



Press Release – 25 October 2022

The Company's commitment to fighting climate change in line with science

Navigator's targets to reduce emissions by 2035 approved by SBTi

The Navigator Company received approval for its targets to reduce greenhouse gas (GHG) emissions from the Science Based Targets Initiative (SBTi), an internationally recognised global organisation that assesses corporate initiatives working towards a low carbon economy.

SBTi praised the "ambitious targets" proposed by the company earlier this year shortly after it joined, and underlined Navigator's contribution to achieving the goals set out in the Paris Agreement not to exceed a 1.5°C temperature increase, currently the most ambitious designation as part of the approval process of this organisation.

By taking an active role in seeking solutions to the climate challenge, Navigator has committed to reducing greenhouse gas emissions of scopes 1 and 2 (referring to emissions released into the atmosphere as a direct result of its operations, as well as indirect emissions from electricity acquired for the company's use) by 63% by 2035, compared with 2020.

The Navigator Company is also committed to cutting scope 3 emissions (which occur in the value chain) by 37.5%, an important step in combating climate change, in line with limiting temperature increases to well below 2°C.

The Company is pleased to see its climate science-based targets endorsed, which were considered by SBTi to be a "key element" on the journey towards net-zero decarbonisation, as called for in the Intergovernmental Panel on Climate Change (IPCC) report with a view to achieving net-zero emissions by the middle of the century.

By bringing forward the stipulated two-year deadline for submitting greenhouse gas emission reduction targets based on the most up-to-date climate science and in contrast to what has been done by most companies, Navigator has once again demonstrated its clear commitment to contributing to a low-carbon society and to being a bio-industry on the right side of the future.

Navigator became the first Portuguese company and one of the first in the world to make the ambitious commitment to move towards carbon neutrality at its industrial facilities within 15 years and it has already invested more than 200 million euros to this end. Part of this commitment has already been implemented with the construction of a Biomass Boiler in Figueira da Foz and another part has been applied for as part of the Decarbonisation in Industry component of the Recovery and Resilience Plan, which will enable the targets initially proposed in the Decarbonisation Roadmap for the end of 2029 to be achieved by the end of 2026.

The Navigator Company's investment plan is also strongly oriented to meeting the commitments of Agenda 2030, in particular the projects included in the Decarbonisation Roadmap.

Given the alignment of its company Purpose and [Responsible Management Agenda 2030](#) with the United Nations Sustainable Development Goals, Navigator's strategy is based on strong investment in developing sustainable bioproducts, reducing dependence on fossil resources, and promoting the decarbonisation of the economy.

The Science Based Targets initiative, established in 2015, is a global organisation that includes the Disclosure Insight Action (CDP), the United Nations Global Compact (UNGC), the *World Resources Institute* (WRI), and the World Wide Fund for Nature (WWF), with the aim of mobilising the private sector to take a leadership role on climate change. In order to achieve this, it has developed science-based approaches for calculating GHG reduction targets, known as "Science Based Targets".

About The Navigator Company

The Navigator Company is an integrated producer of forestry, pulp, paper, tissue, sustainable packaging solutions, and bioenergy, whose operations are underpinned by state-of-the-art technology at world-class manufacturing facilities. It is recognised as a benchmark in quality in its sector throughout the world.

People, their quality of life and the planet's future are what inspire and guide The Navigator Company. The company is committed to creating sustainable value for its shareholders and for society at large, making a better planet to hand down to future generations through sustainable products and solutions that are natural, recyclable and biodegradable, and that contribute towards carbon sequestration, oxygen production, the protection of biodiversity, soil formation, and the fight against climate change.

The Navigator Company produces pulp and paper using forests which are planted exclusively for this purpose. Each year, Navigator nurseries give life to more than 12 million trees. These nurseries, the largest in Europe, produce 135 different species of trees and shrubs. Many of these, although not economically viable, are financed by the company to protect biodiversity and guarantee species' continuity.

The forests under The Navigator Company's management in Portugal represent a carbon stock, excluding carbon in the soil, equivalent to 6.1 million tons of CO₂. This stock has remained stable thanks to the sustainable management model followed by the company.

The Group's forestry business is vertically integrated, with its own Forestry Research Institute. The Group is responsible for planting a vast forested area in Portugal (1.2% of the country's land area), 100% certified by FSC¹® and PEFC² systems. The Company has a production capacity of 1.6 million tonnes of paper, 1.6 million tonnes of pulp, 130,000 tonnes of tissue, and 2.5 TWh of renewable energy per year. In 2021, 66% (vs. 60% in 2020) of energy produced by Navigator at its four industrial complexes came from biomass, giving it the leading role in the sector, with this ecological non-fossil fuel accounting for about 35% of the country's overall energy.

In November 2021, the Navigator Company launched its latest line of packaging products, through the new gKraft brand, to help accelerate the transition from plastic to the use of natural, sustainable, recyclable and biodegradable fibres, once again demonstrating its commitment to sustainability and preserving the environment.

The company is Portugal's third largest exporter, accounting for approximately 1% of GDP, around 2.4% of all the country's exports of goods and more than 30,000 direct, indirect and generated jobs. It is also the Portuguese exporter generating the most National Value Added. In 2021, The Navigator Company had a turnover of €1.596 billion. More than 90% of the Group's products are sold outside Portugal and are shipped to approximately 130 countries.

Navigator became the first Portuguese company and one of the first in the world to make the ambitious commitment to move towards carbon neutrality at its industrial facilities within 15 years and it has already invested more than 200 million euros to this end. Part of this commitment has already been implemented with the construction of a Biomass Boiler in Figueira da Foz and another part has been applied for as part of the Decarbonisation in Industry component of the Recovery and Resilience Plan, which will enable the targets initially proposed in the Decarbonisation Roadmap for the end of 2029 to be achieved by the end of 2026.

This commitment is the culmination of a responsible business management strategy that had already been distinguished by the CDP (formerly Carbon Disclosure Project, now Disclosure Insight Action), in 2019 and

¹ FSC – Forest Stewardship Council® (FSC® Licence no. – C010852)

² PEFC – Programme for the Endorsement of Forest Certification schemes (PEFC Licence/13-23-001)

2020, with the classification of global leader in the fight against climate change. The Navigator Company was recognised for its efforts to reduce emissions, reduce climate risks and develop a low-carbon economy.

At the end of 2021, The Navigator Company joined the Science Based Targets initiative (SBTi), having submitted its greenhouse gas (GHG) emission reduction targets based on the most current climate science at the time of joining, thus dispensing with the two-year grace period that companies have and typically use to do so. The Company has been developing a set of strategies to measure and reduce its total GHG footprint, as well as to promote mitigation and adaptation to the risks generated by climate change. By joining SBTi, the Company advances in its alignment with scientific-based criteria and methodologies that deserve international recognition within the scope of the global climate agenda, affirming its leadership in sustainability.

In 2022, Navigator obtained a score of 14.3 in the ESG Risk Rating for 2021 – the best rating obtained since being added to Sustainalytics assessments – once again positioning itself among the best companies in the world in terms of sustainability. With this classification, the Company remains in the "Low Risk" category, meaning that it presents a low risk for investors, and occupies third place, both in the ranking of companies in the "Paper and Forest" industry group – in a total of 81 global companies that are part of this cluster – and in the "Paper and Pulp" subgroup, in a total of 60 companies worldwide.

www.thenavigatorcompany.com

For more information, please contact:

Lift Consulting +351 21 466 65 00

Tânia Nascimento – tania.nascimento@lift.com.pt | +351 915 292 914

Catarina Frazão – catarina.frazao@lift.com.pt | +351 91 844 80 87

Catarina Carneiro de Brito – catarina.brito@lift.com.pt | +351 914 310 661