all of the fair value of the acquired set of assets is concentrated in the principal asset (property, plant and equipment).

The impact of this acquisition is reflected in the line-item asset acquisition, net of cash, in the consolidated statement of cash flow. The cash balance of the Target Companies is R\$4,185.

On September 30, 2022, the Company merged the Target Companies, whose direct and indirect equity value was R\$9,152,692. The merger did not result in a capital increase, given that the Company held, directly or indirectly, 100% of the capital stock of the Target Companies.

1.2.5. Share purchase and sale agreement – Caravelas

On June 29, 2022, through a Notice to the Market, the Company disclosed the execution of a “Share Purchase Agreement” whereby the Company, as purchaser, will acquire the totality of shares issued by Caravelas Florestal S.A. (“Caravelas”) on the closing date.

In consideration for the shares of the Caravelas, the Company agreed to pay a price corresponding to R\$336,000 Brazilian Reais, subject to price adjustments up to the closing date, and paid in a single installment after the fulfillment of conditions precedent in line with market practice for similar transactions, including the approval of/final decision on the Transaction by the Brazilian antitrust authorities. The base price is subject to inflation, and to post-closing price adjustments based on the debt, cash position and other costs related to the Caravelas.

On August 9, 2022, the Company completed the acquisition of all the shares of Caravelas and, considering the reassessment and adjustments provided for in the contract, paid R\$356,854, subject to post-closing adjustments, based on the variations in debt, cash and other costs involving Caravelas. The price was adjusted by R\$10,428 and paid, as provided for in the contract.

The Company elected to apply the optional test to identify a concentration of fair value under paragraph B7A of IFRS 3. The transaction was accounted for as an asset acquisition given that substantially all of the fair value of the acquired set of assets was concentrated in the principal asset (property, plant and equipment).

On September 30, 2022, the Company merged Caravelas, whose equity value was R\$111,323. The merger did not result in a capital increase, given that the Company held 100% of the capital stock of Caravelas.

1.2.6. Acquisition of tissue business in Brazil

On October 24, 2022, the Company announced to the market that it had entered into a contract to acquire Kimberly-Clark’s tissue business in Brazil. The base price for the transaction is US\$175 million (equivalent to R\$922,915 on the date of signature of the contract), subject to the usual adjustments for this type of transaction, and will be paid in full on the date of closing of the transaction, which is subject to the fulfillment of conditions precedent and approval by the Brazilian antitrust authorities (“Conselho Administrativo de Defesa Econômica - CADE”).

The acquisition involves a factory located in Mogi das Cruzes (São Paulo), which contractually provides an installed capacity of 130 thousand tons per year for manufacturing, marketing, distributing and/or selling tissue products in Brazil, including ownership of the “Neve” brand, offering complementary product categories and geographical coverage to the Suzano brand.

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1.2.7. Cerrado Project

On October 28, 2021, the Company's Board of Directors approved the realization of the Cerrado Project, which consists of building a pulp production mill in the municipality of Ribas do Rio Pardo, in the state of Mato Grosso do Sul.

The plant will have an estimated nominal capacity of 2,550,000 tons of eucalyptus pulp production per year, with an estimated period for starting operations in the second semester of 2024. The total investment is R\$19,300,000, with payments during the years of 2021 to 2024.

2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

The Company's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and disclose all the applicable significant information related to the financial statements, which is consistent with the information utilized by Management in the performance of its duties.

The Company's consolidated financial statements are expressed in thousands of Brazilian Reais ("R\$"), as well as the amounts of other currencies disclosed in the financial statements, when applicable, were also expressed in thousands, unless otherwise stated.

The preparation of consolidated financial statements requires Management to make judgments, use estimates and adopt assumptions in the process of applying accounting practices, which can affect the disclosed amounts of revenue, expenses, assets and liabilities, including contingent liabilities. However, the uncertainty inherent in these judgements, assumptions and estimates could result in material adjustments to the carrying amounts of certain assets and liabilities in future periods. The accounting practices requiring a higher level of judgment, and those which are more complex, as well as areas in which assumptions and estimates are significant, are disclosed in Note 3.2.34.

The consolidated financial statements were prepared on a historical costs basis, except for the following material items recognized:

- (i) Derivative and non-derivative financial instruments measured at fair value;
- (ii) Share-based payments and employee benefits measured at fair value; and
- (iii) Biological assets measured at fair value;

The main accounting policies applied to the preparation of these consolidated financial statements are presented in Note 3.

The consolidated financial statements were prepared based on the going concern assumption.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements were prepared based on the financial information of Suzano and its subsidiaries on the same base date, except for associates Ensyn and Spinnova as described in note 3.2.6, as well as in accordance with consistent accounting practices and policies.

The accounting policies have been consistently applied to all of the consolidated companies.

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There was no change in the policies and methods for calculating estimates, except for the new accounting policies presented in Note 3.1, adopted from January 1, 2022 and whose estimated impact was disclosed in the annual financial statements as at December 31, 2021.

3.1. New accounting policies and changes in accounting policies adopted

The new standards and interpretations issued up to the date of issue of the Company's consolidated financial statements are described below. The Company intends to adopt these new standards, changes and interpretations, if applicable, when they come into force, and does not expect them to have a material impact on the financial statements.

3.1.1. Business Combination IFRS 3 – Reference to the conceptual framework (applicable on/or after January 1, 2022. Early adoption is permitted if the entity also adopts all the other updated references (published together with the updated Conceptual Framework) on the same date or earlier.

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Structure. It also includes in IFRS 3 the alignment of the concepts of obligations assumed in line with the provisions of IAS 37, maintaining for the buyer the application of IAS 37 to determine whether there is a present obligation on the acquisition date due to past events. For a tax within the scope of IFRIC 21 - Levies, the buyer shall apply IFRIC 21 to determine whether the event that resulted in the obligation to pay the tax occurred up to the date of acquisition.

The amendments add an explicit statement that the buyer does not recognize contingent assets acquired in the course of a business combination.

The Company assessed the content of this pronouncement and did not identify any impacts.

3.1.2. IAS 37 - Onerous contracts: Cost of fulfilling an onerous contract (applicable for annual periods on/or after January 1, 2022, with early adoption permitted)

The amendments to IAS 37 - Provisions, Contingent Liabilities and Contingent Assets clarify what "costs to fulfill a contract" represent when an onerous contract is assessed. Some entities that apply the "incremental cost" approach may have the value of their provisions increased, or new provisions recognized for onerous contracts as a result of the updated definition.

The need for clarification arose from the introduction of IFRS 15, which replaced the existing requirements related to revenue, including the guidelines contained in IAS 11, which dealt with construction contracts. While IAS 11 specified which costs were included as costs to fulfill a contract, IAS 37 did not, generating a diversity of practice. The amendment aims to clarify which costs should be included in the assessment.

The Company assessed the content of this pronouncement and did not identify any impacts.

3.1.3. Property, plant and equipment - IAS 16 – Revenue earned before an asset is ready for its intended use (applicable for annual periods beginning on/or after January 1, 2022, with early adoption permitted)

In the process of building an item of property, plant or equipment for its intended use, an entity may at the same time produce and sell products generated during this process. Before the change proposed by the IASB, in practice, several ways of accounting for such revenue were found. The IASB has amended the standard to provide guidance on accounting for such revenue and for the related production costs.

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Under the new proposal, the sales revenue is no longer deducted from the cost of property, plant and equipment, but is recognized in the income statement together with the production costs of these items. IAS 2 - Inventory must be applied to the identification and measurement of production costs.

The Company assessed the contents of this pronouncement and did not identify any impacts.

3.1.4. IFRS 1 – Initial adoption of International Financial Reporting Standards (applicable for annual periods beginning on/or after January 1, 2022, with early adoption permitted)

The amendment provides additional relief to a subsidiary which becomes an initial adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also opt to measure cumulative translation differences for all foreign operations at the carrying amounts that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation purposes or for the effects of the business combination in which the parent acquired the subsidiary. A similar option is available to an associate or joint venture using the exemption in IFRS 1:D16(a).

The Company assessed the contents of this pronouncement and did not identify any impacts.

3.1.5. IFRS 9 – Financial instruments (applicable for annual periods beginning on/or after January 1, 2022, with early adoption permitted)

The amendment clarifies that when applying the '10 per cent' test to assess whether to derecognize a financial liability, an entity should only include fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date when the entity first applies the amendment.

The Company assessed the contents of this pronouncement and did not identify any impacts.

3.1.6. IAS 41 – Agriculture (applicable for annual periods beginning on/or after January 1, 2022, with early adoption permitted)

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 - Fair Value Measurement to use internally consistent cash flows amounts and discount rates, and enables preparers to determine whether to use pre-tax or post-tax cash flows amounts and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date on which an entity initially applies the amendment.

The Company assessed the contents of this pronouncement and did not identify any impacts.

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3.2. Accounting policies adopted

3.2.1. Consolidated financial statements

The consolidated financial statements were prepared based on the financial information of Suzano and its subsidiaries in the year ended December 31, 2022, except for associates Ensyn and Spinnova as described in note 3.2.6, and in accordance with consistent accounting practices and policies. The Company consolidates all subsidiaries over which it has direct or indirect control, that is, when it is exposed or has rights to variable returns on the basis of its investment with the subsidiary, and has the capacity and ability to direct the relevant activities of the subsidiary.

Additionally, all transactions and balances between Suzano and its subsidiaries, associates and joint ventures are eliminated in the consolidated financial statements, as well as unrealized gains or losses arising from these transactions, net of tax effects. Non-controlling interests are highlighted.

3.2.2. Subsidiaries

These include all entities for which the Company has the power to govern the financial and operating policies, generally through a majority of voting rights. The Company controls an entity when the Company is exposed to, or has rights to, variable returns on its investment in the investee, and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date on which control is obtained and de-consolidated from the date on which control ceases.

3.2.3. Joint operations

These include all entities for which the Company maintains contractually established control over its economic activity, and exists only when the strategic, financial and operational decisions regarding the activity requiring the unanimous consent of the parties sharing control.

In the consolidated financial statements, the balance of assets, liabilities, revenue and expenses are recognized proportionally to the interest in joint operations.

3.2.4. Associated and joint ventures

These include all entities initially recognized at cost and adjusted thereafter for the equity method, being increased or reduced from its interest in the investee's income after the acquisition date.

In the investments in associates, the Company must have significant influence, which means the power to participate in the financial and operating policy decisions of the investee, without having control or joint control over those policies. In investments in joint ventures, there is a contractually agreed sharing of control through an arrangement, which exists only when decisions about the relevant activities requiring the unanimous consent of the parties sharing control.

In relation to the associates Ensyn and Spinnova, the equity is measured based on the latest available information and does not have a material impact on the consolidated financial statements and, if any significant event had occurred up to December 31, 2022, it would be adjusted in the consolidated financial statements.

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3.2.5. Translation of financial statements into the functional and presentation currency

The Company defined that, for all its wholly owned subsidiaries, the functional and presentation currency is the Brazilian Real, except for investments in associates abroad related to Ensyn Corporation, F&E Technologies LLC, Spinnova Oy, Woodspin Oy and Celluforce, with functional currencies other than the Real, the accumulated gains or losses of which affect the conversion of the financial statements, which are recorded in other comprehensive income, in equity.

The individual financial information of each of the subsidiaries, included in the consolidated financial statement, are prepared in the local currency in which the subsidiary operates and are translated into the Company's functional and presentation currency.

3.2.5.1. Transactions and balances in foreign currency

These are translated using the following criteria:

- (i) Monetary assets and liabilities are translated at the exchange rate in effect at year-end;
- (ii) Non-monetary assets and liabilities are translated at the historical rate of the transaction;
- (iii) Revenue and expenses are translated based on monthly average rate; and
- (iv) The cumulative effects of gains or losses upon translation are recognized in the other comprehensive income.

3.2.6. Hyperinflationary economies

Entities based in Argentina, a country considered to have a hyperinflationary economy, are subject to the requirements of IAS 29 - Financial Reporting in Hyperinflationary Economies. Non-monetary items, as well as income and expenses, are adjusted by the changes in the inflation index between the initial recognition and the closing date, so the balances are stated at their current value.

However, the Company's wholly-owned subsidiary, based in Argentina, has the Real as its functional currency, and therefore is not considered an entity with a hyperinflationary currency, and does not present its individual financial statements in accordance with IAS 29 - Financial Reporting in Hyperinflationary Economies. The financial statements are presented at historical cost.

3.2.7. Business combinations

These are accounted for using the acquisition method when control is transferred to the acquirer. The cost of an acquisition is the sum of the consideration paid, evaluated based on the fair value at the acquisition date, and the amount of any non-controlling interest in the acquiree. For each business combination, the Company recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquirer's net assets. The costs directly attributable to the acquisition are recorded as expenses when they are incurred, except for costs related to the issuance of debt instruments or equity instruments, which are presented as reductions in debt or equity, respectively.

In a business combination, assets acquired and liabilities assumed are evaluated in order to classify and allocate them, assessing the terms of the agreement, the economic circumstances and other conditions at the acquisition date.

Goodwill is initially measured as the excess of the consideration paid over the fair value of the net assets acquired. After initial recognition, goodwill is measured at cost, net of any accumulated impairment losses. For the purpose of impairment testing, the goodwill recognized in a business combination, as from the acquisition date, is allocated to each of the Company's cash generating units.

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Gains on an advantageous purchase are recognized immediately in the result. The borrowing costs are recorded in the income statement as they are incurred.

Contingent liabilities related to tax, civil and labor, classified in the acquired company as possible and remote risks, are recognized by the acquirer at their fair values.

Transactions involving the acquisition of shares with shared control over the net assets traded apply complementary guidance to IFRS 3 – Business Combinations, IFRS 11 and IAS 28 – Investments in Associates and Joint Ventures. Based on the equity method, investments are initially recognized at cost. The carrying amount of the investment is adjusted for the recognition of changes in the Company's share of the acquirer's Shareholders' equity as at the acquisition date. Goodwill is measured and segregated from the carrying amount of the investment. Other intangible assets identified in the transaction shall be allocated in proportion to the interest acquired by the Company, based on the difference between the carrying amounts recorded in the acquired entity and its fair value assets, which may be amortized.

3.2.8. Segment information

An operating segment is a component of the Company that carries out business activities from which it can obtain revenue and incur expenses. The operating segments reflect how the Company's management reviews the financial information used to make decisions. The Company's management has identified two reportable segments, which meet the quantitative and qualitative disclosure requirements. The segments identified for disclosure mainly represent sales channels.

3.2.9. Cash and cash equivalents

Include cash on hand, bank deposits and highly liquid short-term investments with maturities, upon acquisition, of 90 days or less, which are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value.

3.2.10. Financial instruments

3.2.10.1. Classification

Financial instruments are classified based on the purpose for which the financial instruments were acquired, as set forth below:

- (i) Amortized cost;
- (ii) Fair value through other comprehensive income;and
- (iii) Fair value through profit or loss.

Regular purchases and sales of financial assets are recognized on the trade date, meaning the date on which the Company commits to purchase or sell the asset. Financial instruments are derecognized when the rights to receive cash flow from the investments have expired or have been transferred, substantially, all of the risks and rewards of ownership.

3.2.10.1.1. Financial instruments measured at amortized cost

Financial instruments held by the Company: (i) in order to receive their contractual cash flow and not to sell to realize a profit or loss; and (ii) whose contractual terms give rise, on specified dates, to cash flow that exclusively represents payments of principal and interest on the principal amount outstanding. Any changes are recognized under financial income (expenses) in the income statement.

It includes the balance of cash and cash equivalents, trade accounts receivable and other assets, classified as financial assets and the balances of loans, financing and debentures, lease payables, accounts payable for the acquisition of assets and subsidiaries, suppliers and other liabilities, all of which are classified as financial liabilities.

3.2.10.1.2. Financial instruments at fair value through other comprehensive income

Financial instruments at fair value through other comprehensive income are financial assets held by the Company: (i) either to receive their contractual cash flow through sale with the realization of a profit or loss; and (ii) whose contractual terms give rise, on specified dates, to cash flows constituting, exclusively, repayments of principal and interest on the principal amount outstanding. In addition, this category includes investments in equity instruments where, upon initial recognition, the Company elected to present subsequent changes in its fair value within other comprehensive income. Any changes are recognized under net financial income (expenses) in the income statement, except for the fair value of investments in equity instruments, which are recognized in other comprehensive income.

This category includes the balance of other investments.

3.2.10.1.3. Financial instruments at fair value through profit or loss

Financial instruments at fair value through profit or loss are either designated in this category or not classified in any of the other categories. Any changes are recognized within financial income (expenses) in the income statement for non-derivative financial instruments and for financial derivative instruments within income from derivative financial instruments.

This category includes the balance of marketable securities, classified as financial assets financial and derivative financial instruments, including embedded derivatives, stock options, classified as financial assets and liabilities.

3.2.10.2. Settlement of financial instruments

Financial assets and liabilities are settled, and the net amount is recorded in the balance sheet, when there is: (i) a legally enforceable right to settle the recognized amounts; and (ii) an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.2.10.3. Impairment of financial assets

3.2.10.3.1. Financial instruments measured at amortized cost

Annually, the Company assesses whether there is evidence that a financial asset is impaired. A financial is impaired only if there is evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event has an impact on the estimated future cash flow of the financial asset that can be estimated reliably.

The criteria the Company uses to determine whether there is evidence of an impairment loss includes:

- (i) Significant financial difficulty of the issuer or debtor;
- (ii) Defaults on or late payment of interest or principal under the agreement;

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- (iii) Where the Company, for economic or legal reasons relating to the borrower's financial difficulty, grants to the borrower a concession that a lender would not otherwise consider;
- (iv) It becomes probable that the borrower will enter bankruptcy or other financial reorganization;
- (v) The disappearance of an active market for that financial asset because of financial difficulties; and
- (vi) Observable data indicating a measurable decrease in the estimated future cash flow from a portfolio of financial assets after the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio.

The amount of an impairment loss is measured at the difference between the carrying amount of the asset and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. If the financial asset is impaired, the carrying amount of the asset is reduced and a loss is recognized in the income statement.

If, in a subsequent remeasurement, if there is an improvement in the asset rating, such as an improvement in the debtor's credit rating, the reversal of the previously recognized impairment loss is recognized in the income statement.

3.2.10.3.2. Financial assets at fair value through other comprehensive income

Annually, the Company evaluate whether there is evidence that a financial asset is impaired.

For such financial assets, a significant or prolonged decrease in the fair value of the security below its cost is evidence that the assets are impaired. If any such evidence exists, an impairment loss measured at the difference between the acquisition cost and the current fair value, less any loss previously recognized in other comprehensive income, shall be recognized in the income statement.

3.2.11. Derivative financial instruments and hedging activities

Derivative financial instruments are recognized at fair value on the date on which the derivative agreement is entered into and are subsequently remeasured at fair value. Changes in fair value are recorded within the results of derivative financial instruments in the income statement.

Embedded derivatives in non-derivative main contracts are required to be separated when their risks and characteristics are not closely related to those of the respective main contracts, and these are not measured at fair value through profit or loss.

Non-option embedded derivatives are separated from the respective main contracts in accordance with the stated or implied substantive terms, so they have a zero fair value upon initial recognition.

3.2.12. Trade accounts receivable

These are recorded at their invoiced amounts, in the normal course of the Company's business, adjusted for exchange rate variations where denominated in foreign currency and, if applicable, net of expected credit losses.

The Company applies an aging-based provision matrix with appropriate groupings for its portfolio. When necessary, based on individual analyses, the provision for expected losses is supplemented.

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The Company examines the maturity of receivables on a monthly basis and identifies those customers with overdue balances, assessing the specific situation of each client, including the risk of loss, the existence of contracted insurance, letters of credit, collateral and the customer's financial situation. In the event of default, collection attempts are made, which include direct contact with customers and collection efforts through third parties. Should these efforts prove unsuccessful, legal measures are considered, and expected credit losses are recognized. The notes are written off from the credit expected loss when Management considers that they are not recoverable after taking all appropriate measures to collect them.

3.2.13. Inventories

These are evaluated at the average acquisition or formation cost of the finished products, net of recoverable taxes, not exceeding their net realizable value.

Finished products and work-in-process consist of raw materials, direct labor, production costs, freight, storage and general production expenses, which are related to the processes required to make the products available for sale.

Imports in transit are presented at the cost incurred up to the balance sheet date.

Raw materials derived from biological assets are measured based on their fair value, less costs to sell at the point of harvest and freight costs.

Provisions for obsolescence, adjustments to net realizable value, impaired items and slow-moving inventories are recorded when necessary. Usual production losses are recorded and are an integral part of the production costs for the respective month, whereas unusual losses, if any, are recorded directly as part of cost of sales.

3.2.14. Non-current assets held for sale

These are measured at their carrying amount or fair value less costs to sell, whichever is lower, and are not depreciated or amortized. Such items are only classified in this account when the sale is highly probable and the assets are available for immediate sale in their current condition.

3.2.15. Biological assets

The biological assets for production (mature and immature forests) are reforested eucalyptus forests, with a formation cycle between planting and harvest of approximately 7 (seven) years, measured at fair value. Depletion is measured based on the amount of biological assets depleted (harvested) and measured at fair value less estimated costs to sell.

For the determination of the fair value, the income approach technique was applied, using the discounted cash flow model, according to the projected productivity cycle for these assets. The assumptions used to measure the fair value are reviewed every six months, as the Company considers that this interval is sufficient to ensure no significant gaps in the fair value balance of biological assets booked. Significant assumptions are presented in Note 13.

The gain or loss on the assessment of fair value is recognized in operating income (expenses), net.

Biological assets in the process of formation under the age of 2 (two) years are recorded for at their formation cost. Areas of permanent environmental preservation are not recorded, because these are not characterized as biological assets, and are not included in the measurement at fair value.

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3.2.16. Property, plant and equipment

Stated at their cost of acquisition, formation, construction or dismantling, net of recoverable taxes. This cost is deducted from the accumulated depreciation and accumulated impairment losses, when incurred, at the higher of the value in use or the proceeds from sale less cost to sell. The borrowing costs are capitalized as a component of construction in progress, at the weighted average rate of the Company's debt at the capitalization date, adjusted for the equalization of exchange rate effects.

Depreciation is recognized based on the estimated economic useful life of each asset on a straight-line basis. The estimated useful lives, residual values and depreciation methods are reviewed annually, and the effects of any changes in estimates are accounted for prospectively. Land is not depreciated.

The Company performs an annual analysis of impairment indicators of property, plant and equipment. Impairment for losses on property, plant and equipment are only recognized if the related cash-generating unit is devalued, or if the asset's recoverable amount is less than its carrying amount. The recoverable amount of the asset or cash-generating unit is the higher of its value in use, and its fair value less costs to sell.

The cost of major renovations is capitalized if the future economic benefits exceed the performance standards initially estimated for the asset and are then depreciated over the remaining useful life of the related asset.

Repairs and maintenance are expensed as incurred.

Gains and losses on disposals of property, plant and equipment are measured by comparing the proceeds with the book value and are recognized as other operating income (expenses), net, at the disposal date.

3.2.17. Leases

A contract is or contains a lease if the contract transfers the right to control the use of an identified asset for a period in exchange for a consideration. To determine whether this is the case, it is necessary to assess whether:

- (i) The contract involves the use of an identifiable asset, which may be explicit or implicit, and may be physically distinct or represent almost the entire capacity of a physically distinct asset. If the supplier has a substantial right to replace the asset, then the asset is not identified;
- (ii) The Company has the right to obtain substantially all the economic benefits from the use of the asset during the contract period; and
- (iii) The Company has the right to direct the use of the asset, meaning the Company has the right to decide to change how and for what purpose the asset is used, if:
 - It has the right to operate the asset, or
 - It designed the asset, in a way that predetermines how and for what purpose it will be used.

At the beginning of the contract, the Company recognizes a right-of-use asset and a lease liability that represents the obligation to make payments related to the asset underlying the lease.

The right-to-use asset is initially measured at cost, which includes the initial amount of the lease liability adjusted for any payments made up to the contract start date, plus any direct initial costs incurred, and estimated costs of disassembly, removal, or restoration of the asset in the place where it is located, less any incentives received.

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The right-to-use asset is subsequently depreciated using the straight-line method from the start date to the end of the useful life of the right to use, or the end of the lease term, whichever is shorter. Except for land agreements that are automatically extended for the same period through a notification to the lessor, other agreements are not allowed automatic renewals for an indefinite period, since both parties have the right to terminate the agreements.

The lease liability is initially measured at the present value of the payments not made, less the incremental loan rate.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change:

- (i) In future payments resulting from a change in index or rate;
- (ii) In the estimate of the expected amount to be paid, at the guaranteed residual value; or
- (iii) In the assessment of whether the Company will exercise the purchase option, extension or termination.

When the lease liability is remeasured, the corresponding adjustment amount is recorded in the book value of the right-of-use asset, or in the statement of profit and loss, if the book value of the right-of-use asset has been reduced to zero.

The Company does not have lease agreements with clauses imposing:

- (i) Variable payments that are based on the performance of the leased assets;
- (ii) Guarantees of residual value; and
- (iii) Restrictions, such as, for example, an obligation to maintain financial ratios.

Short-term or low-value contracts which are exempt from these standards are contracts where the individual value of the assets is lower than US\$5, and for which the maturity date is shorter than 12 months, are expensed as incurred.

3.2.18. Intangible assets

These are measured at cost at the time when they are initially recognized. The cost of intangible assets acquired during a business combination corresponds to the fair value at the acquisition date. After initial recognition, intangible assets are presented at cost less accumulated amortization and impairment losses, when applicable.

The useful life of intangible assets are assessed as finite or indefinite.

Intangible assets with a finite life are amortized over the economically useful lives and reviewed for impairment whenever there is an indication that their carrying values may be impaired. The amortization period and method for intangible assets with finite useful lives are reviewed at least at the end of each fiscal year. The amortization of intangible assets with finite useful lives is recognized in the statement of income as an expense related to its use, and in line with the economically useful life of the intangible asset.

Intangible assets with indefinite useful lives are not amortized, but are tested annually for impairment losses, individually or at the CGU level. The allocation is made to the CGU or group of CGUs that represents the lowest level within the entity for which goodwill is monitored for management's internal purposes, that has benefited from the business combination. The Company mainly records in this subgroup goodwill for expected future profitability (goodwill) and easement of passage.

This testing involved the adoption of assumptions and judgments, disclosed in Note 16.

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3.2.19. Current and deferred income tax and social contribution

Income taxes include income tax and social contribution on net income, current and deferred. These taxes are recognized in the income statement, except to the extent that they relate to items recognized directly in equity. In this case, they are recognized in equity under other reserves.

The current charge is calculated based on the tax laws enacted in the countries in which the Company and its subsidiaries and affiliates operate and generate taxable income. Management periodically evaluates the positions assumed in the income tax returns with respect to situations in which the applicable tax regulations give rise to interpretations and establishes provisions, when appropriate, based on the amounts that must be paid to the tax authorities.

Deferred tax and contribution liabilities are recognized on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred taxes and contributions are determined based on the rates in force on the balance sheet date, and which must be applied when they are realized or settled.

Deferred tax assets and contributions are recognized to the extent that it is probable that future taxable profits will be available for use to offset temporary differences, based on the projections of future results prepared and based on internal assumptions and future economic scenarios that may, therefore, undergo changes.

The projection for the realization of deferred tax assets was prepared based on Management's estimates that are based on significant judgments and assumptions relating to net average pulp and paper prices, and the transfer prices with the subsidiaries based in Austria. However, there are other assumptions that are not under the control of the Company, such as inflation rates, exchange rates, pulp prices in the international market, and other economic uncertainties in Brazil, which mean that future results may differ from those considered in the preparation of the consolidated projection.

Deferred income tax and social contribution are recognized on temporary differences arising from investments in subsidiaries and associates, except when the timing of the reversal of temporary differences is controlled by the Company, and if it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred tax and contribution assets and liabilities are offset at their net amounts in the balance sheet whenever they are related to the same legal entity and the same tax authority.

3.2.20. Trade accounts payable

Corresponds to the obligations payable for goods or services acquired in the normal course of the Company's business, recognized at fair value and subsequently measured at amortized cost using the effective interest rate method, adjusted to present value, plus exchange rate variations when denominated in foreign currency.

3.2.21. Loans, financing and debentures

Loans and financing are initially recognized at fair value, net of costs incurred in the transaction, and are subsequently stated at amortized cost. Any difference between the amounts raised and settled is recognized in the statement of income during the period in which the loans and financing are outstanding, using the effective tax rate method.

General or specific borrowing costs, directly attributable to the acquisition, construction or production of a qualifying asset, are capitalized as a part of the cost of that asset when it is probable that they will provide future economic benefits for the entity, and that such cost can be measured with reliability. The Company does not have specific loans to obtain qualifying assets. Other loan costs are recognized as expenses in the period during which they are incurred.

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3.2.22. Provisions, contingent assets and liabilities

Contingent assets are not recorded. Recognition is only performed when there are guarantees or favorable judicial decisions and the amounts of these can be measured reliably. Contingent assets for which such conditions are not met are only disclosed in the notes to the financial statements when their amounts are material.

Provisions are made to the extent that the Company expects that is probable that it will disburse cash, and the amount can be reliably estimated. Tax, civil, environmental and labor proceedings are accrued when losses are assessed as probable, and the amounts involved can be measured reliably, being recorded net of judicial deposits, under “provisions for judicial liabilities”. When the expectation of loss is possible, a description of the processes and amounts involved is disclosed in the notes to the financial statements. Contingent liabilities assessed as representing remote losses are neither accrued nor disclosed.

Contingent liabilities arising from business combinations are recognized if they arise from a present obligation as a result of from past events, and if their fair values can be measured reliably, and are subsequently measured at the higher of:

- (i) The amount that would be recognized in accordance with the accounting policy for the provisions above that comply with IAS 37; or
- (ii) The amount initially recognized less, where appropriate, revenue recognized in accordance with the accounting treatment of revenue from customer contracts under IFRS 15.

3.2.23. Asset retirement obligations

These primarily relate to future costs for the decommissioning of industrial landfill sites and related assets. A provision is recorded as a long-term obligation within property, plant and equipment. The provision and the corresponding property, plant and equipment are initially recorded at fair value, based on the present value of the estimated cash flow for future cash payments discounted at an adjusted risk-free rate. The long-term obligation accrues interest using a long-term discount rate, recognized under other liabilities. Property, plant and equipment are depreciated on a straight-line basis over the useful life of the principal, against cost of sales in the income statement.

3.2.24. Share based payments

The Company’s executives and managers receive their compensation partially through share-based payment plans to be settled in cash and shares, or alternatively in cash only.

Plan-related expenses are recognized in the income statement as a corresponding entry within financial liabilities during the vesting period when the services will be rendered. The financial liability is measured at its fair value on every balance sheet date, and its variations are recorded in the income statement as administrative expenses.

At the option exercise date, if such options are exercised by the executive in order to receive shares in the Company, financial liabilities are reclassified under stock options granted in shareholders’ equity. In the case of options exercised in cash, the Company settles the related financial liability in favor of the Company’s executives.

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3.2.25. Employee benefits

The Company offers benefits through a supplementary contribution plan to all employees, as well as medical assistance and life insurance for a determined group of former employees, and for the latter two benefits an annual actuarial appraisal is prepared by an independent actuary, and are reviewed by Management. The respective impact is recognized in employee benefit plans.

Actuarial gains and losses are recognized in other reserves when incurred. The interest incurred, resulting from changes in the present value of the actuarial liability, is recorded in the income statement within financial expenses.

3.2.26. Other assets and liabilities, current and non-current

Assets are recognized only when it is probable that the economic benefit associated with the transaction will flow to the entity, and its cost or value can be measured reliably.

A liability is recognized when the Company has a legal or constructive obligation arising from a past event, and it is probable that an economic resource will be required to settle this liability.

3.2.27. Government grants and assistance

Government grants and assistance are recognized at fair value when it is reasonably certain that the conditions established by the granting Governmental Authority were observed, and that these subsidies will be obtained. These are recorded as deductions from revenue or expenses in the income statement for the period of enjoyment of the benefit, and subsequently allocated to the tax incentives reserve under shareholders' equity, when applicable.

3.2.28. Dividends and interest on own capital

The distribution of dividends or interest on shareholders' equity is recognized as a liability, calculated based on the Corporate Law, the bylaws and the Company's Dividend Policy, which establishes that the minimum annual dividend is the lower of: (i) 25% of adjusted net income, or (ii) the consolidated operating cash flow for the year, provided they are declared before the end of the year. Any portion in excess of the minimum mandatory dividends, if declared after the balance sheet date, must be recorded as part of the additional dividends proposed in shareholders' equity, until approved by the shareholders at a General Meeting. After approval, the reclassification to current liabilities is made.

The tax benefit of interest on equity is recognized in the income statement.

3.2.29. Share capital

Common shares are classified in shareholders' equity. Incremental costs directly attributable to a public offer are stated in shareholders' equity as a deduction from the amount raised, net of taxes.

3.2.30. Revenue recognition

Revenue from contracts with customers is recognized at the time when control of the products is transferred to customers, represented by the ability to determine the use of products and obtain substantially all the remaining benefits from the products.

The Company follows the five-step model: (i) identification of contracts with customers; (ii) identification of performance obligations under the contracts; (iii) determining the transaction price; (iv) allocation of the transaction price to the performance obligations provided for in the contracts; and (v) recognition of revenue when the performance obligations have been met.

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For the Pulp operating segment, revenue recognition is based on the parameters provided by: (i) International Commercial Terms (“Incoterms”), when destined for the foreign market; and (ii) lead times, when destined for the internal market.

For the operating segment Paper and Consumer Goods, revenue recognition is based on the parameters provided by: (i) the corresponding International Commercial Terms (“Incoterms”); and (ii) lead times, when destined for the external and internal markets.

Revenue is measured at the fair value of the consideration received or receivable, net of taxes, returns, rebates and discounts, and recognized in accordance with the accruals basis of accounting, when the amount can be reliably measured.

Accumulated experience is used to estimate and provide for rebates and discounts, using the expected value method, and revenue is only recognized to the extent that it is highly unlikely that a significant reversal will occur. A provision for reimbursement (included in trade accounts receivable) is recognized for expected rebates and discounts payable to customers in relation to sales made until the end of the reporting period. No significant element of financing is deemed to be present, as sales are made with short credit terms.

3.2.31. Financial income and expenses

Includes interest income on financial assets, at the effective interest rate, which includes the amortization of funding raising costs, gains and losses on derivative financial instruments, interest on loans and financing, exchange variations on loans and financing and other assets and financial liabilities and monetary variations on other assets and liabilities. Interest income and expenses are recognized in the statement of income using the effective interest method.

3.2.32. Earnings (losses) per share

Basic earnings (losses) per share are calculated by dividing the net profit (loss) attributable to the holders of ordinary shares of the Company to the weighted average number of ordinary shares during the year.

Diluted earnings (losses) per share are calculated by dividing the net profit (loss) attributable to the holders of ordinary shares of the Company by the weighted average number of ordinary shares during the year, plus the weighted average number of ordinary shares that would be issued when converting all potential dilutive ordinary shares into ordinary shares.

3.2.33. Employee and management profit sharing

Employees are entitled to profit sharing based on certain goals agreed annually. For the Administrators, the statutory provisions proposed by the Board of Directors and approved by the shareholders are used as a basis. Provisions for participation are recognized in the payroll and charges against to administrative expenses during the period in which the targets are attained.

3.2.34. Accounting judgments, estimates and assumptions

As disclosed in Note 2, Management used judgments, estimates and accounting assumptions regarding the future, uncertainty in which may lead to results that require significant adjustments to the book values of certain assets, liabilities, income and expenses in future years, are presented below:

- Control, significant influence and consolidation (Note 1.1);
- Share-based payment transactions (Note 22);
- Transfers to control for revenue recognition (Note 28);

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- Fair value of financial instruments (Note 4);
- Annual analysis of the impairment of non-financial assets (Notes 15 and 16);
- Expected credit losses (Note 7);
- Net realizable value provision for inventory (Note 8);
- Annual analyses of the recoverability of taxes (Notes 9 and 12);
- Fair value of biological assets (Note 13);
- Useful lives of property, plant and equipment and intangible assets with defined useful life (Notes 15 and 16);
- Annual analysis recoverable amount of goodwill (Note 16);
- Provision for legal liabilities (Note 20); and
- Pension and post-employment plans (Note 21);

The Company reviews the estimates and underlying assumptions used in its accounting estimates on an annual basis. Revisions to the accounting estimates are recognized in the period during which the estimates are revised.

3.3. Accounting policies not yet adopted

The new and changed standards and interpretations issued, but not yet adopted up to December 31, 2022, are described below. The Company intends to adopt these new standards, changes and interpretations, if applicable, when they come into force, and does not expect them to have a material impact on the financial statements.

3.3.1. Presentation of the financial statements – IAS 1 – Classification of liabilities as current and non-current (applicable for annual periods beginning on/or after January 1, 2023, with early adoption permitted)

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the balance sheet, and not the amount or the timing of the recognition of any asset, liability, income or expense, or the information disclosed about these items.

The amendments clarify that the classification of liabilities as current or non-current is based on the rights existing at the balance sheet date, specify that the classification is not affected by expectations about whether an entity will exercise its right to postpone the settlement of the liability, explain that the rights exist if restrictive clauses are complied with at the balance sheet date, and introduce the definition of 'settlement' to clarify that it refers to a transfer to a counterparty of an amount in cash, equity instruments, other assets or services.

3.3.2. Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements – Disclosure of Accounting Policies (applicable for annual periods beginning on/or after January 1, 2023, with early adoption permitted)

The amendments change the requirements in IAS 1 with regard to the disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, considered together with other information included in an entity's financial statements, it can reasonably be expected to influence the decisions that the primary users of the financial statements make on the basis of those financial statements.

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The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial, and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

3.3.3. Amendments to IAS 8 Definition of Accounting Estimates (applicable for annual periods beginning on/or after January 1, 2023)

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard through the following clarifications:

- (i) A change in accounting estimates that results from new information or new developments does not constitute the correction of an error
- (ii) The effects of a change in an input or a measurement technique used to develop an accounting estimate represent changes in accounting estimates if they do not result from the correction of prior period errors

3.3.4. Amendments to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction (applicable for annual periods beginning on/or after January 1, 2023)

The amendments introduce a further exception to the initial recognition exemption. Under the amendments, an entity may not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise from the initial recognition of an asset and liability in a transaction that is not a business combination and affects neither the accounting nor the taxable profit. For example, this may arise upon the recognition of a lease liability and the corresponding right-of-use asset, applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period, an entity recognises:

- (i) A deferred tax asset (to the extent that it is probable that taxable profits will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
 - Right-of-use assets and lease liabilities; and
 - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset.
- (ii) The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or another component of equity, as appropriate) at that date.

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4. FINANCIAL INSTRUMENTS AND RISKS MANAGEMENT

4.1. Financial risks management

4.1.1. Overview

As a result of its activities, the Company is exposed to various financial risks, which are managed in accordance with the Financial Risk Management, Counterparty and Issuer Risk, Debt, Derivative and Cash Management Policies (“Financial Policies”) approved at the Board of Directors’ meeting held on August 13, 2020.

The main factors considered by Management are:

- (i) Liquidity;
- (ii) Credit;
- (iii) Exchange rate;
- (iv) Interest rate;
- (v) Fluctuations of commodity prices; and
- (vi) Capital.

Management are focused on generating consistent and sustainable results over time, however, arising from external risk factors, unintended levels of volatility can influence the Company’s cash flow and income statement.

The Company has policies and procedures for managing market risk which aims to:

- (i) Reduce, mitigate or transfer exposure with the aim of protecting the Company’s cash flow and assets against fluctuations in the market prices of raw material and products, exchange rates and interest rates, price and adjustment indices (“market risk”) or other assets or instruments traded in liquid or illiquid markets to which the value of the assets, liabilities and cash flow are exposed;
- (ii) Establish limits and instruments with the purpose of allocating the Company’s cash to financial institutions falling within acceptable credit risk exposure parameters; and
- (iii) Optimize the process of contracting financial instruments for protection against exposure to risk, drawing on natural hedges and correlations between the prices of different assets and markets, avoiding any waste of funds for inefficient transactions. All financial transactions entered into by the Company aim to protect existing exposures, with the assumption of new risks being prohibited, except those arising from its operating activities.

Hedging instruments are contracted exclusively for hedging purposes and are based on the following terms:

- (i) Protection of cash flow against currency mismatches;
- (ii) Protection of revenue flows for debt settlement and interest payments against fluctuations in interest rates and currencies; and
- (iii) Protection against fluctuations in the prices of pulp and other supplies related to production.

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The Treasury team is responsible for identification, evaluating and seeking protection against possible financial risks. The Board of Directors approves financial policies that establish the principles and guidance for global risk management, the areas involved in these activities, the use of derivative and non-derivative financial instruments, and the allocation of a cash surplus.

The Company only uses the most liquid financial instruments, and:

- (i) Does not enter into leveraged transactions or other forms of embedded options that change the purpose of protection (hedge);
- (ii) Does not have double-indexed debt or other forms of implied options; and
- (iii) Does not have any transactions requiring margin deposits or other forms of collateral for counterparty credit risk.

The Company does not use hedge accounting. Therefore, gains and losses from derivative operations are fully recognized in the statements of income, as disclosed in Note 27.

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The Company maintained its conservative approach and strong cash and marketable securities positions, as well as its hedge policy, during the crisis caused by the COVID-19 pandemic, and even though there were impacts on the fair value of its financial instruments due to the effects on all global economies, these impacts were as expected, according to the sensitivity analyses disclosed in previous reports, and measures were taken in relation to the risks associated with the financial instruments, in particular with the risks of liquidity, credit and exchange rate variations, as set forth below.

4.1.2. Rating

All transactions with financial instruments are recognized for accounting purposes and classified in the following categories:

	Note	December 31, 2022	December 31, 2021
Assets			
Amortized cost			
Cash and cash equivalents	5	9,505,951	13,590,776
Trade accounts receivable	7	9,607,012	6,531,465
Dividends receivable	11	7,334	6,604
Other assets ⁽¹⁾		931,173	886,112
		<u>20,051,470</u>	<u>21,014,957</u>
Fair value through other comprehensive income			
Investments - Celluforce	14.1	24,917	28,358
		<u>24,917</u>	<u>28,358</u>
Fair value through profit or loss			
Derivative financial instruments	4.5.1	4,873,749	1,442,140
Marketable securities	6	7,965,742	7,758,329
		<u>12,839,491</u>	<u>9,200,469</u>
		<u>32,915,878</u>	<u>30,243,784</u>
Liabilities			
Amortized cost			
Trade accounts payable	17	6,206,570	3,288,897
Loans, financing and debentures	18.1	74,574,591	79,628,629
Lease liabilities	19.2	6,182,530	5,893,194
Liabilities for assets acquisitions and associates	23	2,062,322	405,952
Dividends payable	11	5,094	919,073
Other liabilities ⁽¹⁾		147,920	164,216
		<u>89,179,027</u>	<u>90,299,961</u>
Fair value through profit or loss			
Derivative financial instruments	4.5.1	4,846,795	7,894,528
		<u>4,846,795</u>	<u>7,894,528</u>
		<u>94,025,822</u>	<u>98,194,489</u>
		<u>61,109,944</u>	<u>67,950,705</u>

1) Does not include items not classified as financial instruments.

4.1.3. Fair value of loans and financing

The financial instruments are recognized at their contractual amounts. Derivative financial instrument agreements, used exclusively for hedging purposes, are measured at fair value.

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In order to determine the market values of financial instruments traded in public and liquid markets, the market closing prices were used at the balance sheet dates. The fair values of interest rate and index swaps are calculated based on the present value of their future cash flow, discounted at the current interest rates available for transactions with similar remaining terms to maturity. This calculation is based on the quotations of B3 and ANBIMA for interest rate transactions in Brazilian Reais, and the British Bankers Association and Bloomberg for *London Interbank Offered Rate* (“LIBOR”) transactions. The fair value of forward or forward exchange agreements is determined using the forward exchange rates prevailing at the balance sheet dates, in accordance with B3 prices.

In order to determine the fair values of financial instruments traded in over-the-counter or unliquidated markets, a number of assumptions and methods based on normal market conditions and not for liquidation or forced sale, are used at each balance sheet date, including the use of option pricing models such as Garman-Kohlhagen, and estimates of discounted future cash flow. The fair value of agreements for the fixing of oil bunker prices is obtained based on the Platts index.

The results of the trading of financial instruments are recognized at the closing or contract dates, where the Company undertakes to buy or sell these instruments. The obligations arising from the contracting of financial instruments are eliminated from the financial statements only when these instruments expire or when the risks, obligations and rights arising therefrom are transferred.

The estimated fair values of loans and financing are set forth below:

	Yield used to discount/ methodology	December 31, 2022	December 31, 2021
Quoted in the secondary market			
In foreign currency			
Bonds	Secondary Market	40,309,832	51,183,520
Estimated present value			
In foreign currency			
Export credits (“Prepayment”)	LIBOR	17,724,315	19,441,297
Assets Financing	SOFR	138,644	
In local currency			
BNDES – TJLP	DI 1	292,487	355,494
BNDES – TLP	DI 1	1,393,010	686,247
BNDES – Fixed	DI 1	21,656	44,544
BNDES – SELIC (“Special Settlement and Custody System”)	DI 1	575,129	543,269
BNDES - Currency basket	DI 1	10,866	25,001
CRA (“Agribusiness Receivables Certificate”)	DI 1/IPCA	1,835,336	3,281,250
Debentures	DI 1	5,643,440	5,633,533
NCE (“Export Credit Notes”)	DI 1	1,384,396	1,352,291
NCR (“Rural Credit Notes”)	DI 1	294,089	289,344
Export credits (“Prepayment”)	DI 1	1,320,415	1,321,449
		<u>70,943,615</u>	<u>84,157,239</u>

The book values of loans and financing are disclosed in Note 18.

Management considers that, for its other financial liabilities measured at amortized cost, their book values approximate their fair values, and therefore the fair value information is not being presented.

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4.2. Liquidity risk management

The Company's purpose is to maintain a strong cash and marketable securities position to meet its financial and operating obligations. The amount held in cash is used for payments expected in the normal course of its operations, while the cash surplus amount is invested, in general, in highly liquid financial investments according to the Cash Management Policy.

The cash position is monitored by the Company's Management, by means of management reports and participation in performance meetings with determined frequencies. During the year ended December 31, 2022, the variations in cash and marketable securities were as expected, and the cash generated from operations was used for the most part for investments and debt service.

On February 8, 2022, the Company, through its subsidiaries Suzano Pulp and Paper Europe S.A. and Suzano International Trade GmbH, in order to improve the management of its financial liquidity, took out a credit line ("Revolving Credit Facility"), increasing the total available through revolving credit lines from US\$500,000 to US\$1,275,000. Of the amount taken out, US\$100,000 is available until February 2024, with this remaining amount of the line of credit already available from February 2019, in its original amount of US\$500,000. The additional amount of US\$1,175,000 is available to February 2027 and has the same financial costs as the line available to February 2024. On December 31, 2022, the Revolving Credit Facility was available, but had not been used.

The Company signed with the Brazilian National Bank for Economic and Social Development ("BNDES") a Credit Limit Opening Agreement ("CALC"), a Revolving Credit Limit in the amount of up to R\$3,000,000, to be disbursed in the coming years on forestry, social and industrial investments.

- On November 29, 2022 there was the first used of the Credit Limit of R\$400,000 for the Industrial projects of 2021 and 2022 (Note 18.6.1).
- On December 27, 2022 there was the second used of the R\$400,000 Credit Limit for the 2021 and 2022 Forestry projects (Note 18.6.1).

All derivative financial instruments were over-the-counter derivatives and do not require deposit guarantee margins.

The remaining contractual maturities of financial liabilities are disclosed as at the date of this financial information. The amounts as set forth below consist of undiscounted cash flow, and include interest payments and exchange rate variations, and therefore may not reconcile with the amounts disclosed in the balance sheet.

	December 31, 2022					
	Book value	Future value	Up to 1 year	1 - 2 years	2 - 5 years	More than 5 years
Liabilities						
Trade accounts payable	6,206,570	6,206,570	6,206,570			
Loans, financing and debentures	74,574,591	105,341,912	6,823,274	7,899,772	39,476,527	51,142,339
Lease liabilities	6,182,530	11,053,487	1,050,947	992,379	2,668,855	6,341,305
Liabilities for asset acquisitions and associates	2,062,322	2,203,302	1,986,633	99,331	57,421	59,917
Derivative financial instruments	4,846,795	6,515,262	728,070	1,341,108	4,299,970	146,114
Dividends payable	5,094	5,094	5,094			
Other liabilities	147,920	147,920	61,500	86,420		
	<u>94,025,822</u>	<u>131,473,547</u>	<u>16,862,088</u>	<u>10,419,010</u>	<u>46,502,773</u>	<u>57,689,675</u>

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	December 31, 2021					
	Book value	Future value	Up to 1 year	1 - 2 years	2 - 5 years	More than 5 years
Liabilities						
Trade accounts payable	3,288,897	3,288,897	3,288,897			
Loans, financing and debentures	79,628,629	111,723,608	6,357,717	5,761,795	36,672,089	62,932,007
Lease liabilities	5,893,194	10,676,580	937,964	1,780,115	1,632,555	6,325,946
Liabilities for asset acquisitions and associates	405,952	467,499	111,438	131,371	144,171	80,519
Derivative financial instruments	7,894,528	11,774,569	1,688,266	1,391,727	8,694,576	
Dividends payable	919,073	919,073	919,073			
Other liabilities	164,216	164,216	92,123	72,093		
	<u>98,194,489</u>	<u>139,014,442</u>	<u>13,395,478</u>	<u>9,137,101</u>	<u>47,143,391</u>	<u>69,338,472</u>

4.3. Credit risk management

Related to the possibility of non-compliance with the counterparties' commitments as part of a transaction. Credit risk is managed on a group basis and arises from cash equivalents, marketable securities, derivative financial instruments, bank deposits, Bank Deposit Certificates ("CDB"), fixed income box, repurchase agreements, letters of credit, insurance, receivable terms of customers, and advances to suppliers for new projects, among others.

4.3.1. Trade accounts receivable and advances to suppliers

The Company has commercial and credit policies aimed at mitigating any risks arising from defaults by its customers, mainly through contracting credit insurance policies, bank guarantees provided by first-tier banks, and collateral based on liquidity. Moreover, portfolio customers are subject to internal credit analysis aimed at assessing the risks regarding payment performance, both for exports and for domestic sales.

For customer credit assessment, the Company applies a matrix based on the analysis of qualitative and quantitative aspects to determine the individual credit limits to each customer according to the identified risks. Each analysis is submitted for approval according to an established hierarchy and, if applicable, for approval at a Management meeting and by the Credit Committee.

The risk classification of trade accounts receivable is set forth below:

	December 31, 2022	December 31, 2021
Low ⁽¹⁾	9,430,244	6,491,726
Average ⁽²⁾	129,900	19,147
High ⁽³⁾	67,977	55,355
	<u>9,628,121</u>	<u>6,566,228</u>

- 1) Current and overdue up to 30 days.
- 2) Overdue between 30 and 90 days.
- 3) Overdue more than 90 days.

A portion of the amounts above does not consider the expected credit losses calculated based on the provision matrix of R\$21,109 and R\$34,763 as at December 31, 2022 and 2021, respectively.

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4.3.2. Banks and financial institutions

The Company, in order to mitigate its credit risk, ensures its financial operations are diversified among banks, with a main focus on first-tier financial institutions classified as high-grade by the main risk rating agencies.

The book value of financial assets representing exposure to credit risk is set forth below:

	December 31, 2022	December 31, 2021
Cash and cash equivalents	9,505,951	13,590,776
Marketable securities	7,965,742	7,758,329
Derivative financial instruments ⁽¹⁾	4,833,330	1,413,975
	<u>22,305,023</u>	<u>22,763,080</u>

- 1) Does not include the derivative embedded in a forest partnership agreement for the supply of standing wood, which is not a transaction with a financial institution.

The counterparties, mainly financial institutions, with whom the transactions are performed classified under cash and cash equivalents, marketable securities and derivatives financial instruments, are rated by the main ratings agencies. The risk ratings are set forth below:

Risk rating ⁽¹⁾	Cash and cash equivalents and marketable securities		Derivative financial instruments	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
AA-			47,681	57,193
A+			1,149,694	8,318
A			1,485,424	601,475
A-			1,095	10,677
brAAA	17,117,171	21,149,838	1,418,968	576,195
brAA+	1,173	2,282		41,321
brAA	133,030	132,698	730,468	118,796
brAA-	47			
brA+	352	313		
brA	17,595			
brBB+		2		
brBB-	2,897	22,824		
Others	199,428	41,148		
	<u>17,471,693</u>	<u>21,349,105</u>	<u>4,833,330</u>	<u>1,413,975</u>

- 1) We use the Brazilian Risk Ratings issued by the agencies Fitch Ratings, Standard & Poor's and Moody's.

4.4. Market risk management

The Company is exposed to several market risks, mainly related to fluctuations in exchange rate variations, interest rates, inflation rates and commodity prices that could affect its results and financial situation.

To mitigate the impacts, the Company has processes to monitor its exposure and policies that could support the implementation of risk management.

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These policies establish the limits and the instruments to be implemented for the purpose of:

- (i) Protecting cash flow due to currency mismatch;
- (ii) Mitigating exposure to interest rates;
- (iii) Reducing the impacts of fluctuations in commodity's prices; and
- (iv) Changes to debt indexes.

Market risk management involves the identification, assessment and implementation of the strategy, with the effective contracting of adequate financial instruments.

4.4.1. Exchange rate risk management

The fundraising, financing and currency hedging policies of the Company are guided by the fact that a substantial part of net the revenue arises from exports with prices negotiated in US Dollars, while a substantial part of the production costs are in Brazilian Reais. This structure allows the Company to enter into export financing arrangements in US Dollars, and to reconcile the financing payments with the cash flow of receivables from sales in foreign markets, using the international bond market as an important portion of its capital structure, and providing a natural cash hedge for these commitments.

Moreover, the Company enter into US Dollar sales transactions in the futures markets, including strategies involving options, to ensure attractive levels of operating margins for a portion of revenue. Such transactions are limited to a percentage of the net surplus of foreign currency over an 24-month time horizon, and therefore are matched to the availability of currency for sale in the short term. The Company's Board of Directors approved the contracting of extraordinary hedge, in addition to the policy mentioned above, for investments in the Cerrado Project, with a term of up to 36 months as of November 2021, in an amount of up to US\$1,000,000.

The assets and liabilities that are exposed to foreign currency, substantially in US Dollars, are set forth below:

	December 31, 2022	December 31, 2021
Assets		
Cash and cash equivalents	8,039,218	13,411,978
Marketable securities	4,510,652	2,394,667
Trade accounts receivable	7,612,768	5,043,453
Derivative financial instruments	3,393,785	1,028,450
	<u>23,556,423</u>	<u>21,878,548</u>
Liabilities		
Trade accounts payable	(2,030,806)	(605,557)
Loans and financing	(61,216,140)	(65,972,300)
Liabilities for asset acquisitions and associates	(2,053,259)	(273,179)
Derivative financial instruments	(4,698,323)	(7,362,631)
	<u>(69,998,528)</u>	<u>(74,213,667)</u>
	<u>(46,442,105)</u>	<u>(52,335,119)</u>

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4.4.1.1. Sensitivity analysis – foreign exchange rate exposure – except for derivative financial instruments

For market risk analysis, the Company uses scenarios to evaluate both its asset and liability positions in foreign currency, and the possible effects on its results. The probable scenario represents the amounts recognized, as they reflect the translation into Brazilian Reais on the base date of the balance sheet (R\$ to U.S.\$ = R\$5.2177).

This analysis assumes that all other variables, particularly interest rates, remain constant. The other scenarios considered the depreciation of the Brazilian Real against the U.S. Dollar at the rates of 25% and 50% before taxes.

The following table set forth the potential impacts at their absolute amounts:

	December 31, 2022		
	Effect on profit or loss and equity		
	Probable (base value)	Possible (25%)	Remote (50%)
Cash and cash equivalents	8,039,218	2,009,805	4,019,609
Marketable securities	4,510,652	1,127,663	2,255,326
Trade accounts receivable	7,612,768	1,903,192	3,806,384
Trade accounts payable	(2,030,806)	(507,702)	(1,015,403)
Loans and financing	(61,216,140)	(15,304,035)	(30,608,070)
Liabilities for asset acquisitions and associates	(2,053,259)	(513,315)	(1,026,630)

4.4.1.2. Sensitivity analysis – foreign exchange rate exposure – derivative financial instruments

The Company has sales operations in US Dollars in the futures markets, including strategies using options, to ensure attractive levels of operating margins for a portion of its revenue. These operations are limited to a percentage of the net foreign exchange surplus over an 24-month horizon, or to investments in the Cerrado Project according to the extraordinary hedge described above, and are therefore pegged to the availability of ready-to-sell foreign exchange in the short term.

In addition to the transaction described above, the Company also taken out derivative instruments linked to the US Dollar and subject to exchange variations, seeking to adjust the debt's exchange rate index to the cash generation currency, as provided for in its financial policies.

For the calculation of the mark-to-market ("MtM") price, the exchange rate of the last business day of the period was used. These market movements caused a positive impact on the mark-to-market position entered into by the Company.

This analysis below assumes that all other variables, particularly the interest rates, remain constant. The other scenarios considered the depreciation of the Brazilian Real against the US Dollar by 25% and 50%, before taxes, based on the base scenario for the year ended December 31, 2022.

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The following table set out the potential impacts in each of these assumed scenarios:

	December 31, 2022		
	Effect on profit or loss and equity		
	Probable (base value)	Possible 25%	Remote 50%
Dollar/Real			
Derivative financial instruments			
Derivative options	1,596,089	(5,557,847)	(12,762,202)
Derivative swaps	(1,768,134)	(2,862,661)	(5,725,322)
Derivative Non-Deliverable Forward ('NDF') Contracts	(2,474)	(314,397)	(628,793)
Embedded derivatives	40,418	(71,082)	(142,165)
NDF parity derivatives ⁽¹⁾	161,055	(40,264)	(80,528)
Dollar/Euro			
Derivative financial instruments			
NDF parity derivatives ⁽¹⁾	161,055	(724,977)	(1,449,953)

1) Long positions at US\$/EUR parity in order to protect the Capex cash flow of the Cerrado Project against the appreciation of the Euro.

4.4.2. Interest rate risk management

Fluctuations in interest rates could increase or reduce the costs of new loans and transactions already entered into.

The Company is constantly looking for alternatives to the use of financial instruments in order to avoid negative impacts on its cash flow.

Considering the termination of LIBOR in June 2023, the Company is evaluating its contracts which have clauses that provide the discontinuation of the interest rate. Most debt contracts linked to LIBOR have some clause to replace this rate with a reference index or equivalent interest rate and, for contracts that do not have such a specific clause, a renegotiation will be carried out between the parties. Derivative contracts linked to LIBOR provide for a negotiation between the parties to define a new rate, or an equivalent rate will be provided by the respective calculation agent.

It is worth mentioning that the clauses related to the replacement of the indices in the Company's debt contracts indexed to LIBOR, establish that a replacement of the indexation rate in the contracts can only be considered in two circumstances: (i) after a communication from an official government entity formally stating the replacement/termination of the reference rate used in the contract, which must define the exact date on which the rate will be extinguished; and / or (ii) syndicated operations begin to be executed at a rate indexed to the Secured Overnight Financing Rate ("SOFR"). Considering that on March 5, 2021 the UK Financial Conduct Authority ("FCA") announced the date of extinction of LIBOR 3M as June 30, 2023, the Company can, from the date of this announcement, begin negotiations regarding changing the indices for its debt contracts and related derivatives.

The Company mapped all of its contracts subject to LIBOR reform that have yet to transition to an alternative benchmark rate as at December 31, 2022. The Company has R\$16,930,445 related to loan and financing contracts, and R\$548,941 related to derivative contracts, and initiated contact with the respective counterparties to each contract, to ensure that the terms and good market practices are adopted for the transition period of the index until June 2023, and these terms are still under negotiation between the parties.

The Company understands that it will not be necessary to change the risk management strategy due to the change in the indices of the financial contracts linked to LIBOR.

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The Company believes that it is reasonable to assume that the negotiation of the indices in its contracts will move towards to the replacement of LIBOR by SOFR, because SOFR is the new interest rate adopted by the capital markets. Based on the available information, the Company does not expect to have a significant impact on its debts and derivatives linked to LIBOR.

4.4.2.1. Sensitivity analysis – exposure to interest rates – except for derivative financial instruments

For its market risk analysis, the Company uses scenarios to evaluate the sensitivity of its operations to variations in the following rates: Interbank Deposit Rate (“CDI”), Long Term Interest Rate (“TJLP”), Special System for Settlement and Custody (“SELIC”) and the London Interbank Offered Rate (“LIBOR”), which could impact the results. The probable scenario represents the amounts already booked, as they reflect Management’s best estimates.

This analysis assumes that all other variables, particularly exchange rates, will remain constant. The other scenarios considered a depreciation of 25% and 50% in market interest rates.

The following table set forth the potential impacts at their absolute amounts:

	December 31, 2022		
	Effect on profit or loss and equity		
	Probable	Possible (25%)	Remote (50%)
CDI/SELIC			
Cash and cash equivalents	1,441,758	49,200	98,400
Marketable securities	3,383,832	115,473	230,947
Loans and financing	8,001,775	273,061	546,121
TJLP			
Loans and financing	317,281	5,711	11,422
LIBOR			
Loans and financing	16,930,445	201,781	403,562

4.4.2.2. Sensitivity analysis – exposure to interest rates – derivative financial instruments

This analysis assumes that all other variables remain constant. The other scenarios assumed a depreciation of 25% and 50% in market interest rates.

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The following table sets out the potential impacts of these assumed scenarios:

	December 31, 2022		
	Effect on profit or loss and equity		
	Probable	Probable 25%	Remote 50%
CDI			
Derivative financial instruments			
Liabilities			
Derivative options	1,596,089	(594,361)	(1,140,951)
Derivative swaps	(1,768,134)	(10,977)	(22,123)
LIBOR			
Derivative financial instruments			
Liabilities			
Derivative swaps	(1,768,134)	369,294	738,044

4.4.2.3. Sensitivity analysis to changes in the consumer price indices of the US economy

For the measurement of the probable scenario, the United States Consumer Price Index (“US-CPI”) was considered on December 31, 2022. The probable scenario was extrapolated considering a depreciation of 25% and 50% in the US-CPI to define the possible and remote scenarios, respectively, at their absolute amounts.

The following table sets out the potential impacts at their absolute amounts:

	December 31, 2022		
	Effect on profit or loss and equity		
	Probable (base value)	Possible (25%)	Remote (50%)
Derivative embedded in a commitment to purchase standing wood, originating from a forest partnership agreement	40,418	(31,599)	(65,159)

4.4.3. Commodity price risk management

The Company is exposed to commodity prices, mainly the pulp sales price in the foreign market. The dynamics of rising and falling production capacities in the global market and the macroeconomic conditions may impact the Company’s operating results.

Through a specialized team, the Company monitors hardwood pulp prices and analyses future trends, adjusting the forecasts aimed at assisting with preventive measures to calculate the different scenarios. There is no sufficiently liquid financial market to mitigate the risk of a material portion of the Company’s operations. Hardwood pulp price protection instruments available on the market have low liquidity and low volume, and high levels of distortion in price formation.

The Company is also exposed to international oil prices, reflected in logistical costs for selling in the export market, and indirectly in the costs of other supply, logistics and service contracts. In such cases, the Company evaluates whether to contract derivative financial instruments to mitigate the risk of price variations in its results.

On December 31, 2022 and December 31, 2021, the Company did not take out positions to hedge its logistics costs.

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4.5. Derivative financial instruments

The Company determines the fair values of derivatives contracts, which differ from the amounts realized in the event of early settlement due to bank spreads and market factors at the quotation date. The amounts presented by the Company are based on estimates using market factors, and make use of data provided by third parties, measured internally and compared to the calculations performed by counterparties.

The fair value does not represent an obligation to make an immediate disbursement or receipt of cash, given that such an effect will only occur on the dates of contractual fulfillment or upon the maturity of each transaction, when the result will be determined, depending on the case and on the market conditions on the agreed dates.

A summary of the methodologies used for the purpose of determining the fair value by type of instrument is presented below:

- (i) Swaps: the future value of the asset and liability are estimated based on the cash flows projected using the market interest rate of the currency in which the tip of the swap is denominated. The present value of the US Dollar-denominated tip is measured using the discount based on the exchange coupon curve (the remuneration, in US Dollars, of the Reais invested in Brazil) and in the case of the R\$-denominated tip, the discount is made using Brazil's interest curve, being the future curve of the DI, considering the credit risk of both the Company and the counterparty. The exception is pre-fixed contracts x US\$, for which the present value of the tip denominated in US\$ is measured through a discount using the LIBOR curve disclosed by Bloomberg. The fair value of the contract is the difference between these two points. Interest rate curves were obtained from B3.
- (ii) Options (Zero Cost Collar): the fair value was calculated based on the Garman-Kohlhagen model, considering both the Company's and the counterparty credit risk. Volatility information and interest rates are observable and obtained from the B3 exchange, and are used to calculate the fair values.
- (iii) Non-deliverable forward ("NDF") contracts: a projection of the future currency quote is made, using the exchange coupon curves and the future DI curve for each maturity. Next, the difference between this quotation and the rate at which the operation was contracted is verified, considering the credit risk of the Company and the counterparty. This difference is multiplied by the notional value of each contract, and brought to its present value based on the future DI curve. Interest rate curves were obtained from B3.
- (iv) Swap US-CPI: liability cash flows are projected based on the US inflation curve US-CPI, obtained based on the implicit rates for inflation-linked US securities (Treasury Protected against Inflation – "TIPS"), disclosed by Bloomberg. Cash flows from the asset components are projected at the fixed rates implicit in the embedded derivatives. The fair value of an embedded derivative is the difference between the two components, adjusted to present value base on the curve of the exchange coupon obtained from B3.
- (v) Swap VLSFO (marine fuel): a future projection of the asset price is made, using the future price curve disclosed by Bloomberg. Next, the difference between this projection and the rate at which the operation was contracted is verified, considering both of Company's and the counterparty's credit risk. This difference is multiplied by the notional value of each contract and adjusted to present value using the LIBOR curve disclosed by Bloomberg.

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The yield curves used to calculate the fair value as at December 31, 2022 are as set forth below:

Term	Interest rate curves		
	Brazil	United States of America	US Dollar coupon
1 month	13.65% p.a.	4.79% p.a.	3.38% p.a.
6 months	13.73% p.a.	5.01% p.a.	5.30% p.a.
1 year	13.42% p.a.	5.09% p.a.	5.80% p.a.
2 years	12.66% p.a.	4.65% p.a.	5.61% p.a.
3 years	12.58% p.a.	4.27% p.a.	5.37% p.a.
5 years	12.62% p.a.	3.95% p.a.	5.35% p.a.
10 years	12.61% p.a.	3.75% p.a.	5.96% p.a.

4.5.1. Outstanding derivatives by type of contract, including embedded derivatives

The positions of outstanding derivatives are set forth below:

	Notional value in U.S.\$		Fair value	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Instruments as part of protection strategy				
Operational hedges				
ZCC	6,866,800	4,494,125	1,596,089	(187,788)
NDF (R\$ x US\$)	248,100	30,000	(2,474)	(7,043)
NDF (€ x US\$)	544,702		161,055	
Debt hedges				
Swap LIBOR to Fixed (US\$)	3,200,179	3,600,000	1,052,546	(395,675)
Swap IPCA to CDI (notional in Brazilian Reais)	1,741,787	843,845	278,945	249,653
Swap IPCA to Fixed (US\$)	121,003	121,003	(29,910)	(148,583)
Swap CDI x Fixed (US\$)	1,863,534	2,267,057	(2,566,110)	(5,230,612)
Pre-fixed Swap to US\$ (US\$)	350,000	350,000	(503,605)	(760,505)
Commodity Hedge				
Swap US-CPI (US\$) ⁽¹⁾	124,960	590,372	40,418	28,165
			26,954	(6,452,388)
Current assets			3,048,493	470,261
Non-current assets			1,825,256	971,879
Current liabilities			(667,681)	(1,563,459)
Non-current liabilities			(4,179,114)	(6,331,069)
			26,954	(6,452,388)

- 1) The embedded derivative refers to a swap contract for the sale of price variations in United States Dollars and US-CPI within the term of a forest partnership with a standing wood supply contract.

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The current contracts and the respective protected risks are set forth below:

- (i) Swap CDI x Fixed US\$: positions in conventional swaps exchanging the variation in the Interbank Deposit rate (“DI”) for a fixed rate in United States Dollars (“US\$”). The objective is to change the debt indexed in Brazilian Reais to US\$, in compliance with the Company’s natural exposure on its receivables in US\$.
- (ii) Swap IPCA x CDI: positions in conventional swaps exchanging the variation of the Amplified Consumer Price Index (“IPCA”) for the DI rate. The objective is to change the debt indexed in Reais, in compliance with the Company’s cash position in Brazilian Reais, which is also indexed to the DI.
- (iii) Swap IPCA x Fixed US\$: positions in conventional swaps exchanging the variations of the IPCA for a fixed rate in US\$. The objective is to change the debt indexed in Brazilian Reais to US\$, in compliance with the Company’s natural exposure on its receivables in US\$.
- (iv) Swap LIBOR x Fixed US\$: positions in conventional swaps exchanging a post-fixed rate (LIBOR) for a fixed rate in US\$. The objective is to protect the cash flow against changes in the US interest rate.
- (v) Pre Fixed Swap R\$ x Fixed US\$: positions in conventional swaps of a fixed rate in Reais for a fixed rate in US\$. The objective is to change the exposure of debts in Brazilian Reais to US\$, in compliance with the Company’s natural exposure on its receivables in US\$.
- (vi) Zero-Cost Collar (“ZCC”): positions in an instrument that consists of the simultaneous combination of a purchase of put options and the sale of call options in US\$, with the same principal and maturity values, with the objective of protecting the cash flow from exports. Under this strategy, an interval is established where there are no deposits or receipts of financial margin upon the expiration of the options. The objective is to protect the cash flow of exports against any decrease in the Brazilian Real.
- (vii) Non-Deliverable Forward contracts (“NDF”): put positions in futures contracts in US\$ with the objective of protecting the cash flow from exports against decreases in the Brazilian Real.
- (viii) Swap US-CPI: The embedded derivative refers to sales swap contracts of variations in the United States Dollar and the US-CPI within the terms of a forest partnership with a standing wood supply contract.
- (ix) Non-Deliverable Forward contracts: EUR and US\$: call positions at EUR/US\$ parity to protect the Capex cash flow of the Cerrado project against the appreciation of the Euro.

The variations in the fair values of derivatives for the year ended December 31, 2022 compared to the fair values measured on December 31, 2021 are explained substantially by the appreciation of the Brazilian Real against the US Dollar and by settlements during the year. There were also impacts caused by the variations in the Pre, Foreign Exchange Coupon and LIBOR curves of transactions.

It is important to highlight that the outstanding agreements in December 31, 2022 are in the over-the-counter market, without any kind of guaranteed margin or early settlement clause forced by changes from the mark-to-market price.

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4.5.2. Fair value by maturity schedule

	December 31, 2022	December 31, 2021
2022		(1,093,198)
2023	2,380,812	(282,499)
2024	297,156	(759,082)
2025	(1,225,193)	(2,096,449)
2026 onwards	(1,425,821)	(2,221,160)
	26,954	(6,452,388)

4.5.3. Outstanding assets and liabilities derivatives positions

The outstanding derivatives positions are set forth below:

	Currency	Notional value		Fair value	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Debt hedges					
Assets					
Swap CDI to Fixed (US\$)	R\$	7,081,545	8,594,225	617,835	306,663
Swap Pre-Fixed to US\$	R\$	1,317,226	1,317,226	45,329	76,279
Swap LIBOR to Fixed (US\$)	US\$	3,200,000	3,600,000	1,052,546	130,104
Swap IPCA to CDI	IPCA	2,041,327	1,078,706	427,417	255,422
Swap IPCA to US\$	IPCA	610,960	576,917		
				2,143,127	768,468
Liabilities					
Swap CDI to Fixed (US\$)	US\$	1,863,534	2,267,057	(3,183,945)	(5,537,275)
Swap Pre-Fixed to US\$	US\$	350,000	350,000	(548,934)	(836,784)
Swap LIBOR to Fixed (US\$)	US\$	3,200,000	3,600,000		(525,779)
Swap IPCA to CDI	R\$	1,741,787	843,845	(148,472)	(5,769)
Swap IPCA to US\$	US\$	121,003	121,003	(29,910)	(148,583)
				(3,911,261)	(7,054,190)
				(1,768,134)	(6,285,722)
Operational hedge					
Zero cost collar (US\$ x R\$)	US\$	6,866,800	4,494,125	1,596,089	(187,788)
NDF (R\$ x US\$)	US\$	248,100	30,000	(2,474)	(7,043)
NDF (€ x US\$)	US\$	544,702		161,055	
				1,754,670	(194,831)
Commodity hedge					
Swap US-CPI (standing wood) ⁽¹⁾	US\$	124,960	590,372	40,418	28,165
				40,418	28,165
				26,954	(6,452,388)

1) The embedded derivatives refer to swap contracts for the sale of price variations in United States Dollars and US-CPI within the term of the forest partnership involving a standing wood supply contract.

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4.5.4. Fair value settled amounts

The settled derivatives positions are set forth below:

	December 31, 2022	December 31, 2021
Operational hedge		
Zero cost collar (R\$ x US\$)	718,618	(1,269,231)
NDF (R\$ x US\$)	8,301	1,399
NDF (€ x US\$)	7,113	
	<u>734,032</u>	<u>(1,267,832)</u>
Commodity hedge		
Swap VLSFO/other		(54,002)
		<u>(54,002)</u>
Debt hedge		
Swap CDI to Fixed (US\$)	(261,570)	(266,268)
Swap IPCA to CDI (Brazilian Reais)	(5,180)	41,651
Swap IPCA to Fixed (US\$)	171	(4,819)
Swap Pre-Fixed to US\$	54,128	49,562
Swap LIBOR to Fixed (US\$)	(239,356)	(419,545)
	<u>(451,807)</u>	<u>(599,419)</u>
	<u>282,225</u>	<u>(1,921,253)</u>

4.6. Fair value hierarchy

Financial instruments are measured at their fair values, which consider the fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Depending on the inputs used for measurement, the financial instruments at fair value may be classified into three hierarchical levels:

- (i) Level 1 – Based on quoted prices (unadjusted) for identical assets or liabilities in active markets. A market is considered active if it trades frequently and at a sufficient volume to provide pricing information immediately and continuously, usually obtained from a commodity and stock exchange, pricing service or regulatory agency, and if the prices represent actual market transactions, which occur regularly on a commercial basis;
- (ii) Level 2 - Based on the prices quoted in active markets for similar assets or liabilities, the prices quoted for identical or similar assets or liabilities in non-active markets, evaluation models for which inputs are observable, such as rates of interest and yield curves, credit volatilities and spreads, and market corroborated information. Assets and liabilities classified in this category are measured based on the discounted cash flow and interest accrual, respectively, for derivative financial instruments and marketable securities. The observable inputs include interest rates and curves, volatility factors and foreign exchange rates; and
- (iii) Level 3 – Based on unquoted data for assets and liabilities, where the Company applies the income approach technique using the discounted cash flow model. The observable inputs used are the IMA, discount rate and eucalyptus average gross sales price.

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For the year ended December 31, 2022, there were no changes between the three levels of the hierarchy, and no transfers between levels 1, 2 and 3.

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Assets				
At fair value through profit or loss				
Derivative financial instruments		4,873,749		4,873,749
Marketable securities		7,965,742		7,965,742
		<u>12,839,491</u>		<u>12,839,491</u>
At fair value through other comprehensive income				
Other investments - CelluForce			24,917	24,917
			<u>24,917</u>	<u>24,917</u>
Biological assets			14,632,186	14,632,186
			<u>14,632,186</u>	<u>14,632,186</u>
Total assets		<u>12,839,491</u>	<u>14,657,103</u>	<u>27,496,594</u>

Liabilities				
At fair value through profit or loss				
Derivative financial instruments		4,846,795		4,846,795
		<u>4,846,795</u>		<u>4,846,795</u>
Total liabilities		<u>4,846,795</u>		<u>4,846,795</u>

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Assets				
At fair value through profit or loss				
Derivative financial instruments		1,442,140		1,442,140
Marketable securities	637,616	7,120,713		7,758,329
	<u>637,616</u>	<u>8,562,853</u>		<u>9,200,469</u>
At fair value through other comprehensive income				
Other investments - CelluForce			28,358	28,358
			<u>28,358</u>	<u>28,358</u>
Biological assets			12,248,732	12,248,732
			<u>12,248,732</u>	<u>12,248,732</u>
Total assets	<u>637,616</u>	<u>8,562,853</u>	<u>12,277,090</u>	<u>21,477,559</u>

Liabilities				
At fair value through profit or loss				
Derivative financial instruments		7,894,528		7,894,528
		<u>7,894,528</u>		<u>7,894,528</u>
Total liabilities		<u>7,894,528</u>		<u>7,894,528</u>

4.7. Climate change

4.7.1. Risks linked to climate change and the sustainability strategy

In view of the nature of the Company's operations, there is inherent exposure to risks related to climate change.

The Company's assets, notably biological assets, which are measured at fair value (Note 13), property, plant and equipment (Note 15) and intangible assets (Note 16), may be impacted by climate change, the risks of which were evaluated in the context of preparation of financial statements. For the year ended December 31, 2022, Management considered the main risk data and assumptions highlighted below:

- (i) Possible impacts on the determination of fair value in biological assets due to: Effects of climate change, such as temperature rises and scarcity of water resources, could impact some of the assumptions used in accounting estimates related to the Company's biological assets, as follow:
 - Loss of biological assets due to fires and impacts arising from the greater presence and resistance of pests and other forest diseases favored by the gradual increase in temperature;
 - Reduction in productivity and expected growth ("IMA") due to reduced availability of water resources in river basins and other atypical weather events such as droughts, frosts and torrential rains; and
 - Interruptions to the production chain due to adverse weather events.
- (ii) Scarcity of water resources in the industry: although our units are efficient in the use of water, there are contingency plans for all units affected by possible water shortages and action plans to confront the water crisis in critical regions.
- (iii) Structural changes in society and their impacts on business, such as:
 - Regulatory and legal: arising from changes in the Brazilian and/or international scope that require capital investment in new technologies and/or operating costs. Among the expected topics are carbon pricing, customs carbon taxation, trade barriers and/or commercial restrictions related to businesses' alleged contributions, even if indirect, to the intensification of climate change, which increase the risk of litigation;
 - Technological: arising from the emergence of improvements and innovations towards an economy with greater energy efficiency and lower carbon. Suzano should continue investing in R&D to reduce greenhouse gas emissions;
 - Markets: arising from changes to the supply of and demand for certain products and services as climate-related issues begin to be considered in decision-making. The market should increasingly prioritize the reduction of carbon emissions and more sustainable business practices, which may lead to a drop in demand and revenue for Suzano's disposable products and an increase in demand for renewable forests and other sustainable products; and
 - Reputational: related to the perceptions of customers and society in general regarding the positive or negative contribution of an organization to a low carbon economy.

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4.7.2. Compliance with contractual clauses related to sustainability in debt securities and sustainable loans (*Sustainability Linked Bonds* - “SLB” and *Sustainability Linked Loans* – “SLL”)

As disclosed in Note 18, the Company issued debt securities and loans linked to sustainability performance targets (“Sustainability Performance Targets - SPT”) related to the intensity of our greenhouse gas emissions, intensity of water capture for use in industrial processes and percentage of women in leadership positions. Non-compliance with these targets may generate future increases in the cost of said debts, as provided for in the respective contracts.

In 2020, the company issued its first bond based on the SLB Principles. In 2021, Suzano issued two additional Sustainability Linked bonds that, for the first time, were linked to something other than an environmental or social target: a diversity, equity and inclusion target. Its first Sustainability Linked Loan (SLL) was contracted in 2021 and, in 2022, the company obtained a new loan with the International Finance Corporation (IFC) following the guidelines of the SLL Principles.

4.7.3. Climate risk management

The Company has a structure dedicated to corporate risk management, including risks related to climate change, with its own methodologies, tools and processes aimed at ensuring the identification, assessment and treatment of its main short, medium and long-term risks. This allows the continuous monitoring of risks and their eventual impacts, control of the variables involved, and the definition and implementation of mitigating measures, which aim to reduce the identified exposures. The Company’s assessment of the potential physical impacts of climate change, as well as those arising from the transition to a low carbon economy is carried out on an ongoing basis, and will continue to evolve.

4.7.4. Opportunities linked to climate change and the sustainability strategy

4.7.4.1. Generation of carbon credits

The Company has two ongoing carbon capture projects, namely:

- (i) Cerrado de Carbono Project, which aims to recover degraded areas and preserve biodiversity. This project is in the registration stage, with the certification process still in progress;
- (ii) Horizonte de Carbono Project, which aims to recover degraded areas through reforestation with the planting of native trees and eucalyptus. This project is in the registration stage, with the certification process still in progress.

In the Company’s understanding, as more companies commit to net zero, the demand for carbon credits may increase and this may generate business opportunities for Suzano.

4.7.4.2. Sale of renewable energy certificates (RECs)

In the pulp production process there is a production of steam, which is used in the generation of clean electricity, which in turn is used in the production process of the factories. Any surplus energy from this renewable source, not used in the production process, is sold to the market.

This surplus of commercialized clean energy can be subject to international certification of renewable energy, the so-called “I-REC (Renewable Energy Certificate)”, where each REC proves that 1 MWh of energy was generated in a renewable way, confirming the commitment to reduce the environmental impact.

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4.7.4.3. Partnership for sustainable fabric

Several brands in the textile industry are looking to reduce their emissions and environmental footprint and create a circular materials basis for their products. In 2021, one example of innovability in this area was the Company's joint venture established with Spinnova, a Finnish material innovation startup that will exclusively produce and sale 100% renewable textile fiber, from microfibrillated eucalyptus cellulose.

Spinnova will contribute its exclusive technology, while Suzano will supply microfibrillated cellulose produced from the eucalyptus grown in Brazil. Production will be managed and operated by the joint venture, in which each company holds a 50% stake.

4.7.4.4. Securities with clauses related to sustainability

As disclosed in note 4.7.2, Suzano has Sustainability Linked Bonds (SLB) and Sustainability Linked Loan (SLL) linked to environmental performance indicators associated with a goal to reduce greenhouse gases, intensity the capture of water resources, and aspects of diversity and inclusion, evidencing the Company's commitment as part of the solution to the global climate crisis and in convergence with the implementation of its long-term goal. These funding linked to sustainability goals allow differentiated rates.

4.8. Capital management

The main objective is to strengthen the Company's capital structure, aiming to maintain adequate financial leverage, and to mitigate risks that could affect the availability of capital for business development.

The Company continuously monitors significant indicators, such as consolidated financial leverage, which is the ratio of total net debt to adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization ("Adjusted EBITDA").

5. CASH AND CASH EQUIVALENTS

	Average yield p.a. %	December 31, 2022	December 31, 2021
Cash and banks⁽¹⁾	4.37	8,064,193	11,720,774
Cash equivalents			
Local currency			
Fixed-term deposits (compromised)	103.34 of CDI	1,441,758	14,506
Foreign currency			
Fixed-term deposits ⁽²⁾			1,855,496
		9,505,951	13,590,776

1) Refers mainly to investments in foreign currency under the Sweep Account modality, which is a remunerated account the balance of which is invested and made available automatically each day.

2) Refers to Time Deposit applications, with maturity up to 90 days, which is a remunerated bank deposit with a specific maturity period and is subject to an insignificant risk of changes in value.

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6. MARKETABLE SECURITIES

	Average yield p.a. %	December 31, 2022	December 31, 2021
In local currency			
Private funds	105.02 of CDI	1,208,975	656,780
Private Securities ("CDBs")	101.94 of CDI	1,827,012	4,456,828
CDBs - Escrow Account ⁽¹⁾	102.05 of CDI	419,103	250,054
		3,455,090	5,363,662
Foreign currency			
Time deposits ⁽²⁾	3.00	4,386,589	2,376,369
Other	5.99	124,063	18,298
		4,510,652	2,394,667
		7,965,742	7,758,329
Current		7,546,639	7,508,275
Non-Current		419,103	250,054

- 1) Includes escrow accounts, which will be released only after obtaining the applicable governmental approvals, and pending compliance by the Company with the conditions precedent in transactions involving the sale of rural properties.
- 2) Refers to Time Deposit investments, with maturities over 90 days, which are remunerated bank deposits with specific maturity periods.

7. TRADE ACCOUNTS RECEIVABLE**7.1. Breakdown of balances**

	December 31, 2022	December 31, 2021
Domestic customers		
Third parties	1,915,745	1,449,177
Related parties (Note 11) ⁽¹⁾	99,608	73,598
Foreign customers		
Third parties	7,612,768	5,043,453
(-) Expected credit losses	(21,109)	(34,763)
	9,607,012	6,531,465

- 1) The balance refers to transactions with Ibema Companhia Brasileira de Papel.

The Company performs factoring transactions for certain customer receivables where substantially transfers the control and all risks and rewards related to these receivables to the counterparty, so these receivables are derecognized from accounts receivable in the balance sheet. This transaction refers to an additional cash generation opportunity and is therefore classified as a financial asset measured at amortized cost. The impact of these factoring transactions on the accounts receivable as at December 31, 2022, is R\$6,889,492 (R\$6,121,316 as at December 31, 2021).

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7.2. Breakdown of trade accounts receivable by maturity

	December 31, 2022	December 31, 2021
Current	8,652,376	5,972,945
Overdue		
Up to 30 days	777,150	518,115
From 31 to 60 days	74,253	15,359
From 61 to 90 days	54,784	3,087
From 91 to 120 days	20,975	1,453
From 121 to 180 days	18,945	3,779
From 181 days	8,529	16,727
	9,607,012	6,531,465

7.3. Roll-forward of expected credit losses

	December 31, 2022	December 31, 2021
Opening balance	(34,763)	(41,889)
Additions	(5,228)	(2,547)
Reversals	3,576	3,184
Write-offs	12,355	7,078
Exchange rate variations	2,951	(589)
Closing balance	(21,109)	(34,763)

The Company maintains guarantees for overdue receivables as part of its commercial operations, through credit insurance policies, letters of credit and other guarantees. These guarantees avoid the need to recognize expected credit losses, in accordance with the Company's credit policy.

7.4. Main customers

The Company has 1 (one) customer responsible for 10.67% of the net sales of pulp segment and no customer responsible for more than 10% of the net sales of paper segment for the year ended December 31, 2022. The Company has 1 (one) customer responsible for 10.39% of net sales of pulp segment and no customer responsible for more than 10% of net sales in the paper segment for the year ended December 31, 2021. As of December 31, 2020, there were no customers responsible for more than 10% of the total net revenue of the pulp and/or paper operating segment.

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8. INVENTORIES

	December 31, 2022	December 31, 2021
Finished goods		
Pulp		
Domestic (Brazil)	616,415	748,588
Foreign	1,426,064	1,037,760
Paper		
Domestic (Brazil)	358,973	315,068
Foreign	192,671	95,383
Work in process	93,964	96,140
Raw materials		
Wood	1,480,616	1,094,058
Operating supplies and packaging	716,089	571,505
Spare parts and other	843,469	678,983
	<u>5,728,261</u>	<u>4,637,485</u>

Inventories are disclosed net of estimated losses.

8.1. Roll-forward of estimated losses

	December 31, 2022	December 31, 2021
Opening balance	(91,258)	(79,885)
Additions ⁽¹⁾	(89,552)	(85,110)
Reversals	33,492	11,536
Write-offs ⁽²⁾	41,329	62,201
Closing balance	<u>(105,989)</u>	<u>(91,258)</u>

1) Refers mainly to: (i) raw materials in the amount of R\$43,166 (R\$38,136 as at December 31, 2021); and (ii) spare parts in the amount of R\$24,502 (R\$21,184 as at December 31, 2021).

2) Refers mainly to the balances of: (i) raw materials of R\$35,715 (R\$47,231 as at December 31, 2021), and (ii) spare parts in the amount of R\$5,371 (R\$9,529 as at December 31, 2021).

For the year ended December 31, 2022 and for the year ended December 31, 2021, there were no inventory items pledged as collateral.

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9. RECOVERABLE TAXES

	December 31, 2022	December 31, 2021
IRPJ/CSLL – prepayments and withheld taxes	179,812	94,323
PIS/COFINS – on acquisitions of property, plant and equipment ⁽¹⁾	89,334	94,108
PIS/COFINS – operations	523,970	331,203
PIS/COFINS – exclusions from ICMS ⁽²⁾	570,945	582,433
ICMS – on acquisitions of property, plant and equipment ⁽³⁾	167,286	129,081
ICMS – operations ⁽⁴⁾	1,423,375	1,363,453
Reintegra program ⁽⁵⁾	65,971	49,265
Other taxes and contributions	39,057	50,291
Provision for loss on ICMS credits ⁽⁶⁾	(1,103,807)	(1,064,268)
	<u>1,955,943</u>	<u>1,629,889</u>
Current	549,580	360,725
Non-current	1,406,363	1,269,164

- 1) Social Integration Program (“PIS”) and Social Security Funding Contribution (“COFINS”): Credits whose realization is based on the years of depreciation of the corresponding asset.
- 2) The Company and its associates filed lawsuits over the years seeking the exclusion of ICMS from the PIS and COFINS contribution tax basis, in relation to certain transactions during various periods from March 1992.
- 3) Tax on Sales and Services (“ICMS”): Credits from the acquisition of property, plant and equipment are recovered on a straight-line basis over a four-year period, from the acquisition date, in accordance with the relevant regulation, the ICMS Control on Property, Plant and Equipment (“CIAP”).
- 4) ICMS credits accrued due to the volume of exports and credit generated from product import transactions: Credits are concentrated in the States of Espírito Santo, Maranhão, Mato Grosso do Sul, São Paulo and Pará, where the Company realizes the credits through the sale of credits to third parties, after approval from the State Ministry of Finance of each State. Credits are also being realized through the consumption of consumer goods (tissue) transactions in the domestic market.
- 5) Special Regime of Tax Refunds for Export Companies (“Reintegra”): Reintegra is a program that aims to refund the residual costs of taxes paid throughout the export chain to taxpayers, to make them more competitive in foreign markets.
- 6) Includes the provision for discounts on sales to third parties of the accumulated ICMS credits in the State of Maranhão and the provision for full losses related to the low probability of realization by the units of States of Espírito Santo, Mato Grosso do Sul and Bahia.

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9.1. Roll-forward of provision for loss

	ICMS	
	December 31, 2022	December 31, 2021
Opening balance	(1,064,268)	(1,164,782)
Addition	(221,903)	(62,738)
Write-off	18,464	1,331
Reversal ⁽¹⁾	163,900	161,921
Closing balance	(1,103,807)	(1,064,268)

1) Refers mainly to the reversal of the provision for loss resulting from the recovery of ICMS credits from the State of Espírito Santo through sale to third parties.

10. ADVANCES TO SUPPLIERS

	December 31, 2022	December 31, 2021
Forestry development program and partnerships	1,592,132	1,282,763
Advance to suppliers - others	108,146	59,564
	1,700,278	1,342,327
Current	108,146	59,564
Non-current	1,592,132	1,282,763

The forestry development program consists of an incentive partnership for regional forest production, where independent producers plant eucalyptus on their own land to supply agricultural wood products to the Company. Suzano provides eucalyptus seedlings, input subsidies and cash advances, and the latter are not subject to valuation at their present value since they will be settled, preferably, through forests. In addition, the Company supports producers by providing technical advice on forest management but does not have joint control over decisions effectively implemented. At the end of the production cycles, the Company has a contractually guaranteed right to make an offer to purchase the forest and/or wood at its market value. However, this right does not prevent producers from negotiating the sale of the forest and/or wood with other market participants, provided the incentive amounts are fully paid.

11. RELATED PARTIES

The Company's commercial and financial transactions with the controlling shareholder and Companies owned by the controlling shareholder Suzano Holding S.A. ("Suzano Group") were carried out at specific prices and conditions, as well as the corporate governance practices adopted by the Company, and those recommended and/or required by the applicable legislation.

The transactions refers mainly to:

Assets: (i) accounts receivable from the sale of pulp, paper, tissue and other products; (ii) dividends receivable; (iii) reimbursement for expenses; (iv) social services; and (v) dividends receivable.

Liabilities: (i) loan agreements; (ii) reimbursement for expenses; (iii) social services; (iv) real estate consulting; and (v) dividends payable.

Amounts in the statements of income: (i) sale of pulp, paper, tissue and other products; (ii) loan charges and exchange variation; (iii) social services and (viii) real estate consulting.

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For the year ended December 31, 2022, there were no material changes in the terms of the agreements, deals and transactions entered into, nor were there any new contracts, agreements or transactions of any different nature entered into between the Company and its related parties.

11.1. Balances recognized in assets and liabilities and amounts of transactions during the period

	Assets		Liabilities		Financial result			Operating result		
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2022	December 31, 2021	December 31, 2020
Transactions with controlling shareholders										
Management and related persons				(22,875)						
Alden Fundo de Investimento em Ações				(17,701)						
Controller				(131,841)						
Suzano Holding	5	2		(248,789)			(966)	91	(2,621)	(4,063)
	<u>5</u>	<u>2</u>		<u>(421,206)</u>			<u>(966)</u>	<u>91</u>	<u>(2,621)</u>	<u>(4,063)</u>
Transactions with companies of the Suzano										
Group and other related parties										
Management (expect compensation – Note 11.2)			(5)	(9)				(47)	(422)	(392)
Bexma Participações Ltda	1	1						38	24	11
Bizma Investimentos Ltda	1	1						10	6	12
Ensyn Corporation							1	689		
Ficus Empreendimentos e Participações Ltda										(655)
Fundação Arymax								4	2	2
Ibema Companhia Brasileira de Papel ⁽¹⁾	106,940	80,511	(3,705)	(6,288)				218,226	169,965	111,841
Instituto Ecofuturo - Futuro para o Desenvolvimento Sustentável	3	1	(66)					(4,603)	(4,399)	(4,168)
IPLF Holding S.A.	23							38	10	5
Mabex Representações e Participações Ltda									(137)	(50)
Lazam MDS Corretora e Adm. Seguros S.A.										3
Nemonorte Imóveis e Participações Ltda								(194)	(170)	(191)
Other shareholders			(5,094)	(497,867)						
	<u>106,968</u>	<u>80,514</u>	<u>(8,870)</u>	<u>(504,164)</u>		1	689	<u>213,472</u>	<u>164,879</u>	<u>106,418</u>
	<u>106,973</u>	<u>80,516</u>	<u>(8,870)</u>	<u>(925,370)</u>		1	(277)	<u>213,563</u>	<u>162,258</u>	<u>102,355</u>
Assets										
Trade accounts receivable (Note 7)	99,608	73,598								
Dividends receivable	7,334	6,604								
Other assets	31	314								
Liabilities										
Trade accounts payable (Note 17)			(3,776)	(6,288)						
Dividends payable			(5,094)	(919,073)						
Other liabilities				(9)						
	<u>106,973</u>	<u>80,516</u>	<u>(8,870)</u>	<u>(925,370)</u>						

1) Refers mainly to the sale of pulp.

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11.2. Management compensation

Expenses related to the compensation of key management personnel, which include the Board of Directors, Fiscal Council and Board of Statutory Executive Officers, recognized in the statement of income for the period, are set out below:

	December 31, 2022	December 31, 2021	December 31, 2020
Short-term benefits			
Salary or compensation	50,228	48,693	47,089
Direct and indirect benefits	1,099	880	852
Bonus	7,031	6,474	11,326
	<u>58,358</u>	<u>56,047</u>	<u>59,267</u>
Long-term benefits			
Share-based compensation plan	36,390	46,306	75,022
	<u>36,390</u>	<u>46,306</u>	<u>75,022</u>
	<u>94,748</u>	<u>102,353</u>	<u>134,289</u>

Short-term benefits include fixed compensation (salaries and fees, vacation pay, mandatory bonus and “13th month’s salary” bonus), payroll charges (Company’s share of contributions to social security – “INSS”) and variable compensation such as profit sharing, bonuses and benefits (company car, health plan, meal voucher, market voucher, life insurance and private pension plan).

Long-term benefits include the stock option plan and phantom shares for executives and key members of Management, in accordance with the specific regulations disclosed in Note 22.

12. INCOME AND SOCIAL CONTRIBUTION TAXES**12.1. Deferred taxes**

The Company calculates income tax and social contribution taxes, current and deferred, based on the following rates: (i) 15% plus an additional 10% on taxable income in excess of R\$240 for IRPJ; and (ii) 9% for CSLL, on the net income. Balances are recognized in the Company’s income on an accruals basis.

Associates located in Brazil have their taxes calculated and provisioned in accordance with the current legislation and their specific tax regime, including, in some cases, the presumed profit method. Associates located abroad are taxed in their respective jurisdictions, according to local regulations.

Deferred income and social contribution taxes are recognized at the net amounts in non-current assets or liabilities.

In Brazil, Law n°. 12,973/14 revoked article 74 of Provisional Measure n°. 2,158/01 and determines that the parcel of the adjustment of the value of the investment in associate, direct and indirect, located abroad, equivalent to the profit earned by it before income tax, except for exchange rate variation, must be added in the determination of taxable income and the social contribution calculation basis of the controlling entity located in Brazil, at each year ended.

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Management's Company believes on the validity of the provisions of international treaties entered into Brazil to avoid double taxation. In order to guarantee its right to non-double taxation, the Company filed a lawsuit in April 2019, against the double taxation, in Brazil, of profits earned by its associate located in Austria, according to Law No. 12,973/14. Due to the preliminary injunction granted in favor of the Company in the aforementioned lawsuit, the Company decided not to include the profit from Suzano International Trading GmbH, located in Austria, when determining its taxable income and social contribution basis of the net profit of the Company for the year ended December 31, 2022. There is no provision for tax related to the profits of such associate in 2022.

12.1.1. Deferred income and social contribution taxes

	December 31, 2022	December 31, 2021
Tax loss	1,207,096	1,156,876
Negative tax basis of social contribution	445,250	411,074
Assets - temporary differences		
Provision for judicial liabilities	268,596	249,345
Operating provisions and other losses	999,028	965,130
Exchange rate variations	4,297,503	6,555,202
Derivatives losses ("MtM")		2,193,693
Amortization of fair value adjustments arising from business combinations	680,142	699,535
Unrealized profit on inventories	363,052	298,888
Leases	364,838	373,372
	8,625,505	12,903,115
Liabilities - temporary differences		
Goodwill - tax benefit on unamortized goodwill	1,023,103	746,489
Property, plant and equipment - deemed cost	1,217,349	1,316,859
Accelerated tax depreciation	869,997	944,949
Borrowing cost	210,834	99,399
Fair value of biological assets	703,274	430,966
Deferred taxes, net of fair value adjustments	398,950	427,313
Tax credits - gains from tax lawsuit (exclusion of ICMS from the PIS and COFINS basis)	194,121	198,027
Derivatives gains ("MtM")	9,164	
Other temporary differences	13,416	9,184
	4,640,208	4,173,186
Non-current assets	3,986,415	8,729,929
Non-current liabilities	1,118	

Tax losses and accelerated tax depreciation are only contributed by Income Tax ("IRPJ"), and the negative basis of social contribution only by CSLL. Other tax bases were subject to both taxes.

12.1.2. Breakdown of accumulated tax losses and social contribution tax losses carried forward

	December 31, 2022	December 31, 2021
Tax loss carried forward	4,828,384	4,627,504
Negative tax basis of social contribution carried forward	4,947,222	4,567,489

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12.1.3. Roll-forward of deferred tax assets

	December 31, 2022	December 31, 2021
Opening balance	8,729,929	8,676,432
Tax loss	50,220	143,868
Negative tax basis of social contribution	34,176	81,662
(Reversal of) provision for judicial liabilities	19,251	16,245
Reversal of operating provisions and other losses	33,898	(53,467)
Exchange rate variation	(2,257,699)	442,296
Derivative gains (“MtM”)	(2,202,857)	(110,140)
Amortization of fair value adjustments arising from business combinations	8,970	22,996
Unrealized profit on inventories	64,164	122,041
Leases	(8,534)	86,306
Goodwill - tax benefit on unamortized goodwill	(276,614)	(276,614)
Property, plant and equipment - deemed cost	99,510	68,783
Accelerated tax depreciation	74,952	80,187
Borrowing cost	(111,435)	10,637
Fair value of biological assets	(272,308)	(225,586)
Deferred taxes on the results of associates abroad		(33,893)
Credits on exclusion of ICMS from the PIS/COFINS tax base	3,906	(154,468)
Other temporary differences	(4,232)	(167,356)
Closing balance	3,985,297	8,729,929

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12.2. Reconciliation of the effects of income tax and social contribution on profit or loss

	December 31, 2022	December 31, 2021	December 31, 2020
Net income (loss) before taxes	28,655,581	8,832,957	(17,642,129)
Income tax and social contribution benefit (expense) at the statutory nominal rate of 34%	(9,742,898)	(3,003,205)	5,998,324
Tax effect on permanent differences			
Taxation (difference) on profits of associates in Brazil and abroad ⁽¹⁾	4,915,243	3,445,206	1,373,845
Equity method	96,685	44,309	12,288
Thin capitalization ⁽²⁾	(505,553)	(603,612)	(675,356)
Credit related to the Reintegra Program	7,829	7,398	6,278
Director bonuses	(12,208)	(15,656)	(7,677)
Tax incentives ⁽³⁾	51,839	16,443	10,668
Offsetting of income tax abroad			72,890
Mergers of subsidiaries			67,311
Donations / Fines - Other	(71,631)	(88,308)	68,623
	(5,260,694)	(197,425)	6,927,194
Income tax			
Current	(464,312)	(276,431)	(173,322)
Deferred	(3,485,267)	69,669	5,225,655
	(3,949,579)	(206,762)	5,052,333
Social Contribution			
Current	(46,584)	(15,684)	(8,604)
Deferred	(1,264,531)	25,021	1,883,465
	(1,311,115)	9,337	1,874,861
Income and social contribution benefits (expenses) for the year	(5,260,694)	(197,425)	6,927,194
Effective rate of income and social contribution tax expenses	18.36 %	2.24 %	39.27 %

- 1) The difference in the taxation of associates is substantially due to the differences between the nominal tax rates in Brazil and those of associates located abroad.
- 2) The Brazilian thin capitalization rules establish that interest paid or credited by a Brazilian entity to a related party abroad may only be deducted for income tax and social contribution purposes if the interest expense is viewed as necessary for the activities of the local entity, and when certain limits and requirements are met. On December 31, 2022, 2021 and 2020, the Company did not meet all of the limits and requirements, and therefore the expense is not deductible for the period.
- 3) Income tax and social contribution deduction on profit or loss referring to the use of: (i) tax incentives applicable to ICMS, (ii) exploitation profits, (iii) expenses with research and development, (iv) PAT benefits ("Worker Food Program"), (v) donations made in cultural projects, (vi) children and adolescents rights funds, (vii) sports incentives, (viii) funds for the elderly and (ix) extensions to maternity and paternity leave.

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12.3. Tax incentives

The Company has a tax incentive in the form of the partial reduction of the income tax on income obtained from operations carried out in the Northeast Development Superintendence (“SUDENE”) and in the Superintendence of Amazon Development (“SUDAM”). The IRPJ reduction incentive is calculated based on the activity profits (exploitation profits) and considers the allocation of the operating profit based on the incentive production levels for each product.

Area/Regions	Company	Maturity
Northeast Development Superintendence (“SUDENE”)		
Mucuri (BA) - Line 1	Suzano	2024
Mucuri (BA) - Line 2	Suzano	2027
Eunápolis (BA)	Veracel	2025
Imperatriz (MA)	Suzano	2024
Aracruz (ES)	Portocel	2030
Aracruz (ES)	Suzano	2031
Superintendence of Amazon Development (“SUDAM”)		
Belém (PA)	Suzano	2025

13. BIOLOGICAL ASSETS

The roll-forward of biological assets is as set forth below:

	December 31, 2022	December 31, 2021
Opening balance	12,248,732	11,161,210
Additions	4,957,380	3,807,608
Depletions	(3,665,057)	(3,189,726)
Transfers		23,471
Gain on fair value adjustments	1,199,759	763,091
Disposals	(82,331)	(211,433)
Other write-offs	(26,297)	(105,489)
Closing balance	14,632,186	12,248,732

The calculation of fair value of the biological assets falls under Level 3 in the hierarchy set forth in IFRS 13 — Measurement of Fair Value, due to the complexity and structure of the calculation.

The assumptions such as the average annual growth (“IMA”), discount rate, and average gross selling price of eucalyptus, stand out as being the most sensitive, where increases or reductions in these assumptions could generate significant gains or losses in the measurement of fair value.

The assumptions used in the measurement of the fair value of biological assets were as follow:

- i) Average cycle of forest formation between 6 and 7 years;
- ii) Effective area of forest from the 3rd year of planting;

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- iii) The IMA consists of the estimated volume of production of wood with bark in m³ per hectare, ascertained based on the genetic material used in each region, silvicultural practices and forest management, production potential, climate factors and soil conditions;
- iv) The estimated average standard cost per hectare includes silvicultural and forest management expenses, applied to each year of formation of the biological cycle of the forests, plus the costs of land lease agreements and the opportunity cost of owning land;
- v) The average gross selling prices of eucalyptus were based on specialized research on transactions carried out by the Company with independent third parties; and
- vi) The discount rate used in cash flows is measured based on the capital structure and other economic assumptions of an independent market participant in the sale of standing wood (forests).

The table below discloses the measurement of the premises adopted:

	December 31, 2022	December 31, 2021
Planted useful area (hectare)	1,097,081	1,060,806
Mature assets	134,752	138,739
Immature assets	962,329	922,067
Average annual growth (IMA) – m ³ /hectare/year	37.07	37.58
Average gross sale price of eucalyptus – R\$/m ³	90.16	76.38
Discount rate - % (post-tax)	9.1 %	8.9 %

The pricing model considers the net cash flows, after the deduction of taxes on profit at the applicable rates.

The fair value adjustment justified by the combined variations of the indicators mentioned above resulted in a positive variation of R\$1,199,759 recognized in other operating income (expenses), net (Note 30).

	December 31, 2022	December 31, 2021
Physical changes	(37,088)	148,190
Price	1,236,847	614,901
	1,199,759	763,091

The Company manages the financial and climate risks related to its agricultural activities in a preventive manner. To reduce the risks arising from edaphoclimatic factors, the weather is monitored through meteorological stations and, in the event of pests and diseases, our Department of Forestry Research and Development, an area specialized in physiological and phytosanitary aspects, has procedures to diagnose and act rapidly against any occurrences and losses (Note 4.7).

The Company has no biological assets pledged for the year ended December 31, 2022 and the year ended December 31, 2021.

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14. INVESTMENTS

14.1. Investments breakdown

	December 31, 2022	December 31, 2021
Investments in associates and joint ventures	354,200	263,965
Goodwill	233,399	231,743
Other investments evaluated at fair value through other comprehensive income - Celluforce	24,917	28,358
	<u>612,516</u>	<u>524,066</u>

14.2. Investments in associates and joint ventures

	Information of joint ventures as of			Company Participation			
	December 31, 2022			Carrying amount		In the income (expenses) of the year	
	Equity	Income (expenses) of the year	Participation equity (%)	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Associate							
Ensyn Corporation	4,701	(3,898)	26.59 %	1,250	4,222	(1,036)	(6,332)
Spinnova Plc ⁽¹⁾	594,214		19.03 %	113,079	125,653	2,871	(17,613)
				<u>114,329</u>	<u>129,875</u>	<u>1,835</u>	<u>(23,945)</u>
Joint ventures Domestic (Brazil)							
Ibema Companhia Brasileira de Papel	318,630	97,978	49.90 %	158,996	117,439	48,891	44,026
Foreign							
F&E Technologies LLC	10,461		50.00 %	5,230	5,594		
Woodspin Oy	151,290	(4,441)	50.00 %	75,645	11,057	(2,220)	(4)
				<u>239,871</u>	<u>134,090</u>	<u>46,671</u>	<u>44,022</u>
Other movements				24,917	28,358	235,862	110,239
				<u>24,917</u>	<u>28,358</u>	<u>235,862</u>	<u>110,239</u>
				<u>379,117</u>	<u>292,323</u>	<u>284,368</u>	<u>130,316</u>

1) The average share price quoted on the Nasdaq First North Growth Market (NFNGM) is EUR5.44 (five Euros and forty four cents) in December 31, 2022.

15. PROPERTY, PLANT AND EQUIPMENT

	Lands	Buildings	Machinery, equipment and facilities	Work in progress	Other (1)	Total
Average rate %		3.57	5.97		16.52	
Cost						
Balance as at December 31, 2020	9,912,305	9,203,134	43,184,495	883,384	1,059,595	64,242,913
Additions	38,786		319,887	1,768,938	22,973	2,150,584
Write-offs (2)	(539,528)	(1,656)	(253,341)	(1,323)	(13,763)	(809,611)
Transfers and others (3)	379,539	214,340	698,591	(1,047,084)	35,796	281,182
Balance as of December 31, 2021	9,791,102	9,415,818	43,949,632	1,603,915	1,104,601	65,865,068
Additions(4)	5,089	516	381,741	11,220,806	15,832	11,623,984
Additions of merged companies (5)	3,829,344					3,829,344
Write-offs	(69,773)	(16,476)	(228,926)		(33,157)	(348,332)
Transfers and others (3)	930,646	245,017	1,057,918	(2,451,570)	194,052	(23,937)
Balance as at December 31, 2022	14,486,408	9,644,875	45,160,365	10,373,151	1,281,328	80,946,127
Depreciation						
Balance as at December 31, 2020		(3,245,786)	(21,176,572)		(663,665)	(25,086,023)
Additions		(331,691)	(2,356,184)		(120,796)	(2,808,671)
Write-offs		495	186,775		11,535	198,805
Transfers		(115)	1,145		(506)	524
Balance as at December 31, 2021		(3,577,097)	(23,344,836)		(773,432)	(27,695,365)
Additions		(310,429)	(2,367,163)		(124,464)	(2,802,056)
Write-offs		5,863	170,491		29,773	206,127
Transfers		1,765	(204)		240	1,801
Balance as at December 31, 2022		(3,879,898)	(25,541,712)		(867,883)	(30,289,493)
Book value						
Balance as at December 31, 2021	9,791,102	5,838,721	20,604,796	1,603,915	331,169	38,169,703
Balance as at December 31, 2022	14,486,408	5,764,977	19,618,653	10,373,151	413,445	50,656,634

- 1) Includes vehicles, furniture and utensils and computer equipment.
- 2) In 2021 this included mainly the write-off of the sale of rural properties to Turvinho, the agreement for which was signed in November 2020.
- 3) Includes transfers carried out between the items of property, plant and equipment, intangibles and inventory. In 2021, this includes transfers from sales of rural properties to those held for sale, as a result of the contract signed with Turvinho.
- 4) The addition of work in progress refers, mainly to the Cerrado Project, of which we have the amount of R\$1,832,746 as a non-cash effect in the period.
- 5) Refers mainly to the acquisition of all the shares of the Parkia structure companies (Note 1.2.4) and Caravelas (Note 1.2.5).

For the year ended December 31, 2022, the Company evaluated the business, market and climate impacts, and did not identify any trigger to perform impairment testing and to record any impairment provision for property, plant and equipment (Note 4.7).

15.1. Items pledged as collateral

For the year ended December 31, 2022, property, plant and equipment items pledged as collateral for loan transactions and lawsuits, consisting mainly of the units of Suzano and Três Lagoas totalling R\$12,773,662 (R\$19,488,481 in the same units as at December 31, 2021).

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15.2. Capitalized expenses

For the year ended December 31, 2022, the Company capitalized loan costs in the amount of R\$359,407 (R\$18,624 as at December 31, 2021). The weighted average interest rate, adjusted by the equalization of the exchange rate effects, utilized to determine the capitalized amount was 12.49% p.a. (12.04% p.a. as at December 31, 2021).

16. INTANGIBLE**16.1. Goodwill and intangible assets with indefinite useful lives**

	December 31, 2022	December 31, 2021
Facepa	119,332	119,332
Fibria	7,897,051	7,897,051
Other ⁽¹⁾	3,405	3,216
	8,019,788	8,019,599

1) Refers to other intangible assets with indefinite useful lives such as servitude of passage and electricity.

The goodwill is based on expected future profitability supported by valuation reports, after the purchase price allocation.

Goodwill is allocated to cash-generating units as presented in Note 29.4.

The calculation of the value in use of non-financial assets is performed annually using the discounted cash flow method. In 2022, the Company used the strategic plan and the annual budget with projected increases to 2027 and the average rate in perpetuity of the cash generating units considering a nominal rate of 3.3% p.a. from this date, based on historical information for previous years, economic and financial projections from each specific market in which the Company has operations, and additionally include official information disclosed by independent institutions and government agencies.

The discount rate, after taxes, adopted by Management was 8.7% p.a., calculated based on the weighted average cost of capital ("WACC"). The assumptions in the table set forth below were also adopted:

Net average pulp price – Foreign market (US\$/t)	668.6
Net average pulp price – Internal market (US\$/t)	600.6
Average exchange rate (R\$/US\$)	5.19
Discount rate (pos-tax)	8.7% p.a.
Discount rate (pre-tax).	12.09% p.a.

The recoverability of property, plant and equipment was tested in 2021 and no impairment loss was identified.

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16.2. Intangible assets with limited useful lives

		December 31, 2022	December 31, 2021
Opening balance		8,014,740	8,741,949
Additions		90,499	285,278
Write-offs		(51)	
Amortization		(966,796)	(973,516)
Transfers and others		34,791	(38,971)
Closing balance		7,173,183	8,014,740
Represented by	Average rate %		
Non-competition agreements	5.00 and 46.10	5,128	5,394
Port concessions ⁽¹⁾	4.30	554,832	199,658
Lease agreements	16.90	14,374	21,873
Supplier agreements	12.90	55,554	70,368
Port service contracts	4.20	579,289	609,283
Cultivars	14.30	61,176	81,568
Trademarks and patents	10.00	10,935	14,071
Customer portfolio	9.10	5,746,860	6,567,840
Supplier agreements	17.60	21,427	31,993
Software	20.00	113,946	121,312
Others ⁽¹⁾	3.72	9,662	291,380
		7,173,183	8,014,740

1) The variation refers mainly to the commencement of operations of the Porto of Itaqui, in São Luís, Maranhão.

17. TRADE ACCOUNTS PAYABLE

	December 31, 2022	December 31, 2021
In local currency		
Related party (Note 11.1) ⁽¹⁾	3,776	6,288
Third party ⁽²⁾⁽³⁾	4,171,988	2,677,052
In foreign currency		
Third party ⁽³⁾	2,030,806	605,557
	6,206,570	3,288,897

- The balance refers mainly to transactions with Ibema Companhia Brasileira de Papel.
- Within the balance of suppliers, there are values under supplier finance arrangement that were subject to anticipation with financial institutions at the exclusive option of certain suppliers, without changing the originally defined purchase conditions (payment terms and negotiated prices). The balance related to such operations on December 31, 2022 is R\$416,643 (R\$180,075 at December 31, 2021).
- Variation refers mainly to the balance of suppliers of the Cerrado Project, of which R\$625,645 in local currency and R\$1,370,833 in foreign currency.

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18. LOANS, FINANCING AND DEBENTURES

18.1. Breakdown by type

Type	Interest rate	Average annual interest rate - %	Current		Non-current		Total	
			December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
In foreign currency								
BNDDES	UMBNDDES	5.22	11,207	14,399		11,952	11,207	26,351
Bonds	Fixed	4.99	907,059	972,053	43,218,286	46,253,007	44,125,345	47,225,060
Export credits ("export prepayments")	LIBOR/Fixed	5.69	156,156	818,896	16,779,064	17,916,691	16,935,220	18,735,587
Assets financing	SOFR	3.76	26,755		113,217		139,972	
Others			5,980	782			5,980	782
			<u>1,107,157</u>	<u>1,806,130</u>	<u>60,110,567</u>	<u>64,181,650</u>	<u>61,217,724</u>	<u>65,987,780</u>
In local currency								
BNDDES	TJLP	8.36	69,495	67,499	246,004	312,077	315,499	379,576
BNDDES	TLP	12.01	41,640	32,854	1,775,991	703,502	1,817,631	736,356
BNDDES	Fixed	4.70	18,666	24,672	4,011	22,611	22,677	47,283
BNDDES	SELIC	15.24	67,115	35,086	814,320	782,685	881,435	817,771
CRA ("Agribusiness Receivables Certificates")	CDI/IPCA	12.71	1,829,966	1,561,639		1,687,560	1,829,966	3,249,199
NCE ("Export credit notes")	CDI	12.77	76,463	39,535	1,277,616	1,276,330	1,354,079	1,315,865
NCR ("Rural producer certificates")	CDI	12.74	13,144	7,335	274,127	273,852	287,271	281,187
Export credits ("export prepayments")	Fixed	8.06	77,694	77,694	1,315,813	1,314,737	1,393,507	1,392,431
Debentures	CDI	14.21	33,689	21,980	5,421,113	5,418,088	5,454,802	5,440,068
Others (Working capital and Industrial Development Fund ("FDI") and fair value adjustments to business combinations)				(18,887)				(18,887)
			<u>2,227,872</u>	<u>1,849,407</u>	<u>11,128,995</u>	<u>11,791,442</u>	<u>13,356,867</u>	<u>13,640,849</u>
			<u>3,335,029</u>	<u>3,655,537</u>	<u>71,239,562</u>	<u>75,973,092</u>	<u>74,574,591</u>	<u>79,628,629</u>
Interest on financing			1,238,623	1,204,490			1,238,623	1,204,490
Non-current funding			2,096,406	2,451,047	71,239,562	75,973,092	73,335,968	78,424,139
			<u>3,335,029</u>	<u>3,655,537</u>	<u>71,239,562</u>	<u>75,973,092</u>	<u>74,574,591</u>	<u>79,628,629</u>

18.2. Roll-forward of loans, financing and debentures

	December 31, 2022	December 31, 2021
Opening balance	79,628,629	72,899,882
Fundraising, net of issuance costs	1,335,715	16,991,962
Interest accrued	4,007,737	3,207,278
Early settlement premiums		260,289
Monetary and exchange rate variations, net	(3,949,020)	4,847,320
Settlement of principal	(2,517,934)	(15,469,423)
Settlement of interest	(4,019,072)	(2,953,573)
Payment of early settlement premiums		(260,289)
Amortization of fundraising costs	69,649	103,246
Others (fair value adjustments to business combinations)	18,887	1,937
Closing balance	74,574,591	79,628,629

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18.3. Breakdown by maturity – non-current

	2024	2025	2026	2027	2028	2029 onwards	Total
In foreign currency							
Bonds		1,760,338	2,711,346	3,617,556	2,569,490	32,559,556	43,218,286
Export credits (“export prepayments”)	1,971,131	5,716,280	5,043,763	4,047,890			16,779,064
Assets financing	27,608	28,541	29,495	27,573			113,217
	<u>1,998,739</u>	<u>7,505,159</u>	<u>7,784,604</u>	<u>7,693,019</u>	<u>2,569,490</u>	<u>32,559,556</u>	<u>60,110,567</u>
In local currency							
BNDES – TJLP	47,976	98,193	85,038	7,060	3,573	4,164	246,004
BNDES – TLP	40,092	59,421	80,203	139,729	136,897	1,319,649	1,775,991
BNDES – Fixed	4,011						4,011
BNDES – SELIC	56,665	203,766	203,811	26,309	26,355	297,414	814,320
NCE (“Export credit notes”)		640,800	636,816				1,277,616
NCR (“Rural producer certificates”)		137,500	136,627				274,127
Export credits (“export prepayments”)	1,315,813						1,315,813
Debentures		2,340,550	2,332,422		748,141		5,421,113
	<u>1,464,557</u>	<u>3,480,230</u>	<u>3,474,917</u>	<u>173,098</u>	<u>914,966</u>	<u>1,621,227</u>	<u>11,128,995</u>
	<u>3,463,296</u>	<u>10,985,389</u>	<u>11,259,521</u>	<u>7,866,117</u>	<u>3,484,456</u>	<u>34,180,783</u>	<u>71,239,562</u>

18.4. Breakdown by currency

	December 31, 2022	December 31, 2021
Brazilian Reais	13,347,244	13,629,978
US Dollars	61,216,140	65,972,300
Currency basket	11,207	26,351
	<u>74,574,591</u>	<u>79,628,629</u>

18.5. Fundraising costs

The fundraising costs are amortized based on the terms of agreements and the effective interest rate.

Type	Cost	Amortization	Balance to be amortized	
			December 31, 2022	December 31, 2021
Bonds	434,970	224,148	210,822	261,006
CRA and NCE	125,222	114,384	10,838	21,606
Export credits (“export prepayments”)	191,710	116,190	75,520	110,817
Debentures	24,467	14,483	9,984	13,012
BNDES	63,588	51,572	12,016	13,473
Others	18,147	17,274	873	1,148
	<u>858,104</u>	<u>538,051</u>	<u>320,053</u>	<u>421,062</u>

18.6. Relevant transactions entered into during the year

18.6.1. BNDES

On March 29, 2022, the Company raised from BNDES the amount of R\$243,000 indexed to the interest rate Long-Term Rate (“TLP”), plus fixed interest of 2.33% p.a., with a 2 (two) year grace period for the principal and maturity in May 2036. The funds were allocated to projects in the industrial area.

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On September 29, 2022, the Company raised from BNDES the amount of R\$50,000 indexed to the Long-Term Rate (“TLP”), plus fixed interest of 1.77% p.a., with a 7 (seven) year grace period for the principal, and maturity in November 2034. The funds were allocated to projects in the forestry area.

On November 29, 2022, the Company raised from BNDES the amount of R\$400,000 indexed to the Long-Term Rate (“TLP”), plus fixed interest of 1.75% p.a., with a 2 (two) year grace period for the principal, and maturity in October 2042. The funds were allocated to projects in the industrial area.

On December 27, 2022, the Company raised from BNDES the amount of R\$400,000 indexed to the Long Term Rate (“TLP”), plus fixed interest of 1.65% p.a., with 7 (seven) years principal grace period and maturity in December 2037. The funds were allocated to projects in the forestry area.

18.6.2. Export Credit Supported Facility

On November 1st, 2022, the Company obtained a new credit line (Export Credit Supported Facility) which will be financed by Finnish Export Credit - FEC and guaranteed by Finnvera, the Finnish export credit agency, in an amount of up to US\$800,000 or the equivalent in Euros in the date the credit will be used. The financial cost of the new line of credit is 4.63% p.a., with a total amortization term of ten (10) years, starting in 2025. The funds will be allocated to Cerrado Project. As of December 31, 2022, the line was available but was not used.

18.6.3. International Finance Corporation (IFC) A&B Loan – Sustainability Linked Loan (“SLL”)

On December 22, 2022, the Company obtained a new credit line (“A&B loan”) which will be financed by International Finance Corporation (IFC) and a syndicate of commercial banks, in a total amount of US\$600,000.

The credit line is composed by the following tranches: (i) “A-loan”, of US\$250,000, funded by IFC, at the cost of Term SOFR + 1.80% p.a. and an eight-year tenor, with a six-year grace period for the principal amount; and (ii) “B-Loan”, a syndicated loan of US\$350,000 at the cost of Term SOFR + 1.60% p.a. and a seven-year tenor, with a five-year grace period for the principal amount. As of December 31, 2022, the line was available but was not used.

The new credit facility has sustainability key performance indicators (KPIs) linked to the following goals: (a) reducing the intensity of greenhouse gas (GHG) emissions; and (b) increasing the representativeness of women in leadership positions in the Company. The funds will be allocated to Cerrado Project.

18.7. Relevant transactions settled in the year

18.7.1. CRA settlement

On January 14, 2022, the Company settled a CRA contract in the amount of R\$761,572 (principal and interest) with original maturity in January 2022 at a cost of 99% p.a. of the Interbank Deposit (“DI”) rate.

On September 21, 2022, the Company settled a CRA contract, in the amount of R\$803,385 (principal and interest), with original maturity in September 2022 and at a cost of 97% p.a. of the DI rate.

18.7.2. Export Prepayment Agreements (“EPP”)

On December 19, 2022, the Company, through its subsidiary Suzano Pulp and Paper Europe S.A., settled the export prepayment agreement in the amount of US\$140,971 (principal and interest), with original maturity in December 2022 and at the cost of 1.35% p.a.

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18.8. Guarantees

Some loan and financing agreements have guarantees clauses, in which the financed equipment or other property, plant and equipment are offered by the Company, as disclosed in Note 15.1.

The Company does not have contracts with restrictive financial clauses (financial covenants) which must be complied with.

19. LEASES**19.1. Right of use**

The balances rolled forward are set out below:

	Lands and farms	Machines and equipment's	Buildings	Ships and boats	Vehicles	Total
Balance as at December 31, 2020	2,288,061	85,265	90,984	1,877,319	2,449	4,344,078
Additions/updates	885,272	20,646	52,140	1,861	4,600	964,519
Depreciation ⁽¹⁾	(304,922)	(19,447)	(54,714)	(125,190)	(4,319)	(508,592)
Write-offs ⁽²⁾				(5,982)		(5,982)
Balance as at December 31, 2021	2,868,411	86,464	88,410	1,748,008	2,730	4,794,023
Additions/updates	849,996	66,821	61,647		4,216	982,680
Depreciation ⁽¹⁾	(360,225)	(40,732)	(64,301)	(124,890)	(2,303)	(592,451)
Write-offs ⁽²⁾	(75,026)					(75,026)
Balance as at December 31, 2022	3,283,156	112,553	85,756	1,623,118	4,643	5,109,226

- 1) The amount of depreciation related to land is reclassified to biological assets to make up the formation costs.
- 2) Write-off due to cancellation of contracts.

For the year ended December 31, 2022, the Company does not have commitments to lease agreements not yet in force.

19.2. Lease liabilities

The balance of lease payables for the year ended December 31, 2022, measured at present value and discounted at the respective discount rates are set forth below:

Nature of agreement	Average rate - % p.a. ⁽¹⁾	Maturity ⁽²⁾	Present value of liabilities
Lands and farms	12.37	September/2049	3,512,006
Machinery and equipment	11.22	April/2035	184,861
Buildings	10.38	May/2031	78,541
Ships and boats	11.39	February/2039	2,402,672
Vehicles	10.04	October/2023	4,450
			6,182,530

- 1) To determine the discount rates, quotes were obtained from financial institutions for agreements with characteristics and average terms similar to the lease agreements.
- 2) Refers to the original maturities of the agreements and, therefore, does not consider eventual renewal clauses.

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The Company had subleasing transactions involving 2 (two) ships, in force since February 8, 2021, which ended in January 2022, and a second transaction starting on May 11, 2021, which ended in May 2022. There will be no renewal of any of the transactions.

The balances rolled forward are set out below:

	December 31, 2022	December 31, 2021
Opening balance	5,893,194	5,191,760
Additions	982,680	964,519
Write-offs ⁽²⁾	(75,026)	(5,982)
Payments	(1,044,119)	(1,012,137)
Accrual of financial charges ⁽¹⁾	612,042	560,619
Exchange rate variations	(186,241)	194,415
Closing balance	6,182,530	5,893,194
Current	672,174	623,282
Non-current	5,510,356	5,269,912

- 1) On December 31, 2022, the amount of R\$178,429 related to interest expenses on leased lands was capitalized to biological assets to represent the formation cost (R\$132,685 as of December 31, 2021).
- 2) Write-off due to cancellation of contracts.

The maturity schedule for future payments not discounted to present value related to lease liabilities is disclosed in Note 4.2.

19.2.1. Amounts recognized in the statement of income for the year

The amounts recognized are set out below:

	December 31, 2022	December 31, 2021
Expenses relating to short-term assets	6,836	5,239
Expenses relating to low-value assets	1,580	3,413
	8,416	8,652

20. PROVISION FOR JUDICIAL LIABILITIES

The Company is involved in certain legal proceedings arising in the normal course of its business, which include tax, social security, labor, civil, environment and real estate risks.

The Company classifies the risk of unfavorable decisions in legal proceedings, based on legal advice, which reflects the estimated probable losses.

The Company's Management believes that, based on the situation at the base date of these consolidated financial statements, its provisions for tax, social security, labor, civil, environment and real estate risks, accounted for according to IAS 37 are adequate to cover estimated losses related to its legal proceedings, as set forth below:

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20.1. Roll-forward and changes in the provisions for probable losses based on the nature of the proceedings, net of judicial deposits

	December 31, 2022				
	Tax and social security	Labor	Civil, environment and real estate	Contingent liabilities assumed ^{(1) (2)}	Total
Provision balance at the beginning of the year	477,096	178,925	82,592	2,694,541	3,433,154
Payments	(14,948)	(44,516)	(20,497)		(79,961)
Write-off	(71,446)	(53,211)	(15,577)	(48,836)	(189,070)
Additions	14,036	157,562	56,834		228,432
Monetary adjustment	15,177	17,045	15,377		47,599
Provision balance	419,915	255,805	118,729	2,645,705	3,440,154
Judicial deposits	(149,951)	(12,270)	(21,623)		(183,844)
Provision balance at the end of the year	269,964	243,535	97,106	2,645,705	3,256,310

- 1) Amounts arising from tax-related lawsuits with a possible or remote probability of loss in the amount of R\$2,448,564 and civil lawsuits in the amount of R\$197,141, measured and recorded at the estimated fair value resulting from the business combination with Fibria, in accordance with paragraph 23 of IFRS 3 – Business Combinations.
- 2) Reversal due to a change in likelihood and/or due to settlement.

	December 31, 2021				
	Tax and social security	Labor	Civil, environment and real estate	Contingent liabilities assumed ^{(1) (2)}	Total
Provision balance at the beginning of the year	476,070	217,180	50,368	2,709,253	3,452,871
Payments	(21,155)	(37,368)	(49,519)		(108,042)
Write-offs	(5,807)	(105,366)	(9,249)	(14,712)	(135,134)
Additions	17,718	88,777	79,245		185,740
Monetary adjustments	10,270	15,702	11,747		37,719
Provision balance	477,096	178,925	82,592	2,694,541	3,433,154
Judicial deposits	(135,590)	(45,302)	(19,650)		(200,542)
Provision balance at the end of the year	341,506	133,623	62,942	2,694,541	3,232,612

- 1) Amounts arising from tax lawsuits with a possible or remote probability of loss, in the amount of R\$2,496,358 and civil lawsuits in the amount of R\$198,183, measured and recorded at the estimated fair value resulting from the business combination with Fibria, in accordance with paragraph 23 of IFRS 3 – Business Combinations.
- 2) Reversal due to a change in likelihood and/or due to settlement.

20.1.1. Tax and social security

For the year ended December 31, 2022, the Company has 31 (thirty-one) (50 (fifty) as at December 31, 2021) administrative and judicial lawsuits of a tax or social security nature in which the disputed matters related to Income Tax (“IRPJ”), Social Contribution (“CSLL”), Social Integration Program (“PIS”), Social Security Funding Contribution (“COFINS”), Social Security Contribution, or Tax on Sales and Services (“ICMS”), among others, with amounts provisioned for when the likelihood of loss is deemed probable by the Company’s external legal counsel and by Management.

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20.1.2. Labor

For the year ended December 31, 2022, the Company has 1,117 (one thousand, one hundred and seventeen)(987 (nine hundred eighty-seven) as at December 31, 2021) labor lawsuits.

In general, labor lawsuits are related primarily to matters frequently contested by employees in agribusiness companies, such as wages and/or severance payments, in addition to suits filed by outsourced employees of the Company.

20.1.3. Civil, environment and real estate

For the year ended December 31, 2022, the Company has 66 (sixty-six) (57 (fifty-seven) as at December 31, 2021) civil, environmental and real estate lawsuits.

Civil, environment and real estate proceedings are related primarily to the payment of damages, such as those resulting from contractual obligations, traffic-related injuries, possessory actions, environmental restoration obligations, claims and others.

20.2. Contingencies with possible losses

The Company is involved in tax, civil and labor lawsuits, for which losses have been assessed as possible by Management, supported by legal counsel, and therefore no provision was recorded:

	December 31, 2022	December 31, 2021
Taxes and social security ⁽¹⁾	8,201,246	7,539,938
Labor	321,428	211,767
Civil and environmental ⁽¹⁾	4,414,877	3,691,778
	<u>12,937,551</u>	<u>11,443,483</u>

1) The amounts above do not include the fair value adjustments allocated to probable contingencies representing R\$2,614,518 (R\$2,515,486 as at December 31, 2021), which were recorded at fair value resulting from business combinations with Fibria, in accordance with paragraph 23 of IFRS 3 – Business Combinations, as presented in Note 20.1.1. above.

20.2.1. Tax and social securities

For the year ended December 31, 2022, the Company has 766 (seven hundred and sixty-six) (766 (seven hundred and sixty-six) as at December 31, 2021) tax proceedings whose likelihood of loss is considered possible, in the total amount of R\$8,201,246 (R\$7,539,938 as at December 31, 2021) for which no provision was recorded.

The other tax and social security lawsuits refer to various taxes, such as IRPJ, CSLL, PIS, COFINS, ICMS, ISS, Withholding Income Tax (“IRRF”), PIS and COFINS, mainly due to differences of interpretation regarding the applicable tax rules and information provided in the accessory obligations.

The most relevant tax cases are set forth below:

- (i) Income tax assessment - IRPJ/CSLL - Swaps of industrial and forestry assets: in December 2012, the Company received a tax assessment for the collection of income tax and social contribution, alleging unpaid tax on a capital gain in February 2007, the closing date of the transaction, when the Company executed an agreement with International Paper regarding a swap of industrial and forestry assets.

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On January 19, 2016, the Tax Federal Administrative Court (Conselho Administrativo de Recursos Fiscais – “CARF”) rejected, as per the casting vote of the CARF’s President, the appeal filed by the Company in the administrative process. The Company was notified of the decision on May 25, 2016 and, due to the impossibility of a new appeal and the consequent closure of the case at the administrative level, decided to continue the discussion with the Judiciary. The lawsuit was judged in a favorable manner to the Company’s interests and the appeal of the National Treasury is currently awaiting judgment at the lower court. We maintain our position of not constituting provisions for contingencies, based on the opinion of the Company and its external legal advisors that the probability of loss in this case is possible. In the year ended December 31, 2022 the amount is R\$2,505,970 (R\$2,351,673 as at December 31, 2021).

- (ii) Income tax assessment - IRPJ/CSLL - disallowance of depreciation, amortization and depletion expenses – 2010. In December 2015, the Company received a tax assessment requiring the payment of IRPJ and CSLL, questioning the deductibility of depreciation, amortization and depletion expenses of 2010 included by the Company in the calculation of the income tax expense. We presented administrative appeals within the legal period, which were judged partially valid. The decision was subject to a voluntary recourse, presented by the Company in November 2017. The judgment was converted into a due diligence, and currently, the Company is waiting for the completion of the due diligence. In the year ended December 31, 2022 the amount is R\$777,362 (R\$728,567 as at December 31, 2021).
- (iii) IRPJ/CSLL - partial approval: the Company requested approval to offset tax losses for the year 1997 with amounts owed to the tax authorities. The authorities approved in March 2009, only R\$83,000, which generated a difference of R\$51,000. The Company is still awaiting the conclusion of the analysis of the credits discussed at the administrative level following a favorable decision from CARF in August 2019, which granted the Voluntary Appeal filed by the Company. For the remaining credit, the Company has appealed the rejection of the tax credits and obtained a partially favorable decision, and the final decision is currently under discussion in the judicial level. Shortly afterwards, an appeal was filed, which was judged in session, determining the conversion of the done in diligence. In the year ended December 31, 2022, the amount is R\$111,775 (R\$106,811 as at December 31, 2021).
- (iv) Tax incentive - Agency for the Development of Northeastern Brazil (“ADENE”): in 2002 the Company’s request was granted by the Brazilian Federal Revenue Service (“Receita Federal do Brasil”) to benefit from reductions in corporate income tax and non-refundable surcharges calculated on operating profits (as defined) for Aracruz facilities A and B (period from 2003 to 2013) and plant C (period from 2003 to 2012), when the qualification reports for the tax reductions were approved by SUDENE.

In 2004, the Company was served an Official Notice by the liquidator of the former Superintendence for the Development of the Northeast (“SUDENE”), who reported that the right to use the benefit previously granted was unfounded and would be cancelled. In 2005, the Brazilian Federal Revenue Service served the Company an assessment notice requiring the payment of the tax incentive mounts claimed, plus interest. After administrative discussions, the assessment notice was partially upheld, and recognized the Company’s right to the tax incentive through 2003.

The Company’s Management, supported by its legal counsel, believes that the decision to cancel the tax benefits is erroneous and should not be upheld, either with respect to the benefits already used, or with respect to benefits not used until the final relevant periods.

The contingency is being discussed in the judicial sphere, where the final judgment of the Amendment of Judgment filed by the Company presented after an unfavorable lower court decision. In the year ended December 31, 2022 the amount is R\$136,733 (R\$129,701 as at December 31, 2021).

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- (v) PIS/COFINS – Goods and services – 2009 to 2011: in December 2013, the Company was assessed by the Brazilian Federal Revenue Service demanding the collection of PIS and COFINS credits which were disallowed because they are not allegedly linked to its operating activities. In the first instance, the objection filed by the Company was dismissed. After the Voluntary Appeal was filed, it was partially obtained in April 2016. Following this decision, the National Treasury filed a Special Appeal to the Superior Chamber, which is still pending judgment and the Company filed a Statement of Appeal, which was partially accepted. The updated amount involved up to December 31, 2022 is R\$180,219 (R\$169,784 as at December 31, 2021).
- (vi) Offsetting - IRRF - period 2000: the Company filed a lawsuit for the offsetting of IRRF credits measured in the year ended December 31, 2000, with debts owed to the Brazilian Federal Revenue Service. In April 2008, the Brazilian Federal Revenue Service partially recognized the credit in favor of the Company. Following this decision, the Company filed a Voluntary Appeal with CARF, and the judgment was converted into a diligence. Currently, we are waiting for the start of the due diligence. In the year ended December 31, 2022 the amount involved is R\$116,105 (R\$111,437 as at December 31, 2021).
- (vii) Tax Assessment - Corporate Income Tax and Social Contribution: on October 5, 2020, the Company was notified of the tax assessment issued by the Brazilian Internal Revenue Service claiming the payment of Corporate Income Tax and Social Contribution, resulting from the remeasurement of the profit of its subsidiary Suzano Trading Ltd in the years ended December 31, 2014, 2015 and 2016. Besides the Company, the Statutory Executive Officers (“Officers”) of Suzano Trading were also included as co-defendants. The Company, based on the opinion of its legal advisors, considered the risk of loss as possible with reference to the Company and, with reference to the Officers, also possible but with a higher chance of winning (possible to remote). The Company presented the administrative defense and, currently, through Resolution No.104000033, the judgment was converted into a diligence, which is awaiting the beginning. In the year ended December 31, 2022 the amount involved is R\$516,433 (R\$470,119 as at December 31, 2021).
- (viii) Tax assessment - taxation on a universal basis - year 2015: on November 3, 2020, the Company received a tax assessment for the collection of income tax and social contribution, alleging unpaid tax for the calendar year 2015, due to the failure to include in the calculation the taxable income and social contribution the profits earned by the subsidiaries abroad. The Company, based on the legal advisors, considered the risk of loss as possible. The Company presented the administrative defense. At the lower court, the objection filed by the Company was partially upheld. Thus, in view of the decision, a Voluntary Appeal was filed, which is currently pending judgment. In the year ended December 31, 2022 the amount is R\$163,059 (R\$149,486 as at December 31, 2021).

20.2.2. Labor

On December 31, 2022, the Company was a defendant in 1,248 (one thousand, two hundred and forty-eight) labor lawsuits, totaling R\$321,428 (1,462 (one thousand, four hundred and sixty-two) labor lawsuits, totaling R\$211,767 as at December 31, 2021).

The Company also has several lawsuits in which employees’ unions in the states of Bahia, Espírito Santo, Maranhão, São Paulo and Mato Grosso do Sul are included.

20.2.3. Civil and environmental

On December 31, 2022, the Company is a defendant in approximately 221 (two hundred and twenty-one) civil, environmental and real estate lawsuits, totaling R\$4,414,877 (205 (two hundred and five) lawsuits totaling R\$3,691,778 as at December 31, 2021).

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In general, the civil and environmental proceedings in which the Company, including its subsidiaries, is a defendant, are mainly related to discussions regarding eligibility for environmental licenses, repair of environmental damage, matters relating to indemnities, including those arising from discussions about contractual obligations, precautionary measures, possessory actions, damage repair and revision actions, actions aimed at the recovery of credits (collection actions, monitoring, execution, credit qualifications related to bankruptcy and judicial recovery), actions of social movements interest, such as landless workers, quilombola communities, indigenous people and fishers, and actions resulting from traffic accidents. The Company has a general civil liability insurance policy that aims to cover, within the limits contracted in the policy, any legal convictions arising from damages to third parties (including employees).

The most relevant civil cases are set forth below:

- (i) We are involved in 2 (two) Public Civil Claims (“*Ação Civil Pública*”) filed by the Federal Public Prosecution Office, requesting: (i) a preliminary injunction to prohibit the Company’s trucks from transporting wood in federal highways above legal weight restrictions; (ii) an increase in the fines for cases of overweight loads; and (iii) compensation for damages allegedly caused to federal highways, the environment and the economic order, and compensation for moral damages. One of the Claims was ruled partially against the Company. Suzano presented an appeal to the Court of Appeals, requesting interim relief to stay the effects of such ruling until a final decision is reached. The other ACP was dismissed and an appeal is pending. In September 2021, both were suspended by decision of the STJ to evaluate the points of discussion in the form of a repetitive appeal. Not yet scheduled for judgment.
- (ii) The Company also sued a competitor from the midwest region due to the improper and unauthorized use of a variety of eucalyptus protected by intellectual property rights (cultivar) of the merged subsidiary Fibria. The prohibition against the cultivation of this biological asset by the competitor is protected by an injunction still in force, which was confirmed in a sentence favorable to the Company, and, currently, the procedure for liquidating the sentence by the Company has been initiated. It should be noted that, even before the said sentence, the competitor handled an action to cancel the registration of the cultivar, but, so far, there has been no decision in this process capable of restricting the Company’s right.
- (iii) In November 2020, a maritime logistics provider initiated an arbitration proceeding against the Company following the early termination of the contract. The counterparty pleads the execution of a put option clause (imposing the ownership and acquisition of barges) supposedly provided for in the contract as a penalty for early termination, as well as for the payment of alleged losses and damages suffered as a result of the termination. Suzano, in turn, claims that the put option is not due and, even if it had been due, the put option clause is abusive within the economic relationship under the contract. At the moment, we are awaiting judgment on the requests for clarification made by the parties.
- (iv) The Company is still a defendant in 2 (“two”) ACPs, filed in 2015 by the Federal Public Ministry (“MPF”) and the National Institute for Colonization and Agricultural Reform (“INCRA”) against the merged subsidiary Fibria, from the State of Espírito Santo and BNDES, aiming at nullifying some property titles granted by the State to the Company in the municipalities of Conceição da Barra and São Mateus. The decisions, issued by the judge of the 1st instance of Federal Justice, declare the these titles invalid and demanded the return of these properties to the State. The decisions rendered are not final, and the Company has filed appropriate appeals for the reversal of this decision in the 2nd instance. It is important to highlight that the properties whose titles were discussed in the ACPs add up to a total of approximately 10,500 hectares, and of this total, according to Suzano’s best information, only approximately 4,000 hectares are included in the demarcation procedures initiated by INCRA in favor of quilombola communities in the region. None of these demarcation procedures has been finalized. Suzano is the legitimate owner of the properties under discussion, and will continue to discuss the matter in court, in order to prove in court the legality of the acquisitions made at the time of acquisition.

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- (v) Among the environmental lawsuits, 1 (“one”) ACPs filed by the MPF in the northeast region of Brazil stand out, challenging the jurisdiction of the state environmental agency to grant environmental licenses. The MPF alleges that the environmental licensing procedures related to our industrial plant in the state of Maranhão must be carried out by the Federal Environment Agency (“IBAMA”). The risks involved are delays to the Company’s planting schedule, and the suspension of activities at the Maranhão industrial unit until a new license is issued. We believe that there are good chances of defense in this case, since IBAMA does not recognize that it has the competence to execute the licensing process, and there is no clear legal basis to support such jurisdiction.
- (vi) In addition, the Company are involved in 1 (“one”) ACP filed by the MPF regarding the negative impacts of operations in the Baixo Parnaíba Region. The MPF claims that the occupation of these areas caused socio-environmental impacts in eastern Maranhão. Currently, the action is in the preparatory phase, with the beginning of the expert procedures. The Company believes that there is a remote chance of loss in this case, since the report used to support the requests was made unilaterally, and will be questioned during the expert investigation.

20.3. Contingent assets

20.3.1. SELIC update on undue tax

In September 2021, the STF held, by a majority of votes, that the Federal Government cannot charge IRPJ and CSLL on amounts referring to the SELIC rate received due to the repetition of undue tax. However, this judgment has not been definitively concluded, but given final and unappealable decision, the Company, together with its advisors, understands that, in principle, there is no possibility of reversing the decision on the merits. The Company carried out a survey of the credits referring to IRPJ and CSLL to be recovered, and, in view of the immateriality of the amounts to date, it understands the continuity of the survey by external advisors to ensure the proper recording of the assets in a timely manner.

21. EMPLOYEE BENEFIT PLANS

The Company offers supplementary pension plans and defined benefit plans, such as medical assistance and life insurance, as set forth below:

21.1. Pension plan

The Company has current supplementary retirement plans, as disclosed below.

21.1.1. Pension plan - Suzano Prev

In 2005, the Company established the Suzano Prev pension plan, managed by BrasilPrev, an open private pension entity, which serves the employees of Suzano Group Companies, in the form of a defined contribution plan.

Under the terms of the benefit plan agreement, for employees who have a salary above 10 Suzano reference units (“URS”), in addition to the 0.5% contribution, the contributions of the company follow the employees’ contributions, and affect the portion of the salary that exceeds 10 URS, which can vary between 1% and 6% of the nominal salary. This plan is called Basic Contribution 1.

The Company’s contributions to the employees are 0.5% of the nominal salary that does not exceed 10 URS, even though there is no contribution by the employees. This plan is called Basic Contribution 2.

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From August 2020, employees who have a salary lower than 10 URS will be able to invest 0.5 or 1.0% of their nominal salary, and the Company will monitor the employee's contributions. The employee can choose to invest up to 12% of their salary in the Suzano Prev pension plan, and the excess of Basic Contribution 1 or 2 may be invested in the supplementary contribution, where there is no counter-entry from the Company, and the employee must consider the two contributions within the limit of 12% of the salary.

Access to the balance constituted by the Company's contributions only occurs upon dismissal, and is directly related to the length of the employment relationship.

Contributions made by the Company for the year ended December 31, 2022 totaled R\$15,248 recognized under employee benefits (R\$13,993 as of December 31, 2021, including the balance from Fundação Senador José Ermírio de Moraes – Funsejem, terminated in July 2020).

21.2. Defined benefits plan

The Company offers the following post-employment benefits in addition to the pension plans, which are measured based on actuarial calculations and recognized in the financial statement, as detailed below.

21.2.1. Medical assistance

The Company guarantees healthcare program cost coverage for a group of former employees who retired up to 2007, as well as their spouses for life and underage dependents.

For other groups of former employees, who exceptionally, according to the Company's criteria and resolutions or based on rights related to compliance with pertinent legislation, the Company ensures the healthcare program.

The main actuarial risks related are: (i) lower interest rates; (ii) longer than expected mortality tables; (iii) higher than expected turnover; and (iv) higher than expected growth in medical costs.

21.2.2. Life insurance

The Company offers the life insurance benefit to the group of former employees who retired up to 2005 at the Suzano and São Paulo administrative offices, and did not opt for the supplementary retirement plan.

The main actuarial risks are: (i) lower interest rates; and (ii) higher than expected mortality.

21.2.3. Roll-forward of actuarial liability

The roll-forward of actuarial liabilities prepared based on actuarial report is set forth below:

	December 31, 2022	December 31, 2021
Opening balance	675,158	785,045
Interest on actuarial liabilities	59,258	55,849
Actuarial loss (gain)	12,231	(119,642)
Exchange rate variations	(577)	37
Benefits paid	(54,646)	(46,131)
Closing balance	691,424	675,158

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21.2.4. Economic actuarial assumptions and biometric data

The main economic actuarial assumptions and biometric data used in the actuarial calculations are set forth below:

	December 31, 2022	December 31, 2021
Economic		
Nominal discount rate – medical assistance and life insurance	10.07% p.a.	8.92% p.a.
Medical cost growth rate	6.86% p.a.	3.25% p.a.
Nominal inflation	3.50% p.a.	3.25% p.a.
Aging factor	0 to 24 years: 1.50% p.a. 25 to 54 years: 2.50% p.a. 55 to 79 years: 4.50% p.a. Above 80 years: 2.50% p.a.	0 to 24 years: 1.50% p.a. 25 to 54 years: 2.50% p.a. 55 to 79 years: 4.50% p.a. Above 80 years: 2.50% p.a.
Biometric		
Table of general mortality	AT-2000	AT-2000
Table of mortality of disabled persons	IAPB 57	IAPB 57
Turnover	1.00% p.a.	1.00% p.a.
Other		
Retirement age	65 years	65 years
Family composition	Men 4 years + old and 90% married	Men 4 years + old and 90% married
Permanency in the plan	100%	100%

21.2.5. Sensitivity analysis

The sensitivity analysis regarding the relevant assumptions of the plans as at December 31, 2022 is as set out below:

Discount rate		Medical costs growth rate	
+0.50%	33,995	+1.00 %	69,755

21.2.6. Forecast amounts and average duration of payments of obligations

The expected benefit payments for future years (ten years), from the obligation of benefits granted and the average duration of the plan obligations are as set forth below:

Payments	Medical assistance and life insurance
2023	44,330
2024	47,488
2025	50,675
2026	54,003
2027	57,340
2028 to 2032	336,825

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22. SHARE-BASED COMPENSATION PLAN

For the year ended December 31, 2022, the Company has 3 (three) share-based, long-term compensation plans: (i) Phantom stock option plan (“PS”); (ii) Share Appreciation Rights (“SAR”), both settled in local currency; and (iii) restricted shares, settled in shares.

The characteristics and measurement method of each plan are disclosed below.

22.1. Long term compensation plans (“PS and SAR”)

Certain executives and key members of Management have a long-term compensation plan linked to the share price, with payment in cash.

Throughout 2020, the Company granted the SAR and PLUS (Share Appreciation Rights) (“SAR”) plans of phantom stock options.

Under the PS plan, the beneficiary does not make any investments, and under the SAR plan, the beneficiaries should invest 5% of the total amount corresponding to the number of options on phantom shares at the grant date, and 20% after 3 (three) years to acquire the option. The Company also granted long-term incentive plans to its key members as part of its retention policy.

The vesting period of options may vary from 3 (three) to 5 (five) years, as of the grant date, in accordance with the characteristics of each plan.

The share price is calculated based on the average share quote for the 90 previous trading sessions, starting from the closing quote on the last business day of the month prior to the month of the grant. The installments of these programs will be adjusted by the variation in the prices on the SUZB3 at B3, between the granting and the payment period. On dates when the SUZB3 shares are not traded, the quote of the previous trading session will be considered.

The phantom share options will only be due if the beneficiary is an employee of the Company on the payment date. In case of termination by the employee, before the vesting period is completed, the executive will not be entitled to receive all benefits, unless otherwise established in the agreements.

The roll-forward arrangements are set out below:

	December 31, 2022	December 31, 2021	December 31, 2020
		Number of shares	
Opening balance	5,415,754	5,772,356	5,996,437
Granted during of the year	4,152,200	1,906,343	1,770,384
Exercised ⁽¹⁾	(1,474,506)	(1,860,334)	(1,789,413)
Exercised due to resignation ⁽¹⁾	(175,552)	(86,196)	(21,253)
Abandoned / cancelled due to resignation	(334,711)	(316,415)	(183,799)
Closing balance	7,583,185	5,415,754	5,772,356

1) The average price of the share options exercised and exercised due to termination of employment, for the year ended December 31, 2022 was R\$48.79 (forty eight Reais and seventy nine cents) ((R\$60.30 (sixty Brazilian Reais and thirty cents) as at December 31, 2021).

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On December 31, 2022, the consolidated outstanding phantom shares option plans are as set out below:

December 31, 2022				
Plan	Grant date	Exercise date	Fair value on grant date ⁽¹⁾	Quantity of outstanding options granted
Deferral 2018	03/01/2019	03/01/2023	R\$ 41.10	74,101
Deferral 2020	03/01/2021	03/01/2024	R\$ 57.88	280,408
Deferral 2020	03/01/2021	03/03/2025	R\$ 57.88	280,408
Deferral 2021 36	03/01/2022	03/01/2025	R\$ 56.52	675,021
Deferral 2021 48	03/01/2022	03/01/2026	R\$ 56.52	164,951
ILP - Retention 2020 - 36 Oct	10/01/2020	10/01/2023	R\$ 38.79	33,289
ILP - Retention 2021 - 36 Oct	10/01/2021	10/01/2024	R\$ 58.05	2,524
ILP 2019 - 48 H	03/25/2019	03/25/2024	R\$ 42.19	7,857
ILP 2019 - 48 Oct	10/01/2019	10/01/2023	R\$ 31.75	12,258
ILP 2020 - 36 Apr	04/01/2020	04/01/2023	R\$ 38.50	46,531
ILP 2020- 48 Condition A	05/01/2020	04/30/2024	R\$ 38.34	623,380
ILP 2020- 48 Condition B	05/01/2020	04/30/2024	R\$ 38.34	133,581
ILP 2020- 48 Condition C	05/01/2020	04/30/2024	R\$ 38.34	133,581
ILP 2021 - 24	03/01/2021	03/01/2023	R\$ 56.10	6,285
ILP 2021 - 36	03/01/2021	03/01/2024	R\$ 56.10	6,285
ILP 2021 - Apr.23_24	12/16/2021	04/03/2023	R\$ 54.81	10,511
ILP 2021 - Apr.23_24	12/16/2021	04/01/2024	R\$ 54.81	10,511
ILP 2021 - 24 May	05/01/2021	05/01/2023	R\$ 67.91	654
ILP 2021 36 - Apr	04/01/2021	04/01/2024	R\$ 64.12	220,007
ILP 2021 -36 May	05/01/2021	05/01/2024	R\$ 67.91	1,177
ILP 2021 - 48	04/01/2021	04/01/2025	R\$ 64.12	220,007
ILP Hiring/Retention Bonus 2020 - 36 Oct	10/01/2020	10/01/2023	R\$ 43.14	7,285
ILP Retention 2020 - Premium	10/01/2020	10/01/2023	R\$ 43.14	4,796
ILP Retention 2021 - August	08/02/2021	08/01/2024	R\$ 63.73	3,969
ILP Retention 2021 - July	07/01/2021	07/01/2024	R\$ 67.72	8,516
PLUS 2019	04/01/2019	04/01/2024	R\$ 42.81	5,705
SAR 2018	04/02/2018	04/02/2023	R\$ 21.45	4,511
SAR 2019	04/01/2019	04/01/2024	R\$ 42.81	153,725
SAR 2020	04/01/2020	04/01/2025	R\$ 38.50	661,714
SAR 2021	04/01/2021	04/01/2026	R\$ 64.12	747,249
SAR 2022	04/01/2022	04/01/2027	R\$ 58.64	1,775,750
ILP Retention 2022	01/17/2022	01/17/2025	R\$ 55.18	22,700
ILP Retention 2022	01/17/2022	01/17/2026	R\$ 55.18	22,700
ILP Retention 2022	01/17/2022	01/17/2027	R\$ 55.18	22,699
ILP Retention 2022	04/01/2022	04/01/2025	R\$ 58.64	29,490
ILP Retention 2022	04/01/2022	04/01/2024	R\$ 58.64	13,238
ILP Retention 2022	06/02/2022	06/02/2023	R\$ 55.43	1,866
ILP Retention 2022	06/02/2022	06/02/2024	R\$ 55.43	1,866
ILP Retention 2022	06/02/2022	06/02/2025	R\$ 55.43	1,923
ILP Retention 2022	08/01/2022	08/01/2025	R\$ 51.00	3,832
ILP Retention 2022	10/01/2022	04/01/2026	R\$ 47.71	148,687
ILP Retention 2022	10/01/2022	04/01/2027	R\$ 47.71	43,918
ILP Retention 2022 - Executive	04/01/2022	04/01/2025	R\$ 58.64	953,719
				7,583,185

(1) Amounts expressed in Reais.

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22.2. Restricted shares plan

The Company also offers a Restricted Shares plan based on the Company's performance ("Restricted Shares Program"). The plan associates the quantity of restricted shares granted to the Company's performance, which in 2021 was linked to the operating cash generation target and ESG. The quantity of the restricted stock granted is defined in financial terms, and is subsequently converted into shares based on the last 60 (sixty) stock exchange trading days on December 31, 2022 of SUZB3 at B3.

After the measurement of the target, which takes place 12 months after the execution of the contract, the restricted shares will be granted immediately (conditional on the achievement of the established goals), as they not have to comply with the vesting period. However, the beneficiaries of the grant must comply with the lockup period of thirty-six (36) months during which they will not be able to sell the shares.

In the event that the beneficiaries leave the Company before the end of the fiscal year for the measurement of operating cash generation, they will lose the right to the grant of restricted shares.

The position is set forth below:

Program	Date of execution of the contract	Grant date	Price on grant date	Shares Granted	Restricted year for transfer of shares
2020	01/02/2020	01/02/2021	R\$ 51.70	106,601	01/02/2024
2021	01/02/2021	01/02/2022	R\$ 53.81	108,010	01/02/2025
2022	01/02/2022	02/01/2023	R\$ 52.00	102,600	01/02/2026
				<u>317,211</u>	

On March 31, 2022, the 2018 Program had its lockup period concluded and, therefore, the grant of 130,435 shares was carried out in exchange for treasury shares (Note 25.5).

22.3. Measurement assumptions

In the case of the phantom shares plan since the settlement takes place in cash, the fair value of the options is remeasured at the end of each period based on the Monte Carlo Method ("MMC"), which is multiplied by the Total Shareholder Return ("TSR") during the period, which varies between 75% and 125%, depending on the performance of SUZB3 in relation to its peers in Brazil.

The restricted stock plan considers the following assumptions:

- (i) The expectation of volatility was calculated for each exercise date, considering the remaining time to complete the vesting year, as well as the historical volatility of returns, using the GARCH model for calculating volatility;
- (ii) The expected average life of phantom stocks and stock options was defined by the remaining term to the limit exercise date;
- (iii) The expected dividends were defined based on the historical earnings per share of Suzano; and
- (iv) The risk-free weighted average interest rate used was the Brazilian Reais yield curve (DI expectation) observed on the open market, which is the best comparison basis for the Brazilian market risk-free interest rate. The rate used for each exercise date changes according to the vesting year.

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The amounts corresponding to the services received and recognized are set forth below:

	Liabilities and Equity		Statement of income and Equity		
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2020
Non-current liabilities					
Provision for phantom stock plan	162,117	166,998	(75,542)	(94,897)	(151,985)
Equity					
Stock options granted	20,790	15,455	(5,335)	(4,843)	(4,633)
Shares granted	(2,365)		2,365		
	<u>18,425</u>	<u>15,455</u>	<u>(2,970)</u>	<u>(4,843)</u>	<u>(4,633)</u>
			<u>(78,512)</u>	<u>(99,740)</u>	<u>(156,618)</u>

23. LIABILITIES FOR ASSETS ACQUISITIONS AND ASSOCIATES

	December 31, 2022	December 31, 2021
Assets acquisitions		
Vitex/Parkia ⁽¹⁾	1,758,365	
	<u>1,758,365</u>	
Business combinations		
Facepa ⁽²⁾	42,655	40,863
Vale Florestar Fundo de Investimento em Participações (“VFFIP”) ⁽³⁾	261,302	365,089
	<u>303,957</u>	<u>405,952</u>
	<u>2,062,322</u>	<u>405,952</u>
Current	1,856,763	99,040
Non-current	205,559	306,912

- On April 28, 2022, the Company acquired all the shares of the Parkia structure companies, in the amount of US\$667 million (equivalent to R\$3,444,255 on the date of execution of the agreement), upon the payment of US\$330 million (equivalent to R\$1,704,054 on the date of the transaction), with the remainder to be paid on June 22, 2023 (Note 1.2.4). The price adjustment payment of R\$18,726 was recognized and paid in August 2022.
- Acquired in March 2018, for the amount of R\$307,876, upon the payment of R\$267,876, with the remainder updated at the IPCA, adjusted for possible losses incurred up to the payment date, with maturities in March 2023 and March 2028.
- On August 2014, the Company acquired Vale Florestar S.A. through VFFIP, for a total amount of R\$528,941 upon the payment of R\$44,998, and the remainder with maturity up to August 2029. The annual settlements, carried out in the month of August, are subject to interest and updated by the variations of the US Dollar exchange rate, and partially updated by the IPCA.

24. LONG-TERM COMMITMENTS

The Company entered into long-term take-or-pay agreements with chemicals, transportation and natural gas suppliers. These agreements contain termination and supply interruption clauses in the event of defaults on certain essential obligations. Generally, the Company purchases the minimum amounts agreed under the agreements, and hence there is no liability recorded in the amount that is recognized each month. The total contractual obligations assumed at December 31, 2022 were equivalent to R\$14,875,422 per year (R\$13,488,327 at December 31, 2021).

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25. SHAREHOLDERS' EQUITY**25.1 Share capital**

On December 31, 2022, Suzano's share capital is R\$9,269,281 divided into 1,361,263,584 common shares, all nominative, book-entry shares without par value. Expenses related to the public offering are R\$33,735, totaling a net share capital of R\$9,235,546. The breakdown of the share capital is as set out below:

	December 31, 2022		December 31, 2022	
	Quantity	(%)	Quantity	(%)
Controlling Shareholders				
Suzano Holding S.A.	367,612,329	27.01	367,612,329	27.01
Controller	195,064,797	14.33	194,809,797	14.31
Managements and related persons	34,102,309	2.51	33,800,534	2.48
Alden Fundo de Investimento em Ações	26,154,744	1.91	26,154,744	1.92
	622,934,179	45.76	622,377,404	45.72
Treasury (Note 25.5)	51,911,569	3.81	12,042,004	0.88
Other shareholders	686,417,836	50.43	726,844,176	53.40
	1,361,263,584	100.00	1,361,263,584	100.00

By a resolution of the Board of Directors, the share capital may be increased, irrespective of any amendments to the Bylaws, up to the limit of 780,119,712 common shares, all exclusively book-entry shares.

For the year ended December 31, 2022, SUZB3 common shares ended the period quoted at R\$48.24 (forty-eight Reais and twenty-four cents) (R\$60.11 (sixty Brazilian Reais and eleven cents)) on December 31, 2021).

25.2 Dividends and reserve calculations

The Company's bylaws establishes that the minimum annual dividend shall be the lower of:

- (i) 25% of the adjusted net income for the year pursuant to Article 202 of Brazilian Law No.6,404/76; or
- (ii) 10% of the Company's consolidated operating cash generation for the year.

In the year ended December 31, 2022, based on the criteria defined in the bylaws, mandatory minimum dividends were determined in accordance with item (ii) above, as well as the reserves, as set forth below:

	December 31 2022
Accounting EBITDA	29,630,671
Non-recurring and/or non-cash items	(1,435,769)
Adjusted EBTIDA	28,194,902
Capex Maintenance (<i>Sustain</i>)	(5,631,234)
GCO = Adjusted EBTIDA - Capex Maintenance	22,563,668
Dividends (10%) - Art. 26, "c" of the Bylaws (iii)	2,256,367
Advance/interim dividends (i)	2,350,000
Additional dividends (ii)	(93,633)

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- (i) On December 2, 2022, through a notice to shareholders, the distribution of interim dividends by the Company was approved, in the amount of R\$2,350,000, at the rate of R\$1.794780909 per share, considering the number of shares “ ex-treasury”, related to net income calculated in 2022. The payment of interim dividends was made on December 27, 2022, in Reais.
- (ii) The early payment of dividends related to 2022, in the amount of R\$2,350,000, was imputed to the mandatory minimum dividends determined at the end of the year, in the amount of R\$2,256,367, and includes the proposed additional dividend of R\$93,633.

As disclosed in Note 1.2.2, on January 7, 2022 the Company approved the payment of interim dividends in the amount of R\$1,000,000, paid on January 27, 2022, which were attributed to the mandatory minimum dividend for the year ended December 31, 2021.

As disclosed in Note 1.2.3, the Company approved on April 26, 2022, the payment of supplementary dividends in the amount of R\$799,903, paid on May 13, 2022, which were allocated to retained earnings for previous years.

25.3 Reserves

25.3.1 Capital reserve

They consist of amounts received by the Company arising from transactions with shareholders that do not pass through the income statement and may be used to absorb losses when they exceed profit reserves and redemptions, reimbursements and purchases of shares.

25.3.2 Income reserves

Reserves are constituted by the allocation of the Company’s profits, after the allocation for the payment of the minimum mandatory dividends and after the allocation to the various profit reserves, as set forth below:

- (i) Legal: measured based on 5% (five percent) of the net profit of each fiscal year as specified in Article 193 of Brazilian Law No.6,404/76, which shall not exceed 20% (twenty percent) of the share capital, whereas in the year in which the balance of the legal reserve plus the capital reserve amounts exceeds 30% (thirty percent) of the share capital, the allocation of part of the profit will not be mandatory. The use of this reserve is restricted to loss compensation and capital increases, and aims to ensure the integrity of the share capital. For the year ended December 31, 2022, the balance of this reserve is R\$1,404,099 (R\$235,019 as at December 31, 2021).
- (ii) Capital increase: measured on the basis of up to 90% (ninety percent) of the remaining balance of the net income for the year, limited to 80% (eighty percent) of the share capital, pursuant to the Company’s bylaws, after the allocation to the legal reserve and minimum mandatory dividends. The constitution of this reserve aims to ensure the Company has adequate operating conditions. For the year ended December 31, 2022, the balance of this reserve is R\$19,732,050 (R\$2,513,663 as of December 31, 2021).
- (iii) Special statutory: measured on the basis of up to 10% (ten percent) of the remaining balance of net income for the year, and aims to ensure the continuity of the semiannual distribution of dividends, up to the limit of 20% (twenty percent) of the share capital. For the year ended December 31, 2022, the balance of this reserve is R\$2,192,442 and (R\$279,344 as at December 31, 2021).

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- (iv) Tax incentives: it is measured as specified in Article 195-A of Brazilian Law No. 6,404/76, modified by Brazilian Law No. 11,638/07 and based on a proposal by the management bodies, it will allocate the portion of net income arising from donations or government grants for investment, which are excluded from the calculation basis of the mandatory dividend. Pursuant to Article 30 of Law No. 12,973/14 and Article 19 of Decree No. 1,598/77, the Company, based on the profit for the year, constituted its tax incentive reserve, including the incentives that: (i) were absorbed by a loss; (ii) would have been recognized in previous years, if profits had been recorded; and (iii) in the current year. For the year ended December 31, 2022, the balance of this reserve is R\$879,278 (R\$812,909 as of at December 31, 2021).

Due to the accumulated income reserves balance exceeds the limits established in the Company's bylaws, the excess balance will be resolved at the next meeting.

25.4 Other reserves

These are changes that occur in shareholders' equity arising from transactions and other events that do not originate with shareholders and are disclosed net of tax effects, as set forth below:

	Debtore conversion 5th issue	Actuarial loss	Exchange variation and fair value of financial assets	Exchange variation on conversion of financial statements of foreign subsidiaries	Deemed cost	Total
Balances at December 31, 2020	<u>(45,746)</u>	<u>(216,155)</u>	<u>6,511</u>	<u>207,130</u>	<u>2,178,204</u>	<u>2,129,944</u>
Actuarial gain		78,964				78,964
Gain on conversion of financial assets and fair value			1,333			1,333
Gain on conversion of financial statements and on foreign investments				45,181		45,181
Partial realization of deemed cost, net of taxes					(140,515)	(140,515)
Balances at December 31, 2021	<u>(45,746)</u>	<u>(137,191)</u>	<u>7,844</u>	<u>252,311</u>	<u>2,037,689</u>	<u>2,114,907</u>
Actuarial loss		(7,608)				(7,608)
Loss on conversion of financial assets and fair value			(5,681)			(5,681)
Loss on conversion of financial statements and on foreign investments				(249,093)		(249,093)
Partial realization of deemed cost, net of taxes					(133,009)	(133,009)
Balances at December 31, 2022	<u>(45,746)</u>	<u>(144,799)</u>	<u>2,163</u>	<u>3,218</u>	<u>1,904,680</u>	<u>1,719,516</u>

25.5 Treasury shares

In the year ended December 31, 2022, the Company has 51,911,569 (12,042,004 as at December 31, 2021) of its own common shares held in treasury, with an average cost of R\$40.84 (forty Brazilian Reais and eighty four cents) per share, with a historical value of R\$2,120,324 (R\$218,265 as at December 31, 2021) and the market corresponding to R\$2,504,214 (R\$723,845 as at December 31, 2021). This change is due to the May and July/2022 Repurchase Program. Additionally, on October 27, 2022, through material fact, the Company's Board of Directors approved a new Repurchase Program of up to 20,000,000 of its own common shares (October/2022 Program), with a maximum term for carrying out the acquisition of up to 18 months.

On May 4, 2022, the Company's Board of Directors approved the Repurchase Program ("May/2022 Program") for up to 20,000,000 of its own common shares. The May/2022 Program ended on August 3, 2022, through which it repurchased all the shares provided for at the average cost of R\$48.33 (forty-eight Brazilian Reais and thirty-three cents), with a market value corresponding to R\$966,600.

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On July 27, 2022, the Company's Board of Directors approved a new Share Repurchase Program ("July/2022 Program") of up to 20,000,000 of its own common shares, with a maximum term for carrying out the acquisitions up to January 27, 2024. The July/2022 Program ended on September 27, 2022, through which it repurchased all the shares provided for at the average cost of R\$46.84 (forty-six Brazilian Reais and eighty-four cents), with a market value corresponding to R\$936,800.

The repurchase programs totaled R\$1,903,400 in market value, plus transaction costs of R\$1,024, with a total disbursement of R\$1,904,424.

On March 31, 2022, the Company granted 130,435 common shares at an average cost of R\$39.10 (thirty-nine Brazilian Reais and ten cents) per share, with a historical value of R\$5,100, in compliance with the 2018 Program of the restricted shares plan (Note 22.2).

	Quantity	Average cost per share	Historical value	Market value
Balances at December 31, 2020	12,042,004	18.13	218,265	704,939
Balances at December 31, 2021	12,042,004	18.13	218,265	723,845
Realization in the restricted shares plan	(130,435)	18.13	(2,365)	8,156
Repurchase	40,000,000	47.61	1,904,424	1,904,424
Balances at December 31, 2022	51,911,569	40.84	2,120,324	2,504,214

25.6 Distribution of results

	Limit on share capital%	Distribution of results		Reserve balances	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Realization of deemed cost, net of taxes		(133,009)	(140,515)		
Tax incentive reserve		66,871	812,909	879,278	812,909
Legal reserve	20%	1,169,080	235,019	1,404,099	235,019
Capital increase reserve	80%	17,937,885	2,513,663	19,732,050	2,513,663
Special statutory reserve		1,993,098	279,295	2,192,442	279,344
Capital reserve				18,425	15,455
Unclaimed dividends forfeited		(2,308)			
Reserve for the distribution of dividends			86,889		86,889
Proposed additional dividend		93,633			
Proposed minimum mandatory dividends		2,256,367	913,111		
		23,381,617	4,700,371	24,226,294	3,943,279

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26. EARNINGS (LOSS) PER SHARE**26.1 Basic**

The basic earnings (loss) per share is measured by dividing the profit attributable to the Company's shareholders by the weighted average number of common shares issued during the period, excluding the common shares acquired by the Company and held as treasury shares.

	December 31, 2022	December 31, 2021	December 31, 2020
Resulted of the year attributable to controlling shareholders	23,381,617	8,626,386	(10,724,828)
Weighted average number of shares in the year – in thousands	1,361,264	1,361,264	1,361,264
Weighted average treasury shares – in thousands	(31,043)	(12,042)	(12,042)
Weighted average number of outstanding shares – in thousands	1,330,221	1,349,222	1,349,222
Basic earnings (loss) per common share – R\$	17.57724	6.39360	(7.94890)

26.2 Diluted

The diluted earnings (loss) per share is measured by adjusting the weighted average of outstanding common shares, assuming the conversion of all common shares with dilutive effects.

	December 31, 2022	December 31, 2021	December 31, 2020
Resulted of the year attributed to controlling shareholders	23,381,617	8,626,386	(10,724,828)
Weighted average number of shares during the year (except treasury shares) – in thousands	1,330,221	1,349,222	1,349,222
Average number of potential shares (stock options) - in thousands	317	327	
Weighted average number of shares (diluted) – in thousands	1,330,538	1,349,549	1,349,222
Diluted earnings (loss) per common share – R\$	17.57305	6.39205	(7.94890)

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27. NET FINANCIAL RESULT

	December 31, 2022	December 31, 2021	December 31, 2020
Financial expenses			
Interest on loans, financing and debentures ⁽¹⁾	(3,648,330)	(3,188,654)	(3,275,618)
Early settlement premium expenses		(260,289)	(391,390)
Amortization of transaction costs ⁽²⁾	(69,881)	(107,239)	(101,741)
Interest expenses on lease liabilities	(433,613)	(560,619)	(486,286)
Amortization of fair value adjustments	(18,887)	(5,543)	(38,826)
Other	(419,659)	(98,957)	(165,564)
	<u>(4,590,370)</u>	<u>(4,221,301)</u>	<u>(4,459,425)</u>
Financial income			
Cash and cash equivalents and marketable securities	818,780	205,574	146,930
Amortization of fair value adjustments to business combinations		9,110	95,238
Other	148,230	57,872	85,307
	<u>967,010</u>	<u>272,556</u>	<u>327,475</u>
Results from derivative financial instruments			
Income	11,969,288	5,582,352	7,283,864
Expenses	(5,207,721)	(7,180,014)	(16,706,546)
	<u>6,761,567</u>	<u>(1,597,662)</u>	<u>(9,422,682)</u>
Monetary and exchange rate variations, net			
Exchange rate variations on loans, financing and debentures	3,949,020	(4,847,320)	(13,365,471)
Leases	186,241	(194,415)	(601,519)
Other assets and liabilities ⁽³⁾	(840,668)	1,240,908	1,436,099
	<u>3,294,593</u>	<u>(3,800,827)</u>	<u>(12,530,891)</u>
Net financial result	<u>6,432,800</u>	<u>(9,347,234)</u>	<u>(26,085,523)</u>

- 1) Does not include R\$359,407 arising from capitalized loan costs, substantially related to property, plant and equipment in progress of the Cerrado project for the year ended December 31, 2022 (does not include R\$18,624 as at December 31, 2021).
- 2) Includes expense of R\$190 arising from transaction costs on loans and financing that were recognized directly in the statement of income (R\$3,993 as at December 31, 2021).
- 3) Includes effects of exchange rate variations of trade accounts receivable, trade accounts payable, cash and cash equivalents, marketable securities and others.

28. NET SALES

	December 31, 2022	December 31, 2021	December 31, 2020
Gross sales	59,550,424	48,479,827	35,663,758
Sales deductions			
Returns and cancellations	(91,291)	(69,764)	(68,367)
Discounts and rebates	(7,459,520)	(5,717,412)	(3,830,267)
	<u>51,999,613</u>	<u>42,692,651</u>	<u>31,765,124</u>
Taxes on sales	(2,168,667)	(1,727,220)	(1,304,847)
Net sales	<u>49,830,946</u>	<u>40,965,431</u>	<u>30,460,277</u>

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29. SEGMENT INFORMATION**29.1 Criteria for identifying operating segments**

The Board of Directors and Board of Statutory Executive Officers evaluate the performance of the Company's business segments through EBITDA.

The operating segments defined by the Company's management are set forth below:

- i) Pulp: comprised of the production and sale of hardwood eucalyptus pulp and fluff pulp, mainly to supply the foreign market.
- ii) Paper: comprises the production and sale of paper to meet the demands of both the domestic and foreign markets. Consumer goods (tissue) sales are classified under this segment due to their immateriality.

Information related to total assets by reportable segment is not disclosed, as it is not included in the set of information made available to the Company's management, which makes investment decisions and determines the allocation of resources on a consolidated basis.

In addition, with respect to geographical information related to non-current assets, the Company does not disclose such information, as all property, plant and equipment, biological and intangible assets are in Brazil.

29.2 Information of operating segments

	December 31, 2022		
	Pulp	Paper	Total
Net sales	41,384,322	8,446,624	49,830,946
Domestic market (Brazil)	2,665,746	5,858,892	8,524,638
Foreign markets	38,718,576	2,587,732	41,306,308
Asia	18,294,046	4,059	18,298,105
Europe	12,768,321	325,503	13,093,824
North America	7,055,625	608,734	7,664,359
South and Central America	592,360	1,641,277	2,233,637
Africa	8,224	8,159	16,383
EBITDA	26,098,309	3,532,362	29,630,671
Depreciation, depletion and amortization			(7,407,890)
Operating profit before net financial income ("EBIT")⁽¹⁾			22,222,781
EBITDA margin (%)	63.06 %	41.82 %	59.46 %

1) ("Earnings before interest and tax").

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	December 31, 2021		
	Pulp	Paper	Total
Net sales	34,715,208	6,250,223	40,965,431
Domestic market (Brazil)	2,338,810	4,380,585	6,719,395
Foreign markets	32,376,398	1,869,638	34,246,036
Asia	15,952,786	43,961	15,996,747
Europe	10,477,292	318,666	10,795,958
North America	5,694,273	424,909	6,119,182
South and Central America	233,061	1,026,247	1,259,308
Africa	18,986	55,855	74,841
EBITDA	<u>22,735,409</u>	<u>2,486,445</u>	<u>25,221,854</u>
Depreciation, depletion and amortization			(7,041,663)
Operating profit before net financial income (“EBIT”) ⁽¹⁾			<u>18,180,191</u>
EBITDA margin (%)	65.49 %	39.78 %	61.57

1) (“Earnings before interest and tax”).

	December 31, 2020		
	Pulp	Paper	Total
Net sales	25,578,265	4,882,012	30,460,277
Domestic market (Brazil)	1,609,449	3,358,186	4,967,635
Foreign markets	23,968,816	1,523,826	25,492,642
Asia	12,921,081	196,266	13,117,347
Europe	6,409,879	262,924	6,672,803
North America	4,340,956	263,328	4,604,284
South and Central America	184,590	723,603	908,193
Africa	112,310	77,705	190,015
EBITDA	<u>13,646,228</u>	<u>1,569,946</u>	<u>15,216,174</u>
Depreciation, depletion and amortization			(6,772,780)
Operating profit before net financial income (“EBIT”) ⁽¹⁾			<u>8,443,394</u>
EBITDA margin (%)	53.35 %	32.16 %	49.95 %

1) (“Earnings before interest and tax”).

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29.3 Net sales by product

The following table set out the breakdown of net sales by product:

Products	December 31, 2022	December 31, 2021	December 31, 2020
Market pulp ⁽¹⁾	41,384,322	34,715,208	25,578,265
Printing and writing paper ⁽²⁾	6,912,984	5,107,960	3,891,002
Paperboard	1,421,338	1,091,588	935,047
Other	112,302	50,675	55,963
	49,830,946	40,965,431	30,460,277

- 1) Net sales of fluff pulp represent approximately 0.8% of total net sales, and therefore were included in market pulp net sales. (0.7% as at December 31, 2021).
- 2) Net sales of tissue represent approximately 2.3% of total net sales, and therefore were included in printing and writing paper net sales. (2.2% as at December 31, 2021).

With regard to the foreign market revenues of the pulp operating segment, China and the USA are the main countries in terms of net revenue, 42.12% and 14.08%, respectively, for the year ended December 31, 2022 (China and the USA represented 44.41% and 14.67%, respectively, on December 31, 2021).

With regard to the foreign market revenues of the paper operating segment, the USA, Peru and Argentina are the main countries in relation to net revenue, representing 23.49%, 9.04% and 19.81%, respectively, for the year ended December 31, 2021 (USA, Peru and Argentina represented 24.30%, 10.03% and 13.03% respectively, on December 31, 2021).

There is no other individual foreign country that represents more than 10% of net revenue in the foreign market for the years ended December 31, 2022 and December 31, 2021.

29.4 Goodwill based on expected future profitability

The goodwill based on expected future profitability arising from the business combination was allocated to the disclosable segments, which correspond to the Company's cash-generating units ("CGUs"), considering the economic benefits generated by such intangible assets. The allocation of intangibles is set out below:

	December 31, 2022	December 31, 2021
Pulp	7,897,051	7,897,051
Paper	119,332	119,332
	8,016,383	8,016,383

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30. INCOME (EXPENSES) BY NATURE

	December 31, 2022	December 31, 2021	December 31, 2020
Cost of sales ⁽¹⁾			
Personnel expenses	(1,467,896)	(1,174,460)	(997,080)
Costs of raw materials, materials and services	(11,463,862)	(8,731,670)	(7,533,152)
Logistics costs	(4,795,161)	(4,328,046)	(4,156,096)
Depreciation, depletion and amortization	(6,406,610)	(5,988,248)	(5,773,088)
Other	(687,759)	(393,164)	(506,915)
	<u>(24,821,288)</u>	<u>(20,615,588)</u>	<u>(18,966,331)</u>
Selling expenses			
Personnel expenses	(244,681)	(219,590)	(205,636)
Services	(146,184)	(121,568)	(114,143)
Logistics costs	(1,065,416)	(947,551)	(852,562)
Depreciation and amortization	(951,626)	(944,361)	(905,880)
Other ⁽²⁾	(75,287)	(58,652)	(96,431)
	<u>(2,483,194)</u>	<u>(2,291,722)</u>	<u>(2,174,652)</u>
General and administrative expenses			
Personnel expenses	(1,039,733)	(984,513)	(862,308)
Services	(378,986)	(330,727)	(311,975)
Depreciation and amortization	(101,764)	(103,867)	(78,275)
Other ⁽³⁾	(189,284)	(158,802)	(190,634)
	<u>(1,709,767)</u>	<u>(1,577,909)</u>	<u>(1,443,192)</u>
Other operating (expenses) income net			
Rents and leases	2,164	3,321	4,303
Results from sales of other products, net	58,880	31,865	56,791
Results from sales and disposals of property, plant and equipment, intangible and biological assets, net ⁽⁴⁾	(509)	413,052	11,548
Result from fair value adjustments of biological assets	1,199,759	763,091	466,484
Depletion and amortization ⁽⁵⁾	52,110	(5,187)	(15,537)
Tax credits - gains in tax lawsuits (exclusion of ICMS from the PIS/COFINS calculation basis) ⁽⁶⁾	(1,324)	441,880	
Provision for judicial liabilities ⁽⁷⁾	(156,243)		
Other operating income (expenses), net	(33,121)	45	7,561
	<u>1,121,716</u>	<u>1,648,067</u>	<u>531,150</u>

- 1) Includes R\$525,882 related to maintenance downtime, costing (R\$227,562 as at December 31, 2021).
- 2) Includes expected credit losses, insurance, materials for use and consumption, travel, accommodation, trade fairs and events.
- 3) Includes, substantially, corporate expenses, insurance, materials for use and consumption, social programs and donations, travel and accommodation. As at December 31, 2021, includes R\$25,285 and as at December 31, 2020, includes R\$89,666 related to COVID-19 social actions.
- 4) As at December 31, 2021 mainly represents the net gain on the sale of rural properties and forests to Turvinho and Bracell.
- 5) Does not include R\$18,887, related to the amortization of fair value adjustments recognized as financial expenses (Note 26) (R\$5,543 as at December 31, 2021 and R\$38,826 as at December 31, 2020).
- 6) As at December 31, 2021, refers to the recognition of (i) R\$454,318, related to the tax credit and (ii) R\$12,438 related to the provision for legal fees.
- 7) Comparative period balances were classified as Cost of sales and General and administrative expenses.

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31. INSURANCE COVERAGE

The Company has insurance coverage for operational risks, with a maximum coverage of US\$1,000,000 corresponding to R\$5,517,700. Additionally, the Company has insurance coverage for civil general liabilities in the amount of US\$20,000 corresponding to R\$104,354 as at December 31, 2022.

The Company's Management considers these amounts adequate to cover any potential liabilities, risks and damage to its assets, and any loss of profits.

The Company does not have insurance coverage for its forests. To mitigate the risk of fire, the Company maintains internal fire brigades, a watchtower network, and a fleet of fire trucks. There is no history of material losses arising from forest fires.

The Company has a domestic transportation insurance policy with a maximum coverage of R\$60,000 and international policy in the amount of US\$75,000 corresponding to R\$391,328, effective through May 2024, and renewable for an additional 18 months.

In addition, it has insurance coverage for civil responsibility of Directors and Executives ("D&O") at amounts considered adequate by Management.

The assessment of the sufficiency of insurance coverage is not part of the scope of the examination of the financial statements by the independent auditors.

32. EVENTS AFTER THE REPORTING PERIOD

32.1 STF decision – Effectiveness of final and unappealable tax decisions

On February 8, 2023, the Federal Supreme Court in Brazil concluded the judgment of Items 881 and 885, which discussed the effects of res judicata. Notwithstanding, considering the information available up to the date of preparation of these financial statements, the Company is not a party to any litigation related to a tax not being collected due to a past decision considered unappealable, therefore, the Company has no material adjustment due to the February 8, 2023 decision.

32.2 Treasury shares canceled

On February 28, 2023, the Company decided to cancel 37,145,969 common shares that were being held in treasury, without changing the share capital and against the balances of available earnings reserves. After the cancellation of shares, the share capital of R\$9,269,281 is now divided into 1,324,117,615 common shares, all nominative, book-entry and without par value.

ITEM 19. EXHIBITS

No.	Description
1.1	Bylaws of Suzano, dated as of April 26, 2023.
2.1	Description of Securities.
3.1	English translation of the Suzano Shareholders' Agreement dated as of September 28, 2017, as amended, by and among the Suzano Controlling Shareholders (incorporated by reference to Exhibit 10.2 of Registration Statement on Form F-4 filed with the Securities and Exchange Commission on August 6, 2018 (File No. 333-226596)).
3.2	English translation of the Suzano Share Transfer Agreement dated as of September 28, 2017, as amended, by and among certain of the controlling shareholders of Suzano (incorporated by reference to Exhibit 10.3 of Registration Statement on Form F-4 filed with the Securities and Exchange Commission on August 6, 2018 (File No. 333-226596)).
8.1	List of Subsidiaries.
11.1	Code of Ethics.
12.1	Certifications Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
13.1	Certifications Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. †
15.1	Consent Letter of PricewaterhouseCoopers Auditores Independentes Ltda.
17.1	List of Subsidiary Issuers and Guarantor of U.S. Registered Securities
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File. Formatted in Inline XBRL and contained in exhibit 101.

† This certification will not be deemed “filed” for purposes of Section 18 of the Act (15 U.S.C. 78r), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the Registrant specifically incorporates it by reference.

The amount of our long-term debt securities or our subsidiaries authorized under any individual outstanding agreement does not exceed 10% of our total assets on a consolidated basis. We hereby agree to furnish the SEC, upon its request, a copy of any instruments defining the rights of holders of our long-term debt or of our subsidiaries for which consolidated or unconsolidated financial statements are required to be filed.

SIGNATURES

The registrant hereby certifies that it meets all the requirements for filing on Form 20-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of São Paulo, on April 27, 2023.

Suzano S.A.

By: /s/ Walter Schalka

Name: Walter Schalka

Title: Chief Executive Officer

By: /s/ Marcelo Feriozzi Bacci

Name: Marcelo Feriozzi Bacci

Title: Chief Financial and
Investor Relations Officer

BYLAWS

SUZANO S.A.

Publicly Held Company of Authorized Capital
CNPJ/MF n° 16.404.287/0001-55
NIRE n° 29.300.016.331

BYLAWS

CHAPTER I

**NAME, HEAD OFFICE, DURATION
AND PURPOSE**

Article 1 – SUZANO S.A. (“Company”) is a Brazilian publicly held company with authorized capital, governed by these Bylaws and by the applicable legislation, operating in an ethically responsible manner and with respect for human rights.

Sole Paragraph – With the admission of the Company in the Novo Mercado of B3 S.A. – Brasil Bolsa, Balcão (“B3”), the Company, its shareholders, including its controlling shareholders, managers and audit board members, when installed, are subject to the Novo Mercado Regulations of the B3 (“Novo Mercado Rules”).

Article 2 – The Company has its head office in the city, municipality and district of Salvador, State of Bahia, which is its legal jurisdiction.

Article 3 – The Company shall have indeterminate duration.

Article 4 – The objects of the Company are:

- (a) manufacture, trade, import and export of pulp, paper and other products originated from the transformation of forest materials, including their recycling, as well as wood and products related to the printing industry;
 - (b) formation and commercial operation of homogenous forests, company-owned or owned by third parties, directly or through contracts with companies specializing in forest cultivation and management;
 - (c) provision of services, and import, export and commercial operation of assets related to the Company’s purposes;
 - (d) transportation, by itself or by third parties;
 - (e) holding interest as a partner or shareholder in any other company or project;
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- (f) operation of port terminals;
- (g) generation and sale of electricity;
- (h) rendering of waterborne transport services by means of cabotage and inland navigation, as well as auxiliary activities such as maritime operations and signaling;
- (i) rendering of port operator services for the movement and storage of goods, for or deriving of waterborne transport, within the organized port area; and
- (j) operation of airports and landing fields.

CHAPTER II CAPITAL STOCK AND SHARES

Article 5 – The Company’s share capital, fully subscribed and paid-in, amounts to nine billion, two hundred sixty-nine million, two hundred eighty one thousand, four hundred twenty four reais and sixty- three cents (BRL 9,269,281,424.63), divided into one billion, three hundred twenty-four million, one hundred seventeen thousand, six hundred and fifteen (1,324,117,615) common shares, all registered, book- entry type and without par value.

§ One – The registered capital may be increased without any change in the Bylaws, by decision of the Board of Directors, up to the limit of seven hundred and eighty million, one hundred and nineteen, seven hundred and twelve (780,119,712) ordinary shares, all exclusively book-entry type.

§ Two – In the event of an increase in capital, pursuant to the terms of the law, the shareholders shall have the preemptive right in subscription of the shares to be issued, in proportion to the number of shares that they hold.

§ Three – The Board of Directors may exclude the right of first refusal for existing shareholders in any issue of shares, debentures convertible into shares or warrants the placement of which is made through (i) sale on securities exchanges or by public subscription or (ii) exchange of shares, in a public offering for acquisition of control, in accordance with the legislation.

§ Four – In the event of capital increase by incorporation of reserves or of funds of any kind, the new shares, if issued, shall maintain the same proportions in relation to quantity of shares as those existing at the moment prior to the increase, and the rights attributed to the shares issued by the Company must be fully obeyed.

Article 6 – Any shareholder who for any reason does not within the specified period pay in any call for capital to subscribe shares of the Company shall, for the full purposes of law, be regarded as in arrears and subject to payment of the amount subscribed with monetary adjustment, in accordance with the law, by the Market General Price Index (IGP-M, published by the FGV), plus interest of twelve percent (12%) per year and a penalty payment of ten percent (10%) on the amount of the outstanding balance of the call.

CHAPTER III THE SHAREHOLDERS MEETING

Article 7 – The Shareholders Meeting shall be convened, ordinarily, in one of the four (4) months following the ending of the business year and, extraordinarily, at any time when called by the Chairman of the Board of Directors, by a Vice-chairman of the Board of Directors, or in any of the cases provided for by law.

Sole Paragraph – The Shareholders Meeting which has as a matter of its agenda the resolution over (i) the cancellation of the company’s registry as a publicly held company, or (ii) the change or the exclusion of Article 30 below, shall be called, with at least, sixty (60) days in advance.

Article 8 – The Shareholders Meeting shall be declared to be in session by the Chairman of the Board of Directors, or by any of the Vice-Chairmen of the Board of Directors, by the Chief Executive Officer, or by the Investor Relations Officer and the shareholders shall then immediately elect the Chairman of the Meeting, who shall request one of those present to be secretary of the Meeting. The Shareholders Meeting may also be declared to be in session by an attorney-in-fact, appointed for that specific purpose by the Chairman of the Board of Directors or by the Chief Executive Officer.

CHAPTER IV THE MANAGEMENT

Article 9 – The following are the Company’s management bodies: (a) the Board of Directors: and (b) the Statutory Executive Board of Officers.

Article 10 – The Board of Directors is a committee decision body, and representation of the Company is a private right of the Statutory Chief Executive Officers and Statutory Executive Officers.

§ One – The term of office of the members of the Board of Directors is two (2) years, and that of the Statutory Executive Board of Officers is one (1) year, but both shall be extended until the new members appointed are sworn in. Board members will serve a unified term and re-election is allowed.

§ Two – The investiture of the managers and members of the Audit Board, sitting and substitute members is conditional to the execution of the instrument of investiture, which shall reflect its subjection to the commitment clause referred to in Article 34 of these Bylaws.

§ Three – The positions of Chairman of the Board of Directors and Chief Executive Officer or key executive of the Company cannot be held by the same person, except in the event of a vacancy, subject to the terms of the Novo Mercado Rules.

Article 11 – The Annual Shareholders Meeting shall, annually, determine the global compensation amount of the members of the Board of Directors and Statutory Executive Board of Officers, it being for the Board of Directors to decide on the form of distribution of the amount fixed, between its members and those of the Statutory Executive Board of Officers.

SECTION I THE BOARD OF DIRECTORS

Article 12 – The Board of Directors shall be made up of between five (5) and ten (10) members, resident in or outside Brazil, elected and dismissed by the Shareholders Meeting, who shall appoint a Chairman and up to two (2) Vice-Chairmen from among them.

§ One – Out of the members of the Board of Directors, at least, two (2) or twenty percent (20%), whichever is higher, shall be Independent Directors, as per the definition of the Novo Mercado Rules, provided that the characterization of the individuals appointed to the Board of Directors as independent board members must be approved at the shareholders' meeting which elects them.

§ Two – When, due to the calculation of the percentage set forth in the paragraph above, the result generates a fractional number, the Company shall round to the nearest greater whole number.

Article 13 – The Board of Directors shall meet on being called by its Chairman, or any of its Vice-Chairmen or by the Chief Executive Officer, with a minimum of two (2) days' notice and indication of the agenda. Convocation may be by electronic mail. The quorum for the Board to be in session at first (1st) call is at least two-thirds (2/3) of its members, provided that at least the Chairman or one of the Vice-Chairmen of the Board of Directors shall be present, and, on second (2nd) call, the majority of its members, provided that at least the Chairman or one of the Vice-Chairmen of the Board of Directors shall be present. The decisions of the Board of Directors shall be taken by a majority vote of members present at the meeting, provided that one is the Chairman or one of the Vice-Chairmen.

In the event of a tied vote, the Chairman of the Board of Directors shall have a casting vote.

§ One – Members of the Board of Directors may take part in meetings by telephone, videoconference or other means of communication; and to ensure effective participation and authenticity of the vote, members should, within the three (3) days following meetings, deliver to the head office, or send by e-mail, documents signed by them confirming their participation and the content of their votes. This procedure may be dispensed with by the said member signing the corresponding minutes of the meeting of the Board of Directors, which must make reference to the medium by which the member stated his or her opinion.

§ Two – Any member of the Board of Directors shall have the right to be represented, through written document or through e-mail, by another member of the Board of Directors, whether for the formation of a quorum, or for voting, with the option to indicate, or not, his or her vote. This representation shall be extinguished simultaneously with the closing of the meeting of the Board of Directors.

§ Three – Similarly, votes shall be valid if made by letter, telegram or e-mail, when received by the Chairman of the Board of Directors or his substitute, up to the end of the meeting.

§ Four – The Chairman of the Board of Directors may invite any of the members of the committees of the Board of Directors or any of the Executive Officers who are not members of the Board of Directors to attend meetings, but without the right to vote, any members of executive committees to the Board of Directors (statutory or not) or the Statutory Executive Board of Officers that not a member of the Board of Directors, and, also, any other executive of the Company, or the representative of the Company's external auditors, or any third party who may be able to contribute opinions, information or suggestions or able to assist in the decisions of the members of the Board.

§ Five – The Board of Directors may also appoint an honorary member, a person of recognized professional competence with a history of dedication to the Company, who may be consulted on an information basis at the meetings of the Board of Directors, under rules and conditions to be set by the Board of Directors.

Article 14 – The following shall be the attributes of the Board of Directors:

- (a) to fix the general orientation of the Company's business, subject always to the ethical values adopted by the community where it is working, especially respect for human rights and the environment;
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- (b)** if a Committee is created to evaluate the matter hereof, after listening such committee, to elect, evaluate or dismiss Statutory Executive Officers of the Company, at any time, and to set the attributions and competencies of each one of them where these are not provided by these Bylaws, as well as orient the vote of the Company, its subsidiaries or controlled companies, in the election of the managers of the subsidiaries or controlled companies or other companies in which the Company, its subsidiaries or controlled companies hold any equity interest, whenever the Company's, its subsidiaries or controlled companies investment to which the manager will be elected represents an amount equivalent to at least five percent (5%) of the Company's net equity, as disclosed in the Company's Financial Statements for the most recent year-end closing;
 - (c)** to inspect the management as effected by the Statutory Executive Officers; to examine the books and papers of the Company at any time; to request information on contracts signed or to be signed, and any other actions;
 - (d)** if a Committee is created to evaluate the matter hereof, after listening such committee, to state an opinion on the management report and accounts of the Statutory Executive Board of Officers;
 - (e)** if a Committee is created to evaluate the matter hereof, after listening such committee, to appoint and dismiss the independent auditors, subject to the right of veto provided for by law;
 - (f)** if a Committee is created to evaluate the matter hereof, after listening such committee, to approve the accounting criteria and practices;
 - (g)** if a Committee is created to evaluate the matter hereof, after listening such committee, to approve the long-term global strategy to be obeyed by the Company and by the subsidiary companies, and also the long-term global strategy to be proposed for the affiliated companies;
 - (h)** if a Committee is created to evaluate the matter hereof, after listening such committee, to examine, approve, and monitor the execution of, the annual and multi-year capital expenditure and operational budgets consolidated, which shall be prepared by the Statutory Executive Board of Officers;
 - (i)** to monitor and evaluate the economic and financial performance of the Company;
 - (j)** to state opinions on any proposals or recommendations made by the Statutory Executive Board of Officers to the General Shareholders Meeting;
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- (k)** to decide on the grant, or not as the case may be, of the preemptive right of shareholders, or to reduce the period of this right, in issues of shares, debentures convertible into shares, or warrants, the placement of which is made by one of the methods referred to in article 172 of Law No. 6,404/76 (“Corporations Law”);
 - (l)** subject to the terms of line “k” above, to decide on the issue of securities, including promissory notes, for public or private distribution, inside or outside Brazil, in accordance with the respective legislation;
 - (m)** if a Committee is created to evaluate the matter hereof, after listening such committee, to authorize initial or subsequent participation of the Company as a partner, shareholder or member of a consortium, in another company (except for wholly owned subsidiaries) or undertaking, the giving in guarantee of any interest so acquired to third parties in the Company’s transactions, or disposal in any manner or form of any shareholding or interest which is part of the Company’s assets;
 - (n)** to authorize the acquisition of shares in the Company, for the purpose of cancellation, or holding in treasury and subsequent sale;
 - (o)** if a Committee is created to evaluate the matter hereof, after listening such committee, to appoint the Investor Relations Officer;
 - (p)** if a Committee is created to evaluate the matter hereof, after listening such committee, to authorize the Statutory Executive Board of Officers, with limits of authority to be defined by a resolution approved at a meeting of the Board of Directors, the minutes of which meeting shall be duly registered with the competent Board of Trade:
 - (p.1) to sell, place a charge on or acquire assets related to the Company’s fixed assets and those referred in line “m” of this Article;
 - (p.2) to give a real guarantee of any nature, or to give a chattel mortgage;
 - (p.3) to agree asset or liability financial transactions, including those known as “vendor” transactions, in which the Company is a guarantor for its clients;
 - (p.4) to sign any other contracts in accordance with defined limits of authority in relation to amounts;
 - (p.5) to carry out, or order to be carried out, any acts not expressly provided for in these Bylaws, provided that such acts are legally within its competence;
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(p.6) to bring actions, make concessions, reach agreements or withdraw legal proceedings, procedures, measures or any other demands in Court, administrative or arbitration proceedings, and also to carry out voluntary tax offsetting, such as may result in or can result in obligations or rights on the part of the Company, or which may prejudice or can prejudice the Company's reputation or image;

- (q) to decide on the establishment of a consultative council to provide advice to the members of the Board of Directors, and to set the positions, remuneration and rules for functioning of that body;
- (r) to create other committees to advise the Board of Directors, whenever it deems this to be desirable, subject to the terms of Article 15 below;
- (s) if a Committee is created to evaluate the matter hereof, after listening such committee, to nominate people to drive sectors or areas of the Company, as nonstatutory Executive Officer, who shall report to an Statutory Executive Officer, not implying such procedure in the delegation of powers which, by law or the present Bylaws, are exclusive of Statutory Executive Officers elected, neither attributing to them, therefore, the condition of member of any statutory organ; and
- (t) if a Committee is created to evaluate the matter hereof, after listening such committee, to define a triple list of companies specializing in economic valuation of companies for the preparation of an appraisal report of the Company's shares, in cases of tender offer ("OPA") for cancellation of registration as a publicly held company.

Article 15 – The Board of Directors may establish other advisory committees, which function is to opine over the matter of their competence, in the terms of these Bylaws and the resolutions of the Board of Directors. The recommendations of the committees shall have an exclusive opinionative character, being that the members of the committees shall not have any deliberative power or responsibility for the resolutions.

§ One – The rules regarding composition, duties and competence of an eventual committee that comes to be created by the Board of Directors are to be defined in the specific act of creation of these committees and/or in the resolutions of the committees that follow their creation.

§ Two – The committees may have assistance from other professionals, and also an administrative support structure. The Company shall pay the remuneration of such professionals, including that of the members of the committees and the expenses of the administrative support structure. When the committees believe it to be necessary, they may also hire consultancy services from external professionals, whose fees shall be paid by the Company.

Article 16 – The Chairman of the Board of Directors has the following attributions, with the assistance, in relation to the matters in lines “b”, “c” and “d” below, at his exclusive option, of the respective Committees of the Board of Directors:

- (a) to represent the Board of Directors in dealings with other parties;
- (b) to suggest to the Board of Directors the general orientation of the Company’s business to be transmitted to the Statutory Executive Board of Officers;
- (c) to prepare all the elements necessary for the practice of the acts which are within the competence of the Board of Directors; and
- (d) to accompany and give support to the activities of the Statutory Executive Board of Officers and/or of any of its members.

Article 17 – If the Chairman of the Board of Directors is temporarily absent, he shall be substituted by one of the Vice-Presidents of that body, and it shall be for the Chairman of the Board of Directors to indicate the substitute; and when this does not happen, it shall be for the Board of Directors to make such indication. The same criterion shall be adopted in the same cases for any other member, who shall be substituted by one of his peers.

§ One – If a vacancy occurs on the Board of Directors, the seat may remain vacant until the next Annual Shareholders Meeting, without prejudice of a nomination of a substitute, in order to complete the current mandate, by the remaining directors in a Board of Directors Meeting, in the form of article 150 of the Corporations Law, if one is necessary to maintain the minimum number of members of that body, or if it is deemed convenient that the post should be filled.

§ Two – The substitutions provided for in this Article shall result in the exercise of the functions and of the right to vote in the meetings of the Board of Directors, but not in the remuneration and other advantages of the person substituted.

SECTION II THE STATUTORY EXECUTIVE BOARD OF OFFICERS

Article 18 – The Statutory Executive Board of Officers shall be comprised of one (1) Chief Executive Officer and between four (4) and nine (9) Statutory Executive Officers, resident and domiciled in Brazil, and of recognized technical and administrative ability, who may be shareholders, elected by the Board of Directors and able to be dismissed by it at any time, and also to be re-elected.

§ One – The participation of Statutory Executive Officers in the meeting, by telephone, videoconference or other means of communication is allowed; and in order to ensure the effective participation and authenticity of their vote, the Statutory Executive Officers shall deliver, within three (3) days following the meetings, at the Company’s headquarters or send by e-mail, documents signed by them confirming their participation and the content of their votes, and such action shall be waived upon the signature of the corresponding minutes of the meeting of the Statutory Executive Board of Officers by said Statutory Executive Officer, which shall refer to the manner in which the Statutory Executive Officer has expressed himself.

§ Two – The area of specific activity and competence of each of the members of the Statutory Executive Board of Officers may be fixed by the Board of Directors, when not specified in these Bylaws.

§ Three – The managers are not permitted to give personal guarantees.

Article 19 – In the temporary absence:

- (a)** of the Chief Executive Officer, his replacement shall be designated by the Chairman of the Board of Directors, from among the members of the Board of Directors or the Statutory Executive Board of Officers;
- (b)** of any other Statutory Executive Officer, his replacement shall be designated by the Chief Executive Officer, from among the other members or from the direct subordinates of the Statutory Executive Officer who is absent or prevented, on his recommendation. In this latter case, the direct subordinate who is substituting the absent Statutory Executive Officer shall take part in all the routine activities and shall have all the duties of the said officer, including that of being present at meetings of the Statutory Executive Board of Officers to instruct on matters relating to the Statutory Executive Officer who is substituted, without, however, exercising the right to a vote or receiving the remuneration of the person substituted.

§ One – In the event of a seat on the Statutory Executive Board of Officers becoming vacant, the Board of Directors shall meet to fill the vacant seat, if this be necessary to provide the minimum number of members of that body, or if the Board of Directors believes it to be convenient to fill the post. The term of office of the Statutory Executive Officer thus elected shall terminate simultaneously with that of his peers.

§ Two – Subject to the terms of line “b” of the head paragraph of this Article, substitutions made under this Article shall result in the substitute having the post of the person substituted as well as his or her own, including the right to vote, but excluding the right to receive the remuneration or other advantages of the person substituted.

Article 20 – The Statutory Executive Board of Officers shall meet on calling by the Chief Executive Officer, or by two (2) Statutory Executive Officers, with up to two (2) days' prior notice, this period being dispensed with when all of the members take part in the meeting.

§ One – The meetings of the Statutory Executive Board of Officers shall be valid when the majority of its members are present, including the Chief Executive Officer or his substitute.

§ Two – Decisions at all meetings of the Statutory Executive Board of Officers shall be taken by the majority of the members present and recorded in minutes. In the event of a tied vote, the Chief Executive Officer shall have the casting vote.

§ Three – The Statutory Executive Officers may meet independently of the formality of calling, when there is an urgent subject. For this meeting to be valid it is necessary that two-thirds (2/3) of the members of the Statutory Executive Board of Officers to be present or represented, and that the decision be taken unanimously

Article 21 – The following shall be attributions of the Statutory Executive Board of Officers:

- (a) to comply with the terms of these Bylaws, and the decisions of the General Meeting of Shareholders and of the Board of Directors, and cause them to be complied with;
 - (b) to administer and manage the Company's business in accordance with the orientation established by the Board of Directors;
 - (c) to produce monthly interim financial statements and deliver them to the Board of Directors;
 - (d) to prepare the financial statements for each business period, as specified in these Bylaws, including a proposal for allocation of the profit, and submit them to the Board of Directors;
 - (e) to propose to the Board of Directors the approval of the procedures referred to in Articles 27 and 28 of these Bylaws;
 - (f) to prepare the annual and multi-year operations and capital expenditure budgets, including, among other matters, the forestry, industrial, commercial, financial and human resources plans, to be submitted by the Chief Executive Officer to the Board of Directors;
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- (g) to decide on the transactions indicated in lines “p.1” to “p.4” and “p.6” of Article 14 of these Bylaws, subject, when their value does not exceed the amounts indicated in those sub-items, to the authorized limit amounts previously established by the Board of Directors or, if their value does exceed the amounts indicated in those sub-items, after prior submission to the Board of Directors, as well as to resolve on investments on wholly owned subsidiaries in any amounts;
- (h) to open and/or close branch offices or warehouses throughout the whole of Brazil;
- (i) to inform the Board of Directors, in the person of its Chairman, in relation to any question of singular importance for the Company’s business; and
- (j) to seek continuous improvement in the organizational climate and results.

Article 22 – In acts and transactions which create obligations for the Company or exonerate third parties from obligations to it, the Company shall be represented, actively and passively, by any two (2) of its Statutory Executive Officers.

§ One – The Company may be represented by one (1) Statutory Executive Officer and one (1) person holding a power of attorney, by two (2) persons holding powers of attorney or even by one (1) person holding a power of attorney, provided that the power of attorney itself is given by two (2) Statutory Executive Officers, provided that the said power of attorney precisely and consistently specifies the powers that it gives and its period of validity.

§ Two – No powers may be subrogated under any power of attorney, except for the purposes of court proceedings and in-court representation.

§ Three – The Company may, subject to the terms of this Article, be represented by a single Statutory Executive Officer, or by an attorney-in-fact with specific powers to practice any of the following acts:

- (a) in acts of endorsement of checks or trade bills in favor of financial institutions, in the former case for the purposes of deposit in the Company’s account; or in the latter case for the purposes of discount and/or deposit and/or trading charge and/or collection; also signing the respective contracts, proposals and bordereaux;
 - (b) representation of the Company before any federal, state or municipal public office, or independent public authority, or public companies, public mixed-capital companies or foundations, solely for administrative purposes;
 - (c) representation of the Company before the Labor Courts, the Public Attorneys’ Offices, or in dealings with labor unions, including for the purposes of appointing
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representatives and in matters relating to hiring, suspension and dismissal of employees and/or labor agreements including labor litigation; and

- (d) representation of the Company in relation to third parties, for the purposes of representation which does not involve any type of obligation on the Company.

§ Four – Except for purposes of the Courts, and of representation of the Company in administrative disputes and procedures relating to brands and patents, all other powers of attorney given by the Company shall have a maximum period of validity, namely up to June 30 of the year following the year in which they are given, unless there be established a shorter period, which must in any event always be included in the respective instrument.

Article 23 – The following are attributions of the Chief Executive Officer:

- (a) without prejudice to the terms of Article 22 above, to represent the Company actively or passively in the courts or outside the courts, especially to give personal testimony, and for this function he may designate a person to represent him, by special power of attorney;
 - (b) to represent the Company in its public and private relationships at high level;
 - (c) to oversee all the Company's activities in conformity with the orientation established by the Board of Directors;
 - (d) to submit the annual and multi-year operations and capital expenditure budgets to the approval of the Statutory Executive Board of Officers and the Board of Directors;
 - (e) to submit to examination by the Statutory Executive Board of Officers the statistics, reports and statements which give evidence of the global results of the Company, including those of the affiliated and subsidiary companies;
 - (f) to stimulate good relations between the Statutory Executive Board of Officers, eventual committees and the Board of Directors, based on the interests of the Company;
 - (g) to keep the Board of Directors, in the person of its Chairman, constantly informed on all the facts and acts relating to the Company's activities and investments, discussing all the material aspects with him;
 - (h) to propose to the Board of Directors:
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- (h.1) setting of financial policy, at high level, to be followed by the Company and by the subsidiary companies, and to be proposed to the affiliated companies;
- (h.2) decision on the long-term global strategy to be followed by the Company and by the subsidiary companies, and to be proposed to the affiliated companies;
- (h.3) acquisition by the Company, or its subsidiaries, or affiliated companies, of an initial or subsequent interest, through shares, in any other company, and also the disposal of, or the placing of a charge on, any of these interests; and
- (h.4) formation of joint ventures or signing of partnerships of any type, or cancellation or renewals of such partnerships, by the Company or by its subsidiaries, or affiliated companies.

Sole Paragraph – Service of process on the Company shall be valid only when served on the Chief Executive Officer and one (1) other Statutory Executive Officer.

CHAPTER V THE AUDIT BOARD

Article 24 – The Audit Board is a non-permanent body, and shall be duly installed upon request of the shareholders, in accordance with the applicable laws. Once installed, the Audit Board shall be comprised by three (3) to five (5) sitting members and an equal number of substitute members, appointed by the Shareholders Meetings, and shall be governed by the applicable laws and rulings, by these Bylaws and by its Internal Rules.

§ One – In the event of impediment or absence of any member, or a vacancy, members of the Audit Board shall be replaced by their respective substitute members.

§ Two – The sitting members of the Audit Board shall be entitled to receive a fixed compensation determined by the Shareholders Meeting, respected the minimum legal limit, and shall not be entitled to receive any additional compensation of the Company, by any company controlled by it or colligated, except if this additional compensation arises from, or is related to, services rendered to the Company prior to its appointment, or may not compromise the exercise of the duties of audit board member.

CHAPTER VI THE STATUTORY AUDIT COMMITTEE

Article 25 – The Company shall have a Statutory Audit Committee (“SAC”), a collegiate body of advice and instruction directly related to the Company’s Board of Directors, with the purpose of supervising the quality and integrity of financial reports, adherence to

legal, statutory and regulatory laws, adequacy of processes related to risk management and activities of internal and independent auditors.

§ One – The SAC shall have its own Internal Rules, approved by the Board of Directors, which shall provide in detail its duties, as well as operational procedures, in compliance with the laws in force and the rules issued by the regulatory bodies of the capital markets and stock exchanges in which the Company's securities are listed.

§ Two – The SAC is a permanent body, and shall be comprised by, at least, three (3) and, at most, five (5) members, with a two (2) year term of office, appointed and removed by the Board of Directors, in accordance with the following criteria: (i) at least one of the members of the SAC shall be an independent member of the Company, according to the definition of the Novo Mercado Rules; (ii) at least one of the members of the SAC shall not be a member of the Board of Directors of the Company; (iii) the members of the SAC shall not integrate the Statutory Executive Board of Officers of the Company; (iv) the majority of the members shall meet the independence requirements indicated in CVM Instruction No. 308, of May 14, 1999, as amended; (v) at least one (1) member shall have a recognized experience in matters of corporate accounting, as set forth in the Internal Rules of the SAC, in the applicable legislation and in the rules issued by the regulatory bodies of the capital markets and stock exchanges in which the securities are listed of the Company; and (vi) the same member may accumulate the characteristics described in items "i" and "v" above. The SAC shall have a Coordinator, whose activities shall be defined in the Internal Rules of the SAC.

§ Three – It is prohibited the participation of the Company's Statutory Executive Officers, its controlled, controlling, colligated or companies in common control, direct or indirectly, in the SAC.

§ Four – The SAC shall have the following duties:

- (a) evaluate the quarterly financial information, interim financial statements and financial statements;
 - (b) supervise the financial area;
 - (c) ensure that the Statutory Executive Board of Officers develops reliable internal controls;
 - (d) ensure that the internal audit and the internal control areas perform its duties and that the independent auditors analyze, through its own review, the practices of the Statutory Executive Board of Officers and internal audit;
 - (e) establish with the independent audit the work plan and the fee proposal;
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- (f) issue opinions on the hiring, compensation and replacement of the services of the independent audit;
- (g) interact with the independent audit on matters related to the audit procedure;
- (h) evaluate, monitor and recommend to management the correction or improvement of the Company's internal policies, including the policy of related party transactions; and
- (i) evaluate and monitor the Company's risk exposures.

§ Five – The Board of Directors shall determine the compensation of the SAC's members, as well as the budget to cover the costs of its function.

§ Six – The SAC shall have the means necessary to receive and process complaints, including confidential, internal and external to the Company, regarding noncompliance with legal and regulatory provisions applicable to the Company, in addition to internal rules and codes, including specific procedures for the protection of the provider and the confidentiality of the complaint.

CHAPTER VII FINANCIAL STATEMENTS AND ALLOCATION OF NET PROFIT

Article 26 – The business year shall coincide with the calendar year, thus terminating on December 31 of each year, when the financial statements shall be prepared, together with which the management bodies shall submit to the Annual Shareholders Meeting a proposal for allocation of the net profit for the fiscal year ending on December 31 of the previous year ("Fiscal Year"), subject to deductions, in the following order, in accordance with law:

- (a) a minimum of five percent (5%) for the Legal Reserve, until it reaches twenty percent (20%) of the registered capital, provided that in the fiscal year in which the balance of the legal reserve added by the capital reserve amounts exceed thirty percent (30%) of the capital stock, it will not be mandatory to allocate part of the net income for the fiscal year to the legal reserve;
 - (b) the amounts allocated to Contingency Reserves, if constituted;
 - (c) the amount necessary for the payment of the minimum mandatory dividend which, in each Fiscal Year, shall be equivalent to the lowest amount between: (i) twentyfive percent (25%) of the annual net profit adjusted in accordance with article 202 of the Corporations Law; or (ii) ten percent (10%) of the consolidated Operational Cash
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Flow Generation in the respective Fiscal Year, calculated in accordance with Paragraph 3 of this Article; and

- (d) the balance, if any, shall be allocated in such a way as the Statutory Executive Board of Officers propose and the Board of Directors recommends, and the Shareholders Meeting approves, pursuant to the terms of the Corporations Law, and up to ninety percent (90%) may be allocated to the Capital Increase Reserve, for the purpose of ensuring adequate operational conditions. This reserve may not exceed eighty percent (80%) of the registered capital. The remainder shall be allocated to the Special Reserve under these Bylaws for ensuring continuity of semi-annual distribution of dividends, until such reserve reaches twenty percent (20%) of the registered capital.

§ One – As provided in article 197 of the Corporations Law and its subparagraphs, in any business year in which the amount of obligatory dividend, calculated in accordance with article 202 of that same law and these Bylaws, exceeds the realized portion of the net profit for the business year, the Shareholders Meeting may, on a proposal by the management bodies, allocate the difference to constitution of a Future Earnings Reserve.

§ Two – Under article 199 of the Corporations Law, the balance of profit reserves, other than the reserves for contingencies and future earnings, may not exceed the registered capital. When this limit is reached the Shareholders Meeting shall decide on the application of the excess amount, either for paying-in or for increase of the registered capital, or in distribution of dividends.

§ Three – For the purposes of calculating the amount to be paid as minimum mandatory dividends set forth in line “c” of Article 26, consolidated “Operational Cash Generation” means the result of the following formula:

$$\text{GCO} = \text{Adjusted EBITDA} - \text{Maintenance Capex}$$

Where:

“GCO” means the consolidated Generation of Operational Cash of the Fiscal Year, expressed in national currency.

“EBITDA” means the net profit of the Fiscal Year of the Company expressed in national currency, before the income tax and social contribution on net income, financial income and expenses, depreciation, amortization and depletion.

“Adjusted EBITDA” means the EBITDA excluding items not recurrent and/or not cash and gains (losses) arising from changes in fair value of sale of the biological assets.

“Maintenance Capex” means the amount, expressed in national currency, of the investments in maintenance executed in the Fiscal Year.

§ Four – Upon the resolution of the Shareholders Meeting, the Company may distribute dividends higher than the mandatory dividends set forth in line “c” of this Article.

§ Five – The Shareholders Meeting may allocate a participation in the profits to the members of the Board of Directors and the Statutory Executive Board of Officers, in the circumstances and within the form and limits allowed by law.

Article 27 – On a proposal by the Statutory Executive Board of Officers, approved by the Board of Directors, the Company may pay a compensation to the shareholders, as interest on their equity, up to the limit established by article 9 of Law No. 9,249, December 26, 1995; and in accordance with sub-paragraph 7 of that article any amounts thus disbursed may be deemed part of the obligatory dividend provided for by law and by these Bylaws.

Article 28 – Interim financial statements shall be prepared on the last day of June of each year, and the Statutory Executive Board of Officers may:

- (a) declare a semi-annual dividend, on account of the annual dividend;
- (b) raise interim financial statements and declare dividends for shorter periods, on account of the annual dividend, as long as the total of the dividends paid in each half of the business year does not exceed the amount of the capital reserves;
- (c) declare interim dividends on account of retained earnings or on account of profit reserves existing in the previous annual or half yearly financial statements, on account of the annual dividend.

Article 29 – The annual financial statements shall, obligatorily, be audited by external auditors registered with the CVM. Such auditors shall be chosen and/or dismissed by the Board of Directors, subject, as the case may be, to the terms of paragraph 2 of article 142 of the Corporations Law.

CHAPTER VIII TENDER OFFER IN CASE OF ACQUISITION OF RELEVANT INTEREST

Article 30 – Any Person (as defined in paragraph one below) solely or jointly with another Bound Person(s), shareholder(s) or not of the Company, which subscribes, acquires or, in any other form, including, without limitation, by means of exchange, conversion, corporate reorganization (including, but not limiting to the merger of the Company and/or of its shares or the merger by the Company of other company or the

shares thereof), or even upon acquisition of preemptive rights and/or subscription of shares or other securities issued by the Company convertible into shares or which give the right to its subscription or purchase of shares of the Company, becomes holder, directly or indirectly, in Brazil or offshore, of Relevant Interest (as defined in paragraph one below) the Company shall, within the maximum term of thirty (30) days counting from the date of the event which results in the ownership of the Relevant Interest, launch or, in the case of a registered tender offer in the terms of CVM Rule 361/02, file a registry request before CVM of, an OPA for the acquisition of the totality of the shares issued by the Company, which shall be liquidated in the maximum term of (a) forty eight (48) days counting from the launch of the offer not subject to registration, and (b) one hundred and eighty (180) days counting from the date of registry filing, in the case of an offer subject to registration, in the terms of the law and applicable legislation, except for certain delays which do not arise from any act or omission of the offeror.

§ One – For the purposes of these Bylaws:

- (a) “Outstanding Shares” means all shares issued by the Company, except those (i) owned, directly or indirectly, by the controlling shareholder or persons related thereto; (ii) in the Company’s treasury; (iii) held by a company controlled by the Company; or (iv) directly or indirectly held by the managers of the Company;
 - (b) “Derivatives” means any derivatives liquidated in shares issued by the Company and/or by means of payment in currency, traded on the stock exchange, organized or privately traded, that are referenced in shares or any other security issued by the Company;
 - (c) “Other Rights of Corporate Nature” means (i) usufruct or trust on shares issued by the Company, (ii) options to purchase, subscribe or exchange, for any purpose, that may result in the acquisition of shares issued by the Company; or (iii) any other right that permanently or temporarily secures political or shareholder rights over shares issued by the Company, including American Depositary Receipts (ADRs);
 - (d) “Relevant Interest” means the amount of shares issued by the Company (or its legal successors) in a percentage equal to or greater than twenty percent (20%) of the total shares issued by it;
 - (e) “Person” means any person including, without limitation, any natural or legal person, investment fund, condominium, securities portfolio, universality of rights, or other form of organization, resident, domiciled or headquartered in Brazil or abroad; and
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- (f) “Bound Person” means any Person or group of Persons bound by a voting agreement or similar agreement, or acting jointly representing the same interests. Examples of group of persons acting jointly representing the same interests are those (i) that are directly or indirectly controlled or administered by a person belonging to the group of Persons, (ii) who controls or administers, under any form, a Person belonging to the group of Persons, (iii) that is directly or indirectly controlled or administered by any Person who directly or indirectly controls or manages a person who is a member of the Group of Persons, (iv) in which the controlling shareholder of such person belonging to the Group of Persons holds, directly or indirectly, a corporate interest equal to or greater than twenty percent (20%) of the voting capital, (v) in which such Person belonging to the group of persons holds, directly or indirectly, a corporate interest equal to or greater than twenty percent (20%) of the voting capital, or (vi) holds, directly or indirectly, a corporate interest equal to or greater than twenty percent (20%) of the voting capital of the person belonging to the group of Persons.

§ **Two** – The OPA shall be (i) addressed to all shareholders of the Company, (ii) executed in an auction to be held at B3, (iii) launched at the price determined in accordance with the provisions of Paragraph Three below, and (iv) paid at sight, in national currency, against the acquisition in the OPA of shares issued by the Company.

§ **Three** – The acquisition price of each share issued by the Company in the OPA will be the highest of the following values:

- (a) Economic Value to be determined in a valuation report drafted pursuant to § Thirteen and § Fifteen of this article, in compliance with applicable legal and regulatory rules (“Economic Value”); and
- (b) one hundred and forty-five percent (145%) of the highest unit quotation of shares issued by the Company on any stock exchange in which the Company’s shares are traded, during the period of twenty-four (24) months prior to the OPA, duly updated by the reference rate of monetary adjustment of the Special Settlement and Custody System – SELIC (or the index that replaces it) up to the time of payment.

§ **Four** – The execution of the OPA mentioned in the *caput* of this Article shall not exclude the possibility of a third party submitting a competing OPA, in accordance with the applicable regulations.

§ **Five** – The Person shall be obliged to comply with any requests or requirements of the CVM regarding the OPA, within the maximum periods prescribed in the applicable regulations.

§ Six – In the event that a Person does not comply with the obligations imposed by this Article, including with respect to meeting the maximum terms (i) for the execution of the OPA, or (ii) to attend to any requests or requirements of the CVM, the Company's Board of Directors shall call an Extraordinary General Meeting, in which such Person may not vote, to resolve the suspension of the exercise of the rights of the Person who has not complied with any obligation imposed by this Article, as provided in article 120 of the Corporations Law.

§ Seven – Any person who acquires or becomes holder, in Brazil or abroad, of other rights, including (i) Other Rights of Corporate Nature of shares issued by the Company, or that may result in the acquisition of shares issued by the Company, or (ii) Derivatives (a) that give rise to the Company's shares or (b) which give the right to receive the corresponding amount of the Company's shares, which results in such Person becoming a holder of a Relevant Interest, shall be equally obliged to, in the maximum term of 30 (thirty) days as from the date of the event that resulted in the ownership of the Relevant Interest, launch or, in the case of an offer to be registered pursuant to CVM Rule 361/02, file a request for registration with the CVM of an OPA for the acquisition of the totality of the shares issued by the Company, observing the provisions of this Article 30.

§ Eight – The obligations contained in article 254-A of the Corporations Law and Article 31 of these Bylaws exclude the fulfillment by the Person holding a Relevant Interest of the obligations contained in this Article.

§ Nine – For the purposes of calculating the percentage of twenty percent (20%) of the total of the shares issued by the Company to calculate the Relevant Interest, as described in line "d" of Paragraph One of this Article, will not be computed the involuntary increases of equity interest resulting from cancellation of shares in treasury or redemption of shares.

§ Ten – If CVM regulations applicable to the OPA determines the adoption of a calculation criterion for the determination of the acquisition price in the OPA of each share issued by the Company that results in a purchase price higher than that determined in the terms of Paragraph Three above, the acquisition price calculated in accordance with CVM regulations shall prevail at the time of the OPA.

§ Eleven – The provisions of this Article 30 do not apply to the direct and indirect controlling shareholders of the Company on September 29, 2017, and to its Successors (defined below).

§ Twelve – For the purposes of paragraph eleven of Article 30 above, "Successors" of the direct and indirect controlling shareholders of the Company, their respective spouses, companions, heirs, legatees, assigns and successors who, for any reason, including corporate reorganizations, become holders of the shares (and/or of the voting rights

inherent to them) and/or Other Rights of Corporate Nature related to the shares held or which will be held by the direct and indirect controlling shareholders of the Company on September 29, 2017.

§ Thirteen - The appraisal report referred to in Paragraph Three of this Article shall be prepared by a specialized institution or company, with proven experience and independent as to the decision-making power of the Company, its managers and controlling shareholder(s). Further, the valuation report shall also satisfy the requirements of paragraphs 1 and 6 of article 8 of the Corporations Law.

§ Fourteen - The selection of the institution or specialized company responsible for determining the Economic Value of the Company is an exclusive competence of the Shareholders' Meeting, based on the presentation, by the Board of Directors, of a triple list, provided that the respective resolution, not counting blank votes, shall be approved by a majority of votes of shareholders representing the Outstanding Shares attending such Shareholders' Meeting, which, if installed by the first call notice, shall be attended by shareholders representing at least twenty percent (20%) of the total Outstanding Shares, or, if installed by the second call notice, may count on the presence of any number of shareholders holding Outstanding Shares.

§ Fifteen - The costs arising from the preparation of the valuation report shall be borne entirely by the offeror.

CHAPTER IX SALE OF CONTROL

Article 31 – The direct or indirect sale of control of the Company, either through a single transaction or through successive transactions, shall be contracted under the condition that the acquirer of the control undertakes to execute the tender offer of shares, which shall contemplate shares issued by the Company owned by the other shareholders, observing the conditions and terms established in the current legislation, regulations and the Novo Mercado Rules, in order to assure them equal treatment to that given to the selling shareholder.

CHAPTER X PROCEDURES FOR NEW ACQUISITIONS

Article 32 – Any Person who holds Outstanding Shares of the Company, in an amount greater than five percent (5%) of the total shares issued by the Company and that wishes to carry out a new acquisition of shares issued by the Company ("New Acquisition"), shall be obliged, prior to each New Acquisition, to communicate in writing to the Company's Investor Relations Officer, at least three (3) business days prior to the date of the New Acquisition: (i) the number of Outstanding Shares that it intends to acquire; (ii)

the intention to acquire; (iii) if it has an interest to appoint a member to the Board of Directors or to the Company's Audit Board; (iv) the source of the resources that will be used for such acquisition; and (v) the strategic plans related to its investment in the Company.

§ One – In addition, the Person characterized in the *caput* of this Article will be obliged to make each New Acquisition in B3, being prohibited to carry out private or over-the counter market trades.

§ Two – The Investor Relations Officer is authorized, on his own initiative or in response to a request made by the regulatory bodies, to request that the Company's shareholders or Group of Shareholders report their direct and/or indirect shareholding composition, as well as the composition of the Its direct and/or indirect control block and, if applicable, the corporate and corporate group, in fact or in law, of which they form part.

§ Three – In the event that the Person does not comply with the obligations imposed by this Article, the provisions of Article 30, Seventh Paragraph, above.

CHAPTER XI LIQUIDATION

Article 33 – The Company shall enter into liquidation in the circumstances provided for by law, and the Shareholders Meeting shall determine the manner of liquidation and appoint the liquidator who shall function during the period of liquidation.

CHAPTER XII ARBITRATION PROCEEDING

Article 34 – The Company, its shareholders, managers and members of the Audit Board, sitting or substitute members, if any, undertake to resolve, through arbitration, before the Market Arbitration Chamber (*Câmara de Arbitragem do Mercado*), pursuant to its regulation or controversies that may arise between them, relating to or arising from their condition as an issuer, shareholder, administrator and/or member of the Audit Board, in special, of the provisions contained in Law No. 6,385/76, the Corporations Law, in these Bylaws, in the rules issued by the National Monetary Council, by the Central Bank of Brazil and by the CVM, as well as in the other rules applicable to the operation of the capital markets in general, in addition to those contained in the Novo Mercado Rules, the other regulations of B3 and the Novo Mercado Listing Agreement.

* * * *

DESCRIPTION OF SECURITIES REGISTERED UNDER SECTION 12 OF THE EXCHANGE ACT

As of December 31, 2022, Suzano S.A. (“Suzano,” the “Company,” “we,” “us,” and “our”) had the following classes of securities registered pursuant to Section 12(b) of the Exchange Act:

#	Title of each class	Trading symbol(s)	Name of each exchange on which registered
I.	Our common shares without par value*	SUZB3/ SUZ	NYSE
II.	American Depositary Shares, or ADSs,** each representing two of our common shares	SUZB3/ SUZ	NYSE
III.	4.000% Notes due 2025, issued by Fibria Overseas Finance Ltd.	FBR/25	NYSE
	5.500% Notes due 2027, issued by Fibria Overseas Finance Ltd.	FBR/27	NYSE
	6.000% Notes due 2029, issued by Suzano Austria GmbH	SUZ/29	NYSE
	5.000% Notes due 2030, issued by Suzano Austria GmbH	SUZ/30	NYSE
	3.750% Notes due 2031, issued by Suzano Austria GmbH	SUZ/31	NYSE
	3.125% Notes due 2032, issued by Suzano Austria GmbH	SUZ/32	NYSE
	2.500% Notes due 2028, issued by Suzano Austria GmbH	SUZ/28	NYSE

* Not for trading, but only in connection with the registration of ADSs representing such ordinary shares, pursuant to the requirements of the SEC.

** Evidenced by American Depositary Receipts, or ADRs.

Capitalized terms used but not defined herein have the meanings assigned to them in our annual report on Form 20-F for the fiscal year ended December 31, 2022, unless otherwise indicated herein.

I. COMMON SHARES

The following description of our share capital and certain material provisions of our corporate rules is a summary and does not purport to be complete. It is subject to, and qualified in its entirety by, our bylaws, Brazilian Corporate Law and any other applicable law concerning Brazilian companies, as amended from time to time.

A copy of our bylaws is attached to our annual report as Exhibit 1.1. We encourage you to read our bylaws and the applicable sections of our annual report for additional information.

Share Capital

Our capital stock is composed of common shares, all without par value and denominated in *reais*. As of December 31, 2022 our share capital, including shares in treasury, was represented by 1,361,263,584 common shares.

In addition to the negotiation in the U.S., as detailed in item II below, our common shares are negotiated on the B3 (ticker symbols SUZB3). All of our shares are registered in book-entry form on behalf of their holders, without share certificates, and Itaú Corretora de Valores S.A. performs services of safe-keeping and transfer of shares. To make the transfer, Itaú Corretora de Valores S.A. makes an entry in the register, debits the share account of the transferor and credits the share account of the transferee.

Pursuant to CVM regulations, any Brazilian public company's (i) direct or indirect controlling shareholders, (ii) shareholders who have elected members of such company's board of directors or fiscal council, as well as (iii) any person or group of persons representing the same interest, in each case that has directly or indirectly acquired or sold an interest that exceeds (either upward or downward) the threshold of 5%, or any multiple thereof, of the total number of shares of any type or class, must disclose such shareholder's or person's share ownership or divestment, immediately after the acquisition or sale, to the CVM and the B3.

Changes to Our Share Capital

Each of our shareholders has a general preemptive right to subscribe for shares or convertible securities in any capital increase, in proportion to its shareholding, except (i) by sale on a stock exchange or by public subscription, (ii) pursuant to an exchange for shares in a public offer for the acquisition of control, in accordance with the Brazilian Corporate Law, (iii) for subscription of shares in accordance with the special law for tax incentives, (iv) conversion of debentures and other securities into shares, since, in these cases, the preemptive right must be exercised when the security is issued, (iv) in the event of the grant and exercise of any stock option to acquire or subscribe for shares of our capital stock; and (v) in the context of a capital increase derived from merger, merger of shares and/or spin-off implemented according to Brazilian Corporation Law. A minimum period of 30 days following the publication of notice of the issuance of shares or convertible securities is allowed for exercise of the right, and the right is negotiable. However, according to our bylaws, our board of directors can eliminate this preemptive right or reduce the 30-day period in case we issue debentures that are convertible into shares, warrants (*bônus de subscrição*) or shares within the limits authorized by the bylaws and the Brazilian Corporate Law:

(i) through a stock exchange or through a public offering or (ii) through an exchange of shares in a public offering to acquire control of another publicly-held company.

Any shareholders' resolution must satisfy the quorum and all other legal requirements established in the Brazilian Corporate Law and in our bylaws. No shareholder is liable to make any further contribution to our capital stock other than with respect to the liability to pay the issue price of the shares subscribed or acquired by such shareholder.

Dividends

Our dividend payments are subject to the provisions of Brazilian Corporate Law, applicable local laws and regulations and our bylaws. Our distributions can include dividends or interest on net equity (*juros sobre capital próprio*). The payment of interest on net equity is subject to withholding income tax, pursuant to Brazilian tax laws, which is not levied upon payments of dividends.

The profits are distributed in proportion to the number of shares owned by each shareholder on the applicable record date. In accordance with the Brazilian Corporation Law, our bylaws require that we distribute annually to our shareholders a mandatory minimum dividend, which we refer to as the mandatory dividend, equal to at least 25% of our net income after taxes, after certain deductions, including accumulated losses and any amounts allocated to employee and management participation, any amount allocated to our legal reserve, and any amount allocated to the contingency reserve and any amount written off in respect of the contingency reserve accumulated in previous fiscal years, in each case in accordance with Brazilian law.

Payments of dividends for each fiscal year or payment of interest on net equity must be within 60 days from the shareholders' meeting in which the distribution was approved, unless a shareholders' resolution determines another date, not later than the end of the fiscal year in which such dividend was declared.

The Brazilian Corporation Law permits, however, a company to suspend the mandatory distribution of dividends if its board of directors reports to the shareholders' meeting that the distribution would be incompatible with the financial condition of the company, subject to approval by the shareholders' meeting and review by the fiscal council.

The amounts available for distribution are determined on the basis of financial statements prepared in accordance with the requirements of the Brazilian Corporation Law. In addition, amounts arising from tax incentive benefits or rebates are appropriated to a separate capital reserve in accordance with the Brazilian Corporation Law. This investment incentive reserve is not normally available for distribution, although it can be used to absorb losses under certain circumstances or be capitalized. Amounts appropriated to this reserve are not available for distribution as dividends.

The Brazilian Corporation Law permits a company to pay interim dividends out of preexisting and accumulated profits for the preceding fiscal year or semester, based on financial statements approved by its shareholders. We may prepare financial statements semiannually or for shorter periods. Our board of directors may declare a distribution of dividends based on the profits reported in semiannual financial statements. Our board of directors may also declare a distribution

of interim dividends based on profits previously accumulated or in profits reserve, which are reported in such financial statements or in the last annual financial statement approved by resolution taken at a shareholders' meeting.

If any dividend has not been claimed for 3 years after the date such dividend became due for payment, it will be forfeited and will revert to us.

Voting Rights

Our annual shareholders' meeting takes place at our headquarter, in Bahia, Brazil, in April of each year. Additionally, our board of directors or, in some specific situations set forth in Brazilian Corporate Law, our shareholders or our fiscal council, may call our extraordinary shareholders' meetings.

Holders of our common shares are entitled to one voting right for each unit of common shares held.

Generally, the quorum required to hold shareholders' meetings is at least $\frac{1}{4}$ of our issued and outstanding common shares, except as provided for by Brazilian Corporate Law and our bylaws in relation to decisions regarding certain matters. Decisions are made by simple majority, except where Brazilian Corporate Law or our bylaws provide for a different quorum.

Certain matters require majority quorum for approval, including any amendment to our bylaws and the issuance of new shares. In addition, the appointment of a specialized firm to prepare an appraisal report of our shares in case of cancellation of our registration as a publicly-held company requires a special quorum, pursuant to the terms of B3 regulations.

Under Brazilian Corporate Law, minority shareholders representing at least 5% of our voting capital stock have the right to demand a cumulative voting procedure to elect a member of our board of directors.

Restrictions on Non-Brazilian Holders

There are no restrictions on ownership of our common shares by individuals or legal entities domiciled outside Brazil. Foreign investors may trade their shares through ADSs on the NYSE or directly on the B3.

However, the right to convert dividend payments and proceeds from the sale of common shares into foreign currency and to remit such amounts outside Brazil is subject to exchange control restrictions and foreign investment legislation, which generally require, among other things, obtaining an electronic registration with the Central Bank of Brazil. Nonetheless, any non-Brazilian holder who registers with the CVM may use the dividend payments and proceeds from the sale of shares to buy and sell securities directly on the B3.

Liquidation Rights

We can only be dissolved by shareholders' resolution passed by at least 50% of our share capital. In the event of our liquidation, after payment of all liabilities, the balance of assets available for distribution will be distributed among the shareholders, each receiving a sum on a *pro rata* basis.

Right to Withdraw

Subject to Brazilian Corporate Law, our shareholders have the right to withdraw their equity interests and receive the relevant payment for their shares in case such shareholders are adversely affected by specific resolutions from shareholders' meeting, as well as if after a corporate reorganization involving us, the resulted entity does not negotiate new shares in the secondary market. This withdraw right may be exercised by dissenting or non-voting shareholders, if the relevant resolution is authorized by the vote of at least 50% of voting shares.

The right of withdrawal lapses 30 days after publication of the minutes of the relevant shareholders' meeting. We would be entitled to reconsider any action giving rise to withdrawal rights within 10 days following the expiration of such rights if the withdrawal of shares of dissenting shareholders would jeopardize our financial stability.

Given that our bylaws do not provide for rules to determine any value for redemption, any redemption of shares arising out of the exercise of such withdrawal rights would be made generally based on the book value per share, determined on the basis of the last balance sheet approved by our shareholders. However, if a shareholders' meeting giving rise to redemption rights occurred more than 60 days after the latest approved balance sheet, the shareholders would be entitled to demand that their shares be valued based on a more updated balance sheet.

Anti-Takeover Provision

Any person who, individually or jointly with another person representing the same interests or bound by a voting agreement, subscribes, acquires or in any way becomes a direct or indirect holder in Brazil or elsewhere of a material participation in Suzano's share capital shall, within 30 days of the date of the event that results in such person holding a material participation, commence a public tender offer for all of the outstanding Suzano shares. A material participation is defined in Suzano's bylaws as a stake equal to 20% or more of the total number of Suzano shares.

The price per share of a tender offer in the event of the acquisition of a material participation will correspond to the higher of the following values: (i) the economic value of Suzano Shares determined in a valuation report; and (ii) 145% of the highest price per Suzano Share during the 24-month period prior to the tender offer, corrected by the SELIC rate up to the time of payment.

Carrying out the tender offer above will not exclude the possibility of a third party submitting a competing tender offer, in accordance with applicable law.

For the purposes of calculating the percentage of 20% of the total of shares issued by us, involuntary increases of equity interest resulting from the cancellation of shares in treasury or redemption of shares will not be computed. The tender offer will not be applicable to direct and

indirect controlling shareholders on September 29, 2017 and their successors (as defined in our bylaws).

In the event that a person does not comply with the tender offer obligations described above, our board of directors must call an extraordinary shareholders' meeting, in which such person is not allowed to vote, in order to resolve on the suspension of the rights held by such person.

Delisting from the Novo Mercado

See Item 10. "Additional Information — B — Delisting from the Novo Mercado" of our annual report on Form 20-F for the fiscal year ended December 31, 2021.

Delisting as Publicly-Held Company

See Item 10. "Additional Information — B — Delisting as Publicly-Held Company" of our annual report on Form 20-F for the fiscal year ended December 31, 2021.

II. AMERICAN DEPOSITARY SHARES

The following description of the ADSs and certain material provisions of our corporate rules is a summary and does not purport to be complete. It is subject to, and qualified in its entirety by the Deposit Agreement (as defined below), the form of ADS, which contain the terms of the ADSs, and any applicable law, as amended from time to time.

Copies of the Deposit Agreement (as defined below) are available for inspection at the offices of our depositary.

We encourage you to read the Deposit Agreement (defined below), the ADS form and the applicable sections of our annual report for additional information.

General

In the U.S., we trade ADSs representing our common shares, which are evidenced by ADRs. The ADSs are negotiated on the NYSE. The ADSs representing common shares are traded with ticker symbol SUZ.

The Bank of New York Mellon acts as depositary for our ADSs (“BNYM”). In its capacity, the depositary will register and deliver the ADSs, each representing an ownership interest in one common share deposited with the custodian, as agent of the depositary, under the amended and restated deposit agreement dated December 10, 2018 between us, the depositary, and registered holders and beneficial owners from time to time of the ADSs (the “Deposit Agreement”), and (ii) any other securities, cash or other property which may be held by the depositary.

The principal executive office of BNYM is currently located at 240 Greenwich Street, New York, New York 10286, United States of America and the office at which the ADSs will be administered is currently located at 101 Barclay Street, New York, New York 10286, United States of America.

You may hold ADSs either directly or indirectly through your broker or other financial institution. If you hold ADSs directly, by having an ADS registered in your name on the books of the depositary, you are an ADS holder. If you hold the ADSs through your broker or financial institution nominee, you must rely on the procedures of such broker or financial institution to assert the rights of an ADS holder described in this section. You should consult with your broker or financial institution to find out what those procedures are.

Holders of ADSs may not be able to exercise the preemptive rights relating to the common shares underlying their ADSs, unless a registration statement under the Exchange Act is effective with respect to those rights.

The depositary will be the holder of the ordinary shares underlying the ADSs. As a holder of ADSs, you will have ADS holder rights, which are set out in the Deposit Agreement. The Deposit Agreement also sets out the rights and obligations of the depositary.

Share Dividends and Other Distributions

We may make various types of distributions with respect to our common shares, as detailed below. The depositary has agreed that, to the extent practicable, it will pay to ADS holders the dividends or other distributions it or the custodian receives on common shares, making any necessary deductions provided for in the Deposit Agreement. The depositary may utilize a division, branch or affiliate of BNYM to direct, manage and/or execute any public and/or private sale of common shares under the Deposit Agreement. Such division, branch and/or affiliate may charge the depositary a fee in connection with such sales, which fee is considered an expense of the depositary. ADS holders will receive these distributions in proportion to the number of underlying common shares that such ADSs represent. Except as stated below, the depositary will deliver such distributions to ADR holders in proportion to their interests in the following manner:

- **Cash.** The depositary will convert any cash dividend or other cash distribution we pay on the shares into U.S. dollars, if it can do so on a reasonable basis and can transfer the U.S. dollars to the United States. If that is not possible or if any government approval is needed and cannot be obtained, the deposit agreement allows the depositary to distribute the foreign currency only to those ADS holders to whom it is possible to do so. The depositary will hold the foreign currency it cannot convert for the account of the ADS holders who have not been paid. The depositary will not invest the foreign currency and it will not be liable for any interest. Before making a distribution, any withholding taxes, or other governmental charges that must be paid will be deducted. The depositary will distribute only whole U.S. dollars and cents and will round fractional cents to the nearest whole cent. If the exchange rates fluctuate during a time when the depositary cannot convert the foreign currency, ADS holders may lose some of the value of the distribution.
- **Shares.** The depositary may distribute additional ADSs representing any shares we distribute as a dividend or free distribution. The depositary will only distribute whole ADSs. The depositary will sell shares which would require it to deliver a fraction of a ADS (or ADSs representing those shares) and distribute the net proceeds in the same way as it does with cash. If the depositary does not distribute additional ADSs, the outstanding ADSs will also represent the new shares. The depositary may sell a portion of the distributed shares (or ADSs representing those shares) sufficient to pay its fees and expenses in connection with that distribution.

- ***Rights to purchase additional shares.*** If we offer holders of our securities any rights to subscribe for additional shares or any other rights, the depository may (i) exercise those rights on behalf of ADS holders, (ii) distribute those rights to ADS holders or (iii) sell those rights and distribute the net proceeds to ADS holders, in each case after deduction or upon payment of its fees and expenses. To the extent the depository does not do any of those things, it will allow the rights to lapse. In that case, ADS holders will receive no value for them. The depository will exercise or distribute rights only if we ask it to and provide satisfactory assurances to the depository that it is legal to do so. If the depository will exercise rights, it will purchase the securities to which the rights relate and distribute those securities or, in the case of shares, new ADSs representing the new shares, to subscribing ADS holders, but only if ADS holders have paid the exercise price to the depository. U.S. securities laws may restrict the ability of the depository to distribute rights or ADSs or other securities issued on exercise of rights to all or certain ADS holders, and the securities distributed may be subject to restrictions on transfer.
- ***Other Distributions.*** The depository will send to ADS holders anything else we distribute on deposited securities by any means it thinks is legal, fair and practical. If it cannot make the distribution in that way, the depository has a choice. It may decide to sell what we distributed and distribute the net proceeds, in the same way as it does with cash. Or, it may decide to hold what we distributed, in which case ADSs will also represent the newly distributed property. However, the depository is not required to distribute any securities (other than ADSs) to ADS holders unless it receives satisfactory evidence from us that it is legal to make that distribution. The depository may sell a portion of the distributed securities or property sufficient to pay its fees and expenses in connection with that distribution. U.S. securities laws may restrict the ability of the depository to distribute securities to all or certain ADS holders, and the securities distributed may be subject to restrictions on transfer. The depository is not responsible if it decides that it is unlawful or impractical to make a distribution available to any ADS holders. We have no obligation to register ADSs, shares, rights or other securities under the Securities Act. We also have no obligation to take any other action to permit the distribution of ADSs, shares, rights or anything else to ADS holders. This means that you may not receive the distributions we make on our shares or any value for them if it is illegal or impractical for us to make them available to you.

The depository is not responsible if it decides that it is unlawful or impractical to make a distribution available to any ADS holders. We have no obligation to register ADSs, shares, rights or other securities under the Securities Act. We also have no obligation to take any other action to permit the distribution of ADSs, shares, rights or anything else to ADS holders. This means that ADS holders may not receive the distributions we make on our shares or any value for them if it is illegal or impractical for us to make them available to you.

Deposit, Withdrawal and Cancellation

The depository will deliver ADSs if investors or their broker deposits shares or evidence of rights to receive shares with the custodian. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the depository will register the

appropriate number of ADSs in the names requested and will deliver the ADSs to or upon the order of the person or persons that made the deposit.

ADS holders may surrender their ADSs to the depository for the purpose of withdrawal. Upon payment of depository's fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the depository will deliver the shares and any other deposited securities underlying the ADSs to the ADS holder or a person the ADS holder designates at the office of the custodian. Or, at the ADS holder request, risk and expense, the depository will deliver the deposited securities at its office, if feasible. However, the depository is not required to accept surrender of ADSs to the extent it would require delivery of a fraction of a deposited share or other security. The depository may charge a fee and its expenses for instructing the custodian regarding delivery of deposited securities.

Investors may surrender their ADR to the depository for the purpose of exchanging ADRs for uncertificated ADSs. The depository will cancel that ADR and will send to the ADS holder a statement confirming that the ADS holder is the registered holder of uncertificated ADSs.

Upon receipt by the depository of a proper instruction from a registered holder of uncertificated ADSs requesting the exchange of uncertificated ADSs for certificated ADSs, the depository will execute and deliver to the ADS holder an ADR evidencing those ADSs.

The depository may only restrict the withdrawal of deposited securities in connection with the reasons set forth in General Instruction I.A.(1) of Form F-6 under the Securities Act of 1933:

- temporary delays caused by closing our transfer books or those of the depository or the deposit of common or preferred shares in connection with voting at a shareholders' meeting, or the payment of dividends;
- the payment of fees, taxes and similar charges; or
- compliance with any U.S. or foreign laws or governmental regulations relating to the ADRs or to the withdrawal of deposited securities.

This right of withdrawal may not be limited by any other provision of the Deposit Agreement.

Voting Rights

Holders of the ADSs do not have the same voting rights as holders of our shares. Holders of the ADSs are entitled to the contractual rights set forth for their benefit under the Deposit Agreement.

ADS holders may instruct the depository how to vote the number of deposited shares their ADSs represent. If we request the depository to solicit ADS holders voting instructions (and we are not required to do so), the depository will notify you of a shareholders' meeting and send or make voting materials available to you. Those materials will describe the matters to be voted on and explain how ADS holders may instruct the depository how to vote. For instructions to be valid, they must reach the depository by a date set by the depository. The depository will try, as far as practical, subject to the laws of Brazil and the provisions of our bylaws or similar documents, to vote or to have its agents vote the shares or other deposited securities as instructed by ADS holders. If we do not request the depository to solicit your voting instructions, ADS holders can still send

voting instructions, and, in that case, the depositary may try to vote as you instruct, but it is not required to do so. Except by instructing the depositary as described above, ADS holders won't be able to exercise voting rights unless they surrender their ADSs and withdraw the shares. However, ADS holders may not know about the meeting enough in advance to withdraw the shares. In any event, the depositary will not exercise any discretion in voting deposited securities and it will only vote or attempt to vote as instructed, as set forth in the amended and restated deposit agreement.

We cannot assure ADS holders that they will receive the voting materials in time to ensure that they can instruct the depositary to vote their shares. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. This means that ADS holders may not be able to exercise voting rights and there may be nothing they can do if their shares are not voted as requested. In order to give ADS holders a reasonable opportunity to instruct the depositary as to the exercise of voting rights relating to securities deposited with the Depositary as part of our ADR program, if we request the Depositary to act, we agree to give the depositary notice of any such meeting and details concerning the matters to be voted upon at least 45 days in advance of the meeting date.

Amendment and Termination

We may agree with the depositary to amend the amended and restated deposit agreement and the ADRs without your consent for any reason.

If an amendment adds or increases fees or charges, except for taxes and other governmental charges or expenses of the depositary for registration fees, facsimile costs, delivery charges or similar items, or prejudices a substantial right of ADS holders, it will not become effective for outstanding ADSs until 30 days after the depositary notifies ADS holders of the amendment. At the time an amendment becomes effective, you are considered, by continuing to hold your ADSs, to agree to the amendment and to be bound by the ADRs and the amended and restated deposit agreement as amended.

The depositary will initiate termination of the deposit agreement if we instruct it to do so. The depositary may initiate termination of the deposit agreement if: (i) 60 days have passed since the depositary told us it wants to resign but a successor depositary has not been appointed and accepted its appointment; (ii) we delist our shares from an exchange on which they were listed and do not list the shares on another exchange; (iii) we appear to be insolvent or enter insolvency proceedings; (iv) all or substantially all the value of the deposited securities has been distributed either in cash or in the form of securities; (v) there are no deposited securities underlying the ADSs or the underlying deposited securities have become apparently worthless; or (vi) there has been a replacement of deposited securities.

If the deposit agreement will terminate, the depositary will notify ADS holders at least 90 days before the termination date. At any time after the termination date, the depositary may sell the deposited securities. After that, the depositary will hold the money it received on the sale, as well as any other cash it is holding under the deposit agreement, unsegregated and without liability for interest, for the pro rata benefit of the ADS holders that have not surrendered their ADSs. Normally, the depositary will sell as soon as practicable after the termination date.

If the depositary is advised by counsel that it could be subject to material legal liability because we failed to provide information required by Brazilian regulators, the depositary may terminate the amended and restated deposit agreement on as little as 15 days' notice.

After the termination date and before the depositary sells, ADS holders can still surrender their ADSs and receive delivery of deposited securities, except that the depositary may refuse to accept a surrender for the purpose of withdrawing deposited securities or reverse previously accepted surrenders of that kind if it would interfere with the selling process. The depositary may refuse to accept a surrender for the purpose of withdrawing sale proceeds until all the deposited securities have been sold. The depositary will continue to collect distributions on deposited securities, but, after the termination date, the depositary is not required to register any transfer of ADSs or distribute any dividends or other distributions on deposited securities to the ADSs holder (until they surrender their ADSs) or give any notices or perform any other duties under the amended and restated deposit agreement except as described in this paragraph.

Limitations on Obligations and Liability to ADS Holders

Prior to the issue, registration, registration of transfer, split-up, combination, or cancellation of any ADRs, or the delivery of any distribution in respect thereof, and from time to time in the case of the production of proofs as described below, we or the depositary or its custodian may require:

- payment with respect thereto of (i) any stock transfer or other tax or other governmental charge, (ii) any stock transfer or registration fees in effect for the registration of transfers of common shares or other deposited securities upon any applicable register and (iii) any applicable fees and expenses described in the Deposit Agreement;
- the production of proof satisfactory to it of (i) the identity of any signatory and genuineness of any signature and (ii) such other information, including without limitation, information as to citizenship, residence, exchange control approval, beneficial or other ownership of, or interest in, any securities, compliance with applicable law, regulations, provisions of or governing deposited securities and terms of the Deposit Agreement and the ADRs, as it may deem necessary or proper; and
- compliance with such regulations as the depositary may establish consistent with the Deposit Agreement.

The issuance of ADRs, the acceptance of deposits of common shares, the registration, registration of transfer, split-up or combination of ADRs or the withdrawal of common shares, may be suspended, generally or in particular instances, when the ADR register or any register for deposited securities is closed or when any such action is deemed advisable by the depositary.

The Deposit Agreement expressly limits the obligations and liability of the depositary, ourselves and each of our and the depositary's respective agents, provided, however, that no provision of the Deposit Agreement is intended to constitute a waiver or limitation of any rights which ADR holders or beneficial owners of ADSs may have under the Securities Act of 1933 or the Exchange Act, to the extent applicable. The Deposit Agreement provides that we and the depositary:

- are only obligated to take the actions specifically set forth in the amended and restated deposit agreement without negligence or bad faith, and the depository will not be a fiduciary or have any fiduciary duty to holders of ADSs;
- are not liable if we are or it is prevented or delayed by law or by events or circumstances beyond our or its ability to prevent or counteract with reasonable care or effort from performing our or its obligations under the amended and restated deposit agreement;
- are not liable if we or it exercises discretion permitted under the amended and restated deposit agreement;
- are not liable for the inability of any holder of ADSs to benefit from any distribution on deposited securities that is not made available to holders of ADSs under the terms of the deposit agreement, or for any special, consequential or punitive damages for any breach of the terms of the amended and restated deposit agreement, or for any;
- have no obligation to become involved in a lawsuit or other proceeding related to the ADSs or the amended and restated deposit agreement on your behalf or on behalf of any other person;
- may rely upon any documents we believe or it believes in good faith to be genuine and to have been signed or presented by the proper person;
- are not liable for the acts or omissions of any securities depository, clearing agency or settlement system; and
- the depository has no duty to make any determination or provide any information as to our tax status, or any liability for any tax consequences that may be incurred by ADS holders as a result of owning or holding ADSs or be liable for the inability or failure of an ADS holder to obtain the benefit of a foreign tax credit, reduced rate of withholding or refund of amounts withheld in respect of tax or any other tax benefit.

The depository shall not be a fiduciary or have any fiduciary duty to ADR holders or beneficial owners of ADSs. The depository shall not be subject to any liability with respect to the validity or worth of the deposited securities, the ADSs or the ADRs. Neither the depository nor we shall be under any obligation to appear in, prosecute or defend any action, suit, or other proceeding in respect of any deposited securities or in respect of the ADS, on behalf of any ADR holders or beneficial owners of ADSs or other person. Neither the depository nor we shall be liable for any action or non-action by it in reliance upon the advice of or information from legal counsel, accountants, any person presenting shares for deposit, any ADR holder or beneficial owners of ADSs, or any other person believed by it in good faith to be competent to give such advice or information. Each of the depository and we may rely, and shall be protected in relying upon, any written notice, request, direction or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. The depository shall not be liable for any acts or omissions made by a successor depository whether in connection with a previous act or omission of the depository or in connection with a matter arising wholly after the removal or resignation of the depository, provided that in connection with the issue out of which such potential liability

arises, the depositary performed its obligations without negligence or bad faith while it acted as depositary. The depositary shall not be liable for the acts or omissions of any securities depository, clearing agency or settlement system in connection with or arising out of book-entry settlement of ADSs or deposited securities or otherwise. In the absence of bad faith on its part, the depositary shall not be responsible for any failure to carry out any instructions to vote any of the deposited securities, the ADSs or the ADRs or for the manner in which any such vote is cast or the effect of any such vote. The depositary shall have no duty to make any determination or provide any information as to our or any liability for any tax consequences that may be incurred by ADR holders or beneficial owners of ADSs as a result of owning or holding ADSs. The depositary shall not be liable for the inability or failure of an ADR holder or beneficial owner of ADSs to obtain the benefit of a foreign tax credit, reduced rate of withholding or refund of amounts withheld in respect of tax or any other tax benefit. No disclaimer of liability under the Securities Act of 1933 is intended by any provision of the deposit agreement.

Additionally, none of us, the depositary or the custodian shall be liable for the failure by any ADR holder or beneficial owner of ADSs to obtain the benefits of credits or refunds of non-U.S. tax paid against such ADR holder's or beneficial owner's income tax liability.

The depositary and its agents may own and deal in any class of securities of our company and our affiliates and in ADSs.

Books of Depositary

The depositary or its agent will keep books for the registration and transfers of ADSs, which shall be open for inspection by the ADS holders at the depositary's office during regular business hours, provided that such inspection is not for the purpose of communicating with ADS holders in the interest of a business or object other than our or a matter related to the deposit agreement or the ADSs. Such register (and/or any portion thereof) may be closed at any time or from time to time, when deemed expedient by the depositary, and the depositary may also close the issuance book portion of such register when reasonably requested by us solely in order to enable us to comply with applicable law.

The depositary will maintain facilities for the delivery and receipt of ADRs.

III. DEBT SECURITIES

Each series of guaranteed notes listed on the NYSE and set forth on the cover page to our annual report on Form 20-F for the fiscal year ended December 31, 2022 has been issued by our wholly-owned subsidiaries Fibria Overseas Finance Ltd. (“Fibria Overseas Finance”) and Suzano Austria GmbH (“Suzano Austria”) themselves and guaranteed by us. Each of these series of notes and related guarantees was issued pursuant to a registration statement and a related prospectus and prospectus supplement (if applicable).

The following table sets forth each relevant series of notes (the “Notes”) registered pursuant to Section 12(b) of the Exchange Act:

Series	Date of Issuance	Principal Amount	Principal Payment	Interest	Interest Payment Date	Maturity Date	Indenture	Prospectus Supplement
4.000% Notes due 2025, issued by Fibria Overseas Finance Ltd.	11.14.2017	US\$600 million	Single installment No principal amount payment prior to maturity ^(a)	4.000% per annum (based on a 360-day year of twelve 30-day months)	January 14 and July 14 of each year 1 st payment: 1.14.2018	1.14.2025	Base Indenture and First Supplemental Indenture dated 11.14.2017	Prospectus Supplement dated November 9, 2017 (To Prospectus dated November 9, 2017)
5.500% Notes due 2027, issued by Fibria Overseas Finance Ltd.	1.17.2017	US\$700 million	Single installment No principal amount payment prior to maturity ^(a)	5.500% per annum (based on a 360-day year of twelve 30-day months)	January 17 and July 17 of each year 1 st payment: 7.17.2017	1.17.2027	Base Indenture dated 5.12.2014 and Second Supplemental Indenture dated 1.17.2017	Prospectus Supplement dated January 11, 2017 (To Prospectus dated May 1, 2014)
6.000% Notes due 2029, issued by Suzano Austria GmbH	9.20.2018 (reopening: 2.5.2019)	US\$1,750 million (original: US\$1,000 million; and reopening: US\$750 million)	Single installment No principal amount payment prior to maturity ^(a)	6.000% per annum (based on a 360-day year of twelve 30-day months)	January 15 and July 15 of each year 1 st payment: 1.15.2019	1.15.2029	Base Indenture dated 9.20.2018, First Supplemental Indenture dated 2.5.2019 and Second Supplemental Indenture dated 8.14.2019	Prospectus dated July 16, 2019 (To Prospectus dated June 24, 2019)
5.000% Notes due 2030, issued by Suzano Austria GmbH	5.29.2019	US\$1,000 million	Single installment No principal amount payment prior to maturity ^(a)	5.000% per annum (based on a 360-day year of twelve 30-day months)	January 15 and July 15 of each year 1 st payment: 1.15.2020	1.15.2030	Base Indenture dated 5.29.2019 and First Supplemental Indenture dated 8.14.2019	Prospectus dated July 16, 2019 (To Prospectus dated June 24, 2019)
3.750% Notes due 2031, issued by Suzano Austria GmbH	9.14.2020	US\$1,250 million (original: US\$750 million and reopening US\$500 million)	Single installment No principal amount payment prior to maturity ^(a)	Initial Rate of Interest: 3.750% per annum Subsequent Rate of Interest: 4.000% per annum (based on a 360-day year of twelve 30-day months)	January 15 and July 15 of each year 1 st payment: 1.15.2021	1.15.2031	Base Indenture dated 1.24.2020 and Amended and Restated First Supplemental Indenture dated 11.19.2020	Prospectus Supplement dated September 10, 2020 and Prospectus Supplement dated November 16, 2020 (To Prospectus dated January 24, 2020)
3.125% Notes due 2032, issued by Suzano Austria GmbH	7.1.2021	US\$1,000 million	Single installment No principal amount payment prior to maturity ^(a)	Initial Rate of Interest: 3.125% per annum Subsequent Rate of Interest: 3.250% or 3.375% per annum (based on a 360-day year of twelve 30-day months)	January 15 and July 15 of each year 1 st payment: 1.15.2022	1.15.2032	Base Indenture dated 1.24.2020 and Second Supplemental Indenture dated 7.1.2021	Prospectus Supplement dated June 28, 2021 (To Prospectus dated January 24, 2020)
2.500% Notes due 2028, issued by Suzano Austria GmbH	9.13.2021	US\$500 million	Single installment No principal amount payment prior to maturity ^(a)	Initial Rate of Interest: 2.500% per annum Subsequent Rate of Interest: 2.750% or 3.000% per annum (based on a 360-day year of twelve 30-day months)	March 15 and September 15 of each year 1 st payment: 3.15.2022	9.15.2028	Base Indenture dated 1.24.2020 and Third Supplemental Indenture dated 9.13.2021	Prospectus Supplement dated September 8, 2021 (To Prospectus dated January 24, 2020)

^(a) Except in the case of the occurrence of an Event of Default (as such term is defined in the applicable Note) and acceleration of the aggregate outstanding principal amount of the Notes, upon redemption prior to the maturity date.

The following description of our debt securities and certain material provisions of our prospectus and guaranties is a summary and does not purport to be complete. It is subject to, and qualified in its entirety by the respective indentures, any supplement to such indentures, the instruments representing each series of the Notes and any applicable law, as amended from time to time. Certain terms, unless otherwise defined here, have the meaning given to them in the relevant indenture.

We encourage you to read the indentures governing the Notes, as well as the applicable sections of our annual report for additional information.

General

Any debt securities issued by Suzano Austria or Fibria Overseas Finance is governed by a document called an indenture. The indenture is a contract entered into between any one of us, and a trustee, currently Deutsche Bank Trust Company Americas (the “Trustee”), as well as us, as guarantor and as successor of Fibria Celulose S.A. (“Fibria”). The Trustee has the following main roles:

- (i) first, the trustee can enforce debt securities holders’ rights against us if we default on our obligations under the indenture or the debt securities, although there are some limitations on the extent to which the trustee acts on debt securities holders behalf that are described under “—Events of Default”; and
- (ii) second, the trustee performs administrative duties for the debt securities holders, such as sending payments and notices to debt securities holders.

Suzano Austria will issue debt securities guaranteed by Suzano under an indenture we refer to as the Suzano Austria indenture. Fibria Overseas Finance will issue debt securities guaranteed by Suzano under an indenture we refer to as the Fibria Overseas Finance indenture.

Together or separately, Suzano Austria, Fibria Overseas Finance and us may issue as many distinct series of debt securities under our indentures as are authorized by the corporate bodies that are required under applicable law and our corporate organizational documents to authorize the issuance of debt securities. Specific issuances of debt securities will also be governed by a supplemental indenture, an officer’s certificate or a document evidencing the authorization of any such corporate body. This summary contains material terms of the debt securities that are common to all series and to each of the indentures, unless otherwise indicated in this Exhibit 2.4 and in the prospectus supplement relating to a particular series.

As listed in the table above, until December 31, 2021 we have 7 outstanding Notes issued in U.S. dollar, which were all based on the following 4 different indentures, as applicably amended: (i) indenture entered into by Suzano Austria and the Trustee on September 20, 2018 (“2018 Suzano Austria Base Indenture”); (ii) indenture entered into by Suzano Austria and the Trustee on May 29, 2019 (“2019 Suzano Austria Base Indenture”); (iii) indenture entered into by Suzano Austria and the Trustee on January 24, 2020 (“2020 Suzano Austria Base Indenture” and, together with the 2018 Suzano Austria Base Indenture and the 2019 Suzano Austria Base Indenture, the “Suzano Austria Base Indentures”); (iv) indenture entered into by Fibria Overseas Finance and the Trustee on May 12, 2014 (“2014 Fibria Overseas Finance Base Indenture”); and (v) indenture entered into

by Fibria Overseas and the Trustee on November 14, 2017 (“2017 Fibria Overseas Finance Base Indenture” and, together with the 2014 Fibria Overseas Finance Base Indenture, “Fibria Overseas Finance Base Indentures”).

In addition, as result of a merger of Fibria into us, on April 1, 2019, we assumed all of Fibria’s obligations under the 2014 Fibria Overseas Finance Base Indenture and the 2017 Fibria Overseas Finance Base Indenture, and terms such as “Suzano,” the “Company,” “we,” “us” and “our” as used in this Exhibit 2.4 shall refer to Suzano itself, together with its subsidiaries (including Fibria Overseas Finance and Suzano Austria) or as Fibria’s successor, as the case may be.

Each of the indentures and their associated documents contain the full legal text of the matters described herein. We have agreed that New York law governs the indentures and the debt securities. We have filed a copy of all applicable indentures with the SEC as exhibits to our respective registration statements. We have consented in each indenture to the non-exclusive jurisdiction of any U.S. federal court sitting in the borough of Manhattan in the City of New York, New York, United States and any appellate court from any thereof.

Types of Debt Securities

This section summarizes material terms of the debt securities that are common to all series and to the Suzano Austria and Fibria Overseas Finance indentures, unless otherwise indicated in this section or in the prospectus supplement relating to a particular series.

Because this section is a summary, it does not describe every aspect of the debt securities. This summary is subject to and qualified in its entirety by reference to all the provisions of the indentures, including the definition of various terms used in the indentures. For example, we describe the meanings for only the more important terms that have been given special meanings in the indentures.

We may issue original issue discount securities, which are debt securities that are offered and sold at a substantial discount to their stated principal amount. We may also issue indexed securities or securities denominated in currencies other than the U.S. dollar, currency units or composite currencies, as described in more detail in the prospectus supplement relating to any such debt securities. We will describe the U.S. federal income tax consequences and any further specific U.S. federal income tax consequences and any other special considerations applicable to original issue discount, indexed or foreign currency debt securities in the applicable prospectus supplement.

In addition, the material financial, legal and other terms particular to a series of debt securities will be described in the prospectus supplement relating to that series. Those terms may vary from the terms described here. Accordingly, this summary also is subject to and qualified by reference to the description of the terms of the series described in the applicable prospectus supplement.

In addition, the prospectus supplement will state whether we will list the debt securities of the series on any stock exchanges and, if so, which ones.

Form, Exchange and Transfer

The notes will be issued, unless otherwise indicated in the applicable prospectus supplement, in fully registered form without interest coupons, in minimum denominations of U.S.\$200,000, in case of the 2018 Suzano Austria Base Indenture and the 2019 Suzano Austria Base Indenture, or U.S.\$2,000 in case of the Fibria Overseas Finance Base Indentures and any integral multiples of U.S.\$1,000 thereof, and minimum denominations of U.S.\$1,000 in case of the 2020 Suzano Austria Base Indenture and integral multiples thereof. The debt holders may have the debt securities broken into more debt securities of smaller denominations or combined into fewer debt securities of larger denominations, as long as the total principal amount is not changed. This is called an exchange.

Debt holders may exchange or transfer their registered debt securities at the office of the trustee. The Trustee will maintain an office in New York, New York. The trustee acts as our agent for registering debt securities in the names of holders and transferring registered debt securities. The entity performing the role of maintaining the list of registered holders is called the “**security registrar**.” It will also register transfers of the registered debt securities.

Holders will not be required to pay a service charge to transfer or exchange debt securities, but may be required to pay any tax or other governmental charge associated with the registration of transfer or exchange. The transfer or exchange of a registered debt security will only be made if holders have duly endorsed the debt security or provided the security registrar with a written instrument of transfer satisfactory in form to the security registrar.

If we designate additional transfer agents, they will be named in the applicable prospectus supplement. We may cancel the designation of any particular transfer agent. We may also approve a change in the office through which any transfer agent acts or choose to act as our transfer agent.

If the debt securities are redeemable and we redeem less than all of the debt securities of a particular series, we may block the transfer or exchange of debt securities in order to freeze the list of holders to prepare the mailing during the period beginning 15 days before the day we mail the notice of redemption and ending on the day of that mailing. We may also refuse to register transfers or exchanges of debt securities selected for redemption. However, we will continue to permit transfers and exchanges of the unredeemed portion of any debt security being partially redeemed.

Payment and Paying Agents

Debt securities in registered form, will have interest paid to the direct holder listed in the trustee’s records at the close of business on a particular day in advance of each due date for interest, even if such holder no longer own the security on the interest due date. That particular day is called the “regular record date” and will be stated in the applicable prospectus supplement.

We will pay interest, principal (and premium, if any) and any other money due on global registered debt securities pursuant to the applicable procedures of the depositary or, if the debt securities are not in global form, at our office or agency maintained for that purpose in New York, New York. We may also choose to pay interest by mailing checks. For the Fibria Overseas Finance Base Indentures, upon application by a holder to the specified office of the trustee or any paying agent

not less than 10 business days before the due date for any payment in respect of a debt security, such payment may be made by transfer to a U.S. dollar account maintained by the holder with a bank in New York City. We may also arrange for additional payment offices, and we may cancel or change our use of these offices, including our use of the trustee's corporate trust office. These offices are called "**paying agents**." We may appoint paying agents outside the United States for a specific issuance of securities. We may also choose to act as our own paying agent.

Regardless of who acts as paying agent, all money that we pay as principal, premium or interest to a paying agent, or then held by us in trust, that remains unclaimed at the end of two years after the amount is due to a direct holder will, subject to any unclaimed property laws, be repaid to us or (if then held in trust) discharged from trust. After that two-year period, direct holders may look only to us for payment and not to the trustee, any other paying agent or anyone else.

Notices

We and the trustee will send notices only to direct holders, using their addresses as listed in the registrar's records. In addition, if the debt securities of a series are listed on a securities exchange, we will provide notice to the holders in accordance with the applicable rules of such exchange.

Modification and Waiver

Each indenture provides several categories of changes that can be made to the indenture and the debt securities issued under that indenture. Such changes may or may not require the consent of the holders, as described below.

1) Changes Requiring Each Holder's Approval. Each indenture provides that there are changes to the indenture that cannot be made without the approval of each holder of the outstanding debt securities affected thereby. Those types of changes include:

- reduce the rate of interest on any debt security or extend the stated maturity of any payment of interest on any debt security;
- reduce the principal amount of any debt security or extend the stated maturity of any payment of principal of (and premium, if any, on) any debt security;
- reduce the amount payable upon the redemption of any debt security (i) for the Fibria Overseas Finance Base Indentures, or change the time at which any debt security may be redeemed; or (ii) for the Suzano Austria Base Indentures, in respect of an optional redemption, change the times at which any debt security may be redeemed or, once notice of redemption has been given, change the time at which it must thereupon be redeemed;
- a change in the currency of any payment on a debt security or its place of payment;
- an impairment of the holder's right to sue for payment of any amount due on a debt security;

- a reduction in the percentage in principal amount of the outstanding debt securities the consent of the holders of which is needed to modify or amend the indenture or a debt security or waive compliance with various provisions of the indenture; and
- Specifically for Fibria Overseas Finance Base Indentures:
 - a waiver of specified defaults in payment of principal of (and premium, if any, on) and interest on a debt security;
 - amend any provisions of the payment obligations under guarantees in a manner that would materially and adversely affect the holders; and
 - make any change in the amendment or waiver provisions which require each holder's consent.

It is not necessary for holders of the debt securities to approve the particular form of any proposed amendment, supplement or waiver, but is sufficient if their consent approves the substance thereof.

Neither Suzano nor any of its subsidiaries or affiliates may, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the indentures or the debt securities unless such consideration is offered to be paid or agreed to be paid to all holders of the debt securities that consent, waive or agree to amend such term or provision within the time period set forth in the solicitation documents relating to the consent, waiver or amendment.

2) Changes Not Requiring Approval. Each indenture provides that there are changes to the indenture that do not require any approval by holders of outstanding debt securities under that indenture. Those types of changes include:

- to cure any ambiguity, defect or inconsistency in the indenture or the debt securities;
- to comply with the covenant described under the caption “—Consolidation, Merger or Sale of Substantially All Assets”;
- to evidence and provide for the acceptance of an appointment by a successor trustee;
- to provide for uncertificated debt securities in addition to or in place of Certificated debt securities;
- to provide for any guarantee of the debt securities, to secure the debt securities or to confirm and evidence the release, termination or discharge of any guarantee of or Lien securing the debt securities when such release, termination or discharge is permitted by the indenture;
- to provide for or confirm the issuance of additional debt securities; or

- to make any other change that does not materially, adversely affect the rights of any holder or to conform the indenture to this “Description of the Debt Securities” or the “Description of the Notes” in the applicable prospectus supplement.

3) Changes Requiring a Majority Vote. Each indenture provides that other changes to the indenture and the outstanding debt securities under the indenture requires the approval by the holders of debt securities that together represent a majority of the outstanding principal amount of the particular series affected. This approval would also be required for us to obtain a waiver of all or part of any covenants described below under “—Certain Covenants of Suzano” or in the applicable prospectus supplement, for us to obtain a waiver of a past default, or to rescind or annul a declaration of acceleration with respect to debt securities of any series before a judgment or decree for payment of the money due has been obtained by the trustee if subject to the conditions described in “Events of Default—Remedies Upon an Event of Default.” The required approval must be given by written consent. However, we cannot obtain a waiver of a payment default or any other aspect of an indenture or the debt securities issued under that indenture described above under “—Changes Requiring Each Holder’s Approval” unless we obtain the consent of all holders of the debt securities issued under that indentures to the waiver.

Further Details Concerning Voting

Debt securities will not be considered outstanding, and therefore the holders of those debt securities will not be eligible to vote or take other action under the applicable indenture, if we have deposited or set aside in trust for the holders money for their payment or redemption. Debt securities will also not be eligible to vote or take other action under the applicable indenture if they have been defeased as described under “—Defeasance and Discharge.” Debt securities held by us, Suzano Austria, Fibria Overseas or our affiliates are not considered outstanding.

We will generally be entitled to set any day as a record date for the purpose of determining the holders of outstanding debt securities that are entitled to vote or take other action under the applicable indenture. In limited circumstances, the trustee, and not us, will be entitled to set a record date for action by holders. If a record date is set for a vote or other action to be taken by holders of a particular series, that vote or action may be taken only by persons who are holders of outstanding debt securities of that series on the record date and must be taken within 180 days following the record date or another period that we or, if it sets the record date, the trustee may specify. This period may be shortened or lengthened (but not beyond 180 days).

Street name and other indirect holders should consult their banks or brokers for information on how approval may be granted or denied if we seek to change the indenture or the debt securities or request a waiver.

Redemption

Unless otherwise indicated in the applicable prospectus supplement, the debt securities will not be entitled to the benefit of any sinking fund; that is, we will not deposit money on a regular basis into any separate custodial account to repay the debt securities. In addition, other than as set forth in “—Optional Tax Redemption” below, unless otherwise specified in the applicable prospectus supplement, we will not be entitled to redeem the debt securities before their stated maturity.

If the applicable prospectus supplement specifies a redemption date, it will also specify one or more redemption prices, which may be expressed as a percentage of the principal amount of your debt security or by reference to one or more formulae used to determine the redemption price. It may also specify one or more redemption periods during which the redemption prices relating to a redemption of debt securities during those periods will apply.

If the applicable prospectus supplement specifies a redemption commencement date, we may redeem the debt securities at our option at any time on or after that date. If we redeem the debt securities, we will do so at the specified redemption price, together with interest accrued to the redemption date. If different prices are specified for different redemption periods, the price we pay will be the price that applies to the redemption period during which the debt securities is redeemed. If less than all of the debt securities are redeemed at any time, the trustee will authenticate and deliver to the holder of such debt securities without service charge, a new debt security or securities of the same series and of like tenor, of any authorized denomination as requested by such holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the debt security so surrendered. If less than all of the debt securities are redeemed, the debt securities to be redeemed will be determined in accordance with the applicable procedures of the depository.

In the event that we exercise an option to redeem any debt securities, we will give to the trustee and the holders written notice of the principal amount of the debt securities to be redeemed, not less than five business days nor more than 60 days for the Suzano Austria Base Indentures or 60 business days for Fibria Overseas Finance Base Indentures, before the applicable redemption date. We will give the notice in the manner described above under “—Notices.”

Optional Tax Redemption

If, as a result of any change in or amendment to the laws or treaties (or any rules or regulations thereunder) of any Relevant Jurisdiction, or any amendment to or change in an official interpretation, administration or application of such laws, treaties, rules, or regulations (including a holding by a court of competent jurisdiction), which change or amendment or change in official position becomes effective on or after the issue date, or, with respect to a successor, after the date a successor assumes the obligations under the debt securities or the debt securities guarantees, Suzano Austria or Fibria Overseas Finance or their successors have or will become obligated to pay Additional Amounts as described below under “— Payment of Additional Amounts” in excess of the Additional Amounts that Suzano Austria or Fibria Overseas Finance would be obligated to pay if payments were subject to withholding or deduction at a rate of 15% (or at a rate of 25% in case the holder of the debt securities is resident in a tax haven jurisdiction, i.e., countries which do not impose any income tax or which impose it at a maximum rate lower than 20% or where the laws impose restrictions on the disclosure of ownership composition or securities ownership) as a result of the taxes, duties, assessments and other governmental charges described above (the “Minimum Withholding Level”), then we may, at our option, redeem all, but not less than all, of the debt securities of the series so affected, at a redemption price equal to 100% of their principal amount, together with interest and Additional Amounts accrued to the date fixed for redemption, upon publication of irrevocable notice not less than 30 days nor more than 90 days prior to the date fixed for redemption.

No notice of such redemption may be given earlier than 90 days prior to the earliest date on which we would, but for such redemption, be obligated to pay the Additional Amounts above the Minimum Withholding Level, were a payment then due. We shall not have the right to so redeem the debt securities in the event we become obliged to pay Additional Amounts which are less than the Additional Amounts payable at the Minimum Withholding Level. Notwithstanding the foregoing, we shall not have the right to so redeem the debt securities unless: (i) it has taken measures it considers reasonable to avoid the obligation to pay Additional Amounts; and (ii) it has complied with all applicable regulations to legally effect such redemption; provided, however, that for this purpose reasonable measures shall not include any change in Suzano Austria's or Fibria Overseas Finance's or any successor's jurisdiction of incorporation or organization or location of each of their principal executive or registered office.

Open Market Purchases

Subject to any restrictions described in the applicable prospectus supplement, we or our affiliates may at any time purchase debt securities from investors who are willing to sell from time to time, either in the open market at prevailing prices or in private transactions at negotiated prices. Debt securities that we or they purchase may, in our discretion, be held, resold or canceled, but will only be resold in compliance with applicable requirements or exemptions under the relevant securities laws.

Payment of Additional Amounts

Unless otherwise indicated in the applicable prospectus supplement, all payments in respect of the debt securities issued thereunder and the related guarantee, if any, will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments, or other governmental charges of whatever nature imposed or levied by or on behalf of (i) Brazil, (ii) Austria; (iii) the Cayman Islands, or (iii) or any other jurisdiction or political subdivision thereof from or through which a payment is made or in which Suzano Austria or Fibria Overseas Finance (or any successor to each of them) is organized or is a resident for tax purposes having power to tax (a "Relevant Jurisdiction"), unless we are compelled by law to deduct or withhold such taxes, duties, assessments or governmental charges. In such event, Suzano Austria or Fibria Overseas Finance, as applicable, will make such deduction or withholding, make payment of the amount so withheld to the appropriate governmental authority and pay such additional amounts as may be necessary to ensure that the net amounts receivable by holders of debt securities after such withholding or deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of the debt securities in the absence of such withholding or deduction ("Additional Amounts"). Notwithstanding the foregoing, no such Additional Amounts shall be payable:

- i. in respect of any taxes, duties, assessments or governmental charges that would not have been so withheld or deducted but for the existence of any present or former connection between the holder or beneficial owner of the debt securities (or between a fiduciary, settlor, beneficiary, member or shareholder of such holder or beneficial owner, if such holder or beneficial owner is an estate, a trust, a partnership, a limited liability company or a corporation) and the Relevant Jurisdiction, including, without limitation, such holder or beneficial owner (or such fiduciary, settlor, beneficiary, member or shareholder) being or

having been a citizen or resident thereof or being or having been engaged in a trade or business or present therein or having, or having had, a permanent establishment therein, other than the mere holding of the debt securities or enforcement of rights and the receipt of payments with respect to the debt securities;

- ii. in respect of debt securities presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder of such debt securities would have been entitled to such Additional Amounts, on surrender of such debt securities for payment on the last day of such period of 30 days;
- iii. in respect of any taxes, duties, assessments or other governmental charges that would not have been so withheld or deducted but for the failure by the holder, the beneficial owner of the debt securities, or, in the case of amounts payable to the Trustee, the Trustee to (i) make a declaration of non-residence, or any other claim or filing for exemption, to which it is entitled, or (ii) comply with any certification, identification or other reporting requirement concerning the nationality, residence, identity or connection with the Relevant Jurisdiction, if (1) compliance is required by the Relevant Jurisdiction, as a precondition to, exemption from, or reduction in the rate of, the tax, assessment or other governmental charge and (2) the Suzano Austria or Fibria Overseas Finance has given the holders or the Trustee, as applicable, at least 30 days' notice that holders will be required to provide such certification, identification or other requirement; provided that, in no event, shall such holder's, beneficial owner's, or Trustee's requirement to make a valid and legal claim for exemption from or reduction of such taxes require such holder, beneficial owner or the Trustee to provide any materially more onerous information, documents or other evidence than would be required to be provided had such holder, beneficial owner or the Trustee been required to file U.S. IRS Forms W-8 or W-9, as applicable;
- iv. in respect of any estate, inheritance, gift, sales, transfer, capital gains, excise or personal property or similar tax, assessment or governmental charge;
- v. any withholding or deduction that is imposed on the debt securities that is presented for payment, where presentation is required, by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting such debt securities to another paying agent;
- vi. in respect of any tax, assessment or other governmental charge which is payable other than by deduction or withholding from payments of principal of or interest on the debt securities; or
- vii. in respect of any combination of the above.

In addition, no Additional Amounts shall be paid with respect to any payment on a debt security to a holder who is a fiduciary, a partnership, a limited liability company or other than the sole beneficial owner of that payment to the extent that payment would be required by the laws of the Relevant Jurisdiction to be included in the income, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, a member of that partnership, an interest holder in a limited liability

company or a beneficial owner who would not have been entitled to the Additional Amounts had that beneficiary, settlor, member or beneficial owner been the holder.

The prospectus supplement relating to the debt securities may describe additional circumstances in which we would not be required to pay additional amounts.

For purposes of the above, “Relevant Date” means, with respect to any payment on a debt security, whichever is the later of: (i) the date on which such payment first becomes due; and (ii) if the full amount payable has not been received by the Trustee on or prior to such due date, the date on which notice is given to the holders that the full amount has been received by the Trustee.

The applicable prospectus supplement may describe additional circumstances in which we would not be required to pay additional amounts.

Any reference in this document, any prospectus supplement, the indentures or the debt securities to principal, interest or any other amount payable in respect of the debt securities by Suzano Austria or Fibria Overseas Finance or the debt securities guarantees by the guarantor will be deemed also to refer to any Additional Amount, unless the context requires otherwise, that may be payable with respect to that amount under the obligations referred to in this subsection.

Suzano Austria and Fibria Overseas Finance shall promptly pay when due any present or future stamp, court or documentary taxes or any other excise or property taxes, charges or similar levies that arise in any Relevant Jurisdiction from the execution, delivery or registration of each note or any other document or instrument referred to herein or therein except, in certain cases, for taxes, charges or similar levies resulting from certain registrations of transfer or exchange debt securities.

The foregoing obligation will survive termination or discharge of the indentures, payment of the debt securities and/or the resignation or removal of the Trustee or any agent hereunder.

The debt securities are subject in all cases to any tax, fiscal or other law or regulation or administrative or judicial interpretation. Except as specifically provided above, we will not be required to make a payment with respect to any tax, assessment or governmental charge imposed by any government or a political subdivision or taxing authority thereof or therein.

Certain Covenants

Limitation on Liens

Unless otherwise specified in the applicable prospectus supplement, Suzano will not, and will not permit any Subsidiary to, directly or indirectly, incur or permit to exist any Lien securing the payment of Debt on any of its properties or assets, whether owned at the Issue Date or thereafter acquired, other than Permitted Liens, without effectively providing that the debt securities or the debt securities guarantees, as applicable, are secured equally and ratably with (or, if the obligation to be secured by the Lien is subordinated in right of payment to the debt securities or any debt securities guarantees, prior to) the obligations so secured for so long as such obligations are so secured.

Limitation on Sale and Leaseback Transactions

Unless otherwise specified in the applicable prospectus supplement, Suzano will not, and will not permit any Subsidiary to, enter into any Sale and Leaseback Transaction with respect to any Property unless Suzano or such Subsidiary would be entitled to create a Lien on such Property or asset securing the Attributable Debt without equally and ratably securing the debt securities pursuant to the covenant described under the heading “—Limitation on Liens,” in which case, the corresponding Lien will be deemed incurred pursuant to such provision.

Repurchase of Debt Securities upon a Change of Control

Unless otherwise specified in the applicable prospectus supplement, not later than 30 days following a Change of Control that results in a Rating Decline for any series of debt securities, Suzano Austria or Fibria Overseas Finance shall make an Offer to Purchase all outstanding debt securities of such series at a purchase price equal to 101% of the principal amount plus accrued interest to the date of purchase.

An “Offer to Purchase” must be made by written offer, which will specify the principal amount of debt securities subject to the offer and the purchase price. The offer must specify an expiration date (the “expiration date”) not less than 30 days or more than 60 days after the date of the offer and a settlement date for purchase (the “purchase date”) not more than five Business Days after the expiration date. The offer must include information concerning the business of Suzano and its Subsidiaries which Suzano or Suzano Austria or Fibria Overseas Finance in good faith believes will enable the holders to make an informed decision with respect to the Offer to Purchase. The offer will also contain instructions and materials necessary to enable holders to tender debt securities pursuant to the offer.

A holder may tender all or any portion of its debt securities pursuant to an Offer to Purchase, subject to the minimum denomination requirement and the requirement that any portion of a debt security tendered must be in a multiple of U.S.\$1,000 principal amount. Holders are entitled to withdraw debt securities tendered up to the close of business on the expiration date. On the purchase date, the purchase price will become due and payable on each debt securities accepted for purchase pursuant to the Offer to Purchase, and interest on debt securities purchased will cease to accrue on and after the purchase date provided that payment is made available on that date.

We will comply with Rule 14e-1 under the Exchange Act (to the extent applicable) and all other applicable laws and regulations in making any Offer to Purchase, and the above procedures will be deemed modified as necessary to permit such compliance.

We are only required to offer to repurchase the debt securities of a series in the event that a Change of Control results in a Rating Decline for such series. Consequently, if a Change of Control were to occur which does not result in a Rating Decline, Suzano Austria or Fibria Overseas Finance would not be required to offer to repurchase the debt securities of such series. In addition, neither Suzano Austria nor Fibria Overseas Finance will be required to make an Offer to Purchase upon a Change of Control if (1) a third party makes the Offer to Purchase in the manner, at the times and otherwise in compliance with the requirements set forth in the indenture applicable to an Offer to Purchase made by Suzano Austria or Fibria Overseas Finance and purchases all debt securities of

such series properly tendered and not withdrawn under the Offer to Purchase, or (2) notice of redemption for all outstanding debt securities of such series has been given pursuant to the indentures as described above under the caption “—Optional Redemption,” unless and until there is a default in payment of the applicable redemption price.

Notwithstanding anything to the contrary contained herein, an Offer to Purchase may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Offer to Purchase is made.

Certain existing and/or future Debt of Suzano Austria or Fibria Overseas Finance may provide that a Change of Control is a default or require repurchase upon a Change of Control. Moreover, the exercise by the noteholders of their right to require Suzano Austria or Fibria Overseas Finance to purchase the debt securities could cause a default under other debt, even if the Change of Control itself does not, due to the financial effect of the purchase on Suzano Austria or Fibria Overseas Finance. In addition, any remittance of funds outside of Brazil to noteholders or the Trustee may require the consent of the Central Bank, which may not be granted. Our ability to pay cash to the noteholders following the occurrence of a Change of Control may be limited by Suzano Austria’s or Fibria Overseas Finance’s then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the debt securities.

Except as described above with respect to a Change of Control, the applicable indenture will not contain provisions that permit the holder of the debt securities to require that Suzano Austria or Fibria Overseas Finance purchase or redeem the debt securities in the event of a takeover, recapitalization or similar transaction.

The provisions under the applicable indentures relating to Suzano Austria’s or Fibria Overseas Finance’s obligation to make an offer to repurchase the debt securities as a result of a Change of Control may be waived or amended as described in “—Modification and Waiver.”

Limitation on Transactions with Affiliates

Unless otherwise specified in the applicable prospectus supplement,

- a) Suzano will not, and will not permit any of its Subsidiaries to, directly or indirectly, enter into, renew or extend any transaction or arrangement including the purchase, sale, lease or exchange of property or assets, or the rendering of any service with any Affiliate of Suzano (a “Related Party Transaction”), except upon fair and reasonable terms no less favorable to Suzano or of its Subsidiaries than could be obtained in a comparable arm’s-length transaction with a Person that is not an Affiliate of Suzano.
- b) In any Related Party Transaction or series of Related Party Transactions with an aggregate value in excess of US\$20 million (or the equivalent thereof at the time of determination), Suzano must first deliver to the Trustee an Officer’s Certificate to the effect that such transaction or series of related transactions are on fair and reasonable terms no less favorable to Suzano or such Subsidiary than could be obtained in a comparable arm’s length transaction and is otherwise compliant with the terms of the applicable indenture.

- c) The foregoing paragraphs do not apply to:
- (1) any transaction between Suzano and any of its Subsidiaries or between or among Subsidiaries of Suzano;
 - (2) any transaction between Suzano or any of its Subsidiaries, on the one hand, and any joint venture, on the other, on market terms;
 - (3) the payment of reasonable and customary regular fees to directors of Suzano who are not employees of Suzano;
 - (4) any issuance or sale of Equity Interests of Suzano (other than Disqualified Stock);
 - (5) transactions or payments (including loans and advances) pursuant to any employee, officer or director compensation or benefit plans, customary indemnifications or arrangements entered into in the ordinary course of business;
 - (6) transactions pursuant to agreements in effect on the Issue Date and described in the prospectus, as amended, modified or replaced from time to time so long as the amended, modified or new agreements, taken as a whole, are no less favorable to Suzano and its Subsidiaries than those in effect on the date the indentures;
 - (7) any Sale and Leaseback Transaction otherwise permitted under the caption “—Limitation on Sale and Leaseback Transactions” if such transaction is on market terms;
 - (8) transactions with customers, clients, distributors, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business and on market terms;
 - (9) the provision of administrative services to any joint venture on substantially the same terms provided to or by Subsidiaries of Suzano; and
 - (10) any guarantee or security granted by an affiliate of Suzano in favor of Suzano or any of its Subsidiaries on market terms

Consolidation, Merger or Sale of Substantially All Assets

Unless otherwise specified in the applicable prospectus supplement,

- a) Neither Suzano, Suzano Austria or Fibria Overseas Finance will, in a single transaction or a series of related transactions:
- consolidate with or merge with or into any Person, or
 - sell, convey, transfer, assign, or otherwise dispose of all or substantially all of its assets (determined on a consolidated basis for Suzano and its Subsidiaries, as the case may be) as an entirety or substantially an entirety, in one transaction or a series of related transactions, to any Person, or

- permit any Person to merge with or into Suzano or Suzano Austria or Fibria Overseas Finance; in each case unless

(1) either: (x) Suzano, Suzano Austria or Fibria Overseas Finance, as applicable, is the continuing Person; or (y) the resulting, surviving or transferee Person (the "Successor Company") is (A) in the event of a merger of Suzano, a corporation organized and validly existing under the laws of Brazil or any political subdivision thereof, the United States of America or any state thereof or the District of Columbia or any other country member of the Organization for Economic Co-operation and Development ("OECD") or (B) in the event of a merger of the issuer, an entity organized and validly existing under the laws of Austria, the United States of America or any state thereof or the District of Columbia or any other country member of the OECD, and, in each case, expressly assumes by supplemental indenture, executed and delivered to the Trustee, in form as set forth in the applicable indenture or as otherwise satisfactory to the Trustee, all of the obligations of Suzano, Suzano Austria or Fibria Overseas Finance, as the case may be, under the indentures and the debt securities guarantees, as applicable;

(2) immediately after giving effect to such transaction, no Default or Event of Default has occurred and is continuing;

(3) if Suzano is organized under Brazilian law or the issuer is organized under Austrian law or Cayman Islands law, as applicable, and Suzano or the issuer merges with a corporation, or the Successor Company is, organized under the laws of the United States, any State thereof or the District of Columbia or any country member of the OECD, or (ii) if Suzano or the issuer is organized under the laws of the United States, any State thereof or the District of Columbia and merges with a corporation, or the Successor Company is, organized under the laws of Brazil, Austria or the Cayman Islands, as applicable, or any country member of the OECD, then Suzano, the issuer or the Successor Company will have delivered to the Trustee an Opinion of Counsel from each of Brazilian, Austrian or Cayman Islands, as applicable, U.S. and the successor jurisdiction counsel to the effect that, as applicable, the holders of the debt securities will not recognize income, gain or loss for U.S. jurisdiction or Brazilian, Austrian or Cayman Islands jurisdiction, as applicable, or the successor jurisdiction income tax purposes as a result of such transaction; and

(4) Suzano Austria or Fibria Overseas Finance or the Successor Company, as the case may be, delivers to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that the consolidation, merger or transfer and the supplemental indenture (if any) comply with the indentures;

provided, that clause (2) does not apply to the consolidation or merger of Suzano or Suzano Austria or Fibria Overseas Finance with or into any of Suzano's Subsidiaries or the consolidation or merger of a Subsidiary of Suzano with or into Suzano or Suzano Austria or Fibria Overseas Finance.

- b) Suzano shall not sell or otherwise transfer any Equity Interest in Suzano Austria or Fibria Overseas Finance (other than directors' qualifying shares) to any other Person other than a Subsidiary of Suzano unless Suzano becomes the direct obligor under the debt securities.

- c) Upon the consummation of any transaction effected in accordance with these provisions, if Suzano or Suzano Austria or Fibria Overseas Finance, as applicable, is not the continuing Person, the Successor Company will succeed to, and be substituted for, and may exercise every right and power of Suzano under the debt securities guarantees, or Suzano Austria or Fibria Overseas Finance under the applicable indenture with the same effect as if such successor Person had been named as Suzano or Suzano Austria or Fibria Overseas Finance, as applicable, in the applicable indenture. Upon such substitution, unless the successor is one or more of Suzano's Subsidiaries, Suzano or Suzano Austria or Fibria Overseas Finance, as applicable, will be released from its obligations under the applicable indenture or the debt securities guarantees, as applicable.

Maintenance of Properties

Unless otherwise specified in the applicable prospectus supplement, Suzano will cause all properties used or useful in the conduct of its business or the business of any of its Subsidiaries to be maintained and kept in good condition, repair and working order as in the judgment of Suzano may be necessary so that the business of Suzano and its Subsidiaries may be properly and advantageously conducted at all times; provided that nothing shall prevent Suzano or any of its Subsidiaries from discontinuing the use, operation or maintenance of any of such properties or disposing of any of them, if such discontinuance or disposal is, in the judgment of Suzano, desirable in the conduct of the business of Suzano and its Subsidiaries taken as a whole.

Substitution of the Issuer

Without the consent of any holder of the debt securities (and, by purchasing any debt securities, each holder expressly consents to the provisions of this section), Suzano Austria or Fibria Overseas Finance, as the case may be, may be substituted by (a) Suzano or (b) any Wholly Owned Subsidiary of Suzano as principal debtor in respect of the debt securities (in each case, in that capacity, the "Successor Issuer"); provided that the following conditions are satisfied:

- a) such documents will be executed by the Successor Issuer, Suzano Austria or Fibria Overseas Finance, as applicable, Suzano and the Trustee as may be necessary to give full effect to the substitution, including (i) a supplemental indenture under which the Successor Issuer assumes all of the obligations of Suzano Austria or Fibria Overseas Finance, as applicable under the applicable indenture and the debt securities and, unless the Guarantor's then existing guarantees remain in full force and effect, substitute guarantees issued by the Guarantor in respect of the debt securities and (ii) a Subsidiary guarantee by Suzano Austria or Fibria Overseas Finance, as applicable (collectively, the "Issuer Substitution Documents");
- b) the Issuer Substitution Documents will contain covenants (i) to ensure that each holder of the debt securities has the benefit of a covenant in terms corresponding to the obligations of Suzano Austria or Fibria Overseas Finance, as applicable, in respect of the payment of Additional Amounts (but replacing references to Austria or Cayman Islands, as applicable, with references to the jurisdiction of organization of the Successor Issuer); and (ii) to indemnify each holder and beneficial owner of the debt securities against all taxes or duties (a) which arise by reason of a law or regulation in effect or contemplated on the effective date of the substitution, which may be incurred or levied against such holder or beneficial owner of the debt securities as a

result of the substitution and which would not have been so incurred or levied had the substitution not been made and (b) which are imposed on such holder or beneficial owner of the debt securities by any political subdivision or taxing authority of any country in which such holder or beneficial owner of the debt securities resides or is subject to any such tax or duty and which would not have been so imposed had the substitution not been made;

- c) the Successor Issuer will deliver, or cause the delivery, to the Trustee of opinions from counsel reasonably satisfactory to the Trustee in the jurisdiction of organization of the Successor Issuer, Austria or Cayman Islands, as applicable, Brazil and New York as to the validity, legally binding effect and enforceability of the Issuer Substitution Documents, the applicable indenture, the debt securities and the debt securities guarantees and specified other legal matters, as well as an officers' certificate and opinion as to compliance with the provisions of the applicable indenture, including those provisions described under this section;
- d) the Successor Issuer will appoint a process agent in the Borough of Manhattan in The City of New York to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the debt securities, the applicable indenture and the Issuer Substitution Documents;
- e) no Event of Default has occurred and is continuing; and
- f) the substitution will comply with all applicable requirements under the laws of the jurisdiction of organization of the Successor Issuer, Austria or Cayman Islands, as applicable, and Brazil for the purpose of such substitution.

Upon the execution of the Issuer Substitution Documents, any substitute guarantee and compliance with the other conditions in the applicable indenture relating to the substitution, the Successor Issuer will be deemed to be named in the debt securities as the principal debtor in place of Suzano Austria or Fibria Overseas Finance, as applicable, any reference in this "Description of the Debt Securities" to Suzano Austria or Fibria Overseas Finance, as applicable shall from then on be deemed to refer to the Successor Issuer and any reference to the country in which Suzano Austria or Fibria Overseas Finance, as applicable is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Successor Issuer.

Not later than 10 Business Days after the execution of the Issuer Substitution Documents, the Successor Issuer will give notice thereof to the holders of the debt securities.

Notwithstanding any other provision of the applicable indenture, the Guarantor will (unless it is the Successor Issuer) promptly execute and deliver any documents or instruments necessary or that the Trustee may reasonably request, to ensure that the debt securities guarantees are in full force and effect for the benefit of the holders and beneficial owners of debt securities following the substitution.

Defeasance and Discharge

The following discussion of full defeasance and covenant defeasance will apply to the series of debt securities.

Full Defeasance

We can legally release ourselves from any payment or other obligations on the debt securities, except for various obligations described below (called “full defeasance”), if we, in addition to other actions, put in place the following arrangements for you to be repaid:

- We must irrevocably deposit in trust for debt securities holders benefit and the benefit of all other direct holders of the debt securities a combination of money and non-callable U.S. government or U.S. government agency debt securities or bonds that, in the opinion of a firm of nationally recognized independent public accounts, will generate enough cash without reinvestment to make interest, principal and any other payments, including additional amounts, on the debt securities on their various due dates.
- We must deliver to the trustee a legal opinion of our counsel, based upon a ruling by the U.S. Internal Revenue Service or upon a change in applicable U.S. federal income tax law, confirming that under then current U.S. federal income tax law we may make the above deposit without causing debt securities holders to be taxed on the debt securities any differently than if we did not make the deposit and just repaid the debt securities ourselves.

If we ever did accomplish full defeasance as described above, debt securities holders would have to rely solely on the trust deposit for repayment on the debt securities. Debt securities holders could not look to us for repayment in the unlikely event of any shortfall. Conversely, the trust deposit would most likely be protected from claims of our lenders and other creditors if we ever become bankrupt or insolvent. However, even if we take these actions, a number of our obligations relating to the debt securities will remain. These include the following obligations:

- to register the transfer and exchange of debt securities;
- to replace mutilated, destroyed, lost or stolen debt securities;
- to maintain paying agencies;
- to hold money for payment in trust; and
- to indemnify the trustee according to the terms of the indenture.

Covenant Defeasance

We can make the same type of deposit described above and be released from all or some of the restrictive covenants (if any) that apply to the debt securities of any particular series. This is called “covenant defeasance.” In that event, you would lose the protection of those restrictive covenants but would gain the protection of having money and securities set aside in trust to repay the debt securities. In order to achieve covenant defeasance, we must do the following:

- We must irrevocably deposit in trust for your benefit and the benefit of all other direct holders of the debt securities a combination of money and non-callable U.S. government or U.S. government agency debt securities or bonds that, in the opinion of a nationally recognized firm of independent accountants, will generate enough cash without

reinvestment to make interest, principal and any other payments, including additional amounts, on the debt securities on their various due dates.

- We must deliver to the trustee a legal opinion of our counsel confirming that under then current U.S. federal income tax law we may make the above deposit without causing debt securities holders to be taxed on the debt securities any differently than if we did not make the deposit and just repaid the debt securities ourselves.

If we accomplish covenant defeasance, the following provisions of the indenture and/or the debt securities would no longer apply:

- Any covenants applicable to the series of debt securities and described in the applicable prospectus supplement.
- The events of default relating to breach of those covenants being defeased and acceleration of the maturity of other debt, described later under “Events of Default”.

Events of Default

Each indenture provides that you will have rights if you hold debt securities issued under that indenture and an event of default occurs under that indenture and is not cured or waived, as described later in this subsection and as may be specified in the applicable prospectus supplement.

What is an Event of Default? Each indenture provides that the term “**Event of Default**” with respect to any series of debt securities means any of the following, unless otherwise specified in the applicable prospectus supplement:

- a) failure to pay any interest (or additional amounts, if any) on any of the debt securities of that series on the date when due, which failure continues for a period of 30 days; or failure to pay any principal or premium, if any (or additional amounts, if any), on any of the debt securities of that series on the date when due, which failure continues for a period of 7 days;
- b) Suzano Austria or Fibria Overseas Finance, as applicable, fails to comply with any of its other covenants or agreements in respect of the debt securities of that series or the applicable indenture (other than those referred in the item above) and such failure continues for a period of 60 days after Suzano Austria or Fibria Overseas Finance, as applicable, receives a notice of default from the trustee acting at the written direction of holders of 25% of the principal amount of the outstanding debt securities of the affected series; or by the holders of 25% of the principal amount of the outstanding debt securities of the affected series;
- c) The maturity of any Debt in a total aggregate principal amount of U.S.\$75,000,000 or more is accelerated in accordance with the terms of that Debt, it being understood that prepayment or redemption by Suzano Austria or Fibria Overseas Finance or any of the Significant Subsidiaries thereof, as applicable, of any Debt is not acceleration for this purpose;

- d) One or more final and non-appealable judgments or orders for the payment of money are rendered against Suzano Austria or Fibria Overseas Finance or any of its Subsidiaries, as applicable, and are not paid or discharged, and there is a period of 60 consecutive days following entry of the final and non-appealable judgment or order that causes the aggregate amount for all such final and non-appealable judgments or orders outstanding and not paid or discharged against all such Persons to exceed U.S.\$75,000,000 or the equivalent thereof at the time of determination (in excess of amounts which Suzano's insurance carriers have agreed to pay under applicable policies) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;
- e) Suzano pursuant to or within the meaning of any Bankruptcy Law: (1) commences a voluntary case or files a request or petition for a writ of execution to initiate bankruptcy proceedings or have itself adjudicated as bankrupt; (2) applies for or consents to the entry of an order for relief against it in an involuntary case; (3) applies for or consents to the appointment of a custodian of it or for any substantial part of its property; (4) makes a general assignment for the benefit of its creditors; (5) proposes or agrees to an accord or composition in bankruptcy between itself and its creditors; or (6) files for a reorganization of its debts (judicial or extrajudicial recovery);
- f) A court of competent jurisdiction enters an order or decree under any Bankruptcy Law that: (1) is for relief against Suzano in an involuntary case; (2) appoints a custodian of Suzano or for any substantial part of the property of Suzano; (3) orders the winding up or liquidation of Suzano; (4) adjudicates Suzano as bankrupt or insolvent; (5) ratifies an accord or composition in bankruptcy between Suzano and the respective creditors thereof; or (6) grants a judicial or extrajudicial recovery to Suzano, and in the case of any of (1) through (6), the order or decree remains unstayed and in effect for 60 days;
- g) The Guarantee ceases to be in full force and effect, other than in accordance with the terms of the relevant indenture, or Suzano denies or disaffirms its obligations under the Guarantee;
- h) Any event occurs that under the laws of any relevant jurisdiction has substantially the same effect as any of the events referred to in any of items (d), (e) or (f) of this section; or
- i) all or substantially all of the undertaking, assets and revenues of Suzano, Suzano Austria or Fibria Overseas Finance or any of its Subsidiaries that is a Material Subsidiary is condemned, seized or otherwise appropriated by any Person acting under the authority of any national, regional or local government or the Company, Suzano or any of its Subsidiaries that is a Significant Subsidiary is prevented by any such Person for a period of 60 consecutive days or longer from exercising normal control over all or substantially all of its undertaking, assets and revenues.

An event of default for a particular series of debt securities does not necessarily constitute an event of default for any other series of debt securities issued under the applicable indenture, although the default and acceleration of one series of debt securities may trigger a default and acceleration of another series of debt securities.

The Trustee will not be deemed to have notice of any Default or Event of Default (other than a payment default) unless a written notice of any event which is in fact such a default is received by a Responsible Officer of the Trustee at the Corporate Trust Office of the Trustee, and such notice references the particular Notes and the Indenture.

Remedies upon an Event of Default. If an event of default has occurred and has not been cured, the trustee or the holders of 25% in principal amount of the debt securities of the affected series may declare the entire principal amount of all the debt securities of that series to be due and immediately payable. This is called a declaration of acceleration of maturity. If an event of default occurs because of certain events in bankruptcy, insolvency or reorganization, or an equivalent proceeding under the applicable law, the principal amount of all the debt securities of that series will be automatically accelerated without any action by the trustee, any holder or any other person. A declaration of acceleration of maturity may be canceled by the holders of at least a majority in principal amount of the debt securities of the affected series.

Except in cases of default, where the trustee has some special duties, the trustee is not required to take any action under the indenture at the request of any holders unless the holders offer the trustee satisfactory security or indemnity from expenses and liability. If satisfactory indemnity is provided, the holders of a majority in principal amount of the outstanding debt securities of the relevant series may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee. These same holders may also direct the trustee in performing any other action under the indenture.

Before you bypass the trustee and bring your own lawsuit or other formal legal action or take other steps to enforce your rights or protect your interests relating to the debt securities, the following must occur:

- You must give the trustee written notice that an event of default has occurred and remains uncured.
- The holders of 25% in principal amount of all outstanding debt securities of the relevant series must make a written request that the trustee take action because of the default, and must offer satisfactory indemnity or security to the trustee against the cost and other liabilities of taking that action.
- The trustee must have not taken action for 60 days after receipt of the above notice and offer of indemnity or security.
- The holders of a majority in principal amount of all outstanding debt securities of the relevant series must not have given the trustee a direction during the sixty-day period that is inconsistent with the above notice.

However, you are entitled at any time to bring a lawsuit for the payment of money due on your debt security on or after its due date and if your debt security is convertible or exchangeable into another security to bring a lawsuit for the enforcement of your right to convert or exchange your debt security or to receive securities upon conversion or exchange.

Street name and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and to make or cancel a declaration of acceleration.

We will furnish to the trustee within 120 days after the end of our fiscal year every year a written statement of certain of our officers that will either certify that, to the best of their knowledge, we are in compliance with the indenture and the debt securities or specify any default.

Waiver of Defaults

The holders of not less than a majority in principal amount of the debt securities of any series may waive any default and its consequences for the debt securities of the series, except for defaults which cannot be waived without the consent of each holder. If this happens, the default will be treated as if it had not occurred. No one can waive a payment default, however, without the approval of each holder of the affected series of securities.

Street name and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and how to waive a default.

Certain Defined Terms

“Attributable Debt” means, in respect of a Sale and Leaseback Transaction the present value, discounted at the interest rate implicit in the Sale and Leaseback Transaction, of the total obligations of the lessee for rental payments during the remaining term of the lease in the Sale and Leaseback Transaction.

“Capital Lease” means, with respect to any Person, the obligations of such Person to pay rent or other amounts under a lease of (or other agreement conveying the right to use) real and/or personal property, which obligations are required to be classified and accounted for as a capital lease or liability set forth on a balance sheet of such Person under GAAP. The stated maturity of such obligations shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty. The principal amount of such obligations shall be the capitalized amount that would appear on the balance sheet of such Person in accordance with GAAP. Notwithstanding the foregoing, whether or not the lease will be accounted for as a capital lease and the amount of any capital leases shall be determined without giving effect to IFRS 16.

“Capital Stock” means, with respect to any Person, any and all shares, interests, participations, quotas or other equivalents (however designated) of capital stock of a corporation, any and all ownership interests in a Person other than a corporation and any and all warrants or options to purchase any of the foregoing which would be shown as capital stock on the consolidated balance sheet of such Person and its consolidated Subsidiaries prepared in accordance with GAAP but excluding any debt securities convertible into such equity.

“Change of Control” means the consummation of any transaction by which (i) any “person” or “group” (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act), other than a person or group that includes any one or more of the Permitted Holders, becomes after the date hereof the “beneficial owner” (as such term is used in Rule 13d-3 under the Exchange

Act), directly or indirectly, of more than 50% of the total voting power of the outstanding Voting Stock of Suzano or (ii) (x) the Permitted Holders cease to “beneficially own” (as such term is used in Rule 13d-3 under the Exchange Act), directly or indirectly, collectively, at least 50% of the total voting power of the outstanding Voting Stock of Suzano, (y) any “person” or “group” (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act), other than a person or group that includes any one or more of the Permitted Holders, becomes after the date hereof the “beneficial owner” (as such term is used in Rule 13d-3 under the Exchange Act), directly or indirectly, of a greater percentage of the total voting power of the outstanding Voting Stock of Suzano than the percentage beneficially owned collectively by the Permitted Holders and (z) the Permitted Holders cease to have, directly or indirectly, the power to direct or cause the direction of the management and policies of Suzano or (iii) Suzano shall cease to own, directly or indirectly, at least a majority of the issued and outstanding shares of Voting Stock of the Company or shall cease to have the power, directly or indirectly, to direct or cause the direction of the management and policies of the Company.

“Consolidated Net Tangible Assets” means the total amount of assets of Suzano and its Subsidiaries on a consolidated basis, less current liabilities, less depreciation, amortization and depletion, less goodwill, trade names, trademarks, patents and other intangibles, calculated based on the most recent balance sheet for which internal financial statements are available, all calculated in accordance with Applicable GAAP and calculated on a pro forma basis to give effect to any acquisition or disposition of companies, divisions, lines of businesses or operations by Suzano and its Subsidiaries subsequent to such date and on or prior to the date of determination.

“Debt”

means, with respect to any Person, determined without duplication:

- (1) all indebtedness of such Person for borrowed money;
- (2) all obligations of such Person for the deferred purchase price of Property or services, excluding trade payables arising in the ordinary course of such Person’s business, but only if and for so long as such trade payables remain payable on customary trade terms;
- (3) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (4) all obligations, contingent or otherwise, of such Person in connection with any securitization of any receivables of such Person;
- (5) all obligations of such Person created or arising under any conditional sale or other title retention agreement with respect to Property acquired by such Person (even though the rights and remedies of the borrower or the lender under such agreement in an event of default are limited to repossession or sale of such Property);
- (6) all Capital Lease Obligations and all obligations under “synthetic leases” of such Person;
- (7) all obligations, contingent or otherwise, of such Person in respect of acceptances, letters of credit, financial guaranty insurance policies or other similar instruments, excluding

obligations in respect of trade letters of credit or bankers' acceptances issued in respect of trade accounts payables to the extent not drawn upon or presented, or, if drawn upon or presented, to the extent the resulting obligation of the Person is paid within 10 Business Days;

- (8) all obligations of such Person to redeem, retire, defease or otherwise make any payment in respect of any Capital Stock of such Person;
- (9) all net obligations of such Person in respect of any Hedging Agreements (but without regard to any notional principal amount relating thereto);
- (10) all obligations of such Person to pay the deferred and unpaid purchase price of property or services, all conditional sale obligations and all obligations of such person under any title retention agreement, excluding trade payables arising in the ordinary course of business;
- (11) all Debt of other Persons referred to in clauses (1) through (10) above or clause (-) below that is guaranteed by such Person to the extent so guaranteed; and
- (12) all Debt of other Persons referred to in clauses (1) through (11) above secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) a Lien on Property of such Person even though such Person has not assumed such Debt.

The amount of Debt of any Person will be deemed to be:

- a) with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation;
- b) with respect to Debt secured by a Lien on an asset of such Person but not otherwise the obligation, contingent or otherwise, of such Person, the lesser of (x) the fair market value of such asset on the date the Lien attached and (y) the amount of such Debt;
- c) with respect to any Debt issued with original issue discount, the face amount of such Debt less the remaining unamortized portion of the original issue discount of such Debt;
- d) with respect to any Hedging Agreement, the net amount payable if such Hedging Agreement terminated at that time due to default by such Person; and
- e) otherwise, the outstanding principal amount thereof.

“Default” means an event or condition with respect to a series of Securities that, with the giving of notice, lapse of time or failure to satisfy certain specified conditions, or any combination thereof, would become an Event of Default with respect to the Securities of such series if not cured or remedied.

“Disqualified Equity Interests” means Equity Interests that by their terms or upon the happening of any event are:

- (1) required to be redeemed or redeemable at the option of the holder prior to the Stated Maturity of the debt securities for consideration other than Qualified Equity Interests, or
- (2) convertible at the option of the holder into Disqualified Equity Interests or exchangeable for Debt;

provided that Equity Interests will not constitute Disqualified Equity Interests solely because of provisions giving holders thereof the right to require repurchase or redemption upon a “Change of Control” occurring prior to the Stated Maturity of the debt securities if those provisions:

- a) are no more favorable to the holders than the covenant described under the caption “—Repurchase of Debt Securities Upon a Change of Control” and
- b) specifically state that repurchase or redemption pursuant thereto will not be required prior to the issuer’s repurchase of the debt securities as required by the applicable indenture.

“Disqualified Stock” means Capital Stock constituting Disqualified Equity Interests.

“Equity Interests” means all Capital Stock and all warrants or options with respect to, or other rights to purchase, Capital Stock, but excluding Debt convertible into equity.

“Hedging Agreement” means, with respect to any Person, any interest rate protection agreement, any currency or commodity swap, cap or collar agreement, any equity swap, any weather related derivative or any arrangement similar to any of the foregoing entered into by such Person providing for the transfer or mitigation of interest rate, currency, commodity price, equity risks, weather related risks or other risks either generally or under specific contingencies.

“Hedging Obligations” means the obligations of any Person pursuant to any Hedging Agreement.

“Investment Grade” means “BBB-” or higher by S&P, “Baa3” or higher by Moody’s or “BBB-” or higher by Fitch, or the equivalent of such global ratings by S&P, Moody’s or Fitch.

“Lien” means any mortgage, pledge, usufruct, fiduciary transfer (*alienação fiduciária*), charge, encumbrance, lien or other security interest, or any preferential arrangement (including a securitization) that has the practical effect of creating a security interest.

“Material Subsidiary” means, as to any Person, any Subsidiary of such Person which, on any given date of determination, accounts for more than 15% of such Person’s total consolidated assets, as such total assets are set forth on the most recent consolidated financial statements of such Person prepared in accordance with GAAP.

“Permitted Holders” means (a) David Feffer, Daniel Feffer, Jorge Feffer and Ruben Feffer, as well as any of their respective heirs, or (b) an entity that is directly or indirectly controlled by one or more of the Persons listed in clause (a) above.

“Permitted Liens” means:

- (1) any Lien existing on the date of the applicable indenture;

- (2) any Lien on any property or assets (including Capital Stock of any person) securing Debt incurred solely for purposes of financing the acquisition, construction or improvement of such property or assets after the date of the applicable indenture; provided that (a) the aggregate principal amount of Debt secured by the Liens will not exceed (but may be less than) 130% of the cost (i.e., purchase price) of the property or assets so acquired, constructed or improved and (b) the Lien is incurred before, or within 365 days after the completion of, such acquisition, construction or improvement and does not encumber any other property or assets of Suzano or any of its Subsidiaries; and provided, further, that to the extent that the property or asset acquired is Capital Stock, the Lien also may encumber other property or assets of the person so acquired;
- (3) any Lien securing Debt incurred for the purpose of financing all or part of the cost of the acquisition, construction or development of a project; provided that the lenders of such Debt expressly agree to limit their recourse in respect of such Debt to assets (including Capital Stock of the project entity) and/or revenues of such project with an aggregate value of not more than the amount of such Debt; and provided, further, that the Lien is incurred before, or within 365 days after the completion of, that acquisition, construction or development and does not apply to any other property or assets of Suzano or any Subsidiary;
- (4) any Lien extending, renewing or replacing (or successive extensions, renewals or replacements of), in whole or in part, any Lien referred to in items (1), (2), (3) above, and (6) and (7) below; provided that the principal amount of Debt secured thereby shall not exceed the principal amount of Debt so secured at the time of such extension, renewal or replacement, except for any increase reflecting premiums, fees and expenses in connection with such extension, renewal or replacement;
- (5) any Lien existing on any property or assets of any person before that person's acquisition (in whole or in part) by, merger into or consolidation with Suzano or any of its Subsidiaries after the date of the applicable indenture; *provided that* the Lien is not created in contemplation of or in connection with such acquisition, merger or consolidation;
- (6) any Lien in favor of issuers of surety bonds or letters of credit issued pursuant to the request of and for the account of Suzano or any of its Subsidiaries in the ordinary course of business;
- (7) any Liens granted to secure borrowings from, directly or indirectly, (a) Banco Nacional de Desenvolvimento Econômico e Social—BNDES (including borrowings from any Brazilian governmental bank with funds provided by Brazilian regional funds including Financiadora de Estudos e Projetos — FINEP, Fundo de Desenvolvimento do Nordeste — FDNE, Banco do Nordeste do Brasil and Fundo de Desenvolvimento do Centro Oeste — FCO), or any other Brazilian governmental development bank or credit agency or (b) any international or multilateral development bank or government-sponsored agency, export-import bank or official export-import credit insurer;
- (8) any pledge or deposit made in the ordinary course of business in connection with workers' compensation, unemployment insurance or other similar social security legislation;

- (9) any deposit to secure appeal bonds, judicial deposits or other similar guarantees in proceedings being contested in good faith to which Suzano or any Subsidiary is a party, good faith deposits in connection with bids, tenders, contracts (other than for the payment of Debt) or leases to which Suzano or any its Subsidiaries is a party or deposits for the payment of rent, in each case made in the ordinary course of business and for which adequate reserves have been made as required in accordance with GAAP;
- (10) any Lien imposed by law that was incurred in the ordinary course of business, including, without limitation, carriers', warehousemen's and mechanics' liens, statutory landlord's liens, customary reservations or retentions of title easements, rights of way, defects, zoning restrictions and other similar charges or encumbrances arising in the ordinary course of business, in each case for sums not yet due or being contested in good faith by appropriate proceedings and for which adequate reserves have been made as required in accordance with GAAP;
- (11) any Lien or rights of set-off of any Person with respect to any Cash Equivalents on deposit account or securities account of Suzano or any of its Subsidiaries arising in the ordinary course of business in favor of the bank(s) or security intermediary(ies) with which such accounts are maintained, securing only amounts owing to such bank(s) with respect to cash management and operating account arrangements;
- (12) any Lien on (i) cash or cash equivalents securing Hedging Agreements or other similar transactions permitted in accordance with this Indenture or (ii) any right, title, interest and claim in, to and under, Hedging Agreements or other similar transactions permitted in accordance with this Indenture, or any proceeds thereof, to secure a given Debt, to the extent that the purpose of such Hedging Agreement is to mitigate risks related to such Debt;
- (13) any Lien securing taxes, assessments and other governmental charges or levies, in each case the payment of which is not yet due or is being contested in good faith by appropriate proceedings diligently conducted and for which such reserves or other appropriate provisions, if any, have been established as required by Applicable GAAP;
- (14) any Liens on the receivables of Suzano or any of its Subsidiaries securing the obligations of such Person under any line of credit or working capital facility or other credit facility; *provided that* the aggregate amount of receivables securing Debt shall not exceed 80% of Suzano's and its Subsidiaries' aggregate outstanding receivables from time to time;
- (15) any encumbrance, security deposit or reserve maintained in the ordinary course of business and required by Applicable Law;
- (16) any Lien which arises pursuant to a final judgment(s) that do not constitute an Event of Default;
- (17) any Lien securing Debt or other obligations of a Subsidiary of Suzano, Suzano Austria or Fibria Overseas Finance owing to Suzano, Suzano Austria or Fibria Overseas Finance or a Subsidiary thereof;

(18) any Lien on Property or shares of Capital Stock of another Person at the time such other Person becomes a Subsidiary; provided that, such Liens may not (i) extend to any Property owned by such Person other than the Property so acquired, or (ii) have been incurred in connection with or in anticipation of such acquisition; and

(19) in addition to the foregoing Liens set forth in clauses (1) through (18) above, Liens securing Debt of Suzano or any of its Subsidiaries which do not in aggregate principal amount, at any time of determination, exceed 17% of Suzano's Consolidated Net Tangible Assets (the "General Liens Basket").

"Person" means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization, other entity or any government or any agency or political subdivision thereof.

"Qualified Equity Interests" means all Equity Interests of a Person other than Disqualified Equity Interests.

"Qualified Stock" means all Capital Stock of a Person other than Disqualified Stock.

"Rating Decline" means that at any time within 90 days (which period shall be extended so long as the rating of the debt securities is under publicly announced consideration for possible down grade by either Rating Agency) after the earlier of the date of public notice of a Change of Control and of the issuer's intention or that of any Person to effect a Change of Control, (i) in the event the debt securities are assigned an Investment Grade rating by at least two of the Rating Agencies prior to such public notice, the rating of such debt securities by at least two of the Rating Agencies shall be below an Investment Grade Rating; or (ii) in the event such debt securities are not assigned an Investment Grade Rating by at least two of the Rating Agencies prior to such public notice, the rating of such debt securities by at least two of the Rating Agencies shall be decreased by one or more categories, provided that there shall be no Rating Decline to the extent such debt securities continue to have an Investment Grade Rating by at least one of the Ratings Agencies.

"Sale and Leaseback Transaction" means, with respect to any Person, an arrangement whereby such Person enters into a lease of property previously transferred by such Person to the lessor.

"Significant Subsidiary" of any Person means any Subsidiary of Suzano, or any group of Subsidiaries, if taken together as a single entity, that would be a "significant subsidiary" of such Person within the meaning of Rule 1-02 under Regulation S-X promulgated pursuant to the Securities Act.

"Stated Maturity" means (i) with respect to any Debt, the date specified as the fixed date on which the final installment of principal of such Debt is due and payable or (ii) with respect to any scheduled installment of principal of or interest on any Debt, the date specified as the fixed date on which such installment is due and payable as set forth in the documentation governing such Debt, not including any contingent obligation to repay, redeem or repurchase prior to the regularly scheduled date for payment.

"Subsidiary" means with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which more than 50% of the outstanding Voting

Stock is owned, directly or indirectly, by such Person and one or more Subsidiaries of such Person (or a combination thereof).

“U.S. Government Obligations” means obligations issued or directly and fully guaranteed or insured by the United States of America or by any agent or instrumentality thereof, provided that the full faith and credit of the United States of America is pledged in support thereof.

“Voting Stock” of a Person means Capital Stock in such Person having power to vote for the election of directors or similar officials of such Person or otherwise voting with respect to actions of such Person (other than such Capital Stock having such power only by reason of the happening of a contingency).

“Wholly Owned Subsidiary” means, with respect to any corporate entity, any person of which 95 % of the outstanding capital stock (other than qualifying shares, if any) having by the terms thereof ordinary voting power (not dependent on the happening of a contingency) to elect the board of directors (or equivalent controlling governing body) of such person is at the time owned or controlled directly or indirectly by such corporate entity, by one or more wholly-owned subsidiaries of such corporate entity or by such corporate entity and one or more wholly-owned subsidiaries thereof.

Guaranty

Suzano fully, unconditionally and irrevocably guarantees the debt securities issued by Suzano Austria or Fibria Overseas Finance, both being wholly-owned subsidiaries of Suzano, and all obligations due under the related indentures. The following description summarizes the general terms and provisions of the guarantee that is provided by Suzano in the Suzano Austria indenture and the Fibria Overseas Finance indenture. Debt securities holders should read the more detailed provisions of the Suzano Austria indenture and the Fibria Overseas Finance indenture, including the defined terms, for provisions that may be important to debt securities holders. This summary is subject to, and qualified in its entirety by reference to, the provisions of the Suzano Austria indenture and the Fibria Overseas Finance indenture.

Pursuant to the Suzano Austria indenture and the Fibria Overseas Finance indenture, Suzano has fully, irrevocably and unconditionally agreed, from time to time upon the receipt of notice from the trustee that Suzano Austria and/or Fibria Overseas Finance, as the case may be, has failed to make the required payments under a series of debt securities and the Suzano Austria indenture and/or the Fibria Overseas Finance indenture, as the case may be, to make any required payment, whether of principal, interest or any other amounts. The amount to be paid by Suzano under the each of the guarantees will be an amount equal to the amount of the payment Suzano Austria or Fibria Overseas Finance, as applicable, fails to make.

The obligations of Suzano under each of the guarantees will rank:

- equal in right of payment to all other existing and future senior unsecured debt of Suzano subject to certain statutory preferences under applicable law, including labor and tax claims;
- senior in right of payment to Suzano’s subordinated debt; and

- effectively subordinated to the debt and other liabilities (including subordinated debt and trade payables) of Suzano's subsidiaries (other than Suzano Austria and/or Fibria Overseas Finance, as applicable) and jointly controlled companies and to secured debt of Suzano to the extent of the value of the assets securing such secured debt.

We are obligated to make these payments by the expiration of any applicable grace periods under the indentures and the applicable terms of the debt securities. We may have the right to defer our obligation under the guaranty to make payments under certain circumstances described in the applicable prospectus supplement.

Except as otherwise permitted by the guaranty, we have to maintain in effect our corporate existence and to take all actions to maintain all rights, privileges, titles to property, franchises and the like necessary or desirable in the normal conduct of our business, activities or operations.

As long as the Notes are outstanding, we will maintain in the Borough of Manhattan, The City of New York, an office or agency where notices to and demands upon we in respect of the guaranty may be served.

The guarantee shall be governed by the laws of the State of New York.

**STATEMENT OF ADHERENCE TO THE VOTING AGREEMENT OF
SUZANO PAPEL E CELULOSE S.A.**

By this private instrument, the parties:

- (a) **ALDEN FUNDO DE INVESTIMENTO EM AÇÕES**, a stock fund with principal place of business located in the City of São Paulo, State of Paulo, at Praça Alfredo Egydio de Souza Aranha, nº 100, Parque Jabaquara, CEP 04344-902, inscribed in the corporate taxpayer registry (CNPJ/MF) under no. 04.679.647/0001-42 (“Adhering Shareholder,” and, jointly with its Permitted Assignees, “Alden Group”), herein duly represented by its manager BIZMA Investimentos Ltda., a limited liability company with principal place of business located in the City of São Paulo, State of Paulo, at Av. Brigadeiro Faria Lima, nº 1355, 9º andar, parte, CEP 01452-919, inscribed in the corporate taxpayer registry (CNPJ/MF) under no. 23.964.292/0001-88, herein represented in accordance with its Articles of Organization; and
- (b) **DAVID FEFFER**, Brazilian, married, entrepreneur, bearer of identity document (RG) no. 4.617.720-6 (SSP/SP), inscribed in the individual taxpayer registry (CPF/MF) under no. 882.739.628-49, resident and domiciled in the City of São Paulo, State of São Paulo, with commercial office at Avenida Brigadeiro Faria Lima, nº 1.355, 9º andar, CEP 01452-919, (“David” and, jointly with his descendants, Successors and Permitted Assignees who become holders of Attached Shares, “David Group”);
- (c) **DANIEL FEFFER**, Brazilian, married, lawyer, bearer of identity document (RG) no. 4.617.718-8 (SSP/SP), inscribed in the individual taxpayer registry (CPF/MF) under no. 011.769.138-08, resident and domiciled in the City of São Paulo, State of São Paulo, with commercial office at Avenida Brigadeiro Faria Lima, nº 1.355, 9º andar, CEP 01452-919 (“Daniel” and, jointly with his descendants, Successors and Permitted Assignees who become holders of Attached Shares, “Daniel Group”);
- (d) **JORGE FEFFER**, Brazilian, divorced, business administrator, bearer of identity document (RG) no. 4.617.719-X (SSP/SP), inscribed in the individual taxpayer registry (CPF/MF) under number 013.965.718-50, resident and domiciled in the City of São Paulo, State of São Paulo, with commercial office at Avenida Brigadeiro Faria Lima, nº 1.355, 9º andar, CEP 01452-919 (“Jorge” and, jointly with his descendants, Successors and Permitted Assignees who become holders of Attached Shares, “Jorge Group”);
- (e) **RUBEN FEFFER**, Brazilian, married, business administrator, bearer of identity document (RG) no. 16.988.323-1 (SSP/SP), inscribed in the individual taxpayer registry (CPF/MF) under number 157.423.548-60, resident and domiciled in the City of São
-

Paulo, State of São Paulo, with commercial office at Avenida Brigadeiro Faria Lima, nº 1.355, 9º andar, CEP 01452-919 (“Ruben” and, jointly with his descendants, Successors and Permitted Assignees who become holders of Attached Shares, “Ruben Group”); and

(f) **SUZANO HOLDING S.A.**, a corporation with registered office located in the City of São Paulo, State of São Paulo, at Avenida Brigadeiro Faria Lima, nº 1355, 9º andar, parte, CEP 01452-919, inscribed in the corporate taxpayer registry (CNPJ/MF) under no. 60.651.809/0001-05, herein represented in accordance with its Bylaws (“Suzano Holding”).

Adhering Shareholder, David, Daniel, Jorge, Ruben and Suzano Holding, as well as their descendants, Successors and Permitted Assignees, as applicable, who become holders of Attached Shares, are herein jointly referred to as “Shareholders” or “Parties” and, individually, as “Shareholder” or “Party.”

PREAMBLE

WHEREAS, on September 28, 2017, David, Daniel, Jorge, Ruben and Suzano Holding entered into a Voting Agreement of Suzano Papel e Celulose S.A., inscribed in the corporate taxpayer registry (CNPJ/MF) under no. 16.404.287/0001-55 (“Company”), with the purpose of consolidating the Control of the Company and/or its successors (“Voting Agreement - SPC”);

WHEREAS, the Shareholders wish to (i) consolidate the ownership interest held by the Adhering Shareholder in the Control of the Company and/or its successors; and (ii) regulate certain rights and obligations of the Shareholders, in accordance with this Statement of Adherence;

NOW, THEREFORE, the Parties mutually agree to enter into this Statement of Adherence to the Voting Agreement - SPC (hereinafter referred to as “Statement of Adherence”), under the terms and for the purposes of Article 118 of the Brazilian Corporation Law, in compliance with the clauses, terms and conditions envisaged below, which they undertake to faithfully observe.

1. DEFINITIONS

1.1 Definitions. All words, expressions and abbreviations starting with upper case letters not defined in other sections of this Statement of Adherence, in singular or plural form, will have the meaning attributed to them in the Voting Agreement - SPC, except

if expressly indicated otherwise or if the context is not compatible with any meaning indicated therein.

2. STATEMENT OF ADHERENCE

2.1 Adherence. The Adhering Shareholder herein formalizes its acceptance of and adherence to, for all purposes and effects of Article 118 of Brazilian Corporation Law, the Voting Agreement - SPC, irrevocably, in the capacity of shareholder, jointly with the other Shareholders, becoming subject to and bound by all of its terms and conditions, undertaking to fully comply with them, as envisaged in such instrument, which is initialed by the Adhering Shareholder and becomes a part of this Statement of Adherence as its Appendix 2.1, without any limitations or restrictions, acquiring all rights and obligations attributed to the other Shareholders and envisaged in the Voting Agreement – SPC, with any reference to the Shareholders Group in the Voting Agreement now understood, for all legal purposes, as a reference to David Group, Daniel Group, Jorge Group, Ruben Group and/or Alden Group, as applicable.

2.1.1. As envisaged in Clause 2.1, the definition of “Shareholders Group” of the Voting Agreement– SPC is hereby amended and, in accordance with Clause 4 below, will read as follows:

“Shareholders Group” means David Group, Daniel Group, Jorge Group, Ruben Group and/or Alden Group, as applicable.”

2.2 Representative of Alden Group. For the effects of Clause 3 of the Voting Agreement – SPC, Alden Group will have one (1) representative, who, on behalf of and for the account of Alden Group, will attend the Prior Meetings and exercise the votes, in block and uniformly, of the Attached Shares held by Alden Group.

2.2.1. The Alden Group (or its Successors and Permitted Assignees, as applicable) will be represented by its manager, pursuant to its organizational documents, in compliance with applicable law and regulations. In the event of the replacement of its Representative, Alden Group must file in the Company the instrument of appointment of its new Representative.

2.3 Adherence to arbitration. The Adhering Shareholder herein adheres and undertakes to submit any controversy or litigation arising from the Voting Agreement – SPC to the Arbitration envisaged in Clause 6.2 of the Voting Agreement – SPC.

3. CONSOLIDATION OF THE OWNERSHIP STRUCTURE OF THE COMPANY

3.1 Ownership Structure. In compliance with Clause 2 above, the Parties mutually resolve to include in the definition of “Attached Shares” the shares issued by the Company held by the Adhering Shareholder, changing the wording of Appendix II to the Voting Agreement – SPC, which, in accordance with Clause 4 below, will take effect with the wording of Appendix 3.1 to this Statement of Adherence.

4. DURATION

4.1 Term. The Statement of Adherence will come into force on the date hereof and will remain in force, valid and binding for as long as the Voting Agreement – SPC is in force.

5. NOTIFICATIONS

5.1 Notifications. All Notifications intended for or sent to the Adhering Shareholder, under Clause 5.6 of the Voting Agreement - SPC must be addressed as follows:

Avenida Brigadeiro Faria Lima, 1355, 9º andar, parte
Pinheiros, São Paulo/SP – CEP 01452-919
Attn: Bizma Investimentos Ltda.
Email: mrabinovich@suzano.com.br and isabelleme@suzano.com.br

With copy to:
Intrag Distribuidora de Títulos e Valores Mobiliários Ltda.
Avenida Brigadeiro Faria Lima, 3400, 10º andar
Itaim Bibi, São Paulo/SP – CEP 04538-132
Attn: Marco Tulio Peres Lima
Email: marco-peres.lima@itau-unibanco.com.br

6. MISCELLANEOUS

6.1 This Statement of Adherence is irrevocable and unconditional and binds the parties to the Voting Agreement – SPC, their Successors and Permitted Assignees.

6.2 This Statement of Adherence will be filed in the registered office of the Company for the purposes of Article 118 of Brazilian Corporation Law.

6.3 The obligations arising from this Statement of Adherence and from the Voting Agreement – SPC are subject to specific performance, under Article 118, Paragraph 3, of Brazilian Corporation Law. However, the specific performance does not preclude the

liability of the Breaching party for any losses and damages caused to the other Parties.

6.4 This Statement of Adherence will be governed by and interpreted in accordance with Brazilian law.

6.5 Any divergences arising from this Statement of Adherence, including those related to its existence, validity, efficiency, compliance, interpretation or termination and its consequences, will be resolved definitively by Arbitration, under Federal Law 9,307/96, in accordance with the exact terms and conditions of Clause 6.2 of the Voting Agreement - SPC.

IN WITNESS WHEREOF, the Parties sign this Statement of Adherence in six (6) counterparts of identical form and content, in the presence of the two undersigned witnesses.

São Paulo, January 16, 2019

(signature page follows)

(remainder of page intentionally left blank)

(this signature page is an integral part of the Statement of Adherence to the Voting Agreement of Suzano Papel e Celulose S.A., entered into on January 16, 2019)

ALDEN FUNDO DE INVESTIMENTO EM AÇÕES

Edgard Marques Filho

Marcos Rabinovich

SUZANO HOLDING S.A.

Claudio Thomaz Lobo Sonder
Vice Chairman

Maria Cecilia Castro Neves Ipiña
Attorney-in-fact

DAVID FEFFER
represented by Maria Cecilia Castro
Neves Ipiña

DANIEL FEFFER
represented by Maria Cecilia Castro
Neves Ipiña

JORGE FEFFER
represented by Maria Cecilia Castro
Neves Ipiña

RUBEN FEFFER
represented by Maria Cecilia Castro
Neves Ipiña

Witnesses:

1. _____
Name:
Identity Document (RG):

2. _____
Name:
Identity Document (RG):

Appendix 2.1
Voting Agreement - SPC

VOTING AGREEMENT OF SUZANO PAPEL E CELULOSE S.A.

This Voting Agreement of Suzano Papel e Celulose S.A. ("Agreement") is entered into by and between:

- (a) **DAVID FEFFER**, Brazilian, married, entrepreneur, bearer of identity document (RG) number 4.617.720-6 (SSP/SP), inscribed in the roll of individual taxpayers (CPF/MF) under number 882.739.628-49, resident and domiciled in the City of São Paulo, State of São Paulo, with commercial office at Avenida Brigadeiro Faria Lima, nº 1.355, 9º andar, CEP 01452-919, São Paulo – SP ("David" and, jointly with his descendants, Permitted Successors and Assignees who become holders of Attached Shares, "David Group");
- (b) **DANIEL FEFFER**, Brazilian, married, lawyer, bearer of identity document (RG) number 4.617.718-8 (SSP/São Paulo), inscribed in the roll of individual taxpayers (CPF/MF) under number 011.769.138-08, resident and domiciled in the City of São Paulo, State of São Paulo, with commercial office at Avenida Brigadeiro Faria Lima, nº 1.355, 9º andar, CEP 01452-919, São Paulo – SP ("Daniel" and, jointly with his descendants, Permitted Successors and Assignees who become holders of Attached Shares, "Daniel Group");
- (c) **JORGE FEFFER**, Brazilian, divorced, business administrator, bearer of identity document (RG) number 4.617.719-X (SSP/SP), inscribed in the roll of individual taxpayers (CPF/MF) under number 013.965.718-50, resident and domiciled in the City of São Paulo, State of São Paulo, with commercial office at Avenida Brigadeiro Faria Lima, nº 1.355, 9º andar, CEP 01452-919, São Paulo – SP ("Jorge" and, jointly with his descendants, Permitted Successors and Assignees who become holders of Attached Shares, "Jorge Group");
- (d) **RUBEN FEFFER**, Brazilian, married, business administrator, bearer of identity document (RG) number 16.988.323-1 (SSP/SP), inscribed in the roll of individual taxpayers (CPF/MF) under number 157.423.548-60, resident and domiciled in the City of São Paulo, State of São Paulo, with commercial office at Avenida Brigadeiro Faria Lima, nº 1.355, 9º andar, CEP 01452-919, São Paulo – SP ("Ruben" and, jointly with his descendants, Permitted Successors and Assignees who become holders of Attached Shares, "Ruben Group"); and
- (e) **SUZANO HOLDING S.A.**, a corporation with headquarters at Avenida Brigadeiro Faria Lima, nº 1355, 9º andar, parte, CEP 01452-919, in the City of São Paulo, State of São Paulo, inscribed in the roll of corporate taxpayers (CNPJ/MF) under number 60.651.809/0001-05, represented herein as per its Bylaws (jointly with its Successors and Permitted Assignees, "Suzano Holding"),

Suzano Holding, David, Daniel, Jorge and Ruben, as well as their descendants, Successors and Permitted Assignees, as applicable, who become owners of Attached Shares are herein jointly referred to as "Shareholders" and, individually, as "Shareholder".

WHEREAS, David, Daniel, Jorge and Ruben entered into, on the date hereof, the Shareholders Agreement of Suzano Holding, whose purpose, among other matters, includes: (i) consolidating the Control of Suzano Holding, to be exercised by David, Daniel, Jorge and Ruben, their respective descendants, Successors and Permitted Assignees, regulating the exercise of their voting rights in Suzano Holding, in accordance with the provisions therein, and (ii) governing the transfer of shares issued by Suzano Holding held by them (the "Shareholders Agreement of the Holding Company");

WHEREAS, the Shareholders wish to consolidate the Control of SUZANO PAPEL E CELULOSE S.A., inscribed in the roll of corporate taxpayers (CNPJ/MF) under number 16.404.287/0001-55 and/or its successors (the "Company");

THE PARTIES THEREFORE AGREE to execute this Voting Agreement ("Agreement"), in accordance with and for the purposes of the applicable legislation, especially Article 118 of Brazilian Corporation Law and other applicable legal provisions, which shall be governed by the terms and conditions set forth below.

I. DEFINITIONS.

1.1. The terms starting with uppercase letters used in this Agreement and not defined in the text of this Agreement shall have the meaning attributed to them in Appendix I.

II. SHARES ATTACHED AND SUBJECT TO THE AGREEMENT.

2.1. Each Shareholder shall become, upon the Admission of Company into the Novo Mercado, the owner of the shares identified in Appendix II of this Agreement ("Attached Shares"), issued by the Company, which are free of Encumbrances, except as described otherwise in Appendix II. For the purposes of this Agreement, Attached Shares also include: (i) shares resulting from bonuses attributed to Attached Shares, from the splitting or grouping of the Attached Shares; (ii) preemptive rights arising from the Attached Shares; (iii) shares arising from the exchange, conversion, merger (including of shares), consolidation, spin-off or other type of corporate reorganization and, in any case, arising from the Attached Shares; or (iv) new shares subscribed to in the exercise of

preemptive rights attributed to the Attached Shares, as well as warrants, options and other securities attributed to the Attached Shares and convertible into shares issued by the Company.

2.1.1. Attached Shares do not include, restrict or encumber shares issued by the Company and/or its successors that are held or that come to be held by Shareholders and/or Successors who are not on the list in Appendix II and/or arising therefrom, in accordance with Clause 2.1.

2.2. This Agreement binds the Attached Shares and, consequently, the Shareholders and their respective Permitted Assignees and successors, on any account, including, in the case of individuals, their spouses, partners, curators, heirs, devisees and successors who become, for any reason, holders of the Attached Shares and/or the voting rights inherent to them (including in the case of an interdict and/or minor Shareholder represented by a curator or board of curators) (jointly referred to as "Successors"). In the event of the death of any Individual who is or comes to be a Shareholder of the Company, their Successors shall assume all the rights and obligations of the deceased Individual provided for in this Agreement, as a member of the same Shareholder Group of the deceased. This assumption shall be automatic in the event of legal or testamentary succession, and the corresponding Successor shall inherit the Attached Shares in accordance with this Agreement, as well as everything attached thereto (ownerships, encumbrances, rights and obligations), in accordance with all the terms and conditions agreed upon by the Shareholders. The same rule also applies to the spouse and/or partner in the event of the division of assets arising from a separation, divorce and/or dissolution of steady union. In the case of judicial interdiction of the Shareholder or minority (absolutely or relatively incompetent), the curator or curators (in the case of a board) are equally obligated and bound by the terms and conditions of this Agreement, in accordance with the legal provisions, personal statements (in public or private written documents) regarding guardianship of the interdicted person or minor.

III. PRIOR MEETINGS

3.1. Prior Meetings. Prior to the holding of any Shareholders' Meeting of the Company, a prior meeting of the Representatives of the Shareholder Groups and of Suzano Holding shall be held to determine the vote to be cast with regard to all matters submitted for consideration and vote at said Shareholders' Meeting by all Shareholders, as a block and uniformly ("Prior Meeting").

3.1.1. The Prior Meetings shall have a chairman, selected by Representatives representing, at minimum, the Resolution Quorum (the "Chairman"). The Representatives, herein and unanimously, appoint David as Chairman of the Prior Meetings.

3.1.2. Unless a Shareholder or Representative, the Chairman of the Prior Meetings shall enter into an accession to this Agreement, through which they shall consent to and undertake the terms of this Agreement, as applicable.

3.2. Call Notice, Installation and Holding of Prior Meeting. The Chairman shall send to the Representatives, in accordance with Clause 5.6 below, within two (2) Business Days as from its publication, a copy of the call notice of the Shareholders' Meeting of the Company, which contains the websites on which the documents pertinent to the resolutions to be taken are available ("Call Notice for the Prior Meeting"). Unless agreed otherwise by the Representatives, the Prior Meetings shall be installed and held at 4:00 p.m. at the headquarters of the Company: (i) on first call, provided that all Representatives are present, at least two (2) Business Days prior; and (ii) on second call, provided that at least two (2) Representatives are present, one of which being, necessarily, the Representative of Suzano Holding, at least one (1) Business Day prior, in both cases in relation to the date of the Shareholders' Meeting that gave rise to the respective Call Notice for the Prior Meeting. The Chairman shall appoint the secretary of the Prior Meeting.

3.2.1. The Prior Meetings may be held via conference call or videoconferencing. Representatives who participate remotely in the Prior Meeting shall send to the Chairman of the Prior Meeting via facsimile or electronic mail, upon the close of the Prior Meeting, a signed copy of the minutes of the Prior Meeting, with the original minutes signed as soon as possible by the respective Representative.

3.3. Resolution Quorum. At the Prior Meetings, the Representatives are entitled to one vote for each Attached Share in the Company held by the Shareholders Group or Shareholder (as applicable) represented by them. The vote to be cast by the Shareholders at the Shareholders' Meetings of the Company, as a block and uniformly, shall be determined by the Representatives in the Meetings by a vote of Attached Shares representing a majority of the total number of Attached Shares ("Resolution Quorum")

3.4. Binding of Votes. The resolutions taken at the Prior Meetings shall bind the vote of the Shareholders in the respective Shareholders' Meetings of the Company. Accordingly, Shareholders undertake to vote as a block and uniformly in the respective Shareholders' Meeting of the Company in accordance with resolutions taken in the Prior Meeting. The absence of any Representative from the Prior Meeting, provided that it was duly installed and reached the Resolution Quorum, shall not release the absent Representative or Shareholder from their obligation to vote as a block in accordance with this Clause, as per the determination made in the Prior Meeting, in accordance with Clause 3.5 below.

3.5. Minutes of Prior Meetings. Certified or summarized minutes of each Prior Meeting shall be drawn up, which, if they contain vote instructions, abstentions or other acts to be practiced by the Shareholders in accordance with this Agreement, shall be delivered to the chairman of the respective Shareholders' Meeting for knowledge and observance, in accordance with and for the purposes of Article 118, paragraphs 8 and 9, of Brazilian Corporation Law, considering that (a) the votes exercised at Shareholders' Meeting in breach of the voting instructions determined at the Prior Meeting shall be considered automatically null; and (b) the voting instructions determined at the Prior Meeting shall serve as a legal mandate and authorize the aggrieved parties to exercise the voting rights of the Attached Shares pertaining to the other Shareholder at the Shareholders' Meeting, in the case of the latter being absent, decline or vote at the Shareholders' Meeting contrary to what was decided in the Prior Meeting.

IV. SHAREHOLDERS' REPRESENTATIVES

4.1. Representation at Prior Meetings. To cause the effect of Clause 3 of this Agreement, Suzano Holding and each of the Shareholder Groups shall have one (1) representative, which, on behalf and account of Suzano Holding and of the Shareholders Group that appoint them, shall participate in the Prior Meetings and exercise the votes in block and uniformly, of the Attached Shares held by Suzano Holding and by the Shareholders Group represented ("Group Representative" or "Representative").

4.1.1. The Representatives of the David Group, Daniel Group, Jorge Group and Ruben Group, for the purposes of this Agreement, shall be their respective representatives, appointed and potentially replaced from time to time, in accordance with the Shareholders' Agreement of the Holding Company. Each of these Groups shall file at the Company, for the due purposes, the instrument of appointment of their Representative and potential substitutions, executed in accordance with the Shareholders' Agreement of the Holding Company.

4.1.2. The Representative of Suzano Holding (or its Successors and Permitted Assignees, as applicable) shall be its Chief Executive Officer or its Vice Chief Executive Officer vested with special powers by the Chief Executive Officer, elected in accordance with its Bylaws.

V. OTHER LIABILITIES; MISCELLANEOUS.

5.1. Successors and Permitted Assignees. This Agreement binds the Parties, as well as their Successors and Permitted Assignees that come to hold Attached Shares, which must adhere to the Agreement, unconditionally and irrevocably, as a condition for the validity of the respective Transfer, as a member of the Shareholders' Group or of the assignor Shareholder.

5.1.1 For the purposes of Clause 5.1, “Permitted Assignee” is the Affiliate whose capital stock is held, individually or jointly with its Successors, directly or indirectly, by the assignor Shareholder, who shall jointly and severally guarantee compliance with all obligations of the assignee Affiliate related to this Agreement.

5.7.1 The termination or rescission of this Agreement shall not affect the liability of any Shareholder for any breach of this Agreement committed before the termination date.

5.7.2 This Agreement may be terminated at any time, upon prior notice of thirty (30) days, by any of the two (2) Shareholder Groups, jointly, of the following Shareholders: David, Daniel, Jorge and Ruben.

5.7.3 Notwithstanding the provisions of Clause 5.7, this Agreement shall terminate automatically on the date that the Shareholders’ Agreement of the Holding Company is terminated, even in the case of early termination, for any reason.

5.7.4 The termination of this Agreement in the case of non-renewal, as per Clause 5.7, or even as a result of the provisions of Clauses 5.7.2 and 5.7.3, shall not grant the right to claims or indemnification, of any kind, by any Party towards the other Party.

5.2. Expenses. Each Shareholder shall bear the costs and expenses, including those for accounting and legal advisors, related to the negotiation, preparation and execution of this Agreement.

VI. GOVERNING LAW AND DISPUTE RESOLUTION

6.1. Governing Law. This Agreement is governed by and construed in accordance with the laws of the Federative Republic of Brazil, and the reader shall consider the “Definitions,” which clarify and complete the text of this Agreement and is part of Appendix I hereto.

6.2. Dispute Resolution Procedure. Any dispute or divergence arising from this Agreement (“Conflict”) or in any way related to it shall be mandatorily and definitively resolved through arbitration (“Arbitration”), as provided for by Federal Law 9,307, of 1996.

6.2.1. The Shareholders agree that, before starting Arbitration to solve any Conflict, they shall try to negotiate an amicable agreement to solve the Conflict, through direct negotiations or mediation, within sixty (60) days as from the receipt of the notice of existence of Conflict (“Conflict Notice”) by all Shareholders. The Conflict Notice shall always be sent by the interested party to the party(ies) involved in the Conflict with a copy to all other Shareholders. If the parties try to

resolve the dispute through mediation, any of the parties may start the mediation following the Mediation Procedure of the Arbitration and Mediation Center of the Brazil-Canada Chamber of Commerce (“CAM/CCBC”).

6.3. Rules. After the period established in Clause 6.2.1 above, or in the event of the impossibility of reaching an amicable solution, the interested party shall submit the dispute to Arbitration, which shall be started and processed in accordance with the CAM/CCBC Arbitration Rules (“Rules”), in effect on the date of institution of the arbitration request. The CAM/CCBC shall conduct the arbitration procedure. Any controversy related to the start of arbitration process shall be settled in a definitive and binding manner by the Arbitrators.

6.4. Participation of all Shareholders. Regardless of the Conflict to be settled through Arbitration, all Shareholders shall participate in it either as a party (when the dispute involves them directly as applicant, respondent or counterclaimant), or as an interested third party. Similarly, the arbitration award shall be definitive and binding on all Shareholders, regardless of refusal, by any of them, to participate in an arbitration procedure, either as a party or interested third party. The interested party to start the Arbitration shall notify the other party(ies) involved in the Conflict of their decision to start the Arbitration (“Arbitration Notice”), with copy to the Shareholders who are not involved in the Conflict, if applicable. The Shareholders not involved in the Conflict shall reply to the Arbitration Notice within five (5) days as from receipt of the Arbitration Notice, indicating whether they will participate as a party in the Conflict or participate in the Arbitration as an interested third party. If no reply is sent to the Arbitration Notice, it is assumed that the Shareholder will participate as an interested third party.

6.5. Arbitrators. The arbitration tribunal is formed by three (3) arbitrators (“Arbitrators”), and one is appointed by the applicant(s) and the other by the respondent(s), in accordance with the Rules. In the event of participation of Shareholders as interested third parties, they shall appoint an Arbitrator jointly with the applicant(s) or respondent(s), as applicable. The two (2) Arbitrators appointed by the parties shall choose jointly the third Arbitrator, who shall preside over the arbitration tribunal. Should any of the three (3) Arbitrators not be appointed within the period established in the Rules, the CAM/CCBC shall appoint them, in accordance with the Rules. Any and all controversy regarding the appointment of Arbitrators by the parties, as well the selection of the third Arbitrator, shall be settled by the CAM/CCBC.

6.6. Law; Jurisdiction. The Arbitration shall be decided in accordance with the law, expressly excluding the possibility of an equitable decision, and with jurisdiction of the City of São Paulo, State of São Paulo, where the arbitration award shall be rendered.

6.7. Language and Governing Law. The official language of Arbitration is Portuguese and the governing law is Brazilian law, with Arbitration subject to absolute confidentiality.

6.8. Power of Arbitration Tribunal. Once the Arbitration starts, the Arbitrators shall resolve all issues arising from or related to the object of the Conflict, including those of incidental nature or which are a remedy for protection.

6.9. Remedy. Notwithstanding the above provisions, each Shareholder has the right to require the following remedies, without such act being interpreted as a waiver of Arbitration:

(a) remedies related to controversies with regard to net, exact and mandatory payment obligations that involve court enforcement proceedings;

(b) remedies to obtain relief of urgency and decision as a remedy to protect rights prior to the start of Arbitration or aiming to ensure the useful outcome of the arbitration procedure; and

(c) to execute any arbitration award, including the final report.

6.9.1. For the purposes of Clause 6.9, the courts of the City of São Paulo, State of São Paulo are chosen, with the express waiver of any other court, however preferable it may be.

6.9.2. Any urgent remedy granted by the Courts shall be immediately notified by the party who required such remedy to the CAM/CCBC. The Shareholders recognize that any urgent remedy obtained from the Courts shall not, necessarily, be reviewed by the Arbitrators, who shall decide for the maintenance, review or revocation of the decision.

6.10. Binding Effect. The arbitration clauses above bind not only the signatory Shareholders to this Agreement, but also any future shareholders that, on any account, come to be a part of the Company and adhere to this Agreement.

6.11. Final Decision. The arbitration award attributes to the losing party, or to both parties in the proportion at which their claims were not upheld, final responsibility for the costs of the process, including costs of loss of suit.

In witness whereof, the Shareholders execute this Agreement in five (5) counterparts of equal content, in the presence of the witnesses below.

São Paulo, September 28, 2017

Shareholders:

DAVID FEFFER

DANIEL FEFFER

JORGE FEFFER

RUBEN FEFFER

SUZANO HOLDING S.A.

By: Claudio Thomaz Lobo Sonder
Position: Vice Chief Executive Officer

By: Orlando de Souza Dias
Position: Vice Chief Executive Officer

Witnesses:

1. _____
Name:
RG:
CPF:

2. _____
Name:
RG:
CPF:

APPENDIX I
DEFINITIONS

“Shareholder” or “Shareholders” have the meaning described in the preamble to this Agreement, and encompasses also, except when expressly stated otherwise, their respective descendants and respective Successors and Permitted Assignees.

“Agreement” refers to this Shareholders’ Agreement of Suzano Holding S.A.

“Attached Shares” has the meaning described in Clause 2.2 of this Agreement.

“Admission of Company to the Novo Mercado” refers to the listing of the Company’s stock for trading on the Novo Mercado special listing segment of B3 S.A. – Brasil, Bolsa Balcão.

“Affiliate” means, with regard to a certain Person or Shareholder, (a) if an Individual, any other Person who, at any time, is directly or indirectly Controlled by said Person or Shareholder; and (b) if a Legal Entity, any other Person who, at any time, is directly or indirectly Controlled by or under Joint Control with this Person or Shareholder.

“Arbitration” has the meaning described in Clause 6.2 of this Agreement.

“Arbitrators” has the meaning described in Clause 6.5 of this Agreement.

“CAM/CCBC” has the meaning described in Clause 6.2.1 of this Agreement.

“CDI” refers to the annual average rate (considering a 252-day year) of operations in Interbank Certificates of Deposit (CDI), for a period equal to one (1) Business Day (*over*), calculated and disclosed by the CETIP - OTC Clearing House (CETIP), with the rounding of the daily factor to the eighth decimal place, or, in case of its extinction, an equivalent rate that replaces it.

“Permitted Assignee” has the meaning described in Clause 5.1.1 of this Agreement.

“Civil Code” refers to Federal Law 10.406, of 2002, as amended.

“Code of Civil Procedure” refers to Federal Law 5.869, of 1973, as amended.

“Company” has the meaning described in the preamble of this Agreement.

“Conflict” has the meaning described in Clause 6.2 of this Agreement.

“Control” means, when used with regard to any Person (“Controlled Person”), (i) the power to elect, directly or indirectly, most members of management and to establish and conduct the policies and management of the Controlled Person; or (ii) the direct or indirect ownership of securities or other interests that represent at least fifty percent (50%) of the total voting power of the Controlled Person. The terms deriving from Control, such as “Controlled,” “Controlling” and “under joint Control” shall have a similar meaning to Control.

“Call Notice for the Prior Meeting” has the meaning described in Clause 3.2 of this Agreement.

“Daniel” has the meaning described in the preamble of this Agreement.

“David” has the meaning described in the preamble of this Agreement.

“Business Day” refers to any day, except Saturday or Sunday, on which banks are not obligated or are authorized to close in the City of São Paulo, State of São Paulo.

“Bylaws” refers to the bylaws of the Company and its Charter.

“Daniel Group” has the meaning described in the preamble of this Agreement.

“David Group” has the meaning described in the preamble of this Agreement.

“Shareholders Group” refers to David Group, Daniel Group, Jorge Group and/or Ruben Group, as applicable.

“Jorge Group” has the meaning described in the preamble of this Agreement.

“Ruben Group” has the meaning described in the preamble of this Agreement.

“Confidential Information” has the meaning described in Clause 5.3 of this Agreement.

“Jorge” has the meaning described in the preamble of this Agreement.

“Brazilian Corporation Law” refers to Federal Law 6,404, of 1976, as amended.

“Arbitration Notice” has the meaning described in Clause 6.4 of this Agreement.

“Conflict Notice” has the meaning described in Clause 6.2.1 of this Agreement.

“Encumbrance” refers to any security, suretyship, mortgage, pledge, fiduciary sale, guarantee, easement, burden, charge, restriction, reserve, option, preemptive right, usufruct, agreement that leads to the sale (including purchase and sale commitment, options, purchase and sale with condition, etc.) or any other encumbrance of any nature that restricts the free and full exercise of ownership on a certain asset or right.

“Person” refers to any individual, legal entity, firm, company, foreign foundations (private right), investment fund, corporation, state-controlled company, trust, consortium, joint venture, co-ownership, universality of rights or entity without corporate veil, joint venture or any other legal entity regardless of its nature.

“Chairman” has the meaning described in Clause 3.1.1 of this Agreement.

“Resolution Quorum” has the meaning described in Clause 3.3 of this Agreement.

“Rules” has the meaning described in Clause 6.3 of this Agreement.

“Representative” has the meaning described in Clause 4.1 of this Agreement.

“Prior Meeting” has the meaning described in Clause 3.1 of this Agreement.

“Ruben” has the meaning described in the preamble of this Agreement.

“Successors” has the meaning described in Clause 2.2 of this Agreement.

“Suzano Holding” has the meaning described in the preamble of this Agreement.

“Third Party” refers to any Person except the Shareholders and their Successors and Permitted Assignees.

“Transfer” (and its derivatives) refers to any act that involves, directly or indirectly, voluntarily or involuntarily, the transfer, disposal, sale, trade, giving, free or onerous assignment (including assignment of preemptive right), exchange, donation, contribution, grant of stock option, or other form of negotiation, and other form of transfer or loss of property, in any case, directly or indirectly, partial or total, including, without limitation, through consolidation, merger, spin-off or other corporate reorganizations.

Appendix II
Shareholding Structure
Shares held by the Shareholders in the Company and Encumbrance
As from Admission of the Company to the Novo Mercado

SHAREHOLDERS	NUMBER OF ATTACHED SHARES	% TOTAL CAPITAL STOCK	DESCRIPTION OF ENCUMBRANCE ON ATTACHED SHARES
David Feffer	46,423,360	4.198%	<ul style="list-style-type: none"> (i) 187,500 Attached Shares are subject to incommunicability; (ii) 8,117,050 Attached Shares are subject to incommunicability and impossibility to levy execution, in addition to being encumbered with usufruct; (iii) 5,492,629 Attached Shares are subject to incommunicability and impossibility to levy execution; (iv) 32,626,181 Attached Shares are free of the above encumbrances; (v) 46,423,360 Attached Shares are subject to the Stock Transfer Agreement entered into between David, Daniel, Jorge and Ruben on the date hereof.
Daniel Feffer	46,423,360	4.198%	<ul style="list-style-type: none"> (i) 187,500 Attached Shares are subject to incommunicability; (ii) 8,117,050 Attached Shares are subject to incommunicability and impossibility to levy execution, in addition to being encumbered with usufruct; (iii) 5,492,629 Attached Shares are subject to incommunicability and impossibility to levy execution; (iv) 32,626,181 Attached Shares are free of encumbrance; (v) 46,423,360 Attached Shares are subject to the Stock Transfer Agreement entered into between David, Daniel, Jorge and Ruben on

SHAREHOLDERS	NUMBER OF ATTACHED SHARES	% TOTAL CAPITAL STOCK	DESCRIPTION OF ENCUMBRANCE ON ATTACHED SHARES
			the date hereof.
Jorge Feffer	46,423,360	4.198%	(i) 187,500 Attached Shares are subject to incommunicability; (ii) 8,117,050 Attached Shares are subject to incommunicability and impossibility to levy execution, in addition to being encumbered with usufruct; (iii) 5,492,629 Attached Shares are subject to incommunicability and impossibility to levy execution; (iv) 32,626,181 Attached Shares are free of encumbrance; and (v) 46,423,360 Attached Shares are subject to the Stock Transfer Agreement entered into between David, Daniel, Jorge and Ruben on the date hereof.
Ruben Feffer	46,423,360	4.198%	(i) 187,500 Attached Shares are subject to incommunicability; (ii) 8,117,050 Attached Shares are subject to incommunicability and impossibility to levy execution, in addition to being encumbered with usufruct; (iii) 5,492,629 Attached Shares are subject to incommunicability and impossibility to levy execution; (iv) 32,626,181 Attached Shares are free of encumbrance; and (v) 46,423,360 Attached Shares are subject to the Stock Transfer Agreement entered into between David, Daniel, Jorge and Ruben on the date hereof.
Suzano Holding S.A.	367,612,234	33.243%	(i) 367,612,234 Attached Shares are free of encumbrance.
Total	553,305,674	50.035%	-----



Appendix 3.1
Shareholding Structure
Shares held by the Shareholders in the Company and Encumbrance

SHAREHOLDERS	NUMBER OF ATTACHED SHARES	% TOTAL CAPITAL STOCK	DESCRIPTION OF ENCUMBRANCE ON ATTACHED SHARES
David Feffer	46,423,360	3.41%	<ul style="list-style-type: none"> (i) 187,500 Attached Shares are subject to incommunicability; (ii) 8,117,050 Attached Shares are subject to incommunicability and impossibility to levy execution, in addition to being encumbered with usufruct; (iii) 5,492,629 Attached Shares are subject to incommunicability and impossibility to levy execution; (iv) 32,626,181 Attached Shares are free of the above encumbrances; (v) 46,423,360 Attached Shares are subject to the Stock Transfer Agreement entered into between David, Daniel, Jorge and Ruben on the date hereof.
Daniel Feffer	46,423,360	3.41%	<ul style="list-style-type: none"> (i) 187,500 Attached Shares are subject to incommunicability; (ii) 8,117,050 Attached Shares are subject to incommunicability and impossibility to levy execution, in addition to being encumbered with usufruct; (iii) 5,492,629 Attached Shares are subject to incommunicability and impossibility to levy execution; (iv) 32,626,181 Attached Shares are free of encumbrance; (v) 46,423,360 Attached Shares are subject to the Stock Transfer Agreement entered into between David, Daniel, Jorge and Ruben on the date hereof.

SHAREHOLDERS	NUMBER OF ATTACHED SHARES	% TOTAL CAPITAL STOCK	DESCRIPTION OF ENCUMBRANCE ON ATTACHED SHARES
Jorge Feffer	46,423,360	3.41%	<ul style="list-style-type: none"> (i) 187,500 Attached Shares are subject to incommunicability; (ii) 8,117,050 Attached Shares are subject to incommunicability and impossibility to levy execution, in addition to being encumbered with usufruct; (iii) 5,492,629 Attached Shares are subject to incommunicability and impossibility to levy execution; (iv) 32,626,181 Attached Shares are free of encumbrance; and (v) 46,423,360 Attached Shares are subject to the Stock Transfer Agreement entered into between David, Daniel, Jorge and Ruben on the date hereof.
Ruben Feffer	46,423,360	3.41%	<ul style="list-style-type: none"> (i) 187,500 Attached Shares are subject to incommunicability; (ii) 8,117,050 Attached Shares are subject to incommunicability and impossibility to levy execution, in addition to being encumbered with usufruct; (iii) 5,492,629 Attached Shares are subject to incommunicability and impossibility to levy execution; and 32,626,181 Attached Shares are free of encumbrance; and (iv) 46,423,360 Attached Shares are subject to the Stock Transfer Agreement entered into between David, Daniel, Jorge and Ruben on the date hereof.
Suzano Holding S.A.	367,612,234	27.01%	<ul style="list-style-type: none"> (i) 367,612,234 Attached Shares are free of encumbrance.

SHAREHOLDERS	NUMBER OF ATTACHED SHARES	% TOTAL CAPITAL STOCK	DESCRIPTION OF ENCUMBRANCE ON ATTACHED SHARES
Alden Fundo de Investimento em Ações	25,989,541	1.91%	(i) 25,989,541 Attached Shares are free of encumbrance.
Total	579,295,215	42.56%	-----

1ST AMENDMENT TO THE SUZANO S.A. VOTING AGREEMENT

This Amendment to the Suzano S.A. Voting Agreement (“1st Amendment”) is agreed and signed by the following parties:

(a) **ALDEN FUNDO DE INVESTIMENTO EM AÇÕES**, an investment fund, based in the city of São Paulo, in the state of São Paulo, at Praça Alfredo Egydio de Souza Aranha, n° 100, Parque Jabaquara, CEP 04344-902, registered with the CNPJ/ME under n° 04.679.647/0001-42 (“Alden” and, together with its Authorized Assignees, “Grupo Alden”), duly represented in this act by its manager BIZMA Investimentos Ltda., a limited company, based in the city of São Paulo, in the state of São Paulo, at Av. Brigadeiro Faria Lima, n° 1355, 21st floor, CEP 01452-919, registered with the CNPJ/ME under n° 23.964.292/0001-88, as represented in its Articles of Incorporation; and

(b) **DAVID FEFFER**, Brazilian, divorced, a businessman, bearer of ID card RG n° 4.617.720-6 (SSP/SP), registered with the CPF/ME under n° 882.739.628-49, based and residing in the city and state of São Paulo, with a commercial office at Avenida Brigadeiro Faria Lima, n° 1.355, 21st floor, CEP 01452-919, São Paulo – SP (“David” and, together with his descendants, their Successors and any Authorized Assignees who become holders of Linked Shares, “Grupo David”);

(c) **DANIEL FEFFER**, Brazilian, married, a lawyer, bearer of ID card RG n° 4.617.718-8 (SSP/SP), registered with the CPF/ME under n° 011.769.138-08, based and residing in the city and state of São Paulo, with a commercial office at Avenida Brigadeiro Faria Lima, n° 1.355, 21st floor, CEP 01452-919, São Paulo – SP (“Daniel” and, together with his descendants, their Successors and any Authorized Assignees who become holders of Linked Shares, “Grupo Daniel”);

(d) **JORGE FEFFER**, Brazilian, divorced, business manager, bearer of ID card RG n° 4.617.719-X (SSP/SP), registered with the CPF/ME under n° 013.965.718-50, based and residing in the city and state of São Paulo, with a commercial office at Avenida Brigadeiro Faria Lima, n° 1.355, 21st floor, CEP 01452-919, São Paulo – SP (“Jorge” and, together with his descendants, their Successors and any Authorized Assignees who become holders of Linked Shares, “Grupo Jorge”);

(e) **RUBEN FEFFER**, Brazilian, married, business manager, bearer of ID card RG n° 16.988.323-1 (SSP/SP), registered with the CPF/ME under n° 157.423.548-60, based and

residing in the city and state of São Paulo, with a commercial office at Avenida Brigadeiro Faria Lima, nº 1.355, 21st floor, CEP 01452-919, São Paulo – SP (“Ruben” and, together with his descendants, their Successors and any Authorized Assignees who become holders of Linked Shares, “Grupo Ruben”); and

(f) **SUZANO HOLDING S.A.**, a listed company based in the city and state of São Paulo, at Avenida Brigadeiro Faria Lima, nº 1355, 21st floor, CEP 01452-919, registered with the CNPJ/ME under nº 60.651.809/0001-05, represented in this act in accordance with its By-Laws (together with its Successors and Authorized Assignees, “Suzano Holding”);

The signatories to this 1st Amendment, as well as the descendants, Successors and Authorized Assignees of David, Daniel, Jorge and Ruben and the Successors and Authorized Assignees of Alden and Suzano Holding who become holders of Linked Shares are hereinafter referred to collectively as “Shareholders” and individually as “Shareholder”.

CONSIDERING THAT on September 28, 2017, a Voting Agreement was signed (“Agreement”), for the purpose of consolidating the Controlling Stake in SUZANO S.A., registered with the CNPJ/ME under nº 16.404.287/0001-55 and/or its successors (the “Company”);

CONSIDERING THAT on January 16, 2019, the shareholder Alden Fundo de Investimento em Ações signed up to the Agreement, through a Legal Declaration, for the purpose of (i) consolidating the shareholding of Alden within the Controlling Stake in the Company and/or its successors; and (ii) regulating certain Shareholder rights and obligations (“Legal Declaration”);

CONSIDERING THAT on June 23, 2022, David, Daniel, Ruben and assignees of Jorge, as the holders of Linked Shares issued by Suzano Holding, signed a 1st Amendment to the Suzano Holding Shareholder’s Agreement, for the purpose of extending the validity period of said Suzano Holding Shareholder’s Agreement;

CONSIDERING THAT the Shareholders wish to amend the Agreement, in order to extend its validity period;

IT HAS BEEN DECIDED THAT the Parties shall sign this 1st Amendment, for the purposes and under the terms of the applicable legislation, notably Art. 118 of the Brazilian Corporate Law, which is to be governed by the following terms and conditions.

1. DEFINITIONS

1.1. It is determined that terms beginning with capital letters, when used herein, shall have the meaning assigned to them in the Agreement and in the Legal Declaration, unless expressly defined otherwise herein.

2. EXTENSION OF THE VALIDITY PERIOD

2.2. The Parties have decided, in full and mutual agreement, to extend the validity period of the Agreement to June 23, 2042, with the main body of Clause 5.7 and Clause 5.7.4 of the Agreement to come into force, for all effects and purposes, using the following new wording:

“5.7. Validity. This Agreement has been in force since September 28, 2017, binding the Shareholders and their Successors and Authorized Assignees, and shall remain in force, valid and binding among the Shareholders, their Successors and Authorized Assignees, until June 23, 2042.

(...)

5.7.4 Termination of this Agreement as a result of the provisions of Clauses 5.7.2 and 5.7.3 shall not be grounds for any complaints or claims for indemnification, in any form, by any Party against another.”

3. GENERAL PROVISIONS

3.1. Ratification. The other provisions of the Agreement are hereby ratified and not altered by means of this 1st Amendment, ensuring that, unless expressly provided for herein, this 1st Amendment does not alter or replace any other provisions of the Agreement, nor is there any aim or intention to suppress or change the rights and obligations established therein, as all the other clauses of the Agreement are hereby expressly ratified.

3.2. Integral Part. This 1st Amendment shall be considered an integral part of the Agreement and is to be interpreted in compliance with its terms.

3.3. Binding Effect. This 1st Amendment is entered into on an irrevocable and irreversible basis, setting out legal, valid and binding obligations and forming a bond that is in effect for the benefit of the Shareholders, the Company and their respective Successors and Authorized Assignees.

3.4. Alterations. Any alteration or waiver of this document shall only be valid if submitted in writing and signed by all the Parties.

3.5. Applicable Law. This 1st Amendment is to be interpreted and governed in compliance with the Brazilian legislation.

3.6. Disagreements. Any and all conflicts, doubts or controversies within the scope of this 1st Amendment or that are directly or indirectly related to it, involving any of the Parties, are to be resolved in compliance with the provisions of Clauses 6.2 to 6.11 of the Agreement, which are fully applicable to this 1st Amendment.

So, being in just and full accord, the Shareholders hereby sign 6 (six) identical copies of this Amendment, in the presence of the undersigned witnesses.

São Paulo, July 13, 2022.

[The rest of this page has been deliberately left blank. The signature page follows.]

(Signature page of the 1st Amendment to the Suzano S.A. Voting Agreement, signed on July 13, 2022)

Shareholders:

DAVID FEFFER

DANIEL FEFFER

JORGE FEFFER

RUBEN FEFFER

SUZANO HOLDING S.A.

By: Marcel Paes de Almeida Piccinno
Position: Executive Director

By: Isabel Cotta F. de França Leme
Position: Executive Director

ALDEN FUNDO DE INVESTIMENTO EM AÇÕES

By: Marcel Paes de Almeida Piccinno
Position: Director

By: Isabel Cotta F. de França Leme
Position: Executive Director

Witnesses:

Name:
RG:
CPF:

Name:
RG:
CPF:

STOCK TRANSFER AGREEMENT

By this private instrument, the parties (individually referred to as “Party” or “Shareholder” and jointly referred to as “Parties” or “Shareholders”):

(a) **DAVID FEFFER**, Brazilian, married, entrepreneur, bearer of identity document (RG) number 4.617.720-6 SSP/SP, inscribed in the roll of individual taxpayers (CPF/MF) under number 882.739.628-49, resident and domiciled in the City of São Paulo, State of São Paulo, with office at Avenida Brigadeiro Faria Lima, nº 1.355, 9º andar, CEP 01452-919 (“David” and, jointly with his descendants, Permitted Successors and Assignees who become holders of Attached Shares, “David Group”);

(b) **DANIEL FEFFER**, Brazilian, married, lawyer, bearer of identity document (RG) number 4.617.718-8 SSP/SP, inscribed in the roll of individual taxpayers (CPF/MF) under number 011.769.138-08, resident and domiciled in the City of São Paulo, State of São Paulo, with office at Avenida Brigadeiro Faria Lima, nº 1.355, 9º andar, CEP 01452-919 (“Daniel” and, jointly with his descendants, Permitted Successors and Assignees who become holders of Attached Shares, “Daniel Group”);

(c) **JORGE FEFFER**, Brazilian, divorced, business administrator, bearer of identity document (RG) number 4.617.719-X SSP/SP, inscribed in the roll of individual taxpayers (CPF/MF) under number 013.965.718-50, resident and domiciled in the City of São Paulo, State of São Paulo, with office at Avenida Brigadeiro Faria Lima, nº 1.355, 9º andar, CEP 01452-919 (“Jorge” and, jointly with his descendants, Permitted Successors and Assignees who become holders of Attached Shares, “Jorge Group”); and

(d) **RUBEN FEFFER**, Brazilian, married, business administrator, bearer of identity document (RG) number 16.988.323-1 SSP/SP, inscribed in the roll of individual taxpayers (CPF/MF) under number 157.423.548-60, resident and domiciled in the City of São Paulo, State of São Paulo, with office at Avenida Brigadeiro Faria Lima, nº 1.355, 9º andar, CEP 01452-919 (“Ruben” and, jointly with his descendants, Permitted Successors and Assignees who become holders of Attached Shares, “Ruben Group”).

THE PARTIES THEREFORE AGREE to execute this Stock Transfer Agreement (“Agreement”), in accordance with and for the purposes of the applicable legislation, especially Article 118 of Brazilian Corporation Law and other applicable legal provisions, which shall be governed by the terms and conditions set forth below.

I. DEFINITIONS.

1.1. The terms starting with uppercase letters used in this Agreement and not defined in the text of this Agreement shall have the meaning attributed to them in Appendix I.

II. SHARES ATTACHED AND SUBJECT TO THE AGREEMENT.

2.1. Each Shareholder is the owner of the shares identified in Appendix II of this Agreement (“Attached Shares”), issued by SUZANO PAPEL E CELULOSE S.A., inscribed in the roll of corporate taxpayers (CNPJ/MF) under number 16.404.287/0001-55 (“Company”), which are free of Encumbrances, except as otherwise described in Appendix II. For the purposes of this Agreement, Attached Shares also include: (i) shares resulting from bonuses attributed to Attached Shares, from the splitting or grouping of the Attached Shares; (ii) preemptive rights arising from the Attached Shares; (iii) shares arising from the exchange, conversion, merger (including of shares), consolidation, spin-off or other type of corporate reorganization and, in any case, arising from the Attached Shares; or (iv) new shares subscribed to in the exercise of preemptive rights attributed to the Attached Shares, as well as warrants, options and other securities attributed to the Attached Shares and convertible into shares issued by the Company.

2.1.1. Attached Shares do not include, restrict or encumber shares issued by the Company and/or its successors that are held or that come to be held by Shareholders and/or Successors who are not on the list in Appendix II and/or arising therefrom, in accordance with Clause 2.1.

2.2. The Shareholders recognize that the Attached Shares compose or may compose directly or indirectly the Controlling group of the Company and, in the latter’s interest, irrevocably agree to restrict their Transfer and the constitution of Encumbrance on them, as stated herein.

2.3. This Agreement binds the Attached Shares and, consequently, the Shareholders, their respective spouses, partners, curators, heirs, devisees and successors who become, for any reason, holders of the Attached Shares and/or the voting rights inherent to them (including in the case of an interdict and/or minor Shareholder represented by a curator or board of curators) (jointly referred to as “Successors”). In the event of the death of any Individual who is or comes to be a Shareholder of the Company, their Successors shall assume all the rights and obligations of the deceased Individual provided for in this Agreement, as a member of the same Shareholder Group of the deceased. This assumption shall be automatic in the event of legal or testamentary succession, and the corresponding Successor shall inherit the Attached Shares in accordance with

this Agreement, as well as everything attached thereto (ownerships, encumbrances, rights and obligations), in accordance with all the terms and conditions agreed upon by the Shareholders. The same rule also applies to the spouse and/or partner in the event of the division of assets arising from a separation, divorce and/or dissolution of steady union. In the case of judicial interdiction of the Shareholder or minority (absolutely or relatively incompetent), the curator or curators (in the case of a board) are equally obligated and bound by the terms and conditions of this Agreement, in accordance with the legal provisions, personal statements (in public or private written documents) regarding guardianship of the interdicted person or minor.

III. RULES APPLICABLE TO THE TRANSFER OF ATTACHED SHARES.

3.1. Restrictions on the Transfer of Shares and Rights. The Shareholders and their Successors undertake not to Transfer, including not to sell, assign, encumber and/or constitute Encumbrance, with the exception of clauses for incommunicability and impossibility to levy execution, as applicable, disposed of by donation or will, on any account or by any means, in whole or in part, directly or indirectly, through their Permitted Assignees, their Attached Shares, except as otherwise authorized by this Agreement.

3.1.1. Without limiting the provisions of Clause 3.1, the Shareholders and their Successors are prohibited from and, consequently, undertake not to carry out, at any time, Public Trading of the Attached Shares, in whole or in part, except in the case of prior and written authorization of all Shareholders.

3.1.2. Any Transfer or creation of any Encumbrance on the Shares that are not in conformity with this Agreement shall be considered null and ineffective, and the Company shall abstain from registering them.

3.2. Right of First Offer. If any Shareholder ("Offeror Shareholder") intends to Transfer, in whole or part, directly or indirectly, their Attached Shares ("Offered Attached Shares"), the Offeror Shareholder shall, firstly and as a condition of the Transfer, submit to the other Shareholders ("Offeree Shareholders"), in accordance with Clause 4.4, their binding sale proposal (the "First Offer Notice"), specifying the total number and price of the Offered Attached Shares, including payment conditions (the "Proposed Transfer Amount"), through which the Offeror Shareholder irrevocably agrees to sell the Offered Attached Shares, if one or more Offeree Shareholders exercise the right to acquire the Offered Attached Shares, in accordance with the terms and conditions proposed, observing the procedure set forth below ("Right of First Offer").

3.2.1. During the thirty (30) days after receiving the First Offer Notice (“First Offer Period”), each Offeree Shareholder shall have the right to exercise their Right of First Offer by submitting a notice in accordance with Clause 4.4 to the Offeror Shareholder, with a copy to the other Offeree Shareholders and to the Company, with a binding and irrevocable offer, to acquire up to the total number of Offered Attached Shares, in accordance with the terms and conditions proposed by the Offeror Shareholder as per Clause 3.2 (“First Offer Counter-Notice”), with the lack of a First Offer Counter-Notice by any of the Offeree Shareholders, within the First Offer Period, understood as the irrevocable non-exercise of the Right of First Offer by the Offeree Shareholder(s) who do not submit said counter-notice.

3.2.2. If the Right of First Offer is exercised for all (and not less than all) of the Offered Attached Shares, such Shares shall be acquired and Transferred to the Offeree Shareholder(s) who exercise(s) the Right of First Offer, and the Offeror Shareholder and the respective Offeree Shareholder(s) shall consummate such Transfer, pursuant to First Offer Notice, on the sixtieth (60th) Business Day as from the end of the First Offer Period. Should two (2) or more Offeree Shareholders exercise their Right of First Offer, the Offered Attached Shares shall be distributed among said Offeree Shareholders: (i) in the proportion agreed upon by the Offeree Shareholders who have exercised their Right of First Offer, by means of a written instrument submitted to the Offeror Shareholder; or, if there is no agreement for such purpose; (ii) in the proportion of the number of Attached Shares held by them in relation to the total Attached Shares issued by the Company (excluding the ownership interest of the Offeror Shareholder and the other Offeree Shareholders who did not exercise their Right of First Offer).

3.2.3. If the Offeree Shareholders do not exercise their Right of First Offer in accordance with Clause 3.2 for the acquisition of all the Offered Attached Shares, the Offeror Shareholder shall be authorized to arrange and obtain, by means of a private procedure, a firm proposal in good faith from a Third Party interested in acquiring all of the Offered Attached Shares (“Offeror Third Party”), provided that: (i) the Offeror Third Party does not represent a Common Interest with the Offeror Shareholder or exercise, directly or indirectly, or anyone who has a Common Interest with them, a Competitive Activity; and (ii) the price obtained is greater than the Proposed Transfer Amount, plus the variation in the CDI from the date of submission of the First Offer Notice to all Offeree Shareholders to the date of respective receipt (“Proposal”). The Proposal shall contain the irrevocable commitment by the Offeror Third Party to acquire the Offered Attached Shares for the net and exact price, payable at sight, in an amount not less than the Proposed Transfer Amount and adjusted as provided for above, conditioned, exclusively, upon the non-exercise of the Right of First Refusal by the Offeree Shareholders in accordance with Clause 3.3 below, and upon the audit process and/or anti-trust regulatory approval, if applicable, and valid for a minimum period of ninety (90) days as from the date of its submission to the

Offeree Shareholders. After obtaining the Proposal, the transfer of the Offered Attached Shares shall be subject to the Right of First Refusal, in accordance with Clause 3.3 below.

3.2.4. In the event that, within ninety (90) days as from the expiration of the First Offer Period, no Proposal is submitted to the Offeree Shareholders for the exercise of the Right of First Refusal as per Clause 3.3 below, if the Offeror Shareholder wishes to Transfer their Attached Shares, he or she shall once again follow the procedures provided for in this Clause 3.2 and subsequently, if applicable, the procedures provided for in Clause 3.3.

3.3. Right of First Refusal. Subject to the procedures provided for in Clause 3.2 with regard to the Right of First Offer, if, within ninety (90) days as from the expiration of the First Offer Period, the Offeror Shareholder that comes to obtain and submit to the Offeree Shareholders a Proposal that meets the requirements provided for in Clause 3.2.3, including a price greater than the Proposed Transfer Amount, to sell, directly or indirectly, the total number of Offered Attached Shares to a Offeror Third Party, and wishes to consummate the Transfer in accordance with the Proposal, the Offeror Shareholder shall, as a condition of the respective Transfer, grant to the Offeree Shareholders the right of first refusal for the acquisition of the Offered Attached Shares, at terms and conditions identical to the conditions of the Proposal ("Right of First Refusal"), upon submission to the Offeree Shareholders, with a copy submitted to the Company, of the offer notice ("First Refusal Notice"), in accordance with Clause 4.4, containing (i) a copy of the Proposal with the commitment by the Offeror Third Party to acquire the Offered Attached Shares, in accordance with the terms proposed; (ii) the irrevocable decision of the Offeror Shareholder to accept the Proposal; (iii) the identification of the Offeror Third Party, including name and full description and, if applicable, their managers and partners or shareholders, down to the level of Individuals; (iv) a declaration executed by the Offeror Shareholder and the Offeror Third Party affirming that the Offeror Third Party or whomever has the same Common Interest does not exercise, directly or indirectly, a Competitive Activity; and (v) other significant information about the proposed Transfer.

3.3.1. After receiving the First Refusal Notice, the Offeree Shareholders shall, within thirty (30) days ("First Refusal Period"), send a notice in accordance with Clause 4.4 to the Offeror Shareholder, with copy to the other Offeree Shareholders and the Company, informing their irrevocable decision to exercise or not their Right of First Refusal to acquire up to the total number of Offered Attached Shares ("First Refusal Counter-Notice"). If no First Refusal Counter-Notice is sent by the expiration of the First Refusal Period, it shall be understood as the non-exercise, irrevocably, of the Right of First Refusal by the Offeree Shareholder(s) who does(do) not submit said counter-notice.

3.3.2. If the Right of First Refusal is exercised by one or more Offeree Shareholders to acquire all (and not less than all) of the Offered Attached Shares, the same shall be acquired in accordance with the Proposal and Transferred to the Offeree Shareholder(s) who exercised the Right of First Refusal, and the Offeror Shareholder and the respective Offeree Shareholder(s) shall consummate said Transfer on the thirtieth (30th) Business Day as from the expiration of the First Refusal Period. If two (2) or more Offeree Shareholders exercise their Right of First Refusal, the Offered Attached Shares shall be distributed among said Offeree Shareholders: (i) in the proportion agreed upon by the Offeree Shareholders who have exercised their Right of First Refusal, by means of a written instrument submitted to the Offeror Shareholder; or, if there is no agreement for such purpose; (ii) in the proportion of the number of Attached Shares held by them in relation to the total Attached Shares issued by the Company (excluding the ownership interest of the Offeror Shareholder and the other Offeree Shareholders who did not exercise their Right of First Refusal).

3.3.3. If the Offeror Shareholder does not receive in a timely manner the First Refusal Counter-Notice(s) to acquire all Offered Shares, the Offeror Shareholder is authorized to Transfer to the Offeror Third Party the Offered Attached Shares, in accordance with the exact terms of the Proposal, for ninety (90) days as from the expiration of the First Refusal Period.

3.3.4. The provisions of this Clause 3.3 shall apply to the assignment of preemptive rights in the subscription of new Attached Shares, and, in such case, the periods for exercising the Right of First Refusal are as follows: (i) fifteen (15) days as from approval of the rights offering by the shareholders' meeting of the Company for the receipt, from the Offeree Shareholders, of the First Refusal Notice; and (ii) ten (10) days for exercise of the Right of First Refusal by the Offeree Shareholders.

3.4. Resumption of Procedures for Right of First Offer and Right of First Refusal. The Transfer of the Offered Shares after the period of ninety (90) days as from the end of the First Refusal Period provided for in Clause 3.3.3 transpires shall once again be subject to the procedures related to the Right of First Offer and Right of First Refusal provided for in Clauses 3.2 and 3.3.

3.5. Prohibition of Transfer to Competitors. Even if the provisions of this Agreement are respected, no Transfer of Attached Shares shall be made to a Third Party that engages in a Competitive Activity, directly or indirectly, or that has a Common Interest with whom engages in a Competitive Activity.

- 3.6. Unbinding of Transferred Attached Shares. With the Transfer to a Third Party, the Transferred Attached Shares are automatically unbound from this Agreement, with the Agreement remaining valid for those Shareholders holding Attached Shares.
- 3.7. Authorized Transfers. Each Shareholder may Transfer their Attached Shares (including the Right of First Offer and the Right of First Refusal to the acquisition), at any time, with the restrictions provided for in this Clause 3 not applicable:
- (a) to another Shareholder in their own Shareholder Group; and
 - (b) to their Successors; and
 - (c) to their Permitted Assignees, as defined in Clause 3.7.1.

3.7.1. The Transfer of Attached Shares to Affiliates (with Affiliates that meet said conditions, the “Permitted Assignees”) is conditioned, cumulatively, upon the following: (a) that the assignee Affiliate shall adhere to the Agreement, unconditionally and irrevocably, as a condition for the validity of the Transfer, which shall compose the Shareholder Group of the assignee Shareholder; (b) that the assignee Shareholder, individually or jointly with his or her Successors, shall be, directly or indirectly, the holder of the total capital of the Affiliate, and he or she further undertakes: (b.1) not to Transfer, share or sell their ownership interest, directly or indirectly, as applicable, in the respective Permitted Assignee, in any way, without reacquiring the Attached Shares and fulfilling the restrictions on the Transfer of Attached Shares, as and if applicable in accordance with the terms of this Agreement; and (b.2) to jointly guarantee all obligations of the assignee Affiliate related to this Agreement.

3.8. Encumbrance of Shares. The Shareholders agree not to constitute Encumbrance on the Attached Shares, except for usufruct and the incommunicability and impossibility to levy execution clauses, as applicable, disposed of by donation or will, and shall also abstain from executing agreements or other commitments providing for the Transfer of Attached Shares, unless, in each case, previously approved in writing by the Shareholders and, even if approved, the beneficiary or counterparty, before the effectiveness of this Encumbrance or execution of the commitment, undertakes, in writing, to comply with the terms and conditions provided for in this Agreement. The creation of any Encumbrance in breach of the provisions of this Agreement shall be null and void and shall not be recognized or caused to take effect by the Shareholders and the Company and shall be understood as in breach of this Agreement.

3.8.1 If the Attached Shares owned by any of the Shareholders become the subject of enforcement of involuntary encumbrance, such as a levy upon property, provisional Appendix or any other type of legal constriction (“Levied Shares”), the shareholder owning the Levied Shares shall require the competent court the release of shares within the period provided for in Article 847 of the Code of Civil Procedure.

3.8.2 If the Levied Shares are not released and a competent court starts a forced foreclosure, pursuant to Article 861 of the Code of Civil Procedure, the other Shareholders shall have the right to acquire such Levied Shares, at the Levied Shares Price, as provided for in the following clauses.

3.8.3 The Levied Shares Price that shall be offered to the other Shareholders, in accordance with Article 861, items I and II, of the Code of Civil Procedure, shall correspond to the weighted average (by daily trading volume) of the daily closing prices of the shares issued by the Company in the previous sixty (60) trading sessions on the Stock Exchange immediately prior to the offer date (“Levied Shares Price”).

3.8.4 If more than one Shareholder exercises the purchase right, such Shareholders shall acquire the Levied Shares in the proportion of the number of Attached Shares they hold in relation to the total Attached Shares issued by the Company bound to this Agreement, excluding the ownership interest owned by the Shareholder holding the Levied Shares and the Shareholders that do not exercise the purchase right.

3.8.5 The Shareholder holding the Levied Shares agrees that they shall inform, immediately, in writing, in accordance with Clause 4.4 below, the other Shareholders Groups of the constitution of encumbrance and keep them informed of the progress of the proceedings related to such encumbrance, under penalty of being held liable for any losses and damages caused.

IV. OTHER LIABILITIES; MISCELLANEOUS.

4.1. Confidentiality. Each of the Shareholders shall maintain the confidentiality of any non-public information received from the other Shareholders, including with regard to the operations involving Transfers of Attached Shares, as well as all data and information obtained by any of the Shareholders in conformity with this Agreement (“Confidential Information”). Information that (a) is developed independently by the Shareholders (without using any Confidential Information) or is not subject to confidentiality and has been received legally from another source that has the right to provide it; (b) is made available to the public without violating this Agreement; (c) on the date of disclosure to a Shareholder was known by said Shareholder as not being subject to

confidentiality, as evidenced by documentation held by them; (d) the Company agrees, in writing, that it is free of such restrictions; or (e) must be disclosed, currently or in the future, as required by governing law (fact for which the Company will receive notice and should have an opportunity to try to restrict disclosure) or by a court decision, is not considered Confidential Information for the purposes of this Agreement. No Shareholder shall give access, without the prior consent of the Company, and the Company shall not give access, to Confidential Information as described in this Clause to any Person that is not bound in writing, before receiving such access, to maintain the confidential nature thereof, including, but not limited to, directors, officers, employees, representatives and agents of said Shareholders.

4.2. Share Certificate Caption. One copy of this Agreement is registered and filed at the headquarters of the Company, as well as registered on the share certificates, if issued, and at the depository institution, with the following wording: "*The Shareholder owning these shares (common or preferred) is a signatory to the Stock Transfer Agreement, executed on September 28, 2017, and filed at the headquarters of the Company.*"

4.3. This Agreement is signed irrevocably, binding the Shareholders by themselves and their heirs, Successors and/or Permitted Assignees, on any account, and further, once registration is effective, the Company. The Shareholders and their heirs, Successors and/or Permitted Assignees shall comply with all obligations provided for herein, aware that these obligations are subject to specific execution, as required by law, representing obligations to do or not to do that are inherent to the ownership of Attached Shares. No amendment to this Agreement shall be valid, except if in writing and signed by all Parties.

4.4. Any notice, claim, request, consent, approval, statement, or other communication to be made under this Agreement shall be transmitted or conducted in writing and delivered in person, by facsimile, by e-mail to the recipients to be informed in writing, with proof of receipt, by express mail or registered mail, with proof of receipt, paid postage and addressed as follows:

- (a) If addressed to the Company:
Avenida Brigadeiro Faria Lima, 1355, 9º andar
Pinheiros, São Paulo/SP – CEP 01452-919
Attn: Chief Executive and Investor Relations Officer
- (b) If addressed to David:
Avenida Brigadeiro Faria Lima, 1355, 9º andar
Pinheiros, São Paulo/SP – CEP 01452-919
- (c) If addressed to Daniel:

Avenida Brigadeiro Faria Lima, 1355, 9º andar
Pinheiros, São Paulo/SP – CEP 01452-919

- (d) If addressed to Jorge:
Avenida Brigadeiro Faria Lima, 1355, 9º andar
Pinheiros, São Paulo/SP – CEP 01452-919
- (e) If addressed to Ruben:
Avenida Brigadeiro Faria Lima, 1355, 9º andar
Pinheiros, São Paulo/SP – CEP 01452-919

or to any other address that comes to be informed by means of a notice transmitted to the Shareholders as provided for herein. The transmission of any notice under this Agreement may be waived, in writing, by the recipient of such notice.

4.5. This Agreement comes into effect on the date hereof, binding the Shareholders and their Successors and Permitted Assignees, and shall remain effective and valid and a binding obligation between the Shareholders, their Successors and Permitted Assignees for an initial period of ten (10) years. The Agreement shall be renewed automatically for another ten (10) years provided no manifestation to the contrary is made by any of the Shareholders Group, during the next to the last year of each period of the Agreement (i.e., during the ninth (9th) year of each period). The termination or rescission of this Agreement shall not affect the liability of any Shareholder for any violation of this Agreement committed before the termination date.

4.6. Expenses. Each Shareholder shall bear the costs and expenses, including those for accounting and legal advisors, related to the negotiation, preparation and execution of this Agreement.

V. GOVERNING LAW AND DISPUTE RESOLUTION

5.1. Governing Law. This Agreement is governed by and construed in accordance with the laws of the Federative Republic of Brazil, and the reader shall consider the “Definitions,” which clarify and complete the text of this Agreement and is part of Appendix I hereto.

5.2. Dispute Resolution Procedure. Any dispute or divergence arising from this Agreement (“Conflict”) or in any way related to it shall be mandatorily and definitively resolved through arbitration (“Arbitration”), as provided for by Federal Law 9,307, of 1996.

5.2.1. The Shareholders agree that, before starting Arbitration to solve any Conflict, they shall try to negotiate an amicable agreement to solve the Conflict, through direct negotiations or mediation, within sixty (60) days as from the receipt of the notice of existence of Conflict ("Conflict Notice") by all Shareholders. The Conflict Notice shall always be sent by the interested party to the party(ies) involved in the Conflict with a copy to all other Shareholders. If the parties try to resolve the dispute through mediation, any of the parties may start the mediation following the Mediation Procedure of the Arbitration and Mediation Center of the Brazil-Canada Chamber of Commerce ("CAM/CCBC").

5.3. Rules. After the period established in Clause 5.2.1 above, or in the event of the impossibility of reaching an amicable solution, the interested party shall submit the dispute to Arbitration, which shall be started and processed in accordance with the CAM/CCBC Arbitration Rules ("Rules"), in effect on the date of institution of the arbitration request. The CAM/CCBC shall conduct the arbitration procedure. Any controversy related to the start of arbitration process shall be settled in a definitive and binding manner by the Arbitrators.

5.4. Participation of all Shareholders. Regardless of the Conflict to be settled through Arbitration, all Shareholders shall participate in it either as a party (when the dispute involves them directly as applicant, respondent or counterclaimant), or as an interested third party. Similarly, the arbitration award shall be definitive and binding on all Shareholders, regardless of refusal, by any of them, to participate in an arbitration procedure, either as a party or interested third party. The interested party to start the Arbitration shall notify the other party(ies) involved in the Conflict of their decision to start the Arbitration ("Arbitration Notice"), with copy to the Shareholders who are not involved in the Conflict, if applicable. The Shareholders not involved in the Conflict shall reply to the Arbitration Notice within five (5) days as from receipt of the Arbitration Notice, indicating whether they will participate as a party in the Conflict or participate in the Arbitration as an interested third party. If no reply is sent to the Arbitration Notice, it is assumed that the Shareholder will participate as an interested third party.

5.5. Arbitrators. The arbitration tribunal is formed by three (3) arbitrators ("Arbitrators"), and one is appointed by the applicant(s) and the other by the respondent(s), in accordance with the Rules. In the event of participation of Shareholders as interested third parties, they shall appoint an Arbitrator jointly with the applicant(s) or respondent(s), as applicable. The two (2) Arbitrators appointed by the parties shall choose jointly the third Arbitrator, who shall preside over the arbitration tribunal. Should any of the three (3) Arbitrators not be appointed within the period established in the Rules, the CAM/CCBC shall appoint them, in accordance with the Rules. Any and all controversy regarding the appointment of Arbitrators by the parties, as well the selection of the third Arbitrator, shall be settled by the CAM/CCBC.

5.6. Law; Jurisdiction. The Arbitration shall be decided in accordance with the law, expressly excluding the possibility of an equitable decision, and with jurisdiction of the City of São Paulo, State of São Paulo, where the arbitration award shall be rendered.

5.7. Language and Governing Law. The official language of Arbitration is Portuguese and the governing law is Brazilian law, with Arbitration subject to absolute confidentiality.

5.8. Power of Arbitration Tribunal. Once the Arbitration starts, the Arbitrators shall resolve all issues arising from or related to the object of the Conflict, including those of incidental nature or which are a remedy for protection.

5.9. Remedy. Notwithstanding the above provisions, each Shareholder has the right to require the following remedies, without such act being interpreted as a waiver of Arbitration:

(a) remedies related to controversies with regard to net, exact and mandatory payment obligations that involve court enforcement proceedings;

(b) remedies to obtain relief of urgency and decision as a remedy to protect rights prior to the start of Arbitration or aiming to ensure the useful outcome of the arbitration procedure; and

(c) to execute any arbitration award, including the final report.

5.9.1. For the purposes of Clause 5.9, the Courts of the City of São Paulo, State of São Paulo are chosen, with the express waiver of any other court, however preferable it may be.

5.9.2. Any urgent remedy granted by the Courts shall be immediately notified by the party who required such remedy to the CAM/CCBC. The Shareholders recognize that any urgent remedy obtained from the Courts shall not, necessarily, be reviewed by the Arbitrators, who shall decide for the maintenance, review or revocation of the decision.

5.10. Binding Effect. The arbitration clauses above bind not only the signatory Shareholders to this Agreement, but also any future shareholders that, on any account, come to be a part of the Company and adhere to this Agreement.

5.11. Final Decision. The arbitration award attributes to the losing party, or to both parties in the proportion at which their claims were not upheld, final responsibility for the costs of the process, including costs of loss of suit.

In witness whereof, the Shareholders execute this Agreement in five (5) counterparts of equal content, in the presence of the witnesses below.

São Paulo, September 28, 2017

DAVID FEFFER

DANIEL FEFFER

JORGE FEFFER

RUBEN FEFFER

Witnesses:

1. _____

Name:

RG:

CPF:

2. _____

Name:

RG:

CPF:

Appendix I
Definitions

“Offeror Shareholder” the meaning is described in Clause 3.2 of this Agreement.

“Shareholder” or **Shareholders** the meaning is described in the preamble to this Agreement, and encompasses also, except when expressly stated otherwise, their respective descendants and respective Successors and Permitted Assignees.

“Offeree Shareholders” the meaning is described in Clause 3.2 of this Agreement.

“Agreement” refers to this Stock Transfer Agreement.

“Levied Shares” the meaning is described in Clause 3.8.1 of this Agreement.

“Attached Shares” the meaning is described in Clause 2.1 of this Agreement.

“Offered Attached Shares” the meaning is described in Clause 3.2 of this Agreement.

“Affiliate” with regard to a certain Person or Shareholder, refers to: (a) if an Individual, any other Person who, at any time, is directly or indirectly Controlled by said Person or Shareholder; and (b) if a Legal Entity, any other Person who, at any time, is directly or indirectly Controlled by or under Joint Control with this Person or Shareholder.

“Arbitration” the meaning is described in Clause 5.2 of this Agreement.

“Arbitrators” the meaning is described in Clause 5.5 of this Agreement.

“Competitive Activity” refers to any activities directly or indirectly related to the sale of products or provision of services in the same industry as Suzano Papel e Celulose.

“Stock Exchange” refers to BM&FBOVESPA S.A. – Securities, Commodities and Futures Exchange, a stock exchange duly organized and validly existing under Brazilian Law and authorized by the Securities and Exchange Commission of Brazil

(CVM) to operate as such, including all of its successors.

“CAM/CCBC” the meaning is described in Clause 5.2.1 of this Agreement.

“CDI” refers to the annual average rate (considering a 252-day year) of operations in Interbank Certificates of Deposit (CDI), for a period equal to one (1) Business Day (over), calculated and disclosed by the CETIP - OTC Clearing House (CETIP), with the rounding of the daily factor to the eighth decimal place, or, in case of its extinction, an equivalent rate that replaces it.

“Permitted Assignees” the meaning is described in Clause 3.7.1 of this Agreement.

“Code of Civil Procedure” refers to Federal Law 5,869, of 1973, as amended.

“Company” the meaning is described in Clause 2.1 of this Agreement.

“Conflict” the meaning is described in Clause 5.2 of this Agreement.

“First Refusal Counter-Notice” the meaning is described in Clause 3.3.1 of this Agreement.

“First Offer Counter-Notice” the meaning is described in Clause 3.2.1 of this Agreement.

“Control” when used with regard to any Person (“Controlled Person”), refers to: (i) the power to elect, directly or indirectly, most members of management and to establish and conduct the policies and management of the Controlled Person; or (ii) the direct or indirect ownership of securities or other interests that represent at least fifty percent (50%) of the total voting power of the Controlled Person. The terms deriving from Control, such as “Controlled,” “Controlling” and “under joint Control” shall have a similar meaning to Control.

“Daniel” the meaning is described in the preamble of this Agreement.

“David” the meaning is described in the preamble of this Agreement.

“Business Day” refers to any day, except Saturday or Sunday, on which banks are not obligated or are authorized to close in the City of São Paulo, State of São Paulo.

“Right of First Refusal” the meaning is described in Clause 3.3 of this Agreement.

“Right of First Offer” the meaning is described in Clause 3.2 of this Agreement.

“Daniel Group” the meaning is described in the preamble of this Agreement.

“David Group” the meaning is described in the preamble of this Agreement.

“Shareholders Group” refers to David Group, Daniel Group, Jorge Group or Ruben Group, as applicable.

“Jorge Group” the meaning is described in the preamble of this Agreement.

“Ruben Group” the meaning is described in the preamble of this Agreement.

“Confidential Information” the meaning is described in Clause 4.1 of this Agreement.

“Common Interest” means the Person: (a) acting on their own behalf, but on the account of Shareholder and/or their Successors and/or Affiliates; (b) directly or indirectly controlling company, subsidiary, associated company or joint-control company of the Shareholder and/or their Successors and/or their Affiliates; (c) owner of voting rights with which the Shareholder and/or Successors and/or their Affiliates have entered into agreement for their exercise; (d) Successor or Affiliate of the Shareholder; or (e) members of the management and supervisory bodies of the Shareholder and/or their Successors and/or Affiliates.

“Jorge” the meaning is described in the preamble of this Agreement.

“Brazilian Corporation Law” refers to Federal Law 6,404, of December 15, 1976, as amended.

“Public Trading” refers to the Transfer or sale through public trading, on a stock exchange or over-the-counter market environment, including those conducted: (i) in

trading sessions on the Stock Exchange; (ii) through public offering of shares, in accordance with CVM Instruction 400/2003 or others that come to succeed it, cumulative or not with CVM Instruction 471 and the ANBIMA Agreement; (iii) through auction procedures, in accordance with CVM Instruction 168/1991; or (iv) in an organized over-the-counter market.

“Arbitration Notice” the meaning is described in Clause 5.4 of this Agreement.

“Conflict Notice” the meaning is described in Clause 5.2.1 of this Agreement.

“First Refusal Notice” the meaning is described in Clause 3.3 of this Agreement.

“First Offer Notice” the meaning is described in Clause 3.2 of this Agreement.

“Encumbrance” refers to any security, suretyship, mortgage, pledge, fiduciary sale, guarantee, easement, burden, charge, restriction, reserve, option, preemptive right, usufruct, agreement that leads to the sale (including purchase and sale commitment, options, purchase and sale with condition, etc.) or any other encumbrance of any nature that restricts the free and full exercise of ownership on a certain asset or right.

“Person” refers to any individual, legal entity, firm, company, foreign foundations (private right), investment fund, corporation, state-controlled company, trust, consortium, joint venture, co-ownership, universality of rights or entity without corporate veil, joint venture or any other legal entity regardless of its nature.

“First Refusal Period” the meaning is described in Clause 3.3.1 of this Agreement.

“First Offer Period” the meaning is described in Clause 3.2.1 of this Agreement.

“Levied Share Price” the meaning is described in Clause 3.8.3 of this Agreement.

“Proposal” the meaning is described in Clause 3.2.3 of this Agreement.

“Rules” the meaning is described in Clause 5.3 of this Agreement.

“Ruben” the meaning is described in the preamble of this Agreement.

“Successors” the meaning is described in Clause 2.3 of this Agreement.

“Third Party” refers to any Person except the direct descendants of the Shareholder.

“Offeror Third Party” the meaning is described in Clause 3.2.3 of this Agreement.

“Transfer” (and its derivatives) refers to any act that involves, directly or indirectly, voluntarily or involuntarily, the transfer, disposal, sale, trade, giving, free or onerous assignment (including assignment of preemptive right), exchange, donation, contribution, grant of stock option, or other form of negotiation, and other form of transfer or loss of property, in any case, directly or indirectly, partial or total, including, without limitation, through consolidation, merger, spin-off or other corporate reorganizations.

“Proposed Transfer Amount” the meaning is described in Clause 3.2 of this Agreement.

Appendix II
Ownership Structure of the Company and Encumbrance

SHAREHOLDERS	NUMBER OF ATTACHED SHARES	% TOTAL CAPITAL STOCK	DESCRIPTION OF ENCUMBRANCE ON ATTACHED SHARES
David Feffer	46,423,360	4.198%	(i) 707 Attached Common Shares are subject to incommunicability and impossibility to levy execution (ii) 707 Attached Common Shares are subject to incommunicability and impossibility to levy execution, in addition to being encumbered with usufruct; (iii) 187,500 Attached Class A Preferred Shares are subject to incommunicability (iv) 8,116,343 Attached Class A Preferred Shares are subject to incommunicability and impossibility to levy execution, in addition to being encumbered with usufruct; (v) 5,491,922 Attached Class A Preferred Shares are subject to incommunicability and impossibility to levy execution; and (vi) 32,626,181 Attached Class A Preferred are free of encumbrance.

SHAREHOLDERS	NUMBER OF ATTACHED SHARES	% TOTAL CAPITAL STOCK	DESCRIPTION OF ENCUMBRANCE ON ATTACHED SHARES
Daniel Feffer	46,423,360	4.198%	<ul style="list-style-type: none"> (i) 707 Attached Common Shares are subject to incommunicability and impossibility to levy execution; (ii) 707 Attached Common Shares are subject to incommunicability and impossibility to levy execution, in addition to being encumbered with usufruct; (iii) 187,500 Attached Class A Preferred Shares are subject to incommunicability; (iv) 8,116,343 Attached Class A Preferred Shares are subject to incommunicability and impossibility to levy execution, in addition to being encumbered with usufruct; (v) 5,491,922 Attached Class A Preferred Shares are subject to incommunicability and impossibility to levy execution; and (vi) 32,626,181 Attached Class A Preferred are free of encumbrance.
Jorge Feffer	46,423,360	4.198%	<ul style="list-style-type: none"> (i) 707 Attached Common Shares are subject to incommunicability and

SHAREHOLDERS	NUMBER OF ATTACHED SHARES	% TOTAL CAPITAL STOCK	DESCRIPTION OF ENCUMBRANCE ON ATTACHED SHARES
			<p>impossibility to levy execution;</p> <p>(ii) 707 Attached Common Shares are subject to incommunicability and impossibility to levy execution, in addition to being encumbered with usufruct;</p> <p>(iii) 187,500 Attached Class A Preferred Shares are subject to incommunicability;</p> <p>(iv) 8,116,343 Attached Class A Preferred Shares are subject to incommunicability and impossibility to levy execution, in addition to being encumbered with usufruct;</p> <p>(v) 5,491,922 Attached Class A Preferred Shares are subject to incommunicability and impossibility to levy execution; and</p> <p>(vi) 32,626,181 Attached Class A Preferred are free of encumbrance.</p>
Ruben Feffer	46,423,360	4.198%	<p>(i) 707 Attached Common Shares are subject to incommunicability and impossibility to levy execution;</p> <p>(ii) 707 Attached Common Shares are</p>

SHAREHOLDERS	NUMBER OF ATTACHED SHARES	% TOTAL CAPITAL STOCK	DESCRIPTION OF ENCUMBRANCE ON ATTACHED SHARES
			<p>subject to incommunicability and impossibility to levy execution, in addition to being encumbered with usufruct;</p> <p>(iii) 187,500 Attached Class A Preferred Shares are subject to incommunicability;</p> <p>(iv) 8,116,343 Attached Class A Preferred Shares are subject to incommunicability and impossibility to levy execution, in addition to being encumbered with usufruct;</p> <p>(v) 5,491,922 Attached Class A Preferred Shares are subject to incommunicability and impossibility to levy execution; and</p> <p>(vi) 32,626,181 Attached Class A Preferred are free of encumbrance.</p>
Total	185,693,440	16.792%	-----

1ST AMENDMENT TO THE AGREEMENT FOR THE TRANSFERRING OF SUZANO S.A. SHARES

This Amendment to the Agreement for the Transferring of Suzano S.A. Shares ("1st Amendment") is agreed and signed by the following parties:

(a) DAVID FEFFER, Brazilian, divorced, a businessman, bearer of ID card RG n° 4.617.720-6 (SSP/SP), registered with the CPF/ME under n° 882.739.628-49, based and residing in the city and state of São Paulo, with a commercial office at Avenida Brigadeiro Faria Lima, n° 1.355, 21st floor, CEP 01452-919, São Paulo – SP ("David") and, together with his descendants, their Successors and any Authorized Assignees who become holders of Linked Shares, "Grupo David";

(b) DANIEL FEFFER, Brazilian, married, a lawyer, bearer of ID card RG n° 4.617.718-8 (SSP/SP), registered with the CPF/ME under n° 011.769.138-08, based and residing in the city and state of São Paulo, with a commercial office at Avenida Brigadeiro Faria Lima, n° 1.355, 21st floor, CEP 01452-919, São Paulo – SP ("Daniel") and, together with his descendants, their Successors and any Authorized Assignees who become holders of Linked Shares, "Grupo Daniel";

(c) JORGE FEFFER, Brazilian, divorced, business manager, bearer of ID card RG n° 4.617.719-X (SSP/SP), registered with the CPF/ME under n° 013.965.718-50, based and residing in the city and state of São Paulo, with a commercial office at Avenida Brigadeiro Faria Lima, n° 1.355, 21st floor, CEP 01452-919, São Paulo – SP ("Jorge") and, together with his descendants, their Successors and any Authorized Assignees who become holders of Linked Shares, "Grupo Jorge";

(d) RUBEN FEFFER, Brazilian, married, business manager, bearer of ID card RG n° 16.988.323-1 (SSP/SP), registered with the CPF/ME under n° 157.423.548-60, based and residing in the city and state of São Paulo, with a commercial office at Avenida Brigadeiro Faria Lima, n° 1.355, 21st floor, CEP 01452-919, São Paulo – SP ("Ruben") and, together with his descendants, their Successors and any Authorized Assignees who become holders of Linked Shares, "Grupo Ruben";

The signatories to this 1st Amendment, as well as the descendants, Successors and Authorized Assignees of David, Daniel, Jorge and Ruben who become holders of Linked

Shares are hereinafter referred to collectively as “Shareholders” and individually as “Shareholder”.

CONSIDERING THAT on September 28, 2017, an Agreement was signed for the Transferring of Shares (“Agreement”) in SUZANO S.A., a company registered with the CNPJ/ME under n° 16.404.287/0001-55 and/or its successors (the “Company”);

CONSIDERING THAT the Shareholders wish to amend the Agreement, in order to extend its validity period;

IT HAS BEEN DECIDED THAT the Parties shall sign this 1st Amendment, for the purposes and under the terms of the applicable legislation, notably Art. 118 of the Brazilian Corporate Law and other legal provisions, which is to be governed by the following terms and conditions.

1. DEFINITIONS

1.1. It is determined that terms beginning with capital letters, when used herein, shall have the meaning assigned to them in the Agreement, unless expressly defined otherwise herein.

2. EXTENSION OF THE VALIDITY PERIOD

2.2. The Parties have decided, in full and mutual agreement, to extend the validity period of the Agreement to June 23, 2042, with Clause 4.5 of the Agreement to come into force, for all effects and purposes, using the following new wording:

“4.5. This Agreement has been in force since September 28, 2017, binding the Shareholders and their Successors and Authorized Assignees, and shall remain in force, valid and binding among the Shareholders, their Successors and Authorized Assignees, until June 23, 2042. The rescission or termination of this Agreement shall not affect the responsibility of any of the Shareholders for any breaching of this Agreement prior to the termination date.”

3. GENERAL PROVISIONS

3.1. Ratification. The other provisions of the Agreement are hereby ratified and not altered by means of this 1st Amendment, ensuring that, unless expressly provided for

herein, this 1st Amendment does not alter or replace any other provisions of the Agreement, nor is there any aim or intention to suppress or change the rights and obligations established therein, as all the other clauses of the Agreement are hereby expressly ratified.

3.2. Integral Part. This 1st Amendment shall be considered an integral part of the Agreement and is to be interpreted in compliance with its terms.

3.3. Binding Effect. This 1st Amendment is entered into on an irrevocable and irreversible basis, setting out legal, valid and binding obligations and forming a bond that is in effect for the benefit of the Shareholders, the Company and their respective Successors and Authorized Assignees.

3.4. Alterations. Any alteration or waiver of this document shall only be valid if submitted in writing and signed by all the Parties.

3.5. Applicable Law. This 1st Amendment is to be interpreted and governed in compliance with the Brazilian legislation.

3.6. Disagreements. Any and all conflicts, doubts or controversies within the scope of this 1st Amendment or that are directly or indirectly related to it, involving any of the Parties, are to be resolved in compliance with the provisions of Clauses 5.2 to 5.11 of the Agreement, which are fully applicable to this 1st Amendment.

So, being in just and full accord, the Shareholders hereby sign 4 (four) identical copies of this Amendment, in the presence of the undersigned witnesses.

São Paulo, July 13, 2022.

[The rest of this page has been deliberately left blank. The signature page follows.]

*(Signature page of the 1st Amendment to the Agreement for the Transferring of Suzano S.A.
Shares, signed on July 13, 2022)*

Shareholders:

DAVID FEFFER

DANIEL FEFFER

JORGE FEFFER

RUBEN FEFFER

Witnesses:

Name:
RG:
CPF:

Name:
RG:
CPF:

List of Subsidiaries of Suzano S.A.

Subsidiaries	Country of Incorporation
CELLUFORCE INC.	CANADA
ENSYN CORPORATION	U.S.
F&E TECHNOLOGIES, LLC	U.S.
F&E TECNOLOGIA DO BRASIL S.A.	BRAZIL
FIBRIA CELULOSE (U.S.A.), INC.	U.S.
FIBRIA OVERSEAS FINANCE LTD	CAYMAN ISLANDS
FIBRIA TERMINAL DE CELULOSE DE SANTOS SPE S.A.	BRAZIL
FUTURAGENE DELAWARE INC.	U.S.
FUTURAGENE INC.	U.S.
FUTURAGENE ISRAEL LTD.	ISRAEL
FUTURAGENE LTD	ENGLAND
IBEMA COMPANHIA BRASILEIRA DE PAPEL	BRAZIL
ITACEL – TERMINAL DE CELULOSE DE ITAQUI S.A.	BRAZIL
MAXCEL EMPREENDIMENTOS E PARTICIPAÇÕES S.A.	BRAZIL
MUCURI ENERGÉTICA S.A.	BRAZIL
PAINEIRAS LOGÍSTICA E TRANSPORTES LTDA.	BRAZIL
PORTOCEL – TERMINAL ESPECIALIZADO DE BARRA DO RIACHO S.A.	BRAZIL
PROJETOS ESPECIAIS E INVESTIMENTOS LTDA.	BRAZIL
SPINNOVA PLC	FINLAND
SFBC PARTICIPAÇÕES LTDA.	BRAZIL
STENFAR S.A. INDUSTRIAL COMERCIAL IMPORTADORA Y EXPORTADORA	ARGENTINA
SUZANO CANADA INC.	CANADA
SUZANO FINLAND OY	FINLAND
SUZANO INTERNATIONAL TRADE GMBH	AUSTRIA
SUZANO AUSTRIA GMBH	AUSTRIA
SUZANO OPERAÇÕES FLORESTAIS E INDUSTRIAIS S.A.	BRAZIL
SUZANO PULP AND PAPER AMERICA, INC.	U.S.
SUZANO PULP AND PAPER EUROPE S.A.	SWITZERLAND
SUZANO SHANGHAI LTD.	CHINA
SUZANOTRADING INTERNATIONAL KFT	HUNGARY
SUZANO MATERIAL TECHNOLOGY DEVELOPMENT LTD.	SHANGHAI
SUZANO INTERNATIONAL FINANCE B.V.	NETHERLANDS
SUZANO VENTURES LLC	U.S.
VERACEL CELULOSE S.A.	BRAZIL
WOODSPIN	FINLAND



CODE OF ETHICS AND CONDUCT

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1 – INTRODUCTION

Suzano S.A. is one of the largest companies in Brazil and establishing quality relationships with all its stakeholders is one of its core principles.

The responsibility of managing our business involves a broad universe of people and all our relationships must be guided by the highest ethical values.

The Code of Ethics and Conduct aims to create commitments among board members, directors, officers, managers, shareholders, employees, outsourced personnel, suppliers, customers, individuals or entities with whom we engage, and stakeholders of Suzano S.A. and its subsidiaries and affiliates, to the ethical principles that guide our business conduct, in addition to disseminating them to our relationship network. We are committed to transparency, fairness, accountability, and corporate responsibility, as well to the promotion of human rights within our operations.

The following Glossary has been prepared to help understanding some terms found in this Code of Ethics and Conduct:

2 – GLOSSARY

2.1 Safety Induction

Mandatory training offered to new employees who provide service and work in our plants in order to explain and guide them about laws and regulations, about our Code of Ethics and Conduct, working conditions, risks found in their roles, etc.

2.2. Moral Harassment

Exposure of employees to abusive conduct committed by one or more people against an individual, usually in a recurrent and prolonged manner, with the aim of coercing, humiliating, disrespecting, belittling or embarrassing the individual during working hours and during the performance of his/her duties.

2.3. Sexual Harassment

Making someone uncomfortable with the intention of obtaining sexual advantage or favor, when the perpetrator takes advantage of his or her hierarchically superior status inherent to the exercise of a job, position or function.

2.4. P&PD Center

Suzano's Privacy and Personal Data Protection Center that responds to requests related to the exercise of the Personal Data Subjects' rights as received by the organization (Website: www.ppd.suzano.com.br).

2.5. Conduct Management Committee

Consisting of Suzano S.A.'s management members, including the Company and all its direct and indirect subsidiaries and affiliates, with the purpose of promoting ethical behavior, monitoring compliance with the principles of the Code of Conduct, analyzing and deciding on conflicts and deviations of conduct, and applying appropriate sanctions in cases of proven transgressions, as stated in the document "Regulation of the Conduct Management Committee."

2.6. Conflict of Interests

Any situation in which any person, as well as their relatives or friends, may benefit from an employment bond with Suzano S.A. to obtain personal advantages or to benefit third parties, including decisions in which their personal interests prevail over the Company's interests, resulting in direct or indirect personal gains of any nature, for themselves, their family members, or friends, whether or not such decisions cause damage or loss.

2.7. Personal Data

Any and all information related to an identified or identifiable natural (physical) person, including sensitive personal data (racial or ethnic origin, religious belief, political opinion, membership in a trade union or religious, philosophical, political, or moral organization, data concerning health or sex life, genetic or biometric data). The concept of personal data is not limited to information that may be considered harmful to the individual's private and family life. Neither is relevant the medium in which the information is found: the concept of personal data includes information available in any form: text, images, graphics, photography, video, sounds, or any other possible means that leads to the subject identification, either directly or indirect.

2.8. Sensitive Personal Data

All personal data that may generate any kind of discrimination, such as data revealing racial or ethnic origin, religious belief, political opinion, membership in a trade union or religious, philosophical, or political organization, data concerning health or sex life, genetic or biometric data, health data such as pre-existing diseases or injuries mentioned in the Health Statement, medical history, medical records, history of health plan use, and previous treatment of the holder, results of exams and diagnoses, among others, whenever they are linked to a natural person.

2.9. Sustainable Development

At its core, sustainable development is a change process in which the exploitation of resources, the direction of investments, the guidance of technological development, and institutional change are in harmony and reinforce the current and future potential to satisfy human wishes and needs. Meeting the needs of the current generation without compromising the capacity for future generations. It means allowing for social and economic development now and in the future in harmony with the conservation of species and natural habitats. In 2015, the United Nations (UN) Organization published the 17 Sustainable Development Goals (SDGs) to promote human rights, end poverty, fight inequality and injustice, achieve gender equality and the empowerment of women and

girls, act against climate change, as well as tackle other items that represent the greatest challenges of our times.

2.10. Behavioral Deviation

Characterized by persistent patterns of socially inappropriate, aggressive or defiant conduct, with violation of social norms or individual rights, which may characterize discomfort or affect another's image or human rights through discriminatory gestures, attitudes and comments.

2.11. Discrimination

Any attitude that excludes, separates and diminishes people based on preconceived ideas resulting from discrimination or prejudice based on race, gender, color, ethnicity, religion or national origin. In other words, all forms of discrimination are prohibited.

2.12. Fraud

Deliberate unlawful and dishonest action to deceive someone in order to secure one's own or a third party's benefit for personal, financial and other advantages.

2.13. Corporate Governance

It is the system by which companies and other organizations are directed, monitored, and encouraged, involving relationships between partners, board of directors, executive board, supervisory and control bodies, and other stakeholders. Additionally, it is the set of practices based on transparency, fairness, accountability, and responsibility for acts or matters relating to the management of an organization, with the aim of optimizing the ability to generate value and protect all stakeholders.

2.14. Sexual Accosting

Committing libidinous acts against someone, without his/her consent, with the objective of satisfying one's own or a third party's lasciviousness

2.15. LGPD

The General Data Protection Law (Lei Geral de Proteção de Dados Pessoais) (Law 13.709/2018) has the primary goal of regulating personal data processing activities. The purpose of this law is to protect the fundamental rights of freedom and privacy of the holders of personal data, the free personality development for the natural person and, at the same time, to ensure more legal security for personal data processing agents – controllers and operators – performing such activities.

2.16. Disciplinary Measure

The application of punishment through warning, suspension or dismissal of an employee with or without cause, due to conduct that breaches Internal Regulations, the Code of Ethics and/or other

form of written or verbal guidance, as long as it is in line with the law and good habits and in accordance with the Disciplinary Measures Policy in force.

2.17. Capital Market

A regulated system for trading securities, such as shares, ADRs (American Depositary Receipts), debentures, CRAs (Certificate of Agribusiness Receivables) and bonds, formed by the Stock Exchanges, regulatory entities such as the CVM and SEC, brokerage houses and other authorized financial institutions, among others. Its function is to direct financing resources to industry, trade and other economic activities, remunerating the investor and contributing to the country's economic growth.

2.18. Novo Mercado (New Market)

Special listing segment on the B3 (stock exchange), restricted to the trading of shares in companies that voluntarily adopt corporate governance practices in addition to those required by Brazilian law. Listing in this special segment implies the adoption of a set of rules to be observed by companies that expand shareholders' rights, in addition to the disclosure of policies and the existence of inspection and control structures. Novo Mercado leads companies to the highest standard of corporate governance, aiming to ensure greater transparency, equity and accountability to their shareholders. For example, companies listed on this segment can only issue shares with voting rights, the so-called common stock shares.

2.19. Relatives

Relatives up to the third degree, either by blood or by affinity, are considered family members. An employee's spouse, partner, boyfriend/girlfriend, or close friend, as well as family members such as parents, stepparents, grandparents, great-grandparents, children, stepchildren, grandchildren, great-grandchildren, siblings, uncles and aunts, nieces and nephews, sons-in-law, daughters-in-law, father-in-law, mother-in-law, cousins, great-uncles and great-aunts, grand-nieces and grandnephews, brothers- and sisters-in-law of the employee and of his/her spouse, partner, girlfriend/boyfriend, or close friend, including familiarity or having any romantic relationship.

2.20. P&PD

Privacy and Personal Data Protection

2.21. Stakeholders

Any person or organization that has interest or a relationship (direct or indirect) with Suzano S.A. or that may be influenced by its actions. Owners, shareholders, employees, service providers, customers, suppliers, partners, communities, non-governmental organizations, associations, creditors, government and society.



2.22. Suzano S.A.

A publicly traded company, with shares and other securities listed on the Stock Exchange in Brazil and in the United States.

2.23. P&PD Team

This is Suzano's business area responsible for the Company's Privacy and Data Protection governance program, in addition to being responsible for answering and recording requests made by Personal Data Subjects regarding the exercise of their rights.

2.24. Personal Data Subjects

A natural person to whom the Personal Data subject to Processing refers, including children and adolescents (for example, employee or former employee, supplier, final consumer/customer, thirdparty individuals, dependents, etc.).

2.25. Personal Data Processing

Any operation involving personal data, such as collection, production, reception, classification, use, access, reproduction, transmission, distribution, processing, filing, storage, deletion, evaluation, or control of information, change, communication, transfer, dissemination, extraction, etc.

2.26 US – UniverSuzano

A training platform consisting of a system that enables learning unification in a virtual environment. Within this environment, various training courses and digital tools are made available to our employees so that they optimize their experience, and to provide efficient teaching.

3 – ETHICAL PRINCIPLES & COMPANY'S VALUES

The Company's employees shall guide their conduct through the highest ethical standards, observing the following guidelines, which make up the Company's core principles and values: (a) observance of a high standard of corporate governance, including, but not limited to, compliance with current legislation and regulations and the Company's policies; (b) respect for privacy and protection of personal data; (c) integrity in conduct, including, but not limited to, combating corruption and money laundering, and compliance with legislation, regulations, and the Company's policies on conflict of interests; (d) respect to equality and diversity; (e) transparent conduct; (f) protection to Company's assets; (g) conduct in favor of professional appreciation; and (h) promotion of sustainable development, including but not limited to compliance with current legislation and regulations, as well as the Company's policies, in particular on environmental, social, and corporate governance (ESG) issues.

In order to facilitate the understanding of the Company's guidelines and core values, we provide below specific guidelines to be observed in compliance with each of these principles and values:

3.1. Corporate Governance

The company is managed in a professional manner, in accordance with the organizational principles of Suzano S.A. and good Corporate Governance⁽¹⁾, with the aim of increasing its value, facilitating its access to capital, guiding on laws and regulations, and contributing to its perpetuity.

- We act in accordance with the laws and regulations, internal procedural standards and those instituted by national and international entities that regulate the Capital Markets. Unawareness of a legal or regulatory obligation may not be used as a defense against the possible consequences of misconduct. Therefore, it is the responsibility of all stakeholders covered by this document to be aware of and ensure compliance with the laws and rules in effect and applicable to the professional activities they perform, demonstrating conduct in line with the highest levels of integrity. In case of doubt, the employee, supplier, officer, representative or service provider must always consult the policies, rules and procedures of Suzano S.A. before acting, align understandings with the company's managers, or consult the appropriate departments or instances at Suzano S.A. to ensure appropriate action.
- We keep all information not yet disclosed to the market and to the general public confidential, such as strategic matters and privileged or confidential data not known by the market and whose disclosure may affect the company's business. Examples of such information are financial results, acquisitions or sales of ownership interest, trade secrets, investments, prices, commercial actions, market strategies and the like. For more information, please see the Relevant Act or Fact Disclosure Policy and the Information Security Policy.
- Suzano S.A. is a publicly traded company, with shares and other securities listed on the B3 and NYSE, and is therefore subject to the regulations of the Brazilian Securities and Exchange Commission (CVM - Comissão de Valores Mobiliários) and the Securities & Exchange Commission (SEC) in the United States. As such, it must follow and ensure that its controlling shareholders, officers, executives, employees, and business partners comply with specific capital market rules. In view of these obligations and with a commitment to the best Corporate Governance practices, we have several policies requiring compliance, among them the Securities Trading Policy.
- The Company and its directors, officers, administrators, managers, shareholders, employees undertake to record their financial statements and quarterly information in a correct, consistent, accurate, and complete manner, without any ambiguity of information; in addition to making their accounting records available with complete transparency to internal and external audits and to the competent public bodies.
- Everyone shall honestly and accurately report all business transactions. Accurate information is essential for the Company to comply with legal and regulatory obligations.
- Suzano records in the Company's accounts all transactions performed in accordance with accounting standards and policies.

⁽¹⁾Suzano S.A. joined, in 2017, the Novo Mercado (New Market) listing segment of B3 S.A. - Brasil, Bolsa, Balcão ("Novo Mercado").

- In response to legitimate requests by government authorities or outside companies that provide or have provided services to the company, confidential information may be provided only after ensuring that it will be treated confidentially and after appropriate measures have been taken to protect its confidentiality. When sending information to government authorities, the company's Legal department should always be consulted.
- We do not use such information for our own or third-party benefit. If we are required to disclose such information by law or court order, we will inform our immediate supervisor in advance and restrict such disclosure to the minimum necessary to satisfy such an order.
- We do not allow, in any case or circumstance, a promise, offer, authorization, inducement, and/or consent to undue advantage to a Government Agent, or any person related to this, for the purpose of influencing decisions that: (i) may affect the Company's business; (ii) imply personal gain; (iii) aim at obtaining privileged and/or confidential information about business opportunities or market activities, including information about competitors or bids; and (iv) are interpreted as a form of gratitude for decisions made to benefit Suzano S.A.
- We value an honest and transparent relationship with the government and compliance with legislation and regulatory agencies. We respect the national and international anticorruption laws and act in favor of good corporate practices. For additional information, please see the effective Policy and the Compliance department.
- Environmental, Social and Corporate Governance criteria are integrated into the company's decisionmaking processes, under the supervision of the Executive Board, the Sustainability Committee and the Board of Directors.

3.1.1 Privacy and Personal Data Protection

- All of us, employees, shareholders, customers and business partners of Suzano S.A., are responsible for protecting the personal data to which we have access. We shall protect personal data from undue or unauthorized access by always applying the necessary security measures to ensure the security of personal data processed on behalf of Suzano S.A.
- We undertake to protect third-party personal information to which we may have access during and after the relationship established between the third party and Suzano S.A.
- When accessing computers, hardware, software, mobile devices, including e-mail, internet and intranet, we must all comply with information security guidelines. Sharing any documents, spreadsheets, contracts, or

contact information from Suzano S.A.'s customers, suppliers, employees, and business partners or any other information and/or documentation that contains personal data outside the specific context of Suzano S.A.'s work and internal policies is not allowed, under penalty of breaching this Code of Ethics and Conduct and current, applicable personal data protection legislation.

- Suzano S.A. is committed to legitimate and lawful personal data processing for all individuals (data subjects) who interact with us: employees and dependents, shareholders, customers, and business partner representatives. We respect privacy as a personal right, always placing it at the center of our priorities and ensuring, above all, the following principles: non-discrimination, transparency, security, quality, and minimization.
- We are a Brazilian and a global company. We process and use personal data always in compliance with applicable laws and regulations.
- We consider the privacy and protection of personal data throughout the entire data lifecycle, from collection to disposal or storage, to sharing and lawful processing of personal data.
- Our employees, dependents, third parties, business partners, and customers have the right to know how their personal data are processed, so we are transparent about how and for what purpose we use personal data.
- For more information on how we handle your personal data, please access Suzano's P&PD Center at <https://ppd.suzano.com.br/>.

3.2. Integrity and Compliance

We perform our activities in an honest and transparent way, preserving and strengthening our moral and ethical principles.

- We perform our roles in an ethical and transparent manner, always in accordance with the guidelines in Suzano S.A.'s Anti-Corruption Policy.
- Suzano S.A. undertakes to promote honesty while conducting its business and in all its public or private relationship, operating according to applicable national and foreign anti-corruption legislation, especially, the Anti-Corruption Law (Brazil), Foreign Corrupt Practices Act (USA), Bribery Act (United Kingdom), as well as the Sarbanes-Oxley Act (SOX, USA).
- In order to disseminate best practices and mitigate possible corruption risks, the Company provides and promotes mandatory and periodic training on anti-corruption practices for its employees.

- Offering and receiving gifts, presents, and entertainment are common practices within commercial relationships, but they require attention. Anywhere in the world where Suzano maintains relationships and operations, it is essential to perform a rigorous analysis of each situation, considering aspects such as the nature of the courtesy, amounts involved, context, frequency, applicable local legislation, and the internal rules of the parties involved. Such practices shall not be a part of Suzano S.A.'s decision-making processes or characterize an undue advantage or any type of intimidation to any of the parties. Refer to the Gifts, Presents, and Entertainment Policy in effect.
- All donations shall abide by the provisions of corporate standards and anticorruption laws.
- Company employees may not perform external activities, such as providing consulting services or holding positions in organizations that have conflicting interests or that do business with Suzano S.A. Refer to the current Conflict of Interests Policy.
- Also prohibited are corporate bonds, of their own or through spouses or family members, with suppliers or competitors of Suzano S.A., if the position held by the employee or officer gives him or her the power to influence transactions or allow access to privileged information.
- Employees who hold positions (paid or unpaid) in external entities or whose spouses or family members work at Suzano S.A. or for competitors, suppliers, customers, government agencies, or non-profit institutions related to the Company shall communicate such fact as soon as possible through the electronic Conflict of Interest form and to their immediate superior, who will evaluate any possible conflicts of interest together along with Compliance and Human Resources departments, and if applicable, with the Ethics and Ombudsman department.
- Faced with a possible conflict of interest situation, the Company's board members shall also report the fact to the Ethics and Ombudsman department for appropriate analyses and decisions with the Statutory Audit Committee.
- Representatives, suppliers and service providers must also report such situations formally (in writing), in this case directly to the contract manager.
- The organization does not allow family members or relatives by affinity to hold or be hired for positions in which there is a direct hierarchical relationship between them, with interdependent or correlated roles.
- The company's officer, supplier, service provider or representative must promptly declare that he/she has a conflict of interest and is prevented from participating in the discussion in progress or voting on the matter in which he/she has a conflict of interest, and must also withdraw from any meeting in which the discussion is taking place, thus ensuring the appropriate independence and transparency of the process.

- Situations that may characterize conflicts of interest which are not explained in this Code shall be informed to immediate superiors for proper guidance.
- The Company does not accept or support any initiative related to processes aiming to hide or legitimize illicit financial resources. For further clarification, see the Anti-Corruption Policy.
- We immediately report any acts or business transactions under our responsibility that involve companies where our relatives work to our direct managers.
- We disclose any shareholding interest in companies, held by us or by our relatives and friends, to our direct managers, as well as commercial, financial or economic interests that may generate a Conflict of Interest.
- Conflicts of interest involving relationships between employees or relatives with Suzano S.A. or who work for competitors, suppliers, customers, government agencies, or non-profit institutions that have a relationship with the Company shall be formalized using the electronic Conflict of Interest Statement form in the mandatory training sessions at UniverSuzano (US).
- We do not hire, nor induce the hiring of, relatives or anyone with whom we have a personal relationship as a supplier or service provider without previously informing the potential conflict of interest to the direct manager and the Compliance and Human Resources departments.
- We act with absolute caution and diligence when dealing with information and facts whose disclosure could generate damage to the image of Suzano S.A.
- Suzano S.A. respects the law and the authority of all instances of government.
- Whenever a demand is presented by a government representative, including inspection processes, the employee or service provider must submit such demand to the Legal department before any forwarding. If a “search warrant” is presented to an employee or service provider, he or she must cooperate, but must also immediately contact the Legal department for prior guidance on how to proceed and for appropriate assistance.
- All information must be provided in a complete, explicit and sufficient manner to clarify the question, and in a way that strictly complies with the applicable rules. Whether the information provided is marked “confidential” and whether suitable measures have been taken to protect its confidentiality must be analyzed. The company’s Legal department should be consulted to provide the necessary assistance.
- Suzano S.A. prohibits payments, as a reward, or the offering of any advantage, gifts, or hospitality through its employees, officers, representatives, suppliers, or service providers to Government Agents, or to their representatives, for example, in order to expedite licenses, routine services, or administrative actions, to obtain favorable decisions of any kind for the Company, or to secure personal advantages.

- The employee may not use the name of Suzano S.A. in addressing personal matters of any nature in his/her relationship with the government.
- The use of one's office, role, position, or activity within the Company, as well as facilities, relationships, time, position, and influence to secure any advantage, for oneself or for third parties, is prohibited.
- We handle conflicts of an ethical nature and deviations of conduct with absolute confidentiality from the opening of the report to its investigation and conclusion.
- We handle information about our suppliers, customers, service providers and business partners with due confidentiality.
- We act in accordance with the rules and principles of free competition in force in the various locations in which the company operates, refraining from exchanging sensitive information with competitors that may affect free competition or result in abuse of economic power.
- Obtaining confidential information, such as market information, in an illicit manner, is not allowed
- We keep an honest and transparent relationship with our stakeholders and know the limits and guidelines for exchanging or providing gifts, presents, and entertainment. For more information, see the AntiCorruption Policy, the Government Agent Relationship Manual, and the Gifts, Presents, and Entertainment Policy in effect.
- Building and strengthening Suzano S.A.'s image and reputation is also achieved through our dialogue and our behavior toward the groups with which we engage. Therefore, our actions inside and outside the company must always be in consonance with the principles and values of Suzano S.A.
- The image and reputation of Suzano S.A. will be managed in accordance with the positioning defined by the Board of Directors, under the guidance of the Corporate Communication and Brand department.
- Linking the name or image of Suzano S.A. on social networks must always respect our values and must not compromise our reputation. Posts must not be linked to conduct condemned by the company or contain any type of confidential or secret information.
- Suzano S.A. works to establish a harmonious and integrated relationship with the communities where it operates, respecting the welfare of the population living in surrounding departments and respecting sustainable local development.
- Investments in social, cultural and environmental projects must be guided by the actual needs of the communities, in addition to being aligned with the company's guidelines and its internal policies, so as to

offer total transparency in assisting projects that are truly committed to promoting social inclusion, improved quality of life, and environmental conservation.

- Any contribution by way of charity, support or sponsorship aimed at influencing business decisions or serving personal benefits, directly or indirectly, of any nature, is prohibited.
- Suzano complies with all legal restrictions related to donations to political parties.
- Political party initiatives involving the Company and any type of harassment of employees and other stakeholders and/or related to the work environment are not accepted. Additionally, wearing uniforms or using materials that contain Suzano's logo during the private exercise of such activities is not allowed.
- Suzano S.A., through the department of Safety, Health, Quality of Life and Facilities, follows the guidelines for promoting health and disease prevention established by the Ministries of Health and Labor, as well as by the World Health Organization, with emphasis on epidemic and pandemic periods. Compliance with medical and health rulings established by the aforementioned authorities, as well as with the Company's internal rules and regulations, is mandatory to ensure the integrity of individual and collective health.
- Alcohol and drug use, as well as carrying weapons that may endanger others or affect their activities, are strictly prohibited in the workplace. Individuals under the influence of alcohol or substances that alter their behavior are not permitted to enter any of Suzano's facilities.
- Without prior authorization, it is not allowed to sell or exchange of goods or services of private interest on the company's premises.

3.2.1. Use and Protection of Company Property:

- The assets, equipment, facilities and other property of Suzano S.A. are made available to its employees, service providers, officers, and representatives appointed by the company exclusively for use in company operations and formally approved by the responsible manager or body.
- It is everyone's responsibility to ensure the proper use and upkeep of company assets under their care.
- Electronic systems and IT resources are available to employees, officers, representatives, suppliers, or service providers to perform their functions well.
- Specifically regarding the use of internet and e-mail, access through computer resources connected to the company network is intended, as a priority, for purposes of interest to Suzano S.A. If personal use is truly necessary, this requires extreme moderation, always abiding by the company's the rules, policies and procedures and never jeopardizing the appropriate progress of activities. All information contained

in e-mail, personal or otherwise, can be accessed and used by the company at any time and is the property of Suzano S.A.

- Suzano S.A.'s policies strictly prohibit the exchange, storage, or use of pornographic or pedophilic content, hate speech, discriminatory messages, defamation, or any violent content that disrespects individuals or entities.
- The password to access systems is for personal use only and may not be given to third parties, even if they are co-workers.
- No software or programs may be copied or installed on the company's computers without prior authorization from the Information Technology department.
- Intellectual property is a strategic asset for Suzano S.A. It includes patents, trademarks, know-how, technical data, process and market information, among other items that would benefit a competitor if known.
- The results of intellectual and scientific work and the strategic information generated within the company are the exclusive property of Suzano S.A.
- All company employees, suppliers, service providers, officers, and representatives are responsible for treating any information on intellectual property to which they have access as a result of their work as confidential, and for using it carefully. The disclosure of such information is not permitted without express authorization from the company's management.
- Likewise, third-party intellectual property or copyrights must be strictly respected. For example, unauthorized copies of copyright-protected printed materials, the use of photos and personal statements in institutional materials without authorization, or the use of illegal or counterfeit software in the company's equipment are not allowed.

3.3. Equality and Diversity

We treat everyone with whom we interact inside or outside Suzano S.A. with respect, dignity and attention.

- We believe that diversity makes us stronger. For this reason, we are on a journey to ensure representativeness, inclusion and innovability at Suzano S.A.
- Suzano S.A. engages in activities aimed at a culture of diversity and inclusion, which shall be a part of all our decisions in the Company's day-to-day operations. We believe that in order to be more inclusive,

we must give everyone opportunities. Our long-term goals were designed to ensure greater representation of minority groups and greater inclusion and respect.

- We are committed to creating a diverse and inclusive work environment and do not tolerate any form of prejudice or discrimination based on race, ethnicity, gender, religion, sexual orientation, nationality, ancestry, political affiliation, criminal history, social status, age, marital status, pregnancy, disability, body weight, height, lifestyle, or any other personal characteristic. We also prohibit any form of homophobia, moral or sexual harassment, bullying, humiliation, intimidation, ridicule, hostility, or embarrassment.
- It is our duty to respect, raise awareness of, and prevent human rights violations in our activities, and to act in accordance with national and international treaties and conventions for the protection of people.
- In recruitment, selection and promotion processes, candidates must be evaluated only for their competencies and their ability to meet and adapt to the expectations of the position, and decisions based on prejudice, favoritism or even privileges of any nature will not be accepted.
- We guarantee equal opportunities and seek to develop lasting, quality relationships based on respect and trust.
- We act with transparency and agility in relations with our stakeholders, honoring the commitments we undertake.
- We prohibit any form of shaming or intimidation, such as verbal, physical or psychological violence, as well as any forms of discrimination, moral or sexual harassment, because these practices are unacceptable and will be punished.
- We punish those who use their superior hierarchical position to expose employees, third parties and service providers to embarrassing or demeaning situations or who show disrespect in the personal treatment of subordinates;
- Taking advantage of occasions and/or the work environment to make employees uncomfortable in pursuit of opportunities for romantic or sexual relationships is prohibited.
- We ensure the free expression of thought, at all levels.
- We foster creativity and innovation, encouraging the exchange of experiences and the sharing of ideas and challenges.

- We conduct our business and activities with social and environmental responsibility, contributing to sustainable development, acting preventively and correctively in solving problems that have caused environmental damage and promptly informing our stakeholders about any such situations.
- We protect and look out for people's safety and health, both physically and psychologically, including by investing in safe equipment and facilities, continuously improving processes and practices to foster a culture of safety.
- When other people are operating in our units, facilities and processes, we provide the same healthy and safe working conditions that are offered to our employees.
- All employees must report possible situations of risk to safety, health or the environment. Whether they are employees, service providers or suppliers, they must familiarize themselves with and strictly comply with health, safety and environmental policies, procedures and practices, informing the management in emergency situations. Only official spokespersons may report such a fact to communities and authorities.
- Our employees are evaluated based on meritocracy, consistent deliveries and adherence to our guidelines. These are addressed directly to the individual, thus avoiding the propagation of opinions that could damage his or her image.
- Building and strengthening Suzano S.A.'s image and reputation is also achieved through our dialogue and our behavior toward the groups with which we engage. To this end, our agility inside and outside the company must always be in line with the culture guidelines and the purpose of Suzano S.A.

3.4. Transparency

Our relationships are conducted in a clear and truthful manner.

- We maintain constant communication and we are truthful and objective in disclosing information to society and the press.
- We are aware of Suzano S.A.'s conduct in promoting an open, sincere and constructive dialogue with representative entities of employer and worker classes, based on the principles of freedom of association and respect for the plurality of ideas.
- Contact with the Press will be promoted exclusively by spokespersons assigned by the company, with guidance from the Communication and Brand department. As such, unauthorized persons are prohibited from contacting or providing information to the Press on behalf of Suzano S.A.

3.5. Professional Appreciation

We strive to create a healthy work environment that stimulates people's development and recognition for the performance achieved.

- We are selected and promoted based on our qualifications and competencies, always evaluated in relation to the position or role to be performed.
- We prohibit the use of forced, compulsory, involuntary, slave, or slavery-like labor, as well as any form of illegal exploitation of immigrant, refugee, child, or youth labor or any other form of exploitation that violates human dignity and current labor legislation. We adopt policies and practices that help to prevent, fight and eradicate any degrading forms of labor.

3.6. Sustainable Development

Suzano S.A. considers sustainability an essential pillar of its business and strives to include it in all actions and decisions, fostering competitiveness allied with a leading role in transforming the value chain, aiming to increase the benefits generated and shared with its stakeholders.

- We endeavor to adopt the best environmental management practices, the conscientious use of natural resources, and the preservation of ecosystems in the regions where we operate.
- We are committed to maintaining respectful and cooperative relationships with consumers, communities, suppliers, governments, and all parties involved in the activities and decisions of Suzano S.A.
- We reserve the right to terminate business relationships with a customer, supplier, or any other stakeholder whenever our interests are impaired or if legal, social, tax, and integrity issues are disregarded, or if it could bring any harm to the environment or put the health and safety of people at risk.
- We demand ethical conduct from our suppliers, in line with the principles detailed in this code, and encourage good socio-environmental responsibility practices. In addition, suppliers must be aware of and adhere to the Supplier Code of Conduct, which covers various topics related to the social, environmental, economic and governance spheres.
- It is the responsibility of our suppliers and service providers to diligently and appropriately instruct their employees, agents and subcontractors regarding the guidelines in this Code, as well as specific company policies and standards, in order to prevent inappropriate behavior.
- At the request of Suzano S.A., suppliers or service providers must present proof of compliance with the obligations established in this Code.
- We encourage citizenship and volunteer work in the communities where we operate.

- We respect the culture and the traditions of the communities in which we operate, seeking to strengthen the integration of their interests into our business management, contributing jointly to fostering actions that lead to territorial development and the improvement of local quality of life, including through volunteer work.
- We prohibit human rights violations that could affect our dealings with suppliers and service providers, taking measures to fight such practices, when identified.
- Through our actions, we work towards environmental preservation and maintenance of health in the ecosystems and environmental services they provide, including the fight against climate change.
- We support policies and practices that promote sustainable development in the country and social welfare.
- We comply with applicable environmental legislation and adopt additional measures for the conservation and restoration of ecosystems and their biodiversity, in order to ensure that areas of high conservation value are not jeopardized and are preserved.
- Planting areas of Suzano S.A. and our lumber suppliers must lie exclusively in areas that have already been previously anthropized by other uses. Such areas may not have been converted under their direct or indirect responsibility, as we are committed to a zero-deforestation policy.
- We encourage good socio-environmental responsibility practices by our partners, suppliers and customers.

4 – COMPLIANCE & KNOWLEDGE ABOUT CURRENT LEGISLATION AND REGULATIONS

Compliance with the law is one of Suzano's principles. For this, it is essential that our directors, officers, employees, partners, and third parties adhere to the Company's guidelines, seeking to comply with good national and international practices. In this sense, we strongly reject conduct and doctrines that promote terrorism, money laundering, crimes against financial and tax order, offenses against public administration, or any other wrongdoing.

The conduct of the Company's officers, employees, and interns shall, in these regard, be guided by strict observation and compliance with the laws and regulations in force, in particular Law 12.846/2013 (Anti-Corruption Law), regulated by Decree 8.420/15, Law No. 9.613/1998 (Money Laundering Law), Law No. 12.529/11 (Antitrust Law), Decree-Law No. 5.452/1943 (Consolidation of Labor Laws), Law No. 9.605/1998 (Environmental Crime Law), Law No. 6.385/1976 (Securities Market Law), Law No. 6.404/1976 (Companies Law), and regulation issued by the Securities and Exchange Commission and other authorities.

Thus, we stress that unawareness of a legal or regulatory obligation may not be used as a defense against the possible consequences of misconduct. Therefore, it is the responsibility of all stakeholders covered by this document to be aware of and ensure compliance with the laws and rules in effect and applicable to the professional activities they perform, demonstrating conduct in line with the highest levels of integrity.

In case of questions, the employees, suppliers, officers, representatives, or service providers shall always refer to Suzano S.A.'s policies, rules, and procedures before acting, align their understanding with the Company's managers, or consult the appropriate departments or instances at Suzano S.A. to ensure appropriate action.

5 – MANAGEMENT OF THE CODE OF ETHICS AND CONDUCT & RESPONSIBILITIES

The management of the Code of Ethics and Conduct aims to:

- Ensure the understanding of Suzano S.A.'s ethical principles and values.
- Promote wide dissemination of the document among all Suzano S.A. employees and service providers.
- Properly address ethical conflicts and misconduct.

5.1. Code of Ethics and Conduct Update

The Suzano S.A. Board of Directors approves the Code of Ethics and Conduct and its updates.

- The Code of Ethics and Conduct is updated every 2 years under the responsibility of the Conduct Management Committee, as well as forwarding additions and improvements proposed by everyone at Suzano S.A.

5.2. Training

The Conduct Management Committee is responsible for providing periodic mandatory training on the Code of Ethics and Conduct for all Suzano S.A.'s employees, with the same periodicity of this document review, and also for all service providers who work on our premises through the Safety Induction.

5.3 Code Breaches and Responsibility for Managing Consequences

The existence of laws and regulations, standards, policies, and rules is an essential prerequisite for a successful company. Leaders are responsible for encouraging their teams to be compliant at all times

and to act according to the organization's ethical standards of conduct, in addition to ensuring that they are followed so that the organization operates harmoniously and efficiently. Deviations, noncompliance or breaches may lead to disciplinary measures that, when applied, should serve as an educating and culture-forming element.

What Is Considered a Code Breach:

- Failure to comply with the rules established herein and in other company policies and rules, as well as violation of effective laws that are applicable to the business of Suzano S.A.
- Remaining silent in the face of transgressions of the laws, ethics, morals and principles established in the Code, not taking appropriate action when aware of or suspecting irregularities, or not reporting the situation to the appropriate instances and channels;
- Manipulating or misrepresenting information in order to conceal transgressions of the laws, ethics, morals and principles established in the company's Code, policies and internal rules;
- Misuse of Suzano's assets, information, and resources is unacceptable and may be considered fraud if any employee intentionally alters, omits, manipulates, or falsifies any information or situation, resulting in an unfair and/or illegal advantage or disadvantage of any kind.

It is up to the Conduct Management Committee, with the support of the Internal/External Ombudsman teams, to manage and ensure compliance with the Code of Ethics and Conduct, reviewing any questions and complaints, conducting investigations, and deciding on cases of proven violation, under the terms of this Code of Ethics and Conduct.

Thus, the Conduct Management Committee shall take measures to address promptly any Code breaches or to anticipate them, as well as correcting damage caused, which may include temporary employee's or intern's suspension from their duties during investigations. No conclusion will be made hastily without objectively investigating and evaluating the facts and circumstances.

Any reports or accusations regarding noncompliance with the Code of Ethics and Conduct may be submitted to the External Ombudsman and will follow the procedure below, and the whistleblower, when identified, will be informed about the progress of the case. If the whistleblower chooses to remain anonymous, their identity is guaranteed to be kept confidential.



We require that all Conduct Management Committee members keep confidential any information received, as well as the decisions made, except when the information must be used to defend the Company's interests or to notify public authorities or regulatory bodies.

We manage the consequences of behavior contrary to Suzano S.A.'s values clearly and transparently. For more information on the guidelines adopted by the Conduct Management Committee regarding disciplinary measures, refer to the Disciplinary Measures Policy.

At the end of the investigations, if Code breach is proven, the Company may apply the appropriate penalties, which, depending on the seriousness of the breach, may be: Warning; Suspension; or Termination of contractual relationship.

Retaliation or reprisal are acts detrimental to people who have reported a concern or assisted in an investigation. In this sense, we reaffirm our commitment to the Ombudsman Channel in fighting these practices. For additional information, please refer to the Ombudsman Policy.

Without prejudice to the above punishments, considering the Company's commitment to always cooperate with national or foreign public authorities, if the offense committed represents tort, administrative wrong, or criminal offense, it may be submitted to the regulatory bodies and competent public authorities.

6 – EXTERNAL OMBUDSMAN

This is an additional channel for reporting, with guaranteed anonymity if the whistleblower so wishes, by means of a call center or internet, coordinated by an external company hired specifically for this purpose.

Reports forwarded by the External Ombudsman are processed and a report is sent to the Conduct Management Committee.

- Phone Number in Brazil: 0800 771 4060
- E-mail: ouvidoriaexterna@austronet.com.br
- Site: www.suzano.com.br, "Ombudsman" link



7 – STATEMENT OF COMMITMENT

I have received the Suzano Code of Ethics and Conduct, and after reading and understanding its contents, I agree with the principles and guidelines contained therein and pledge to follow these principles and guidelines in my professional activities, and to ensure compliance by all other persons to whom it applies. I will abide by all updates deemed necessary by the Conduct Management Committee, which will be automatically incorporated into the Suzano Code of Ethics and Conduct. If I do not accept these updates, I will express my disagreement in writing to the Ethics and Ombudsman department.

_____, 20__

Signature
Full Name: _____
CPF: _____
Company: _____
Department: _____

Note: Send this statement of commitment, duly filled out and signed, to the Human Resources department at your location.

**CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a) AS ADOPTED
UNDER SECTION 302 OF THE SARBANES-OXLEY ACT**

I, Walter Schalka, certify that:

1. I have reviewed this annual report on Form 20-F of Suzano S.A. (the “Company”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting; and
5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

Date: April 27, 2023.

/s/ Walter Schalka

Walter Schalka
Chief Executive Officer

**CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a) AS ADOPTED
UNDER SECTION 302 OF THE SARBANES-OXLEY ACT**

I, Marcelo Feriozzi Bacci, certify that:

1. I have reviewed this annual report on Form 20-F of Suzano S.A. (the “Company”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting; and
5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

Date: April 27, 2023

/s/ Marcelo Feriozzi Bacci

Marcelo Feriozzi Bacci

Chief Financial Officer and Chief Investor Relations Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT**

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of Suzano S.A. (the "Company"), does hereby certify, to such officer's knowledge, that:

The Annual Report on Form 20-F for the year ended December 31, 2022 of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 20-F fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 27, 2023

/s/ Walter Schalka

Walter Schalka

Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT**

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of Suzano S.A. (the "Company"), does hereby certify, to such officer's knowledge, that:

The Annual Report on Form 20-F for the year ended December 31, 2022 of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 20-F fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 27, 2023

/s/ Marcelo Feriozzi Bacci

Marcelo Feriozzi Bacci

Chief Financial Officer and Chief Investor Relations Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form F-3 of Suzano S.A. (File No. 333-248909 and 333-236083), Fibria Overseas Finance Ltd. (File No. 333-236083-01) and Suzano Austria GmbH (File No. 333-236083-02) of our report dated February 28, 2023 relating to the consolidated financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 20-F.

/s/ PricewaterhouseCoopers Auditores Independentes Ltda.

São Paulo, Brazil
April 27, 2023

Subsidiary Issuer of Guaranteed Securities

Each of the following series of guaranteed notes listed on the New York Stock Exchange has been issued by the respective issuer entity identified below, and is guaranteed by us.

Security	Issuer	Guarantor
4.000% Notes due 2025	Fibria Overseas Finance Ltd.	Suzano S.A.
5.500% Notes due 2027	Fibria Overseas Finance Ltd.	Suzano S.A.
6.000% Notes due 2029	Suzano Austria GmbH	Suzano S.A.
5.000% Notes due 2030	Suzano Austria GmbH	Suzano S.A.
3.750% Notes due 2031	Suzano Austria GmbH	Suzano S.A.
3.125% Notes due 2032	Suzano Austria GmbH	Suzano S.A.
2.500% Notes due 2028	Suzano Austria GmbH	Suzano S.A.
