

suzano's PULP FICTION

Comparing words and deeds of the world's largest eucalyptus pulp producer



July 2024

PULP FICTION

Comparing words and deeds of the world's largest eucalyptus pulp producer



July 2024

Table of contents

EXECUTIVE SUMMARY	4
Historic and ongoing land disputes	4
Drying out the earth, fuelling forest fires	5
An engine of deforestation	5
Poisoning the earth	5
The climate credentials con	6
Bankrolled by 'green' finance	6
Change is needed to protect a liveable future for all	7
INTRODUCTION	8
COMPANY PROFILE	9
SOCIAL CONFLICTS WITH LOCAL AND TRADITIONAL COMMUNITIES	10
UNCONVINCING SOCIAL BENEFITS	11
NOT A GOOD JOB	11
CONFRONTING COMMUNITIES	12
CRIMINALISATION AND VIOLENCE FOR ANTÔNIO SAPEZEIRO	13
FIRE AND WATER	14
FOREST: RESTORED OR ERADICATED?	15
DIGGING DEEP	15
USING CATTLE TO EXPAND THE PLANTATION DEFORESTATION FRONTIER	16
SHIFTING THE BASELINES AND IGNORING HISTORIC RESPONSIBILITY	17
FRAGMENTED FORESTS	17
POISON BY PESTICIDE	18
CLIMATE ACROBATICS	20
PROMOTING A THROW-AWAY CULTURE	22
DRIVEN BY GLOBAL DEMAND	23
China - the main buyer of Brazilian wood pulp	24
Europe	24
United States	25
IS IT GREEN FINANCE?	26
CONCLUSIONS	29
WHAT NEEDS TO HAPPEN?	29
ANNEX: STATEMENT FROM SUZANO	30

Executive summary

Suzano is the world's biggest producer of eucalyptus pulp and one of the largest paper manufacturers in South America. It is also a major landholder, controlling 2.7 million hectares across seven Brazilian states and three crucial biomes. Nearly two-thirds of that area is covered in eucalyptus plantations. Suzano also operates 12 plants in Brazil, which in 2022 produced nearly 10.6 million tonnes of pulp—more than 40% of Brazil's total pulp production. The company increasingly burns biomass in its production plants to produce electricity for export.

Suzano portrays itself as a fundamentally 'green', socially responsible, and ecologically sound enterprise. Unfortunately, the reality is quite different; Suzano's history, present, and plans for the future all reveal a company and industry that places a heavy burden on local communities, forests, and the planet. In this briefing, we analyse Suzano's green statements and compare them with facts from the ground.

Historic and ongoing land disputes

The land controlled by Suzano stretches over seven Brazilian states that are home to more than 200 communities, including Indigenous and Quilombola peoples. These peoples have special rights under the Brazilian constitution, including rights to their ancestral territories, but as the rights are weakly enforced Suzano has repeatedly been involved in bitter land disputes. It has been reported that in the municipality of Anapurus (northeastern Brazil), about 70% of the land acquired by Suzano's subsidiary, Comercial Agrícola Paineiras, had been illegally grabbed. Other cases of land grabbing have been investigated by Brazilian courts. Suzano recently acquired 70,000 hectares of land in Mato Grosso do Sul, claiming the entire area had regular property titles. However, this is no guarantee that the land is free from land grabbing. Already in 2001, Brazil's Ministry of Agrarian Development estimated that on a national scale, 100 mln ha of land (12% of all land in Brazil) had been acquired using fake land certificates. Suzano also sources pulp from land embroiled in bitter land disputes, including areas of Bahia in northeast Brazil, where large agrarian landholders began shooting at Indigenous community members trying to reclaim their ancestral lands in 2022.

Social conflicts are countless, and many of them involve Suzano. Some of these conflicts have been mapped by the Pastoral Land Commission, others by the Mapa do Conflito. When land conflicts emerge, Suzano and its suppliers' strategy has sometimes resorted to confronting or even criminalising community members trying to assert their rights. They acknowledged calling Military Police after a November 2023 incident in which a Quilombola leader, Antônio Sapezeiro, was attacked by a guard dog and arrested by military police. This followed a dispute with Suzano security guards over his right to work a field on his long-recognised and registered traditional community lands.

While the company aims to lift 200,000 local people out of poverty, it continues to avoid doing the one thing that could profoundly and definitively improve communities' conditions and prospects: giving them back their land.

Drying out the earth, fuelling forest fires

Eucalyptus consumes up to 60 litres of water per day per tree – a huge amount compared with the deep-rooted vegetation native to the Cerrado. Although Suzano claims to improve water management on its plantations, this doesn't solve the issues inherent in removing trees and roots well adapted to the region, and replacing them with thirsty eucalyptus trees. The plantations dry out the soil, significantly increasing the chance of forest fires. Eucalyptus bark is also morphologically disposed to allow burning embers to travel huge distances in the wind. In 2023, Suzano saw a 25% increase in the number of fires at its plantations in Espírito Santo compared to the previous year, reaching 2,144 hotspots between January and November.

An engine of deforestation

In the past decades, companies that are now merged in Suzano's paper conglomerate, used to deforest the coastal forests to make space for pulpwood plantations. Even more recently, according to an academic study, around two-thirds of pulpwood plantations developed between 2003 and 2013 in Mato Grosso do Sul, in the Cerrado area, seem to have been established by replacing the remaining Cerrado vegetation. Clearing land and destroying native vegetation is baked in to the pulp & paper industry, but Suzano tries to distance itself from the deforestation inherent in its business.

According to the Accountability Framework, Suzano is responsible for the impacts caused by companies it has absorbed, as long as they have not been remedied. However, since acquiring the company Aracruz as a subsidiary, it has made no serious moves to address the ongoing impact of the well-documented and significant deforestation that the company was responsible for in Bahia and Espírito Santo. This ignores historic deforestation.

Regarding more recent deforestation, Suzano claims only to plant on previously degraded land. In fact, the pulp and cattle sectors work in a mutually supporting cycle, whereby ranchers often sell their land to the pulp and paper industry and use the profits to purchase new land at a forest frontier. While deforestation has increased, according to one study, Brazil's total area of land under pasture has barely changed in the last 20 years. Cattle ranchers may be an instrument of deforestation, but it is often the pulp and paper industry, along with sugarcane, which is the engine.

In 2020, Suzano announced that it would not plant eucalyptus or acquire wood from areas deforested after the same year. At this point, though, it had already acquired all the land necessary to accommodate the planned production expansion to facilitate the construction of new pulp mills. So, the pledge distances Suzano from its destructive past while doing very little to mitigate its unsustainable plans for the future.

A recently trumpeted commitment to creating corridors connecting 500,000 ha of native vegetation preserved on Suzano land, in line with national legislation, has so far achieved lacklustre results.

Poisoning the earth

Eucalyptus plantations require large amounts of fertilisers and pesticides (mostly glyphosate) to grow quickly. These fertilisers and pesticides are often applied by air spraying, poisoning surrounding subsistence fields and remaining stands of natural forests. In areas affected by intense eucalyptus plantations, tap water has been found to be contaminated by a large number of dangerous agrochemicals.

The climate credentials con

Suzano claims to extract and store more carbon from the atmosphere than it emits and has committed to extracting even more. All this while promoting a wholesale shift from throwaway plastic to throwaway paper. The claims are based on a narrow assessment of the company's emissions. It does not consider the carbon cost of clearing land of native vegetation and omits the emissions generated when disposable paper items that form the bulk of eucalyptus pulp products are tossed away and burned.

Suzano's claim to only establish plantations on degraded land is a convenient spin on the industry's established economics, favouring expensive land already serviced by infrastructure. Cattle ranchers are often well placed to provide such land and use profits from selling it to expand into new forest areas. Eventually, infrastructure arrives in these newly deforested areas, and the cycle begins again.

Moreover, claims that planting eucalyptus trees is a carbon-positive land use assume that land would never return to native vegetation cover. Restoring native vegetation cover would also capture carbon from the atmosphere providing myriad additional local environmental benefits, including improving the water table and mitigating against forest fires.



Mechanized harvest of eucalyptus operation. License from Shutterstock.com

Some Suzano mills have also become exporters of electricity generated by burning biomass from their plantations (despite still using fossil fuels). The company has announced plans to expand its biomass-based electricity output, although it is not transparent about where it will source the biomass. Such an expansion will likely place even more pressure on forest land as demand for wood grows, increasing the carbon emissions coming from these plants.

Bankrolled by 'green' finance

Despite facing 295 possible and probable civil and environmental proceedings and the company's impact on biodiversity, water, air, soil and the climate, Suzano continues to receive billions of dollars in

'green' financing – up to 39% of the company's total debt. This has been possible partly because of Suzano's success in achieving its environmental, social and governance (ESG) performance accolades. For instance, it received EcoVadis' gold seal for sustainability in 2022 and, in 2023, was named Environmental Finance's 'large enterprise of the year, global'. In March 2024, Suzano received a Sustainability linked loan of USD 780 million, although the details and objectives of this loan remain murky.

Change is needed to protect a liveable future for all

Despite the façade of sustainability, Suzano's operations, in particular, and the pulp and paper industry in general, continue to cause significant negative environmental and social impacts in Brazil. This can and must change.

A liveable future for all would see reduced pressure on forest landscapes and other natural ecosystems, giving time and space for the native vegetation of degraded Cerrado land to resprout. Local communities would be able to live on and manage their traditional land instead of being offered insufficient compensation while their leaders are attacked and criminalised. A liveable future is one where throwaway culture and excessive consumption are reduced instead of pushing up already unsustainable pulp production, even further intensifying demand for wood by expanding further into electricity generated from burning biomass.

The Environmental Paper Network has set out a comprehensive set of demands for the Brazilian pulp and paper industry, their investors and business partners in [*Scorching the earth. The impacts of pulp and paper expansion in the Três Lagoas region, Brazil.*](#)

Public and private financial institutions should suspend financial services to Suzano, investigate and engage with Suzano to ensure the company fully implements these criteria and divest from all financing and other business relationships with Suzano in case of non-compliance.

More general priorities for the global transformation of the pulp and paper and biomass industry are outlined in the [EPN Global Paper Vision](#) and [Biomass Delusion Statement](#).

Introduction

The Brazilian pulp company Suzano plants one million eucalyptus trees every day. They call it “Planting a Future.”

But what kind of future is Suzano cultivating? The evidence compiled here suggests they are planting a trail of destruction for local communities, forests, the water cycle, and the environment.



This briefing draws on case studies and evidence compiled over years of monitoring Suzano’s activities. It documents the reality of its impacts and paints a bleak picture of the future if the company is allowed to continue on its current path.

In contrast, a liveable future for all would need fundamental changes to how land is used, resources are governed, goods are consumed, and decisions are made.



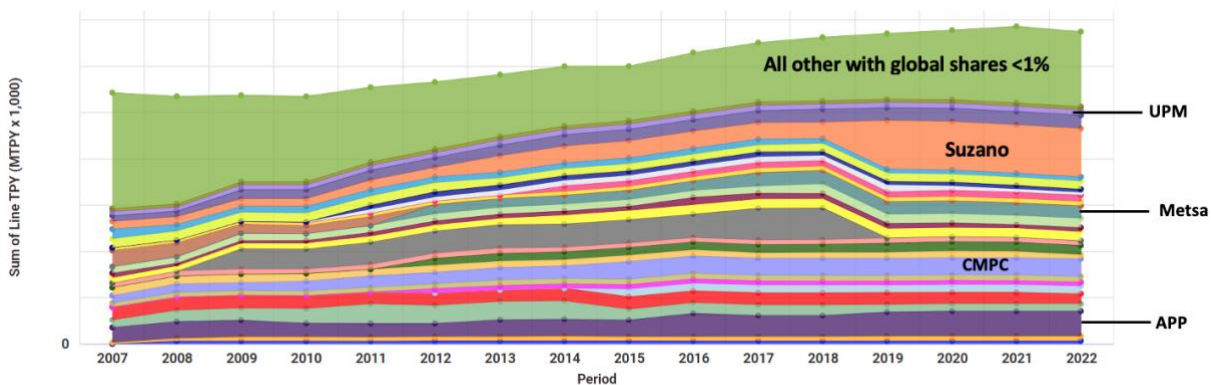
Cerrado native vegetation, Parque Água Mineral - Brasília. Source: [Parteiro](#), Creative Commons Attribution-Share Alike 3.0

Company Profile

Suzano is the world's biggest eucalyptus pulp producer and one of Latin America's largest paper manufacturers.

It exports to more than 100 countries, and its installed capacity is more than 10.9 million metric tons of market pulp and 1.5 million tons of paper per year, distributed in 12 plants in Brazil and one in Finland. Suzano is the world leader in bleached pulp production (see graph 1). The company has sales offices in ten countries, including China, the United States, Switzerland and Austria, and subsidiaries in the UK and Argentina.

Its operations affect 300 municipalities in Brazil, in the States of Bahia, Espírito Santo, Minas Gerais, São Paulo, Mato Grosso do Sul, Maranhão, Tocantins, Pará, and Piauí. The company controls 2.7 million hectares of land in the country between eucalyptus plantations (1.6 million ha) and preserved areas (1.1 million ha). In 2022, land earmarked for conservation voluntarily by the company constituted only 6% of the total preserved area under Suzano's control, the remainder being permanent preservation areas and legal reserves as required by Brazilian law. Suzano operates in three Brazilian biomes: Amazon, Cerrado, and Atlantic Forest.



Graph 1: Bleached kraft and sulfite kraft pulp installed capacity in millions of metric tons per year. Source: FisherSolve, after [Resourcewise.com](https://www.resourcewise.com)

Suzano's 2023 revenues were reported at USD 7.95 billion, with a net income of USD 2.8 billion. It is controlled by the Feffer family (Feffer Group), cited by Forbes as one of the richest families in Brazil. The Feffer family was also named in the Panama Papers as having the controversial agent, Mossack Fonseca, whose law firm allegedly helped its clients in tax evasion and money laundering.

Suzano also controls FuturaGene, a company developing genetically engineered tree crops. The company has research laboratories in Israel and China and conducts field trials. Genetically modified trees present a number of risks, some of which are not yet fully understood and are therefore forbidden by the FSC certification (FSC principle 6.8). Brazil has seen strong protests against FuturaGene genetically modified trees.

Social conflicts with local and traditional communities

Suzano says...

“ Lift 200,000 people out of poverty line in our areas of operation.

Suzano Sustainability Center ”

Others say...

“ We live off vines, fish,... and manioc... we depend on the land, the river and the forest for survival. The rivers dry up or the springs become polluted. We end up without the minimum conditions for survival.

Flávia dos Santos, Quilombola Territory of Sapê do Norte ”

Suzano is one of the biggest landowners in Brazil, holding land across seven states. The 2.7 million hectares of land it controls stretch over seven Brazilian states home to more than 200 communities, including Indigenous Peoples' and Quilombola communities. Quilombola communities in Brazil have special rights under the Brazilian constitution, including the right to their ancestral territory. However, fewer than 5% have official land titles, leaving them vulnerable to territorial disputes.

It has been reported that in the municipality of Anapurus (northeastern Brazil), about 70% of the land acquired by Suzano's subsidiary, Comercial Agrícola Paineiras, had been illegally grabbed. In another region, Bahia, the indigenous people Pataxó recently accused Suzano of being co-responsible for the ongoing destruction of their ancestral territory.

In some areas, eucalyptus plantations cover most of the arable land. For example, in Conceição da Barra (Espírito Santo, southeast Brazil), eucalyptus plantations, to a large extent supplying Suzano, stretch over 62% of the municipality's arable land that, therefore, cannot be used by local communities. In a different Brazilian state, in Bahia, around 90% of the 6,500 hectares of the Volta Miuda Quilombola territory, which lies in the very south of the Brazilian state of Bahia is reportedly covered by eucalyptus plantations that supply Suzano or that Suzano directly owns.

Suzano may claim the land they acquired had regular property titles, but this could be misleading. Already in 2001, Brazil's Ministry of Agrarian Development estimated that on a national scale, 100 mln ha of land (12% of all land in Brazil) had been grabbed illegally by using fake certificates (*grilagem*). This also reportedly broadly affects eucalyptus plantations in Bahia. Land grabbing by falsification of property titles was one of the findings of the 1st Federal Court of São Mateus, Espírito Santo, that ruled the expropriation of the land, convicted at first instance Suzano to pay a fine and prevented the national development bank (BNDES) to finance Suzano's activities on these lands (BNDS is one of the major founders of Suzano). In another state, in Bahia, Suzano (together with its controlled Veracel Celulose) has been condemned in second instance for the same crime.

Unconvincing social benefits

Facing extensive social conflicts, Suzano promised to lift 200,000 people out of poverty in its areas of operation by expanding its social programs. This kind of promise seems not to be convincing to many of the communities living on the ground, like the traditional Quilombolas of Sapê do Norte, between São Mateus and Conceição da Barra, in northern Espírito Santo state.

“We live off vines, fish,... and manioc... we depend on the land, the river and the forest for survival... The rivers dry up or the springs become polluted. We end up without the minimum conditions for survival—” - said their leader, Flávia dos Santos, to Mongabay. - “We have a daily struggle against Suzano. The eucalyptus monoculture arrived by riding roughshod over everything and, with racism, took our land. Land that belonged to our ancestors. Land that was our means of survival.”

In Urbano Santos, in Brazil’s northeastern Maranhão state, villagers still try to protect their traditional forest from Suzano’s expansion. “Everything changed the moment eucalyptus arrived. The springs started to disappear. We lost the forests,” says Celio Pinheiro Leocadio, who heads the Volta Miuda quilombo, in the south of Bahia. These impacts have been confirmed alongside, with other irregularities, by an investigation in the area by the Federal Public Prosecutor’s Office in April 2024. ***Like in other cases, the message is clear: many local people would prefer to have their land back and live decently from it rather than depend on Suzano for a few jobs or handouts.***

Not a good job

Regarding the actual jobs that Suzano provides, the reality on the ground is not always much more promising than the so-called social programs. Eucalyptus plantation work is highly mechanised and unsafe. As of 31 December 2023, Suzano faced 1,241 labour proceeding assessed as probable and 1,034 assessed as reasonably possible. In interviews conducted by EPN with Suzano employees, they describe

worsening working conditions. As of 2018, there were 87 cases in Mato Grosso do Sul against Suzano-Fibra for violating the labour legislation. Suzano is also criticised by labour unions for anti-union practices and resorting to mass dismissals (in the company or among its subcontractors), which have been recently reported in 2019 and 2022. Considering the land surface, Suzano’s plantation operations generate very few jobs; on average 3.1 jobs per



Strike at Suzano plant in Imperatriz (Maranhão, Brazil): “No to abusive discounts and unreachable targets”. Source: EPN

100 ha, while the same surface can feed more than 10 families living on subsistence agriculture. When a new pulp mill is announced, most of the jobs are temporary construction work. Only a few specially trained workers are required once the highly mechanised plants are operational. The same is also true for plantation management after the planting. In the pulp and paper sector these specialised workers are often sourced from abroad.

Confronting communities

Suzano says...

“At Suzano, we respect and develop our local and traditional neighboring communities, including indigenous peoples and quilombola groups.”

Suzano - Communities

Others say...

“Suzano disregards and disrespects the history of our people, our black ancestry and the suffering we carry and experience.”

Celio Pinheiro Leocadio, Volta Miuda Quilombo (Bahia)

Conflicts, recent and less recent, are numerous. Aside from the aforementioned ones, the Pastoral Land Commission (CPT) further reports conflicts related to Suzano (some including arrests) or impacts denounced by affected communities in the municipalities of: Vale das Cancelas, Josenópolis and Padre Carvalho in Minas Gerais, Taubaté in São Paulo, Bom Jesus das Selvas, Tanque de Rodagem, São João, Cocalinho, Guerreiro, Parnarama, Matões and Quilombo Cocalinho in Maranhão. The project “Mapa do Conflito” (map of conflicts) reports conflicts related to Suzano (some including arrests) or impacts denounced by affected communities in the municipalities of: Palmeirais and Paulistana in Piauí, Conceição da Barra and Aracruz in Espírito Santo, Araripina Pernambuco, São Raimundo, Loreto, São Luís, Urbano Santos and Santa Quitéria in Maranhão.

When land conflicts emerge, Suzano and its suppliers’ strategy has sometimes been to confront or even criminalise those claiming their traditional heritage.

Land conflicts can quickly turn violent. In 2022, in areas of Bahia, northeast Brazil, where Suzano sources pulpwood, including from third-party suppliers, armed fazendeiros (large agrarian landholders) began shooting at members of Indigenous communities who were attempting to reclaim their ancestral lands. This situation is sensitive, where raising tensions may lead to fatal consequences.

A Brazilian court has considered land occupations by traditional communities, which Suzano calls “invasions” (see annexe), legitimate. Suzano then, in some cases, denounced the communities for specific activities on the occupied land, such as preparing the soil or getting rid of the eucalyptus to plant their traditional crops.

In November 2023, in Espirito Santo, southeast Brazil, Suzano security guards released an attack dog and called on police to arrest a Quilombola community leader arguing with them over land ownership (see box). In its clarification note addressing the incident, Suzano acknowledged it was its standard procedure to call on Military Police in similar cases.

As Suzano noted, this is not an isolated case. When Suzano clashed with local communities determined to keep their land in Maranhão state, northeast Brazil, the company resorted to charging a community

member as a criminal. In the end, a court required Suzano to suspend its activities. Suzano is now getting rid of some of these questionable land holdings in Maranhão, but instead of returning it to communities, the land is being sold to soy plantation developers.

A recent video published by Suzano about its new giant pulp mill In Mato Grosso do Sul (Projeto Cerrado) suggests the company paid for a new police station in the state. What will this do to police impartiality in case of conflicts with the community?

Criminalisation and violence for Antônio Sapezeiro

On 28 November 2023, Mr. Antônio Sapezeiro, leader of the Quilombola community of Nova Vista in Sapê do Norte, São Mateus, (Espírito Santo, Brazil) was filmed lying, immobilised and defenceless, on the concrete road, surrounded by Suzano security guards and military police officers.

Earlier that morning, Suzano's security guards had ordered Mr. Sapezeiro to leave the field he was working in. The field is part of an area already officially certified as community land by the Palmares Foundation in 2006, but 17 years of community attempts to reclaim the land through other means proved futile. In October 2023, Mr Sapezeiro and others in his Quilombola community moved to reclaim the land by occupying it.

Having recently undergone an operation, Mr Sapezeiro's state of health was fragile. Despite this, he did not leave his field that morning. Suzano security guards came back to the contested land in the evening, calling in military police to assist them. Mr Sapezeiro argued with the guards until a security dog bit him, and the military police arrested and imprisoned him.

Mr Sapezeiro was released only several days later, after his poor farmers' association and social organisations, which had followed the situation, had collected the money to pay his bail.

In Brazil, vast land areas have been taken from Quilombola communities through land grabbing in past decades. Recently, new research done by the Universidade Federal de São Paulo disclosed that Aracruz, a company since acquired by Suzano, allegedly used arbitrary arrests and other abuses to obtain indigenous lands during the dictatorship.



"Aracruz brought progress. Funai brought Indians" (indigenous peoples). "No more Indians threatening workers". At the time indigenous peoples were harassed, and Funai, the state indigenous agency, was charged with protecting them. The billboards were organised by a so-called "Movimento in Support of Aracruz Celulose".

Fire and Water

Suzano says...
“Increase water availability in all the critical watersheds.”
Suzano Sustainability Center

Others say...
“The rivers are dry. The waterfall is gone. Near the bridge there was a lake, now it's dry.”
Rosana, villager, Garcias

Suzano claims to have increased water availability in all critical watersheds by improving plantation management. However, it doesn't quantify or explain the meaning of 'improving'. Eucalyptus plantations have been found consuming large amounts of groundwater. According to one study, a single eucalyptus tree requires 30 to 60 litres of water daily, a range confirmed by the World Agroforestry Centre (specific studies carried on in the Cerrado biome confirm this general finding). Consequently, eucalyptus trees extract great amounts of water from the ground and release it into the atmosphere – significantly drying out the soil. Meanwhile, the native Cerrado vegetation helps maintain the ecosystem's natural water balance. “The Cerrado is like an inverted forest, with roots deep and larger than tree crowns. They're responsible for absorbing rainwater and storing them in underground reserves—the aquifers,” explains Altair Sales Barbosa, professor at the Catholic University of Goiás (PUC-GO) and director at the Sub-humid Tropic Institute. The impacts of disappearing streams, springs and ponds were reported in EPN field research in 2022.



Fire in Canoas settlement, October 1th 2020, Source: photo shared by local residents.

Dry soil contributes to increased wildfire occurrence. In the Mato Grosso do Sul region between Três Lagoas and Ribas do Rio Pardo, where Suzano has two huge pulp mills (one still being built), fires increased sharply since 2018. In 2023 a wave of fires has hit areas of Brazil where eucalyptus plantations have expanded. In the same year, Suzano saw a 25% increase in fires at its plantations in Espírito Santo compared with the previous year, reaching 2,144 hotspots between January and November.

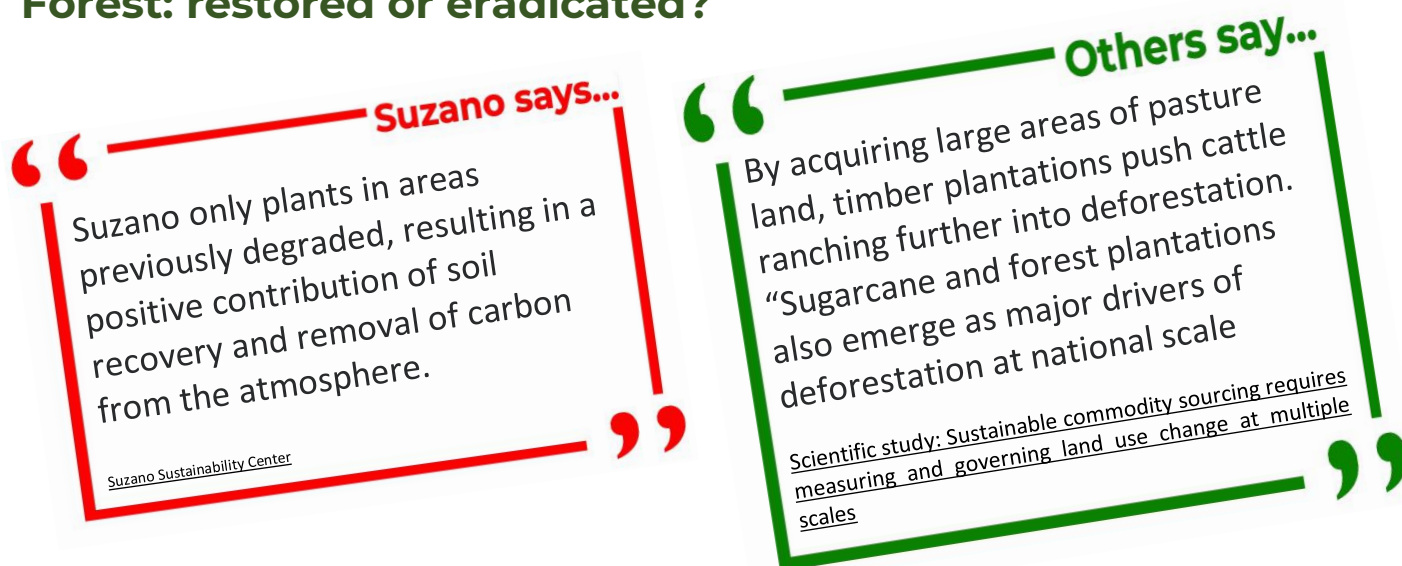
Suzano is well aware of the problem: “The severe drought, associated with large-scale fires, was one of the main difficulties experienced by Suzano in 2020, mainly in Mato Grosso do Sul state. The drought alone affected productivity in this region, and, as a result, we had to deal with forest fires.” It also admitted: “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”. Despite the overwhelming evidence that eucalyptus plantations increase the

fire risk, e.g. by affecting the water table, Suzano has not acknowledged that its silvicultural activities will have made the fires it faced more likely.

If eucalyptus is planted in large, homogenous blocks of young trees with dry undergrowth, it provides wide surfaces of fuel for fires to expand unabated. Eucalyptus bark has particular morphological characteristics that allow it to send burning embers over great distances in the wind. The embers can travel several kilometres, far beyond any fire-break trench. Fires become unstoppable. The increasing impacts of climate change would suggest avoiding expanding on wide-scale crops that contribute to water stress and increase fire risk.

The threat of forest fires in and around eucalyptus plantations is so pronounced that Suzano organises its own fire brigades. But protecting eucalyptus plantations from the very fires they exacerbate is not a real solution; the risk of devastating fires will continue to grow as long as eucalyptus plantations expand.

Forest: restored or eradicated?



Suzano claims to reforest land cleared by cattle ranching or other types of degraded land. According to company's representative, monoculture tree plantations contribute to the "preservation of local species, the regulation of hydrological cycles and to the removal and storage of carbon dioxide". This might sound promising, but real restoration (meaning reintroducing vegetation types that were there before the cattle ranchers destroyed it) is only a fringe activity for Suzano. They carry out some restoration work in areas set aside for that in line with national legislation. Still, Suzano's main business, and the major part of their landholding, is monoculture eucalyptus plantations. This is not restoration.

Digging deep

Establishing eucalyptus plantations involves deeply ploughing the land, largely eradicating the last stands of Cerrado vegetation that might have survived the cattle ranching. Deep-rooted Cerrado vegetation has been well documented as resprouting even after fires or cattle cleared the surface soil. Eucalyptus plantations like Suzano's disrupt even these deep roots, decimating the possibility of spontaneous regeneration.

Using cattle to expand the plantation deforestation frontier

Cattle ranchers who sell their land to the pulp and paper industry often use the money to acquire wider areas of cheaper land deeper into the forest frontier, driving a new wave of deforestation. The new cattle ranches are slowly followed by new infrastructure, which makes this area attractive to the pulp and paper industry. The ranchers can once again sell the land for a higher price, acquire cheaper land where infrastructure is not yet developed, and [a new cycle of deforestation](#) can start.

This is why Suzano's claim to only plant on previously degraded land is not as positive as it might seem. According to a [recent scientific study](#), which analysed drivers of deforestation in Brazil at different scales, the total area of pasture has barely changed in the last 20 years. When looking at a national scale, tree plantations, together with soy and sugarcane, are the engine of agricultural expansion and the real drivers of the loss of natural forests.



Cattle ranching in Para state, Brazil Photo: A C Moares/Flickr, Creative Commons

Shifting the baselines and ignoring historic responsibility

Suzano says...

“ Sustainable from end to end: We are committed to ensuring the highest levels of sustainability at all stages of our processes.

Suzano Sustainability Center”

Others say...

“ This whole region, it was once rich in everything,” Pinheiro Leocadio said. “Everything changed the moment eucalyptus arrived. The springs started to disappear. We lost the forests.

Source: Deutsche Welle”

Serious deforestation was rampant for decades in the biodiversity-rich coastal rainforest of Mata Atlântica in Bahia and Espírito Santo. The land was initially cleared by Aracruz, a company later acquired by Fibria, which in turn was acquired by Suzano. According to the Accountability Framework, the impact is Suzano’s responsibility as it is an ongoing impact that yet has to be remedied.

However, the company appears to have no plans to remedy the damage caused, even though it continues to benefit from those cleared lands. What is more, in 2023, Suzano was accused by Quilombola communities of destroying the native Mata Atlântica to build a private road.

According to an academic study, around two-thirds of pulpwood plantations developed between 2003 and 2013 in the Cerrado area in Mato Grosso do Sul seem to have been established by replacing the remaining Cerrado vegetation. Suzano now claims to establish its plantations exclusively in areas previously anthropized by other uses. And in 2020 Suzano announced a commitment not to plant eucalyptus or acquire wood from areas that have been deforested after that year. But by then, the company had already acquired all the land necessary for the production expansion planned with the construction of new pulp mills. So, in effect, the company granted itself an amnesty on deforestation that had already occurred before 2020. As an example, in Mato Grosso do Sul, Suzano recently acquired 70,000 hectares of land, of which 50,000 are planted with eucalyptus plantations, from the land investment bank BTG Pactual Timberland Investment Group (paying USD 375.7 million). At its first acquisition, BTG Pactual had no zero deforestation policy nor a commitment to respect Free, Prior and Informed Consent (FPIC). Despite these risks, Suzano has not publicly shared information about any due diligence analysis to rule out that this land originates from land grabbing or deforestation.

Fragmented forests

Suzano sets aside around 40% of its land as native vegetation, in line with legal requirements. However, these natural forests are heavily fragmented and disconnected and often surrounded by plantations, so they are exposed to pesticides, water stress, and forest fires. A recently trumpeted commitment to connect 500,000 ha of preserved forests with corridors has, according to Suzano’s statements, apparently only achieved about 50,000 ha of connected forests. Maps of these corridors

have not been made public. This is the problem with commitments on a voluntary basis: there are no standards, regulations, and transparent monitoring.



A native Cerrado tree that was left in the middle of a eucalyptus monoculture and ended up dying, like others in the background. A very common scene. Source: EPN

Poison by pesticide

Suzano says...
“ Will reach an ecological balance that will eliminate the need for agrochemicals.”
Suzano Sustainability Report 2022, Complementary Information

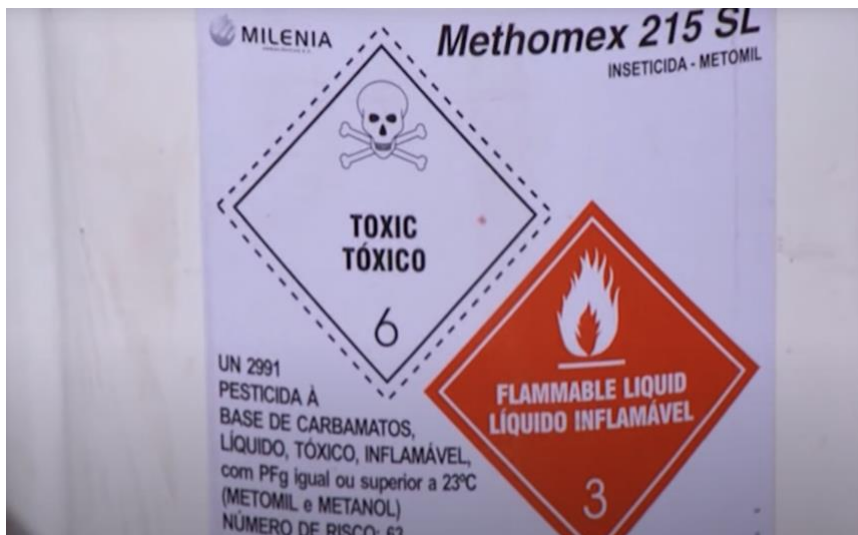
Others say...
“ The poison gets here, when they spread it with the plane (...) we had some pretty lemons, it was all dead, suddenly.”
Mr. Tamires, villager, Pontal do Faia

Eucalyptus plantations require large amounts of fertilisers and pesticides (mostly glyphosate) to grow at the pace needed to maximise pulp production. These fertilisers and pesticides are often applied by air spraying, poisoning surrounding subsistence fields and remaining stands of natural forests (and replacing aeroplanes with drones does not resolve the problem). As a result, plants in local gardens die,

while the impacts on natural plots remain un-investigated. What is certain is the water table pollution: in areas affected by intense eucalyptus plantations, tap water has been found to be contaminated by many dangerous agrochemicals.

This intense use of pesticides and other agrochemicals in connection with eucalyptus plantations is polluting the shrinking water table and threatening wildlife and the livelihoods of local communities.

Suzano claims it is working to “eliminate the need for agrochemicals”, but meanwhile, via its controlled FutureGene, it invests heavily in genetically modified trees aimed to resist higher concentrations of herbicide (herbicide tolerance), showing little interest in reducing the use of agrochemicals.



Cerrado natural vegetation. Source: EPN

Climate acrobatics

Suzano says...
Remove 40 million tons of carbon - from zero to 40 million by 2025 (...) we continued to carry out significant eucalyptus (...) as well as acquiring new land and expanding our forestry base.
Suzano Sustainability Center

Others say...
Pulp and paper products have a short life cycle, and most of the carbon from papermaking ends in the atmosphere within a year.
Scientific study: Decarbonizing the pulp and paper industry

Suzano's claim to be 'carbon negative' - removing more CO₂ from the atmosphere than it emits - is based on a narrow understanding of which emissions it is responsible for. It also misses the point.

Paper is a very short-lived commodity. Most of what Suzano produces will be turned into disposable products; packaging, tissues and similar items generally used once and thrown away. These products end up very quickly in rubbish dumps or incineration plants, where the carbon they store is promptly released into the atmosphere. So carbon 'removed' by eucalyptus plantations is often only stored in products for a short time.

The 'carbon negative' claim also ignores the emissions involved in clearing the land for a eucalyptus plantation in the first place, particularly by destroying or driving the destruction of forest vegetation that was already removing carbon from the atmosphere. Plantations established on degraded land can still be significant drivers of deforestation (see Forest: restored or eradicated? above).

If natural vegetation were allowed to grow back on the land currently covered with eucalyptus plantations, this, too, would capture carbon from the atmosphere and deliver a host of biodiversity, climate, and water-table advantages. This is why Suzano's commitment to remove an additional 40 million tons of carbon from the atmosphere is missing the point.



Stack of Eucalyptus logs, Mato Grosso do Sul, Brazil. Source: EPN

Suzano says...
Increase renewable energy exports by 50%.
Suzano Sustainability Center

Others say...
As numerous studies have shown, this burning of wood will increase warming for decades to centuries.
500+ scientists

Some Suzano mills have also become exporters of electricity generated by burning ‘biomass residues’ from their plantations. To characterise this as ‘green energy’ is a dangerous falsehood. Energy generated from burning biomass is far from green, and it may emit more CO2 than coal per unit of energy. As an example, the new mega-mill being built in Ribas do Rio Pardo, which Suzano claims will avoid 336,000 tonnes of CO2 emissions annually, will likely emit between 320,000 and 330,000 tonnes of CO2 equivalent yearly, which is like burning 160,000 tons of coal. Moreover, alongside real residues, such as black liquor and tree bark, biomass boilers in pulp mills frequently burn wood chips. This is why Suzano’s goal to increase biomass electricity exports by 50% by 2030 can only be a cause for concern, as it is directly related to the amount of wood consumed by its producing plants. Aside from the carbon emissions, an increased focus on energy production would likely increase Suzano’s wood demand even more, further intensifying its operations’ environmental and social impacts.



Stack of Eucalyptus logs, Mato Grosso do Sul, Brazil. Source: EPN

Promoting a throw-away culture

Suzano says...

“ Make available 10 million tons of renewable-source products that can replace plastic and other petroleum-based products by 2030.”

Suzano Sustainability Center

Others say...

“ A growing culture of disposability has resulted in mountains of waste devastated landscapes, and a culture of ‘single-use’. Make the throw-away go away.”

188 global groups

Suzano’s plan to drive material substitution from disposable plastic products to disposable paper products is a clear element of its business model but an environmental misstep.

This is because the return rate and minimal number of reuses are guaranteed in usage, ensuring the overall environmental impact is divided throughout the number of cycles/use. According to a paper by the Rethink Plastic Alliance, producing just one single-use coffee-to-go cup requires 1.3 litres of water. In contrast, the cleaning process of one reusable cup only needs 100 to 200 millilitres.

Despite this, the mere substitution of single-use plastic products with single-use paper products is supported by baseless claims that paper packaging is “renewable.” This allegation is misleading and false and prevents us from moving in the right direction.

Paper production has a huge footprint on forests and other key ecosystems, and paper packaging is not the way out of plastic. This is especially true for paper packaging in direct contact with food, which is normally not just paper but plastic merely covered by a sheet of paper, with little to no environmental benefit.

Roughly three billion trees are cut down annually worldwide to meet the demand for paper packaging. This trend is unsustainable for the planet. The global use of wood resources required to produce paper packaging destined to soon become waste, already exceeds the capacity of world forests to produce it sustainably. Promoting a throw-away culture and presenting it as an environmental commitment is a masterwork of deception.

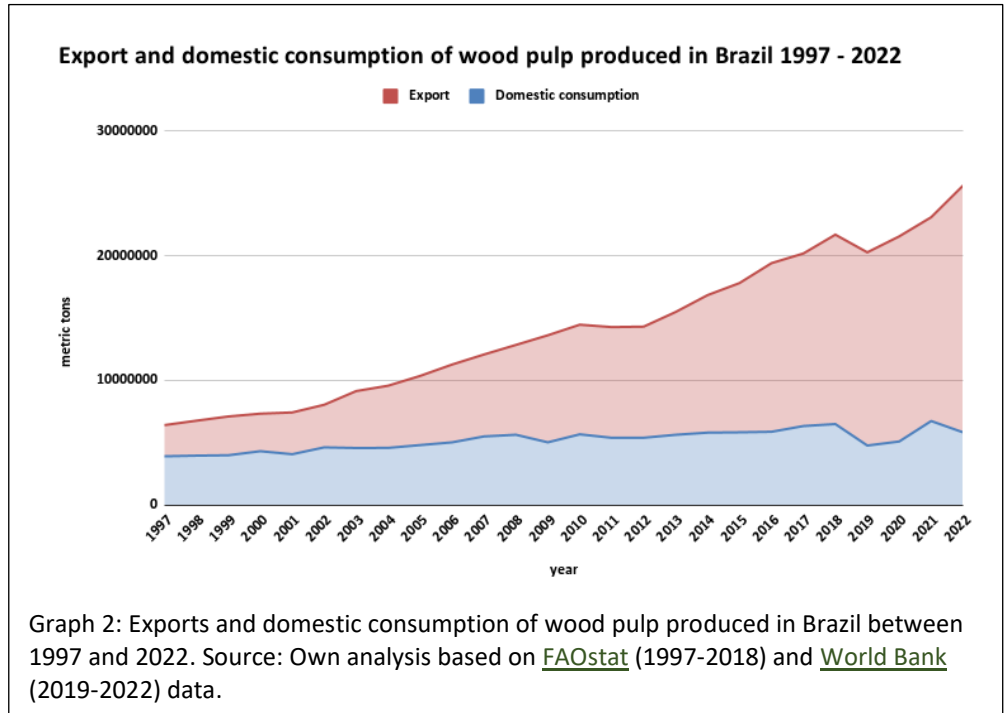


Driven by global demand

Suzano is not clean from problems. According Brazil's wood pulp production has experienced staggering growth over the past 25 years, more than quadrupling from 6.4 to 25.6 Mt. Consequently, Brazil became the second largest producer of wood pulp in the world, with the country's contribution to global production reaching 13% in 2022.

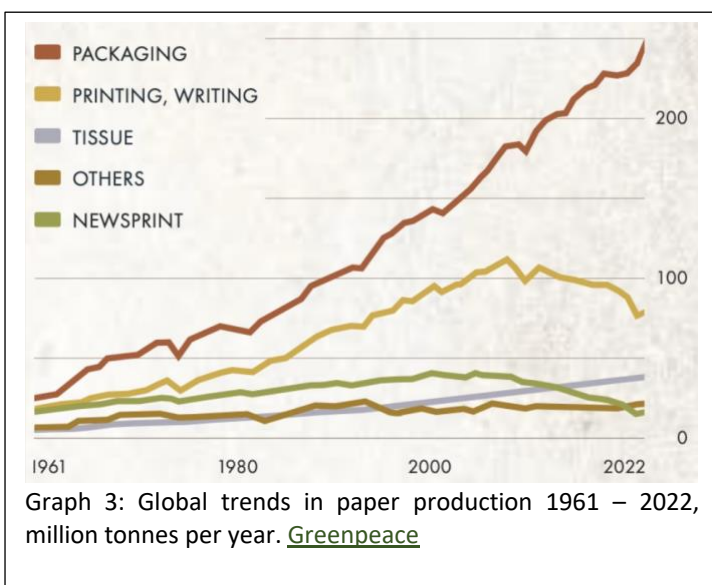
This growth was not driven by the need to satisfy domestic demand. Only less than 10% of the additional pulp produced was consumed domestically. Brazil, the world's second-largest wood pulp producer, still ranks well below the global average in terms of paper product consumption per capita (41 kg/year vs. 51 kg global average). The primary catalyst behind Brazil's surge in wood pulp production is its exports. In 1997, less than 40% of

the domestic production (2.5 Mt) was exported. Fast-forward 25 years, this figure has skyrocketed to 19.8 Mt in 2022, equivalent to a staggering 77% of the domestic production. Pulp is shipped mostly to the USA, the EU (with the UK), and China, accounting for approximately 84% of the total Brazilian wood pulp export in 2022.



Suzano is a major contributor to Brazilian pulp production and exports. In 2022, the company produced 10.6 Mt of wood pulp, of which 9.6 Mt (93%) was exported. Consequently, Suzano accounted for over

40% of the pulp produced in Brazil and almost half of the country's exports of this commodity.

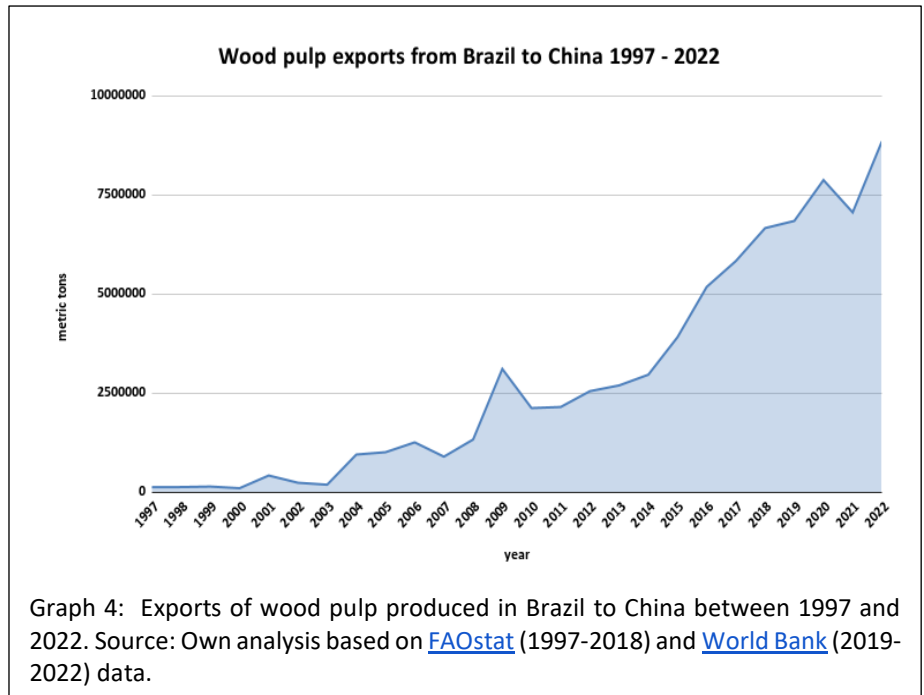


All this growth is channelling Brazil's resources and environment into the global trash bin. Global demand for Brazilian pulp is mostly driven by single-use paper applications: in the last two decades, tissue and packaging paper production doubled. And it is not over. The global packaging market size is estimated to further grow from USD 1.20 trillion in 2022 to reach an estimated USD 1.58 trillion by 2032, growing at a 3.16% CAGR between 2023 and 2032. Tissue is predicted to grow even more at a 4.11% CAGR.

China - the main buyer of Brazilian wood pulp

Brazil's most important market for wood pulp is China. In just a quarter of a century, exports to this country have increased almost sixty-eight times (6890%), reaching 8.8 Mt in 2022, when more than a third of the wood pulp produced in Brazil was sold to China, and China accounted for 45% of Brazil's wood pulp exports. In that year, more pulp produced in Brazil was shipped to China than was consumed domestically.

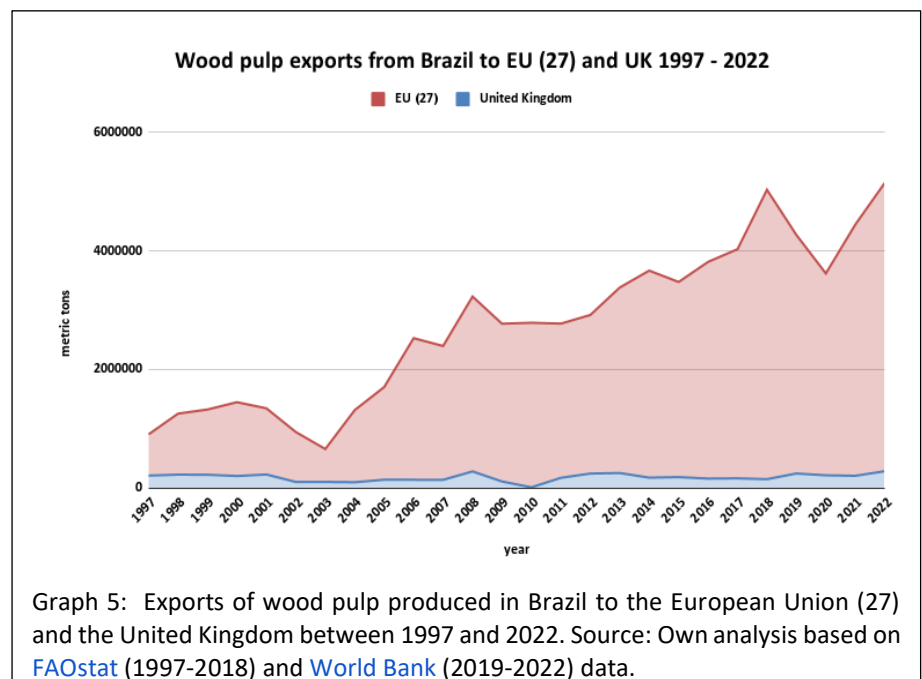
Suzano is the major Brazilian exporter of wood pulp to China. According to [TRASE](#), in 2017 (the last year for which TRASE published the data on export of pulp from Brazil), Suzano was responsible for 38% of the total wood pulp export to that country: 2.07 of 5.43 Mt (1,376,865 t exported by Suzano and 698,422t by Fibria. Since then the companies merged). According to [Dinheiro](#), almost 30% of Suzano production is exported to China, well ahead of the United States (13.5 %).



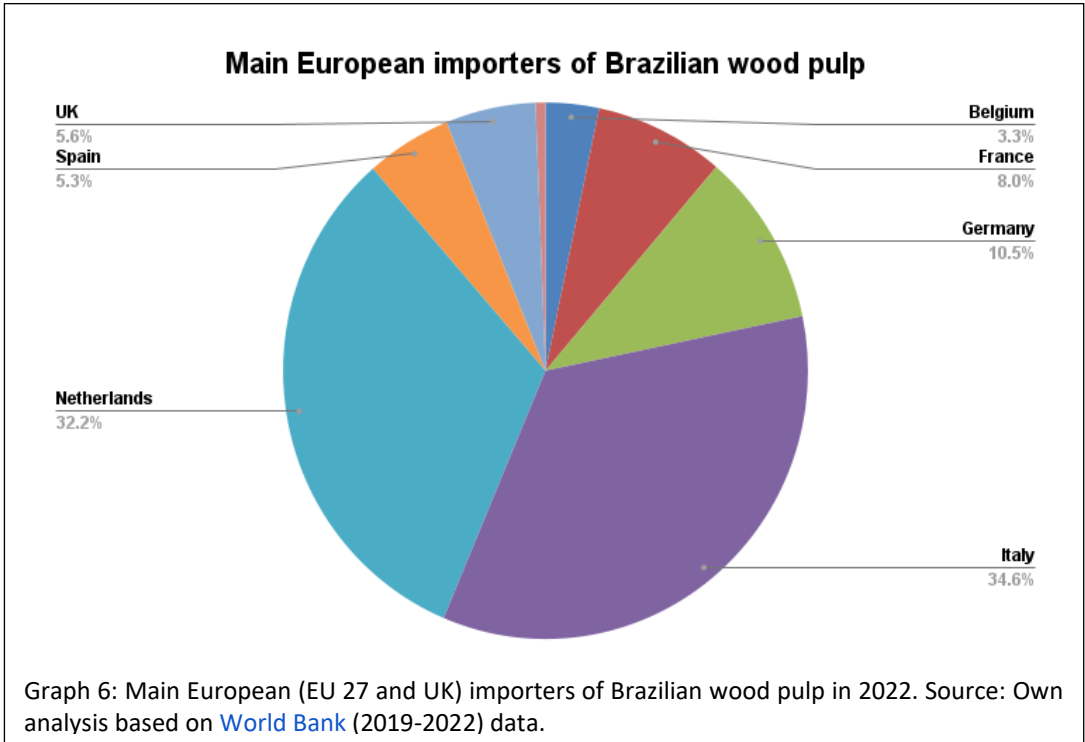
Europe

Europe is the second-largest market for Brazilian wood pulp. Between 1997 and 2022, exports of this commodity to the EU (27) and the UK increased more than five and a half times (468%), from 940,000 tons to 5.1 million tons. In 2022, these countries accounted for 26% of Brazilian exports (EU 27 accounted for 24.5%).

Italy and the Netherlands are the largest importers of Brazilian pulp in Europe. These two countries account for over two-thirds (67%) of Brazilian wood pulp imports into the EU and UK. In 2022, Italy and the Netherlands imported, respectively, 1.8 million and 1.6 million tons of pulp from Brazil. These two countries are also the largest European importers of pulp produced by Suzano. According to [TRASE](#), in 2017, Suzano and Fibria, since then acquired by Suzano, exported

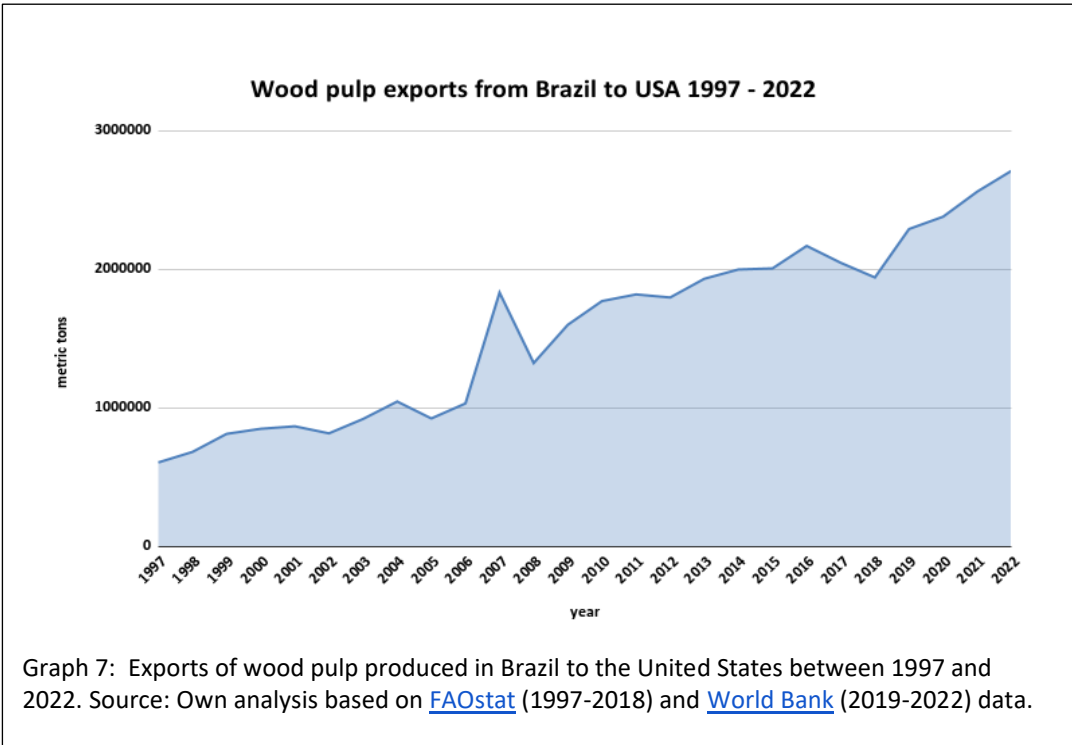


772,000 tonnes of wood pulp to the Netherlands and 369,000 tonnes to Italy.



United States

The US is the third largest importer of wood pulp from Brazil after China and Europe. Brazilian pulp exports to this country have increased four and a half times since 1997, reaching over 2.7 million tons in 2022. The country is also one of the main customers for the pulp produced by Suzano. In 2017, Suzano exported 1.5 million tonnes of wood pulp to the US, accounting for 15% of its exports that year.



Is it green finance?

Suzano says...

“ In line with our sustainability strategy, we have issued debt linked to ESG targets in areas such as water use and diversity, equity and inclusion.”

Suzano, Sustainable Finance

Others say...

“ All the financial institutions that are developing policies are doing so on a voluntary basis, which means there are no standards, there are no regulations, there is no monitoring of this.”

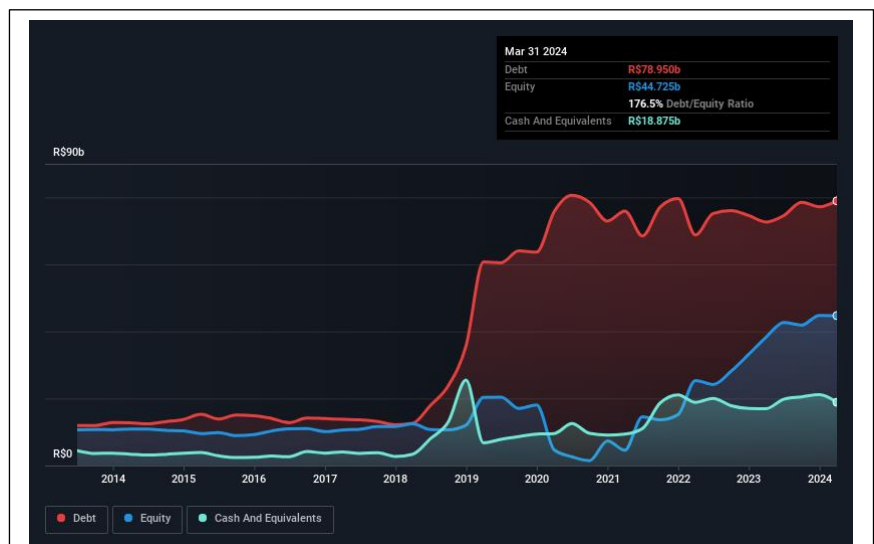
Source: *Deutsche Welle*

Suzano is not clean from problems. According to [documents Suzano is required to submit to the US Securities and Exchange Commission](#), as of December 31, 2023, it was involved as a defendant in 1,241 labour proceedings assessed as reasonably probable (with contingency provision, net of judicial deposits, of R\$266.8 million) and 1,034 labour proceedings assessed as reasonably possible (with a total amount under dispute of R\$194.9 million). It was also involved in collective disputes filed by labour unions based in Bahia, Espírito Santo, São Paulo, Maranhão, and Mato Grosso do Sul.

On the same date, Suzano was also involved in 76 civil, land and environmental proceedings assessed as reasonably probable (representing a contingency provision, net of judicial deposits of R\$264.2 million) people and 219 more civil and environmental proceedings assessed as reasonably possible (amount under dispute totalling R\$4,463.0 million).

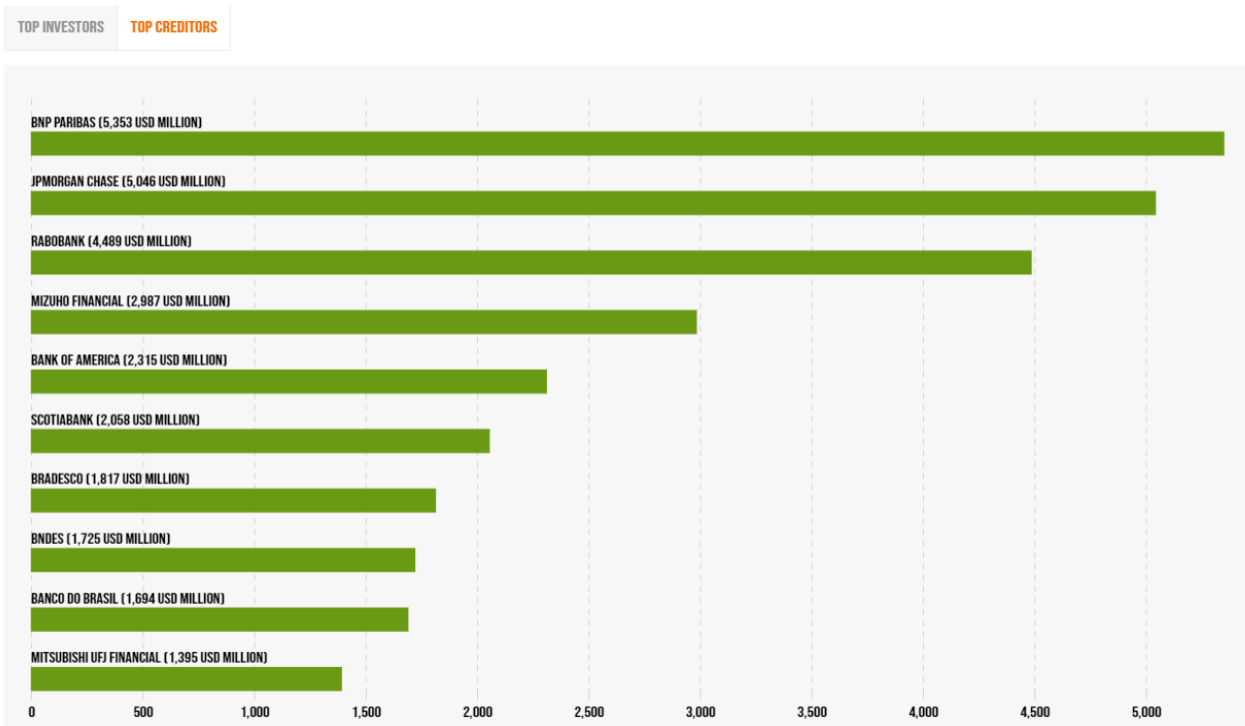
Despite all the environmental and social damage it has caused, Suzano has achieved [high environmental, social and governance \(ESG\) ratings](#). The Carbon Disclosure Project (CDP) presents Suzano as a [renewable-based company](#) (although it is worth noting that the CDP [relies](#) on self-reporting from a company). The company also received the gold seal in [EcoVadis's 2022 Sustainability Ratings](#) and was named by [Environmental Finance](#) as ‘Large Enterprise of the Year, global’ (2023). Both awards are mostly based on Suzano sending in its material rather than from any independent field or desk research.

The company benefits significantly from this: 39% of the company’s debt is linked to “green” financing (like [green bonds](#)), and that amount is set to grow. In total, Suzano's overall debt is much higher than the company's market capitalization.

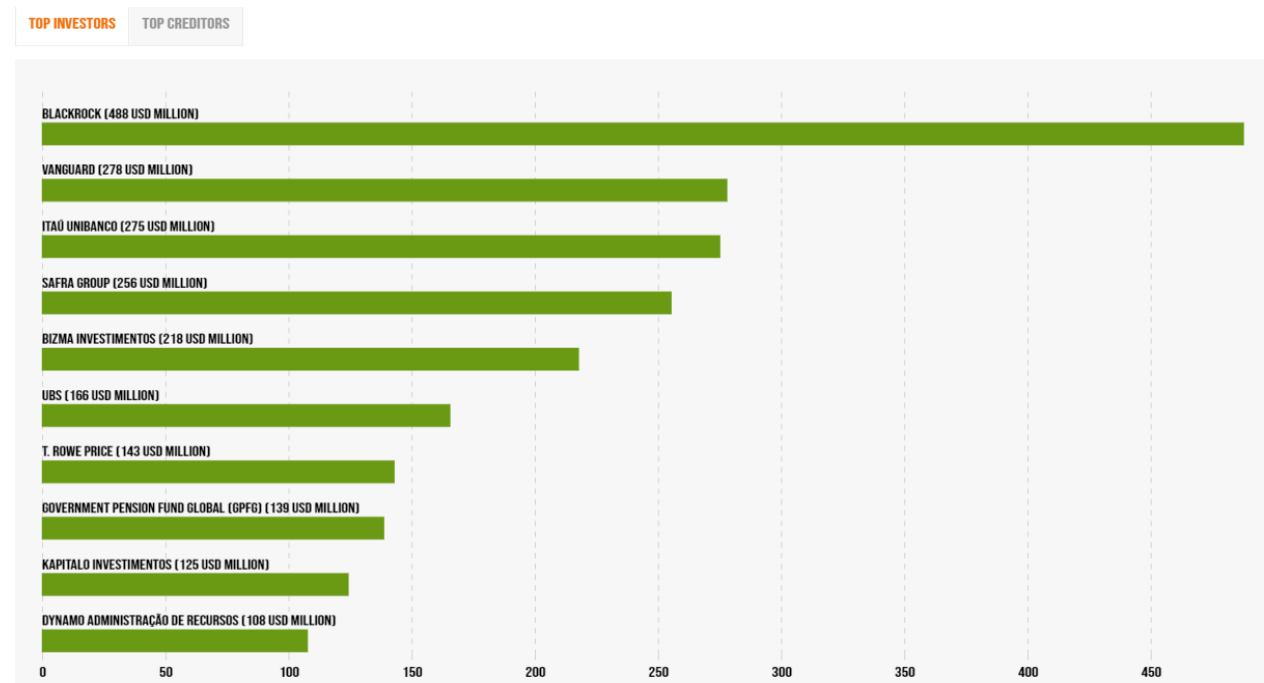


Graph 8: Suzano’s debt is higher than the company’s massive market capitalization of R\$62.9b-BOVESPA:SUZB3 Debt to Equity History June 16th 2024 [SimplyWallStreet](#), June 2024

Where does that money come from? Between 2016-2023, Suzano received over USD 25 billion in credit from big financial institutions, including JPMorgan Chase, BNP Paribas, Rabobank, Mizuho and Bank of America. Blackrock is the biggest investor in Suzano with USD 488 million. Vanguard comes second with USD 278 million. See Figures 1 and 2 for more details on financing of Suzano between 2014-2023 and of its largest investors as of September 2023.

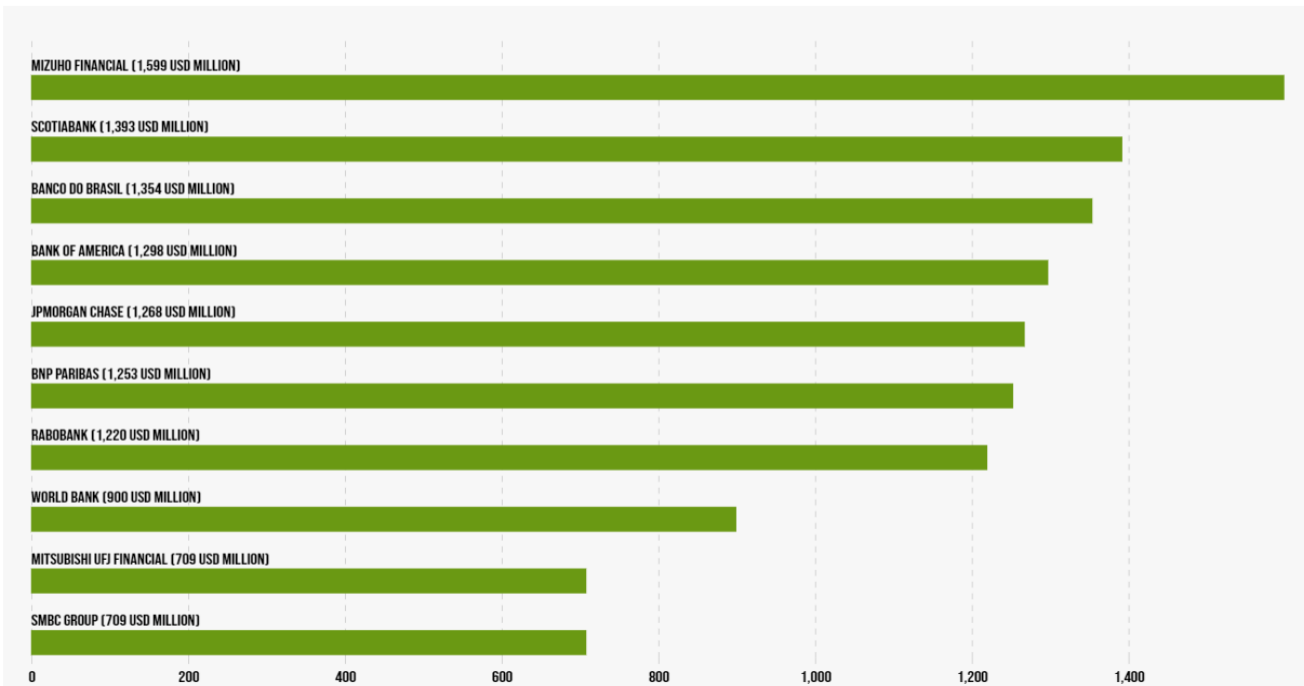


Graph 9: Top 10 creditors of Suzano between 2014-2023. Source: [Forests & Finance database](#), accessed in May 2024



Graph 10: Top 10 investors of Suzano between 2014-2023. Source: [Forests & Finance database](#), accessed in May 2024

Over the past five years, the creditors of Suzano have slightly changed. Please see Figure 3 for an overview of the 10 biggest creditors between 2019-2023. The World Bank and SMBC Group are now part of the 10 biggest creditors of Suzano.



Graph 11: Top 10 creditors of Suzano between 2019-2023. Source: [Forests & Finance database](#), accessed in May 2024

The company has also attracted billions in 'green' and public development investments. In December 2022, after obtaining [USD 430 million](#) from the Brazilian development bank BNDES, the private arm of the World Bank (IFC) approved its first-ever loan to Suzano. Together with Brazilian and international organisations, EPN [opposed this financing](#) since it provided little environmental, social or governance benefit, but IFC chose to ignore our concerns. We feared that this would open up financing from other development banks, and this became a reality when FMO [announced](#) that it was joining IFC in the loan.

In March 2024, Suzano [obtained a Sustainably Linked Loan of USD 780 million](#). The loan was arranged and financed by private banks (details obtained by Refinitiv and shared by Profundo): BankAmerica Corp, Rabobank, Export Development Canada, HSBC, Industrial & Commercial Bank of China Ltd, KfW IPEX-Bank GmbH, Mizuho Bank Ltd, MUFG Bank Ltd, Sumitomo Mitsui Banking Corp, Credit Agricole Corporate & Investment Bank (Administration Agent). Although Suzano has [a webpage](#) dedicated to ESG indicators, it is unclear which indicators are included in the Sustainability Linked Loan. The Norton Rose Fulbright (the lawyers advising Suzano on the loan) [press release](#) **only** mentions **environmental** performance indicators. Social, human rights and governance indicators are likely missing from the loan.

EPN and other civil society organisations informed financial institutions on numerous occasions over the past decade and published [materials](#) on Suzano and the pulp industry in Brazil. By choosing to continue to support Suzano, both the private and public banks are now willingly profiting from the severe social and environmental impacts of the company. Moreover, public development funds are being given to a company that has not yet proven to bring development to a region.

Conclusions

Despite the many claims of environmental and social best practices and promises to do even better, Suzano's operations leave behind a devastating trail of social injustice, negligible development, and environmental catastrophe.

Justice for Brazil's Indigenous and Quilombola communities and a liveable future for all requires a complete turnaround in practice for Suzano, the world's largest eucalyptus pulp producer.

A liveable future for all needs:

- Reduced pressure on forest landscapes and other natural ecosystems, not driving the cattle ranching frontier further into forests.
- Time and space to allow the Cerrado's natural vegetation to resprout, not ripping out the roots to make spontaneous regeneration even more difficult.
- True protection for the water table, not planting poorly adapted eucalyptus trees that dry out the soil and exacerbate forest fires.
- Respect and recognition for local communities' rights to manage their traditional lands, not trying to placate them with inadequate compensation or ignoring their historic rights.
- Renewable, sustainable and low-carbon energy, not increased biomass burning to generate ultra-high carbon electricity.
- Reduced consumption and a move away from a throwaway culture instead of promoting straightforward material substitution from disposable plastic to disposable paper.

What Needs to Happen?

EPN has laid out a comprehensive set of demands to the Brazilian pulp and paper industry, their investors and business partners in [Scorching the earth. The impacts of pulp and paper expansion in the Três Lagoas region, Brazil](#), pages 71-74.

Suzano should implement these changes in full. To ensure this happens, public and private financial institutions should investigate and engage with Suzano around these demands and suspend financial services to the company in the meantime. In case of non-compliance, financial institutions should divest from all financing and other business relationships with Suzano.

More general priorities for transformation are outlined in the [EPN Global Paper Vision](#) and [Biomass Delusion Statement](#).



Cerrado, Chapada dos Veadeiros, Goiás, Brazil. Source: Raizdedois/Flickr, Creative Commons

Annex: Statement from Suzano

Ahead of publication, the authors of this paper we sent Suzano a list of main findings to give the company the opportunity to comment in advance of the publication, requesting to supply a comprehensive, accurate, and referenced information to substantiate their comments. The letter we received includes a number of counterclaims with no evidences nor references. For transparency, and with the agreement of Suzano, we add their response as an annex.

São Paulo, June 18th, 2024

To
Environmental Paper Network (EPN)
C/o ARA, August Bebel Str. 16-18
33602 Bielefeld, Germany

On behalf of Mr. Sergio Baffoni

Ref.: Response to the Letter "Opportunity to comment on paper concerning Suzano"

Dear Sergio Baffoni and all representatives of **Environmental Paper Network (EPN)**, Thank you for the opportunity to present our comments over the statements you have elaborated about us. Please find below our response to your statements:

"Suzano has 2.7 million hectares of rural land under management, including 1.6 million hectares of eucalyptus plantations and 1.1 million hectares of areas dedicated to conservation. Native forests we conserve play an important role in maintaining biodiversity in the regions where we operate.

We have up to 39.000 hectares of degraded areas on ecological restoration in different regions and our program was considered by the UN one of the 15 most transformative projects in Brazil¹. Despite not disclosing the layout of ecological corridors due to strategic reasons, data systems are annually verified by third party auditors².

Suzano does not possess any productive areas over and(or) overlapping local communities' areas neither homologated traditional territories. Company has a strict due diligence process to guarantee all land has been acquired in a legal procedure. Additionally, it maintains a social investment strategy focused on reducing poverty and supporting education of neighboring communities. In 2023, more than 347 thousand people were benefited from company's social development programs, and more than 22 thousand people lift poverty.

¹ Find more information about our restoration program in our Sustainability Center:
https://centraldesustentabilidade.suzano.com.br/en/indicators/?ind=ecological-restoration-program-65e0bd9dea9d8&filter_tag=temas_materiais

² Further information on 2023 Suzano Sustainability Report, page 110

Curvelândia community protests (MA) were resolved in 2021, with Suzano's commitment of identifying, preventing, and mitigating any adverse social and environmental impact of its operations. Company also spontaneously executed improvements on the road to prevent dust. Local Court also recognized the illegality of the protest and ordered the roads unblock.

Suzano has faced land invasions not related to communities' claims but based on the intention of illegally exploring economic activities or real estate speculation. Repossess procedures follow a Humanized model, guaranteeing a respectful treatment of all invaders, becoming a role model across the country.

Suzano has a department exclusively dedicated to engaging with unions. Presently, there are 45 collective agreements formalized with 36 distinct unions, evidencing a positive and respectful relationship. There are no individual or collective lawsuits, investigations, or infraction notices pertaining to anti-union conduct and/or collective dismissal without prior union negotiation.

Suzano uses, exclusively, agrochemicals duly regulated and authorized by Brazilian Ministry of Agriculture and applies it in accordance with all technical recommendations and agronomic prescriptions. We invest in biological control alternatives to reduce the use of agrochemicals. In 2023, we produced approximately 250 million natural enemies, released in more than 340,000 hectares of eucalyptus farms".

We remain at your entire disposal and reiterate would be glad to discuss and explain more about our company.

Sincerely,

SUZANO S.A.