



Application of Suzano for commercial use of genetically modified trees

Status update #1 – April 9th, 2015

This update provides an overview of the current status of the Brazilian plantation company, Suzano, with respect to its conformity with FSC policies on genetically modified trees. The update also provides an outlook on the implications of potential next steps that might be taken by Suzano.

DEVELOPMENT SO FAR

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| 2006 | Field testing begins in Brazil |
| 2014 Jan | Suzano files an application with the Comissão Técnica Nacional de Biossegurança (CTNBio) in Brazil for use of genetically modified trees in its forestry operations. The subject of its dossier submission is an eucalyptus clone transformed with a gene from the plant <i>Arabidopsis thaliana</i> that is involved in cell wall formation. The transformation results in increased plant growth. |
| 2015 Apr | CTNBio approves the application on 9 April 2015, thereby allowing Suzano to proceed towards commercial deployment. |

FSC's rules on use of Genetically Modified Organisms (GMOs)

FSC Principles & Criteria (FSC-STD-01-001 v4-0)

FSC's Principles and Criteria are very clear on the issue of GMOs, excluding their use within the boundaries of FSC-certified forestry operations. The current version 4-0 states unequivocally that "use of genetically modified organisms shall be prohibited". Equal considerations apply to the approved version 5-0 which is supposed to take effect from 2016 onwards wherein criterion 10.4 states: "The Organization shall not use genetically modified organisms in the Management Unit."

FSC Policy "FSC Interpretation on GMOs" (FSC-POL-30-602)

The FSC Policy on GMOs clarifies that research into GMOs must not take place in FSC certified forests. Relevant field trials, however, are permissible by FSC-certified operations if they are conducted in non-certified areas.

FSC Policy for Association (FSC-POL-01-004)

FSC's Policy for Association states that, "FSC will only allow its association with organizations that are not directly or indirectly involved in... e) Introduction of genetically modified organisms in forestry operations." Introduction is to be understood here as commercial deployment and is considered unacceptable not only by a certified organization but also by any majority ownership related parent or subsidiary company.

In summary, FSC certified organizations may only conduct research into GMOs but must not use them in any form commercially, whether within or outside the boundaries of their certified management units.



Frequently Asked Questions

- *Does Suzano's application to use GM trees already constitute a violation of the FSC Policy for Association?*

The FSC Policy for Association prohibits “introduction” of GMOs into forestry operations, and while an application for permission to introduce GMOs is obviously a strong indication of future intent, it does not constitute an introduction at present. Hence, while the company's commitment towards compliance with the Policy for Association can be questioned, an application is not considered to be evidence for a violation of the Policy for Association as it is only an expression of intent.

- *By what time would Suzano be considered to no longer be in compliance with the FSC Policy for Association now that they received approval for commercial use? How would this take place?*

FSC is currently following up with Suzano to understand exactly how they intend to proceed. The permission to commercially deploy the GM clone does not bring Suzano into conflict with FSC rules as long as they do not make use of it. However, should Suzano proceed with planting GM trees for commercial purposes, FSC would initiate a formal process under our Policy for Association, leading towards disassociation from the company.

- *Does FSC intend to change its approach towards GMOs in the near future?*

The FSC Membership decided the current approach towards GMOs. FSC has very clear rules that genetically modified organisms are not allowed in FSC-certified operations, and the FSC Policy for Association bans FSC from being associated with any organization that introduces genetically modified organisms in forestry operations. There are no current proposals or plans to change these rules.

- *Can Suzano still be an FSC member and represented at the FSC Board considering their intended use of GMOs?*

Suzano can be a Member as long as it is in compliance with the FSC Policy for Association. Similar considerations apply to Board representation, unless a Board member is challenged for being engaged in activities contrary to the interests of the organization.

- *Does Suzano's representation on the FSC International Board mean that they have direct influence on FSC's decisions in this area?*

It is clear that an employee of Suzano would have a direct conflict of interest related to any decision impacting on Suzano. The relevant Board member would therefore be disqualified from participation in any such discussion or decision.

Further information:

FSC Policy on GMOs: <https://ic.fsc.org/download-box.143.htm>

FSC Policy for Association: <https://ic.fsc.org/fsc-pol-01-004-policy-on-association.441-4.htm>

FSC Principles & Criteria v4-0: <https://ic.fsc.org/download-box.516.htm>

FSC Principles & Criteria v5-0: <https://ic.fsc.org/download-box.871.htm>