



Press Release – 7 March 2022

Company again classed as low risk in 2021 ESG Risk Rating by *Sustainalytics*

The Navigator Company ranked 3rd in global sustainability index

The Navigator Company scored 14.3 in the Environmental, Social and Governance Risk Rating 2021, once again positioning itself among the world's best companies for sustainability. This was its best ever result since it was first included in the *Sustainalytics* index.

With this score, the Company is again classified as presenting a "Low Risk" for investors, and has claimed third place in the ranking of companies in the "Paper and Forest" industries group (out of 81 global companies in this cluster), as well as in the "Paper and Pulp" sub-group, out of 60 companies worldwide.

Sustainalytics' ESG Risk Ratings measure the Sustainability performance of companies by assessing their exposure to material ESG risks, related to environmental, social and governance factors, and also how the Company manages these issues. This follows on the heels of The Navigator Company's success in 2020 when its efforts to reduce its environmental and social impact were rewarded with a ranking among the best companies in the world for sustainability in the ESG Risk Rating, earning it a classification as a "Low ESG Risk Company" for investors.

The Navigator Company's rating and excellent ranking are important data that reflect its ongoing endeavours to integrate sustainability as a priority in its business model, demonstrating its capacity to anticipate and manage ESG risks in the course of its operations.

Proof of The Navigator Company's seriousness in implementing a strategy aligned with the United Nations Sustainable Development Goals can be seen in the fact that it was the first Portuguese corporation - and also one of the first in the world - to commit itself

to achieving carbon neutrality at its industrial complexes 15 years ahead of the national and European target dates. This will allow it to be carbon neutral at all its manufacturing units by 2035.

About The Navigator Company

The Navigator Company is an integrated forestry, pulp, paper, tissue, sustainable packaging solutions and bioenergy producer, with operations based at state-of-the-art plants using cutting edge technology, making them a global benchmark. It is recognised as setting worldwide standards for quality in its sector.

People, quality of life and the future of the Planet are what inspire and motivate The Navigator Company. The Company is committed to creating sustainable value for its shareholders, and for society as a whole, leaving a better planet for future generations, through natural products that are sustainable, recyclable and biodegradable, that help to sequester carbon and produce oxygen, that protect biodiversity, improve the soil and combat climate change.

The Navigator Company produces pulp and paper from forests planted exclusively for this purpose. Every year, 12 million young trees start their lives in Navigator's nurseries. These nurseries – the largest in Europe – produce 135 different species of trees and shrubs. Many of these are not economically viable but are funded by the Company in order to conserve biodiversity and ensure the survival of species.

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 figure has remained stable thanks to the sustainable management model adopted by the Company.

The Group operates a vertically integrated forestry business, with its own forestry research institute, and is responsible for planting vast areas of woodlands in Portugal (1.2% of the country's area), 100% certified under the FSC® and PEFC™ schemes. The Company boasts annual production capacity for 1.6 million tons of paper, 1.6 million tons of pulp, 130 thousand tons of tissue and 2.5 TWh of renewable energy - corresponding approximately to 4% of all power generated in Portugal. In 2020, 60% of the energy produced by Navigator at its four industrial complexes was obtained from biomass, making it the leading operator in this sector, with around 33% of all power used in Portugal from this ecological, non-fossil fuel.

In November 2021, Navigator launched a new line of packaging products, under the new gKraft brand, designed to help accelerate the transition from using plastics to the use of natural, sustainable, recyclable and biodegradable fibres, once again making clear its commitment to sustainability and protecting the environment.

The Company is the country's third largest exporter, and the largest generator of national value added, representing approximately 1% of GDP, around 2.4% of Portuguese exports of goods, and more than 30 thousand jobs, on a direct, indirect and induced basis. In 2021, The Navigator Company recorded turnover of € 1.59 billion. More than 90% of the Group's products are sold outside Portugal and are shipped to approximately 130 countries.

The Navigator Company has made a formal commitment to achieving carbon neutrality at its industrial complexes in 2035, 15 years ahead of the targets set by the European Union and Portugal. This made it

the first Portuguese corporation, and one of the first in the world, to set this ambitious goal, to which it has allocated investment totalling € 154 million.

This commitment represents the culmination of a strategy of responsible business management that in 2019 and 2020 had already won it recognition from CDP (formerly the Carbon Disclosure Project, now known as Disclosure Insight Action), which classed it as a global leader in the fight against climate change. The Navigator Company was singled out for its success in cutting emissions, reducing climate risks and developing a low-carbon impact economy.

In late 2021, The Navigator Company signed up to the Science Based Targets initiative (SBTi), and immediately submitted its targets for reducing greenhouse gas (GHG) emissions on the basis of the latest climate science, dispensing with the two year period that companies are allowed and typically make use of for this purpose. The Company has been developing a series of strategies for measuring and reducing its total GHG footprint, and also for mitigating and adapting to the risks generated by climate change. By signing up to SBTi, the Company has taken a further stride in aligning itself with science-based criteria and methodologies internationally recognised in connection with the global climate agenda, asserting itself as a leader in sustainability.

In early 2022, The Navigator Company scored 14.3 in the Environmental, Social and Governance Risk Rating for 2021, once again positioning itself among the world's best companies for sustainability. This was its best ever result since it was first included in the Sustainalytics index. With this score, the Company is again classified as presenting a "Low Risk" for investors, and has claimed third place in the ranking of companies in the "Paper and Forest" industries group (out of 81 global companies in this cluster), as well as in the "Paper and Pulp" sub-group, out of 60 companies worldwide.

www.thenavigatorcompany.com

For further press information, please contact:

Lift Consulting +351 21 466 65 00

Sandra Faria – sandra.faria@lift.com.pt | +351 911 790 060

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