



Press Release - July 29, 2021

The company pioneered the first green Commercial Paper operation in Portugal in 2019

Navigator launches bond loan of 100 million euros adjusted to sustainability commitments

On August 5th, The Navigator Company will issue a bond loan in the amount of 100 million euros with a maturity of five years, in conjunction with the early repayment of financing in the same amount, maturing in 2023. This operation will contribute to extending the average life of the Group's debt, as well as reducing the Company's financing cost, in addition to having conditions adjusted to the fulfilment of sustainability commitments.

BPI and CaixaBank advised The Navigator Company in structuring this ESG Bond Loan, having underwritten the entire 100-million-euro issue.

The operation is indexed to two ESG indicators already present in the Company's Sustainability Agenda and, in turn, aligned with the Sustainable Development Goals of the United Nations. The first indicator sets targets for reducing CO₂ emissions and is part of the Company's Roadmap for Carbon Neutrality, in which the Company undertakes to be carbon neutral in its industrial facilities by the year 2035. Also in this Roadmap, Navigator proposes to achieve four goals: to reduce fossil CO₂ emissions through the replacement of technologies; reduce specific energy consumption by 2025; reach 100% of electric energy production from renewable sources and, finally, *offset* the emissions that cannot be eliminated.

In order to achieve these goals, the Company has been developing an action plan that has translated into the implementation of several projects and initiatives, such as the construction of a new biomass boiler at the Figueira da Foz industrial complex, an investment of 55 million euros.

The second indicator, by which the bond loan is governed, sets targets for increasing the percentage of certified wood purchased in the domestic market. To achieve this goal, The Navigator Company has invested in a series of programs, individually or in partnership with other organizations, which aim to help overcome barriers felt by the forestry sector with regard to wood certification, promote better forestry management of areas belonging to third parties and, in this way, contribute to their certification and availability in the wood market through this guarantee of origin.

These two indicators are part of The Navigator Company's management for the "Decade of Action", which corresponds to the movement taking place between 2020 and 2030, with the aim of leading all member countries of the United Nations to meet the 169 targets of the 17 Sustainable Development Goals (SDGs). In the case of this loan, the two selected indicators directly and significantly support SDG 13 – Climate Action and SDG 15 – Protecting Life on Land.

Navigator on the front line towards carbon neutrality

In 2019, The Navigator Company became the first Portuguese company – and also one of the first in the world – to commit to anticipating the carbon neutrality of its industrial facilities in 15 years, in view of national and European objectives, which will allow it to have, by 2035, all its manufacturing units neutral in terms of carbon emissions and to achieve, on that date, a reduction of 86% of its CO2 emissions. This objective implies a total investment of 154 million euros, of which 55 million have already been invested.

In 2019 and 2020, the Company received the classification of Global Leader in Combating Climate Change by the CDP (formerly known as the Carbon Disclosure Project), achieving a prominent place in the "A" list of this international organization. The Company was recognized for its performance in terms of reducing emissions, reducing climate risks and developing a low carbon impact economy.

In 2019, The Navigator Company was the first company to launch a line of Green Commercial Paper in Portugal, a sustainable operation whose financing conditions were linked to the ESG (Environmental, Social and Governance) classification, certified by the environmental agency Sustainalytics.

About The Navigator Company

The Navigator Company is an integrated producer of forest, pulp, paper, tissue and bioenergy products, whose activity is based on state-of-the-art factories on a world scale with state-of-the-art technology. It is recognized as a quality reference in the sector around the world.

The people, their life quality and the future of the planet inspire and drive The Navigator Company. The Company is committed to creating sustainable value for its shareholders and for society as a whole, leaving future generations a better planet, through sustainable natural solutions and recyclable and biodegradable products, which contribute to carbon fixing, oxygen production, biodiversity protection, soil formation and to the fight against climate change.

The Navigator Company produces pulp and paper from forests which are planted exclusively for this purpose. Every year, 12 million young plants start their lives in our nurseries. These nurseries are the largest in Europe, and produce 135 different species of trees and shrubs, most of which are not economically viable but are funded by Navigator in order to maintain diversity and ensure the species' continuity.

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

The Group's forestry operations are vertically integrated, with its own forestry research institute, and it is responsible for planting a vast area of forest in Portugal (1.2% of the country's area), 100% certified under the FSC® and PEFC™ systems. The Company has a production capacity of 1.6 million tons of paper, 1.6 million tons of pulp, 130,000 tons of tissue and 2.5 TWh of renewable energy per year - which corresponds, approximately, to 4% of energy production in Portugal. By 2020, 60% of the energy produced by Navigator at its four industrial complexes originated from biomass, giving it the leading role in the sector, with approximately 52% of the country's total using this environmentally-friendly, non-fossil fuel.

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 thousand direct, indirect and induced jobs. It is also the Portuguese exporter generating the most National Value Added. In 2020, the Navigator Company recorded turnover of € 1.38 billion. More than 90% of the Group's products are sold outside Portugal and shipped to approximately 130 countries.

The Navigator Company has made a formal commitment to achieving carbon neutrality of its industrial complexes in 2035, 15 years ahead of the targets set by the European Union and Portugal. This makes it the first Portuguese company, and one of the first in the world, to set itself this ambitious goal, for which it has earmarked total capital spending of €158 million. Navigator inaugurated in the 4th quarter of 2020 a new biomass boiler in the industrial complex of Figueira da Foz, in a global investment of 55 million euros, which will allow the Company to reduce, already in 2021, its fossil carbon dioxide emissions by about 150 thousand to 200 thousand tons per year, representing 32% of the Group's emissions.

This commitment is the culmination of a sustainability strategy that has already been distinguished by CDP (former Carbon Disclosure Project, now Disclosure Insight Action), in 2019 and 2020, with the classification of global leader in combating climate change, reaching a place of highlighted in the "A" list of this organization. The Navigator Company won recognition for its achievements in cutting emissions, reducing climate risks and developing a low carbon impact economy.

