



Press Release – 14 March 2022

Increases will be applied from April 1st

Navigator forced to apply energy surcharge on UWF and packaging products in USA

Since the beginning of the Russian-Ukrainian conflict, which has severely aggravated already unstable and unpredictable macroeconomic dynamics, The Navigator Company has experienced a steeper increase in energy related costs.

With international sanctions on Russia and high European dependency on their gas supply, the current geopolitical situation has led to a very rapid increase in energy prices, with expectations of further increases. Apart from the direct impact of the energy prices on Navigator's cost structure, the Company is also severely affected by the indirect energy impact in several chemicals and logistic costs.

Under these circumstances of extreme uncertainty, with Navigator being exposed direct and indirectly to energy price volatility, significantly affecting its profitability, the company is forced to implement a \$120/tonne energy surcharge on all UWF and Packaging products in USA. The Company informed that this surcharge will be effective until further notice from the 1st of April 2022 and will be included in the invoice price.

The Navigator Company believes that this exceptional measure is imperative to support its business model's long-term sustainability and the overall supply chain. Navigator will monitor the evolution of energy prices closely, adjusting the surcharge when the situation so requires.

Navigator understands the impact of this unprecedented situation throughout the supply chain and will continue to work closely with all clients to strengthen its common business. The Company expressed its sincere hope that this unfortunate situation will end soon.

About The Navigator Company

The Navigator Company is an integrated producer of forest, pulp, paper, tissue, sustainable packaging solutions, and bioenergy, whose business is founded on state-of-the-art factories on a worldwide scale, with cutting-edge technology. It is recognised as a quality benchmark in the sector worldwide.

People, their quality of life 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 a better planet to future generations through sustainable, natural, recyclable and biodegradable products and solutions that contribute towards carbon sequestration, oxygen production, biodiversity protection, soil formation and the fight against climate change.

The Navigator Company produces pulp and paper from 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 has a vertically integrated forestry business, with its own forestry research institute, and is responsible for planting a vast forest area in Portugal (1.2% of the country's area), 100% certified by the FSC® and PEFC™ 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, corresponding to approximately 4% of energy production 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, producing approximately 33% of all energy derived from this ecological non-fossil fuel in Portugal.

In November 2021, the Navigator Company launched a new 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 environmental preservation.

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's turnover was €1.59 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 at its industrial complexes by 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 €154 million.

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

and 2020, with the ranking of global leader in fighting climate change, with the classification of global leader in combating climate change. The Navigator Company was recognised for its efforts in reducing emissions, decreasing climate risks, and developing an economy with a low carbon footprint. This commitment is the culmination of a sustainability strategy previously distinguished by the CDP (formerly Carbon Disclosure Project, now Disclosure Insight Action) in 2019 and 2020, with the ranking of global leader in fighting climate change, achieving a prominent position on this organisation's "A" list.

By the end of 2021, The Navigator Company joined the Science Based Targets initiative (SBTi) and immediately submitted its targets for greenhouse gas (GHG) reduction based on the most up-to-date climate science, waiving the two-year grace period that companies normally have to do so. The Company has been developing a set of strategies to measure and reduce its total GHG footprint, as well as mitigate and adapt to the risks created by climate change. By joining SBTi, the Company moves forward in its endeavour to align with scientifically sound criteria and methodologies worthy of international recognition within the scope of the global climate agenda, demonstrating its leadership in sustainability.

Earlier this year, Navigator scored 14.3 in the Environmental Social and Governance Risk Rating for 2021, positioning itself once again among the best companies worldwide in sustainability; this is its highest score ever since joining the evaluations carried out by Sustainalytics. This score keeps the Company in the "Low Risk" category, meaning that it represents a low risk to investors, and in third place in both the ranking of "Paper and Forest" industry companies — out of a total of 81 companies in this cluster worldwide — and the "Paper and Pulp" subgroup, comprising 60 companies around the world.

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