SUSTAINABILITY REPORT 2025

SONAE ARAUCO

Taking wood further

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CEO Message

At Sonae Arauco, our ambition is to build a resilient, competitive and future-ready company, capable of delivering long-term value for our stakeholders.

RUI CORREIA - CEO

The progress we have made over recent years clearly demonstrates that sustainability is not a parallel agenda but is a core enabler of our strategy, our customer value proposition and our business vision.

Operating in a sector intrinsically linked to forests and natural resources brings both opportunities and responsibility. Working with wood - a renewable, recyclable and carbon-storing raw material - places sustainability at the centre of our business decisions. This responsibility guides how we manage resources, invest in innovation and develop products that respond to market needs while contributing positively to climate action and circularity.

Our strategy is strongly customer-focused. We therefore see sustainability not only as a responsibility, but also as a source of value creation for our customers, supporting them in addressing regulatory requirements, reducing environmental impacts and delivering better living solutions for furniture, interior design and construction. This approach is fully embedded in our strategic priorities and investment choices.

Despite a challenging economic context - marked by geopolitical instability, energy volatility and pressure on industrial margins - we have continued to invest decisively in strengthening Sonae Arauco for the future. In climate action alone, we have committed more than €38 million to our Climate Transition Plan, with €15 million executed in 2025, focusing on renewable energy, energy efficiency and electrification.

These efforts are delivering tangible results. Since 2019, we have achieved a 52.5% reduction in Scope 1 and 2 greenhouse gas emissions, supported by a steady increase in renewable energy, which reached 74% of our total energy mix in 2025. Several industrial sites already operate with high shares of renewable electricity, reinforcing both environmental performance and energy resilience. Progress on Scope 3 emissions, while more complex, reflects ongoing progress in circular economy practices, logistics optimisation and supplier engagement.

Innovation is a key driver of this transformation. Ongoing investments in product development, lower-carbon and bio-based resins, and collaborative R&D projects are building the foundations for accelerating the decarbonisation of our product portfolio. At the same time, investments in operational excellence - from energy efficiency programs to asset modernisation - are reinforcing our competitiveness while reducing environmental impacts.

Circularity builds directly on this foundation. As a defining strength of our business model, it is enabled by our integrated recycling network and dedicated initiatives such as Urban Wood and Fiber-to-Fiber. In some product ranges, we are now able to incorporate up to 80% recycled wood, demonstrating both industrial scalability and our ability to transform wood waste into high-value products. This reduces pressure on primary resources, keeps carbon stored for longer and strengthens supply resilience.

Our commitment goes beyond environmental performance. People, safety and capability building are fundamental to our long-term success. In 2025, we reinforced our focus on health and safety, while consistently investing in training, leadership, and skills development across the company. Through our group-wide Leadership Program and SAKA – Sonae Arauco Knowledge Academy, we are building the capabilities and culture needed to execute our strategy and prepare the organisation for future challenges. Strong governance, robust management systems and independent certifications underpin how we operate across all geographies.

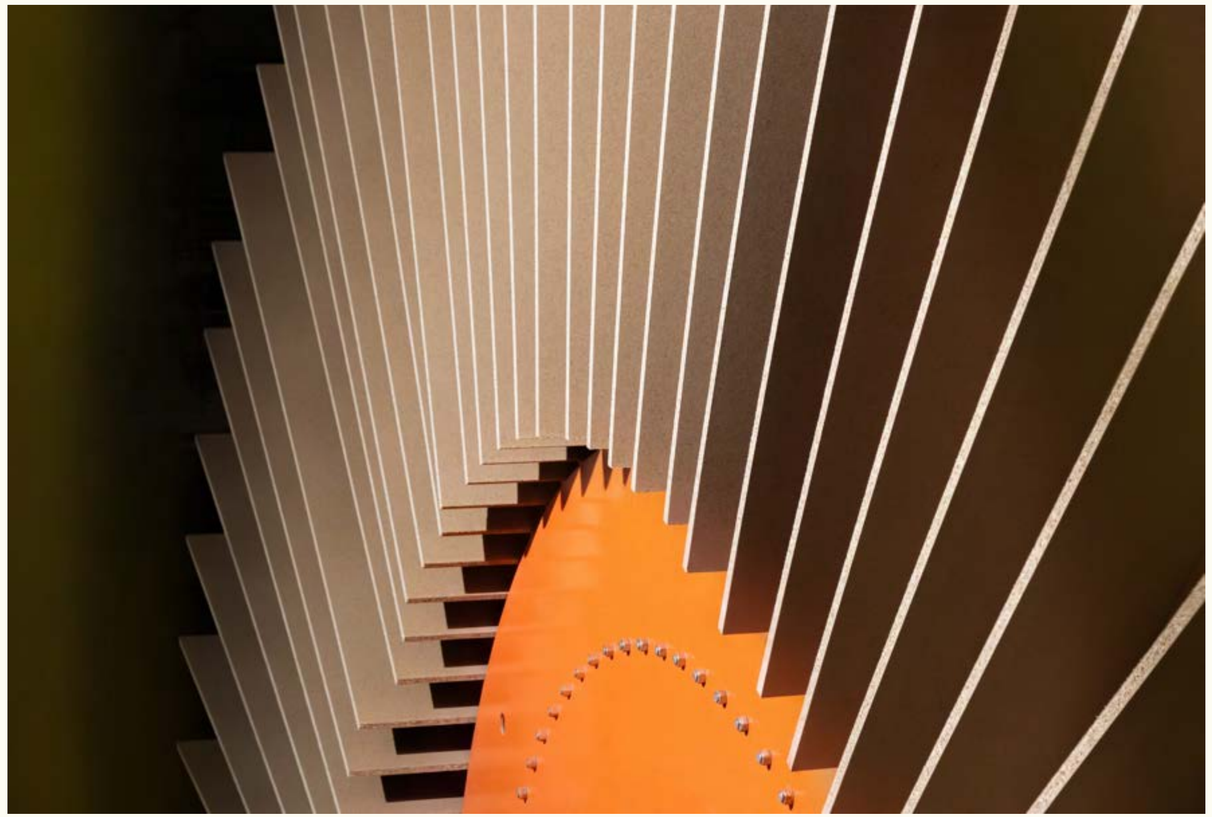
For us, sustainability is a shared responsibility. It is embedded across functions, sites and leadership levels, supported by a governance model that ensures ESG topics are fully integrated into strategic, operational and investment decisions.

This first Sustainability Report presents a comprehensive view of these efforts, aligned on a voluntary basis with the Corporate Sustainability Reporting Directive (CSRD). More than a reporting exercise, it reflects our conviction that transparency, robust governance and forward-looking sustainability management are essential to building a resilient and competitive business.

The current context remains demanding, but it does not change our course. On the contrary, it reinforces our conviction that an ESG-driven, customer-focused company is better prepared to navigate uncertainty, manage risks and stay competitive over time. We remain fully committed to strengthening Sonae Arauco as a responsible, resilient and future-ready company.

I would like to thank all our employees for their contribution and engagement. Their daily commitment is fundamental to the progress we are making and to the future we are building together.

2025 in numbers



~841 M€

turnover

22 industrial and commercial units

Industrial operations in **4 countries**

2,461 employees

Sales to **61 countries**

2025 in numbers

Climate Action & Decarbonisation

−43%

total GHG emissions vs. 2019

−52%

Scope 1 & 2 emissions vs. 2019

NET ZERO AMBITION

Scopes 1 & 2 by 2040 | Scope 3 by 2050, anticipating EU climate targets

74%

renewable energy in total energy mix (+5 p.p. vs. 2024)

4 solar farms built or under construction, accelerating on-site renewable generation

38M€

committed to decarbonisation, renewable energy and energy efficiency, of which 15M€ was executed in 2025

2025 in numbers

Circular Economy

11
recycling centres

800+
wood collection points supporting closed-loop systems

200M€
sustainability-linked loan, linked to recycled wood content and carbon intensity reduction

Up to **80%**
recycled content in some product ranges

14M€
circular economy investment program ongoing

Advanced R&D programs to increase circularity and reduce fossil-based inputs

42%
recycled wood and by-products in the raw material mix

168,335 m³
of water reused and recycled (-6% water intensity in 2025)

2025 in numbers

Products & Green Buildings

~3M

tonnes of CO_2 stored annually in Sonae Arauco wood-based products, contributing to long-term carbon retention

Environmental Product Declarations (EPDs) available for

100%

of the wood-based product portfolio, ensuring full transparency on environmental performance

Products contribute to green building certifications, supporting recognised schemes such as

LEED®, DGNB® AND BREEAM®

Supporting customers in the decarbonisation, transparency and sustainability performance of buildings

2025 in numbers

Responsible Forest Management

100%

of the wood we use comes from certified or controlled sources

FSC®

(FSC® C009049) Chain of Custody certification across all industrial units

CO_2 Capture Program supporting forest resilience and carbon sequestration:

340+ hectares under forest management

11,000+ hectares under forest portfolio management services

PEFC

(PEFC/14-35-00013) certification in European operations

2025 in numbers

People, Safety & Culture

1M€

invested in training and skills development

Lost workday case rate of 5.38, ranking among our best results

44,448

training hours provided to employees (an average of 18 hours per employee)

2025 marked our strongest safety performance to date, with no incidents resulting in serious consequences

Leadership & capability building:

SAKA

Sonae Arauco Knowledge Academy, enabling structured learning, knowledge sharing, and continuous improvement across the Group

Group-wide Leadership Program reinforcing the company's long-term vision

2025 in numbers

Governance, Ethics & Recognition

ECOVADIS GOLD MEDAL

United Nations Global Compact signatory

100%

of industrial sites certified under ISO 9001 (Quality Management), ISO 14001 (Environmental Management), and ISO 45001 (Occupational Health and Safety Management)

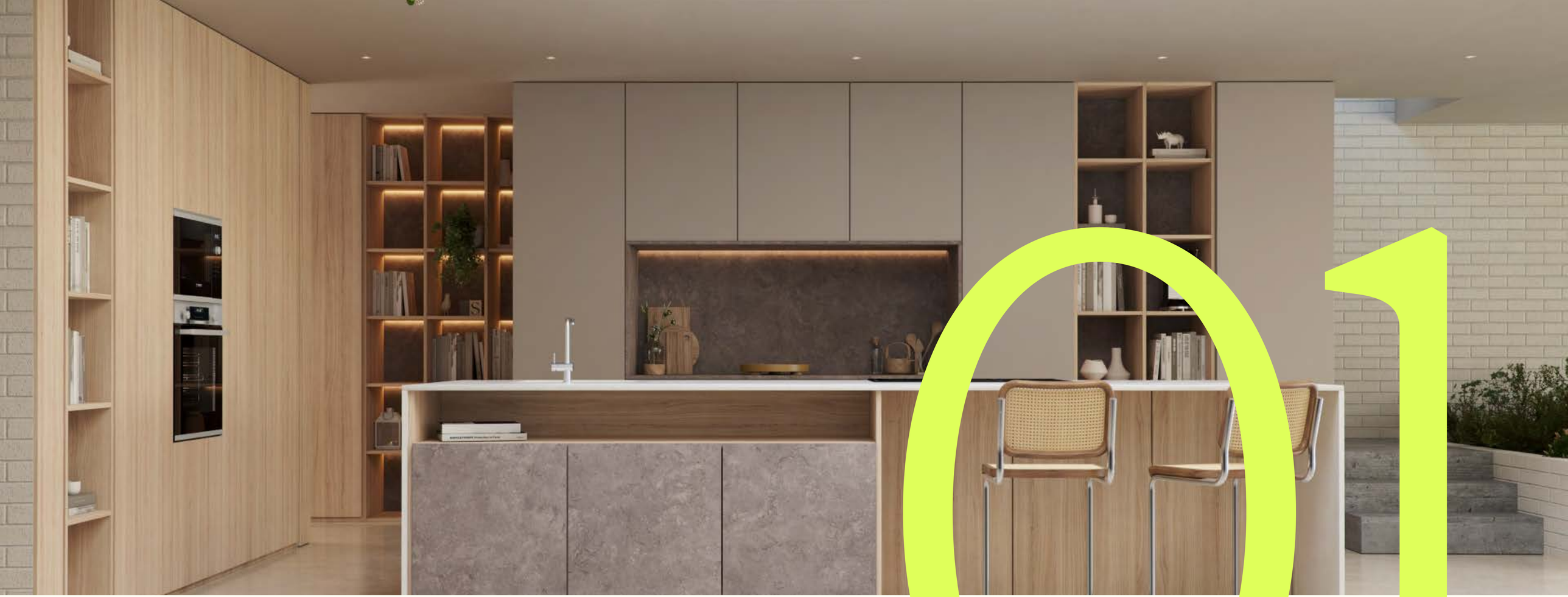
Key sites certified under ISO 50001 (Energy Management)

TOP 5%

globally

0

confirmed cases of corruption or bribery



ESRS 2 - GENERAL DISCLOSURES

01

BASIS FOR PREPARATION

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ESRS 2 - GENERAL DISCLOSURES

General basis for preparation of the sustainability statement (BP-1)

Sonae Arauco's ESRS Report (Sustainability Statement) has been prepared on a consolidated basis. It includes all operations within the full consolidation method in scope of the financial statements.

Sonae Arauco perimeter includes the following companies:

- Agepan Eiweiler Management, GmbH*
- Agloma Investimentos, SGPS, S.A.*
- Aserraderos de Cuéllar, S.A.
- Ecociclo, Energia e Ambiente, S.A.
- Euroresinas - Indústrias Químicas, S.A.
- Glunz UKa GmbH*
- Imoplamac – Gestão de Imóveis, S.A.*
- ImPaper Europe GmbH
- Somit – Imobiliária, S.A.*
- Sonae Arauco (UK), Ltd*
- Sonae Arauco Beeskow GmbH
- Sonae Arauco Holding Beeskow GmbH*
- Sonae Arauco Deutschland GmbH
- Sonae Arauco España - Soluciones de Madera, S.L.
- Sonae Arauco France SAS*
- Sonae Arauco Maroc SARL*
- Sonae Arauco Netherlands, B.V.*
- Sonae Arauco Portugal, S.A.
- Sonae Arauco South Africa (Pty) Ltd
- Sonae Arauco Suisse, S.A.*
- Sonae Arauco, S.A.*
- Tecnologias del Medio Ambiente, S.A.
- Tool Transport Organisation und optimierte Logistik GmbH

*Perform administrative or commercial activities.

All metrics were calculated on a consolidated basis encompassing all Sonae Arauco activities. Entities performing exclusively administrative or office-based activities, namely the companies assigned with * were excluded from the calculation of environmental metrics under E2, E3, and E5, as they do not perform productive activities, and their associated consumption and pollution metrics were assessed as immaterial for those topics. The carbon footprint and energy data presented in E1 are based on a consolidated approach that includes all activities.

This ESRS Report covers the period from 1 January 2025 to 31 December 2025.

Sonae Arauco performed a **Double Materiality Assessment**, including the identification of impacts, risks, and opportunities in its own operations and across its value chain (upstream and downstream), in accordance with the CSRD.

Sonae Arauco has omitted detailed information regarding the ongoing projects related to Research & Development, some value chain metrics and information related to matters under negotiation. The disclosure is limited to initiatives that are close to market launch in the short term, which are presented as part of its future actions in the respective sections of this report.

Disclosures in relation to specific circumstances (BP-2)

The non-financial information presented in this report (Sonae Arauco Management Report 2025), which relates to the year ended 31 December 2025, has been prepared in line with the ESRS Report, Directive (EU) 2022/2464 (CSRD), which has not been transposed into national law in Spain. The provisions of that Directive are therefore not yet directly applicable to Sonae Arauco as an entity within its scope.

Sonae Arauco's double materiality assessment followed the time-horizon classification of short-, medium- and long-term as set out in ESRS 1, section 6.4:

- Short-term: until 1 year;
- Medium-term: between 1 and 5 years;
- Long-term: more than 5 years.

This report presents information for the 2025 reporting period only, except where the prior year's performance is relevant as contextual information. Throughout this report, cross-references to other chapters are included to contextualise information that has already been addressed under other topical standards.

PHASE-INS PROVISIONS

The "phase-ins" adopted by Sonae Arauco in accordance with Appendix C of ESRS 1 relate to the anticipated financial effects disclosures in ESRS 2 SBM-3 (paragraph 48(e)), E1-9, E2-6, E3-5, E4-6, E5-6 and S1-7. Sonae Arauco will omit all information related to E4 – Biodiversity and ecosystems, S2 – Workers in the value chain and S3 – Affected communities.

Sonae Arauco identified impacts, risks and opportunities in both the upstream and downstream value chain as part of the double materiality assessment.

All metrics presented in this report as "own operations" were measured directly within the operational units. Where estimates were made, details are provided in the "Accounting principles" subsection of the relevant metric.

Sonae Arauco prepares its GHG inventory, presented in the chapter E1 – Climate Change, in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition, 2015), Scope 2 Guidance, and the Corporate Value Chain (Scope 3) Standard. The inventory covers Scopes 1, 2 and 3, as well as biogenic emissions, and is consolidated under an organisational boundary control approach.

In the carbon footprint calculation presented in ESRS E1-6, Scope 3 metrics are subject to a degree of measurement uncertainty. The estimation of impacts and metrics across Sonae Arauco's value chain is based on a combination of available primary data and secondary data, including supplier-specific information and industry-average emission factor datasets, where primary data is not consistently available.

This uncertainty arises from ongoing structural challenges associated with value chain data, which largely depend on supplier engagement and data availability. Sonae Arauco continues to strengthen the robustness of Scope 3 data to improve the reliability, credibility, and transparency of its climate disclosures. As a result, estimates may be subject to uncertainty related to data availability, methodological assumptions and the use of proxies across upstream and downstream activities. To address these limitations, Sonae Arauco is progressively strengthening data governance, internal controls and engagement with value-chain partners, with the objective of improving data quality, reducing uncertainty and enhancing the reliability and transparency of value-chain disclosures over time.

COMPLEMENTARY INFORMATION

This report includes complementary information and a specific Annex in addition to the requirements of the ESRS/CSRD standards. The complementary information and data are intended for other purposes, such as submissions to ratings, assessments, and other sustainability evaluation processes. These items are identified with an asterisk (*). This information aims to ensure consistency, comparability, and compliance with specific requirements from external entities, while not being within the scope of the mandatory disclosures required under the ESRS standards.

GOVERNANCE

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ESRS 2 - GENERAL DISCLOSURES

The role of the administrative, management and supervisory bodies (GOV-1)

SONAE ARAUCO'S GOVERNANCE STRUCTURE – CORPORATE BODIES

The **Sonae Arauco Board of Directors** is composed entirely of non-executive members, and 100% of its members are male. Sonae Arauco does not have employee representatives participating in the management bodies. In this regard, the Chief Corporate Officer (CCO) is responsible for overseeing and monitoring matters related to employees.

In 2025, Sonae Arauco's governance structure comprised the following key corporate bodies:

BOARD OF DIRECTORS
Duarte Paulo Teixeira de Azevedo (Chairman)
Matías Jorge Domeyko Cassel
Carlos António Rocha Moreira da Silva
Gonzalo José Zegers Ruiz-Tagle
Cristian Eustaquio Infante Bilbao
George Christopher Lawrie
Pablo Franzini
Miguel Jorge Moreira da Cruz Gil Mata

BOARD PERMANENT COMMITTEE
Carlos António Rocha Moreira da Silva
Gonzalo José Zegers Ruiz-Tagle

BOARD OF AUDIT AND FINANCE COMMITTEE
George Christopher Lawrie
Gianfranco Truffello Jijena (in representation of Gonzalo José Zegers Ruiz-Tagle)

ETHICS COMMITTEE
Carlos António Rocha Moreira da Silva
Gonzalo José Zegers Ruiz-Tagle
Rogério Silva Ribeiro (Group Internal Audit Director)

EXECUTIVE COMMITTEE
Rui Correia (Chief Executive Officer, "CEO")
Cristian Knollseisen (Chief Financial Officer, "CFO")
Edite Barbosa (Chief Corporate Officer, "CCO")
João Berger (Chief Marketing & Sales Officer, "CMSO")
Mark Schubert (Chief Industrial & Technology Officer, "CITO")
Michael Betz (North East Europe Chief Operation Officer, "NEE COO")

The members of the Board of Directors collectively bring experience relevant to Sonae Arauco's sector, products and geographical areas, including industrial manufacturing, forestry-based value chains, international operations across Europe, South America and Africa, and strategic oversight of capital-intensive businesses. This collective background supports informed decision-making aligned with the Group's operational and market context.

The Executive Committee collectively brings the skills and general expertise necessary to oversee Sonae Arauco's material matters. The table below maps the Executive Committee's roles to key competence areas as at the date of publication of this report, reflecting the alignment between individual responsibilities and the Group's sustainability oversight needs.

EXECUTIVE COMMITTEE SUSTAINABILITY COMPETENCE MATRIX	CEO	CFO	CCO	CMSO	COO NEE
Industrial operations, efficiency	●				●
Energy and resource management, including climate performance	●	●			●
Risk management, compliance and internal controls	●	●	●		●
Human capital, health and safety, culture and social topics	●	●	●	●	●
Integration of sustainability into financial decisions and investments	●	●	●	●	●
Ethics, integrity and responsible business conduct	●	●	●	●	●
Customer focus and sustainability of products and markets	●			●	●

● Primary responsibility / strong competence coverage within role

COO NEE | scope limited to NEE region

While specific sustainability-related competences are allocated to Executive Committee members according to their functional responsibilities, sustainability is managed as a shared responsibility across the Executive Committee. All members contribute to integrating sustainability considerations into decision-making within their respective areas, while maintaining clear leadership and accountability for key topics. This collective approach ensures that sustainability-related impacts, risks and opportunities are addressed in a coordinated manner and embedded across the organisation.

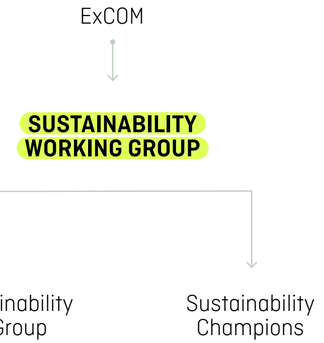
SUSTAINABILITY WORKING GROUP

In addition, the governance bodies have access to sustainability-related specific expertise both through the **Sustainability Working Group (SWG)** and internal technical and external advisory structures, ensuring informed decision-making on sustainability matters. In that way, the ESG topics are reflected in the company's approach to sustainability as a transversal, strategic and embedded responsibility.

The SWG operates under the sponsorship of the Chief Corporate Officer (CCO) and includes representatives from key functional areas, ensuring effective coordination of sustainability-related topics and integration into management decision-making. The SWG reports to the Executive Committee and brings together multidisciplinary expertise relevant to Sonae Arauco's material impacts, risks and opportunities.

SWG FUNCTIONAL AREA	IROs*
OIS&E	Occupational & Industrial Safety · Environment · Risk Management
Energy	Energy management · Renewable Energy · Efficiency
Wood Regulation & Sustainability	Forest management · Biodiversity · ESG regulations
Human Resources	People and Human Rights · Employee's Skills · Well-being
Ethics, Internal Audit & Risk	Business conduct · Integrity · ESG risks · Controls
Management Systems	Management systems · ISO systems · Compliance
Planning & Control	Sustainability integration · Monitoring & Alignment
Continuous Improvement	Operational efficiency · ESG performance
Research & Development (R&D)	Sustainable innovation · Materials · Processes
Product Development	Sustainable products · Product design for sustainability
Procurement	Responsible sourcing · Upstream value chain
Market Intelligence	Market trends · Customer insights · Downstream value chain
Marketing & Corporate Communication	Stakeholder engagement · Sustainability communication

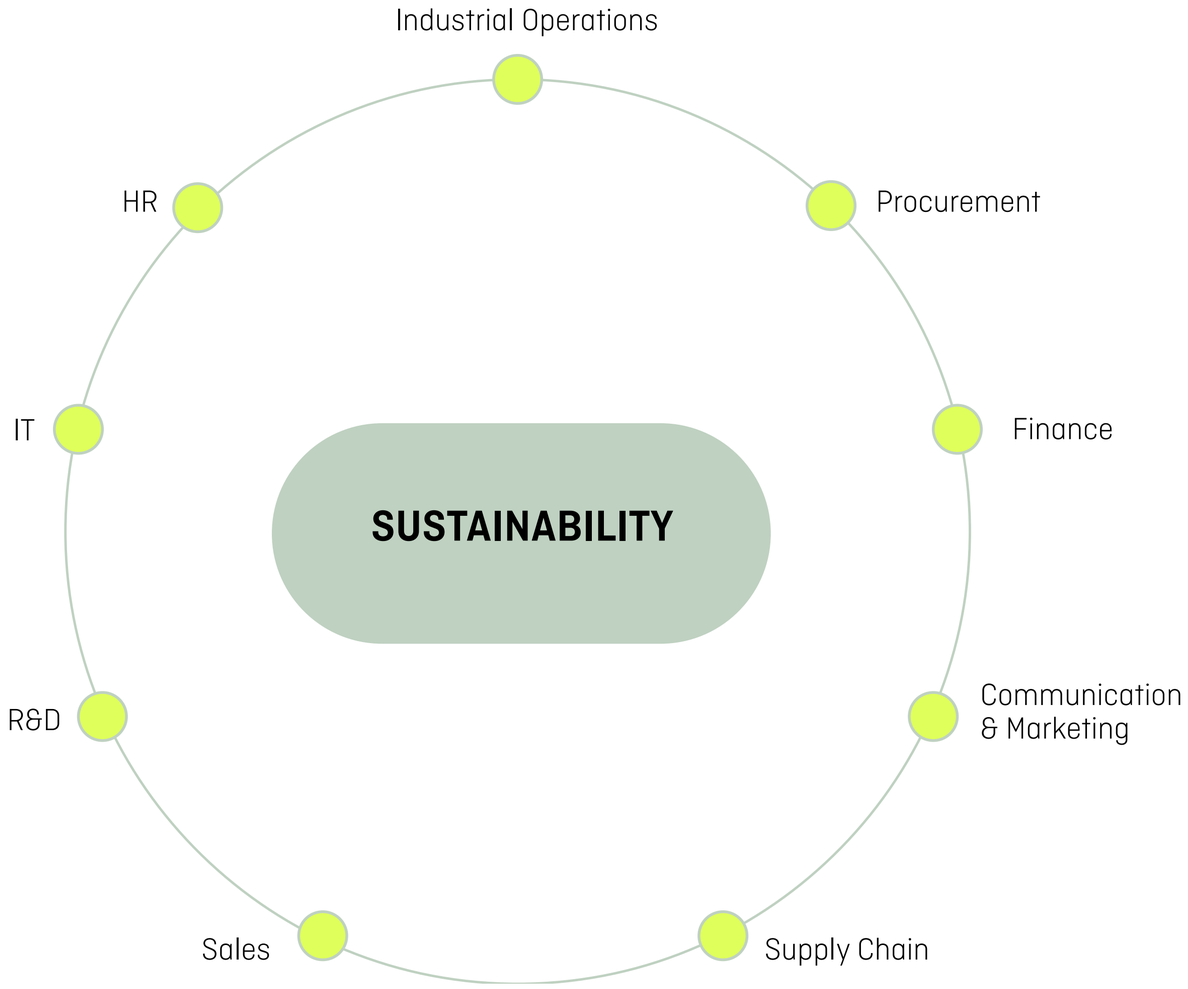
*IROs: Impacts, Risks & Opportunities related to Sustainability, as defined under ESRS



The progress and the setting of goals related to Sonae Arauco's material topics are defined by combining inputs from the SWG, operational teams and relevant functional areas and are reviewed and validated at the Executive Committee level as part of the company's strategic and performance management processes.

In addition to the sustainability governance structures described above, Sonae Arauco's governance framework includes committees with responsibilities relevant to business conduct, risk management and internal control.

The SWG supports the definition, coordination, implementation and monitoring of the Group's ESG strategy, while strategic oversight remains with the Executive Committee. The sustainability governance is further supported by **Sustainability Champions** acting as local focal points across the Group, and by participation in the **Sonae Sustainability Advisory Group**, which brings together Sonae Group companies and external experts, providing access to additional sustainability expertise.



Sustainability isn't a siloed initiative at Sonae Arauco - it's a shared purpose , anchored by leadership and reflected in every function we operate.

BUSINESS CONDUCT

The administrative, management and supervisory bodies leverage expertise on business conduct through the Ethics Committee and the internal control and risk governance framework. The Ethics Committee includes the Group Internal Audit Director, supporting the oversight of reported irregularities and the follow-up of action plans where appropriate.

The governance bodies and senior management also leverage internal specialists and periodic training to maintain competence on topics relevant to material matters, including compliance training for employees and management with exposure to competition law risks.

Together, these bodies ensure that sustainability, ethical conduct, risk management and financial oversight are embedded within Sonae Arauco's governance model.

For more information access the Section G1 – Business Conduct.

MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES (IROs)

The identification, assessment, management and oversight of material IROs are embedded in Sonae Arauco's governance and internal control framework.

The Executive Committee operates within a governance framework that supports the oversight of material impacts, risks and opportunities, including occupational health and safety, environmental performance, energy consumption, regulatory compliance and ethical conduct, in coordination with other governance bodies such as the Board of Directors, the Board of Audit and Finance Committee and the Ethics Committee.

Day-to-day coordination of IROs is supported through management-level structures and regular operational routines. These include plant-level reviews, regional Business Review Meetings and cross-functional meetings covering quality, cost, delivery, motivation, growth & sustainability. Where relevant, topics are escalated to senior management. Oversight is exercised by the Executive Committee and, where applicable, by the Board and its committees.

Responsibilities for the management of impacts, risks and opportunities (IROs) are formalised across the organisation through defined roles, mandates, internal policies and procedures. Each functional and operational area is responsible for managing IROs within its scope, in line with its area of competence and decision-making responsibilities.

Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (GOV-2)

Sonae Arauco's internal sustainability engagement and governance framework is structured around a formalised decision-making and oversight process, with the **SWG** acting as the central coordination body for managing Sonae Arauco's material IROs.

The SWG engagements occur **monthly** as an internal coordination forum to monitor progress on sustainability priorities under its direct responsibility, while other sustainability initiatives are managed through dedicated project structures.

SWG meetings are dedicated to reviewing the evolution of material sustainability topics, strategies, and the effectiveness of the mechanisms implemented. This includes monitoring action plans, policies, and strategic initiatives designed to prevent, mitigate, or manage negative impacts and risks, as well as to capture value from sustainability-related opportunities. Key initiatives addressed within this framework include, among others, the Carbon Neutrality Roadmap, which serves as a core instrument for managing climate-related risks and opportunities.

Sustainability goals and targets are defined at group level and cascaded across local operations, ensuring coherence between global commitments and site-level execution. The implementation process involves key internal functional stakeholders, including for example Industrial Directors, Plant Managers, Environmental Managers and the CFO.

The SWG engages with the **Executive Committee on a biannual basis**, and at least **one annual presentation of sustainability results** is organised for a broader group of internal stakeholders as part of internal communication and results-sharing initiatives. Operational sustainability indicators, including energy, water, waste, carbon and H&S metrics, are monitored through regular reporting cycles. As explained in the section GOV-1, the ownership of the SWG is formally assigned to a member of the Executive Committee, the Chief Corporate Officer, who is responsible for overseeing sustainability-related developments. This arrangement ensures that IROs are considered in business strategy reviews and strategic decision-making processes, enables effective top-management oversight of sustainability matters, and reinforces the link between operational sustainability actions and strategic decision-making at the executive level.

During the 2025 reporting year, Sonae Arauco's governing bodies discussed a range of key sustainability topics related to the management of IROs. The topics included:

- Carbon Neutrality Program, including progress on the decarbonisation roadmap, renewable energy initiatives, and reduction of Scope 3 emissions for the most impactful categories
- ESG strategy and commitments, including EcoVadis assessment, the UN Global Compact commitment and alignment with the Sustainable Development Goals (SDGs)
- Product sustainability and customer communication, including environmental credentials and product-related sustainability information
- Sustainability reporting and regulatory updates, including developments related to CSRD and ESRS requirements
- Sustainable innovation and circular economy initiatives

Integration of sustainability-related performance in incentive schemes (GOV-3)

Sonae Arauco did not incorporate sustainability-related performance metrics into the remuneration policies of its administrative bodies for 2025. This approach is already approved by the Board of Directors for 2026, where sustainability indicators will be part of bonus schemes for management bodies. This reflects the company's commitment to aligning governance practices with emerging sustainability standards and strengthening accountability for climate-related performance.

Statement on due diligence (GOV-4)

STATEMENT ON DUE DILIGENCE

The management systems represent a fundamental concern for the organisation, as they facilitate the integrated management of interrelated business processes, ensuring the effective achievement of ESG objectives.

The implementation of robust management systems and **third-party certifications** demonstrates Sonae Arauco's commitment to controlling ESG impacts. Sonae Arauco has implemented certifications across all locations, enabling the monitoring of its own operations and value chain through an integrated approach, particularly with regard to the **identification, prevention and mitigation of actual and potential negative impacts, risks and opportunities.** The international standards and certifications implemented are:

MANAGEMENT SYSTEMS
ISO 9001 - Quality management system
ISO 14001 - Environment management system
ISO 45001 - Occupational health and safety management system
ISO 50001 - Energy management system

FOREST PRODUCTS CHAIN OF CUSTODY
FSC® (Forest Stewardship Council) - Chain of Custody
PEFC (Program for the Endorsement of Forest Certification) - Chain of Custody

	FSC©	PEFC	ISO 9001	ISO 45001	ISO 14001	ISO 50001
	FOREST PRODUCTS CHAIN OF CUSTODY		QUALITY	HEALTH & SAFETY	ENVIRONMENT	ENERGY
Mangualde	●	●	●	●	●	●
Oliveira do Hospital	●	●	●	●	●	●
Sines*	●	●	●	●	●	
Linares	●	●	●	●	●	●
Valladolid	●	●	●	●	●	●
Cuéllar**	●	●	●	●	●	
Meppen	●	●	●	●	●	●
Nettgau	●	●	●	●	●	●
Beeskow	●	●	●	●	●	●
Kaisersesch***	●	●	●	●	●	●
White River	●		●	●	●	

in green, all wood-based panels industrial units
*resins & paper impregnation plant; **sawmill; ***paper impregnation plant

More detailed information on certifications such as ISO management systems, FSC®, and PEFC is presented in the environmental thematic sections (E1, E2, E3, and E5), the social sections (S1 and S4), and the governance section (G1).

To further reinforce a culture of integrity and accountability, Sonae Arauco provides a **whistleblowing channel** that enables employees and stakeholders to confidentially report any concerns related to conduct, ethics, or legal compliance without fear of retaliation. This mechanism is supported by several Sonae Arauco policies and is safeguarded by the Ethics Committee, ensuring that all reports are handled securely, impartially, and with the utmost confidentiality.

As part of Sonae Arauco's ESG journey, during 2025, Sonae Arauco, S.A. formally became committed to the UN Global Compact (UNGC), demonstrating alignment with the 10 principles on human rights, labour, the environment, and anti-corruption, and reinforcing the culture and engagement needed to advance these issues across operations.

To strengthen its systematic approach to the supply chain, Sonae Arauco developed new policies and procedures to provide the appropriate guidance to embed responsible business conduct across stakeholder relationships.

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN THE SUSTAINABILITY STATEMENT
a) Embedding due diligence in governance, strategy and business model	ESRS 2
b) Engaging with affected stakeholders in all key steps of the due diligence	GOV-2 | SBM-2 | IRO-1 | S1-2 | S4-2
c) Identifying and assessing adverse impacts	SBM-3 | IRO-1 | G1
d) Taking actions to address those adverse impacts	ESRS 2 MDR-A | E1, E2, E3, E5, S1, S4 and G1.
e) Tracking the effectiveness of these efforts and communicating	ESRS 2 MDR-M | ESRS 2 MDR-T | E1, E2, E3, E5, S1, S4 and G1.

Risk management and internal controls over sustainability reporting (GOV-5)

Following the preparation for the Corporate Sustainability Reporting Directive (CSRD), Sonae Arauco has initiated a structured approach to identify sustainability reporting risks, reassess existing controls and progressively strengthen internal control activities supporting sustainability disclosures. This approach builds on the Group's existing risk management and internal control frameworks and is being developed in line with CSRD and ESRS requirements.

Sustainability reporting processes are prioritised based on the results of the Double Materiality Assessment (DMA), with particular focus on quantitative data related to material ESRS topics.

Internal controls currently in place include defined roles and responsibilities, documented methodologies and reporting guidelines, and review and approval procedures. Oversight is exercised by the management and reported to the Executive Committee.

The main sustainability reporting risks identified include data inaccuracies or inconsistencies arising from decentralised data collection, delayed data availability, and challenges related to the interpretation and application of evolving CSRD and ESRS requirements. Mitigation strategies in place or under development include documented reporting methodologies, review and approval procedures, and plausibility and consistency checks, including comparisons with operational data and prior periods.

Sonae Arauco recognises that the risk management and internal control framework over sustainability reporting requires further strengthening and calibration, including deeper integration with core management processes such as the Group's management system, strategy review, and planning and performance management cycles. The framework is therefore considered evolving, with enhancements planned to support increasing reporting scope, data maturity and assurance expectations over time.

STRATEGY

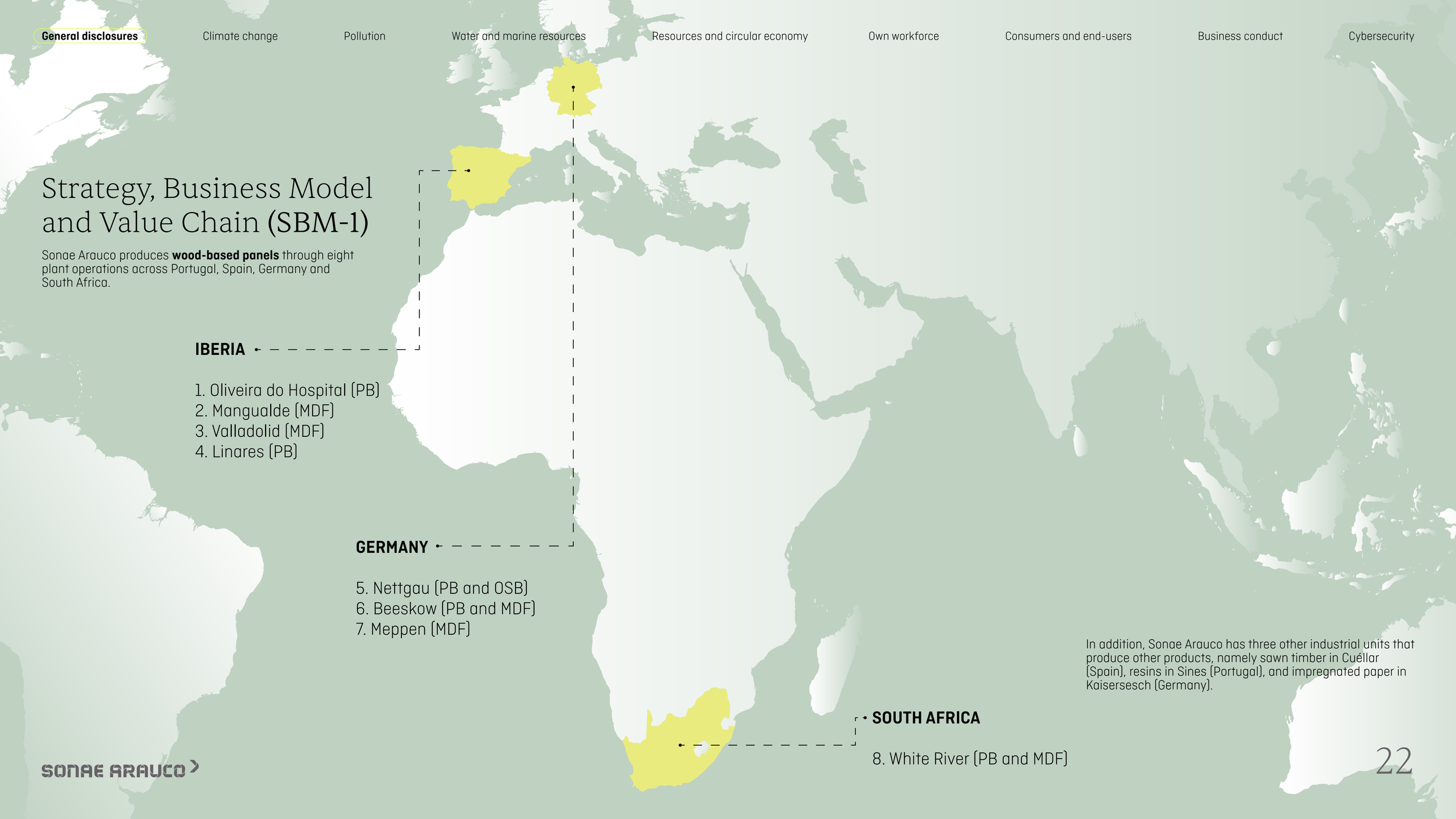
SONAE ARAUCO

Taking wood further

ESRS 2 - GENERAL DISCLOSURES

Strategy, Business Model and Value Chain (SBM-1)

Sonae Arauco produces **wood-based panels** through eight plant operations across Portugal, Spain, Germany and South Africa.



IBERIA

1. Oliveira do Hospital (PB)
2. Mangualde (MDF)
3. Valladolid (MDF)
4. Linares (PB)

GERMANY

5. Nettgau (PB and OSB)
6. Beeskow (PB and MDF)
7. Meppen (MDF)

SOUTH AFRICA

8. White River (PB and MDF)

In addition, Sonae Arauco has three other industrial units that produce other products, namely sawn timber in Cuéllar (Spain), resins in Sines (Portugal), and impregnated paper in Kaisersesch (Germany).

As part of its activities, **Sonae Arauco operates 11 recycling centres**, which are an integral part of the company's strategy and business model. The recycling centres are located in the Iberian Peninsula:

1. Alfena
2. Seixal
3. Souselas

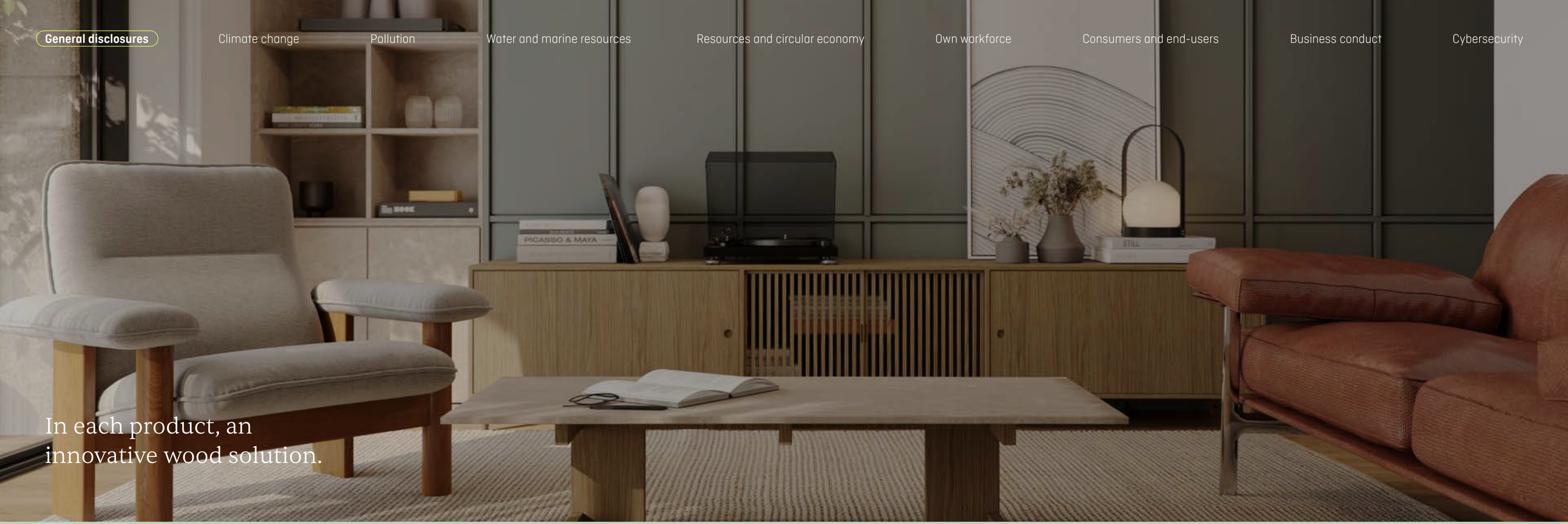
PORTUGAL

4. Alcazarén
5. Barberá del Vallés
6. Sevilla*
7. Fuenlabrada
8. Arganda del Rey
9. Pozo Cañada
10. Llinars del Vallés
11. Córdoba*

* Joint ventures (50%)

SPAIN

The Sonae Arauco commercial offices perform administrative activities and representations across 8 countries in Europe and Africa:



In each product, an innovative wood solution.

Sonae Arauco's goal is to develop solutions inspired by wood that combine industrial knowledge, functionality, quality, design and price, producing three main types of products:

- Particleboard (PB);
- Medium-density fibreboard (MDF);
- Oriented Strand Board (OSB).

Sonae Arauco's portfolio includes a wide range of products that cater to the diverse needs of the furniture, interior design and construction markets, from standard solutions to the most technically demanding. These products are sold mainly under the following brands:

core&TECHNICAL® Products

Core & Technical: Wood-based panels are the most sustainable, flexible and functional alternative to solid wood. Our raw products - Particleboard, MDF and OSB – fit a growing number of applications.

innovus® Decorative Products

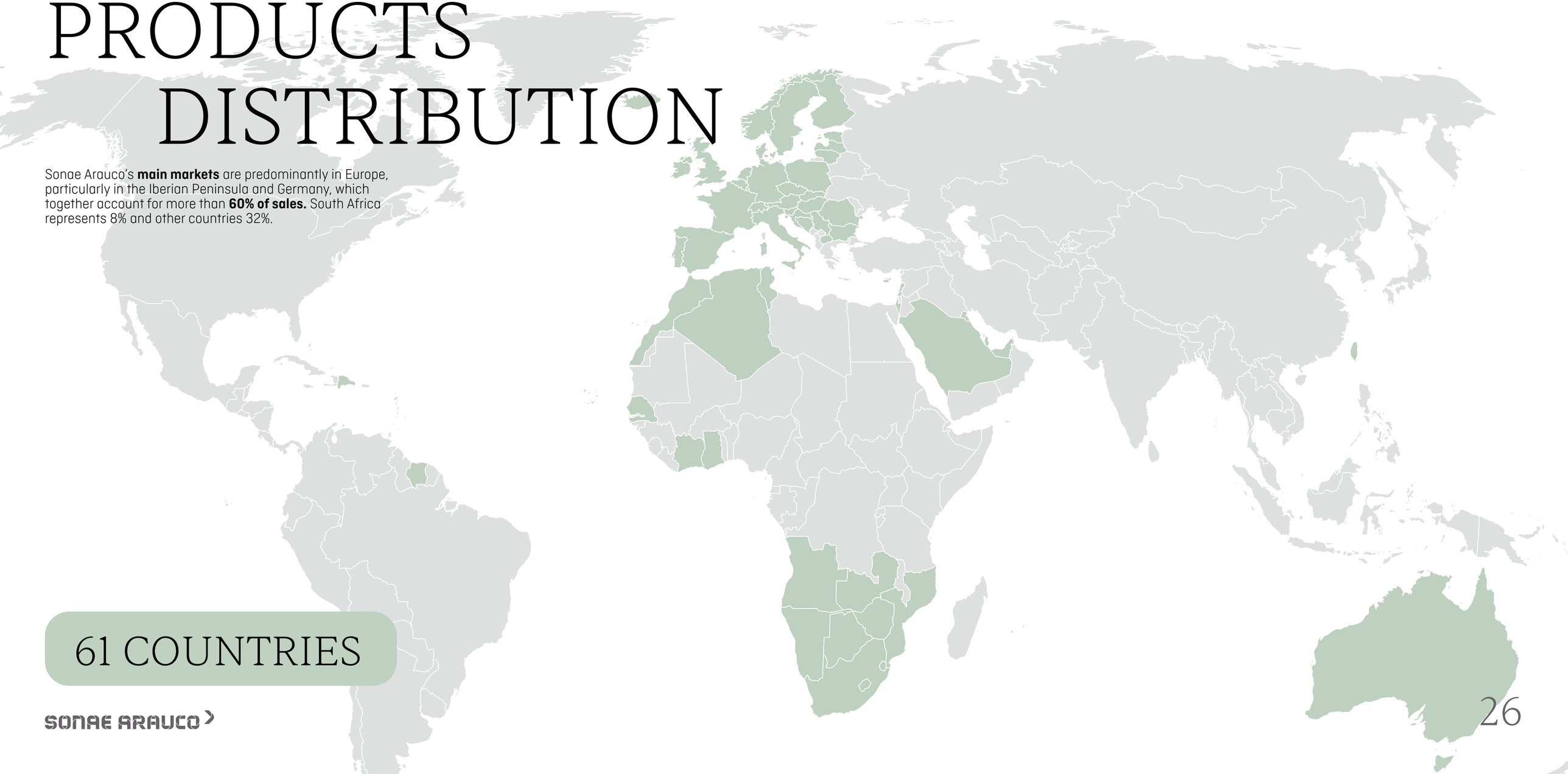
Innovus® collection: A comprehensive portfolio of versatile and contemporary solutions for interior spaces, with authentic, sophisticated and sustainable designs. Including more than 220 decorative solutions, 45 new innovative and versatile decors, and 4 premium textures.

AGEPAN® SYSTEM

AGEPAN® SYSTEM: Integrated system of sustainable wood solutions for building, insulation and renovation, ideal for roofs, walls and floors.

PRODUCTS DISTRIBUTION

Sonae Arauco's **main markets** are predominantly in Europe, particularly in the Iberian Peninsula and Germany, which together account for more than **60% of sales.** South Africa represents 8% and other countries 32%.

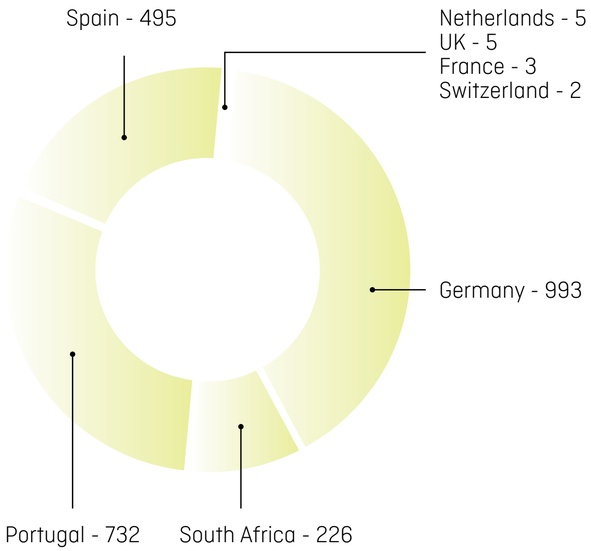


61 COUNTRIES

Sonae Arauco's **main customers** are wholesalers and industrial companies. Its local sales structure prioritises proximity to customers, thereby minimising response times and benefiting from in-depth knowledge of customers' requirements. This enables the company to build strong, long-term relationships and to live up to its ambition to be a dedicated and reliable supplier.

The total number of **employees** by Sonae Arauco in 2025 is 2,461 employees (FTE) in 8 different countries across Europe and Africa. More information related to employees' data can be accessed under S1-6 (Characteristics of Employees).

 # EMPLOYEES PER COUNTRY



Given the diversity of Sonae Arauco's operations and the distinct contribution of its main business areas, the distribution of consolidated revenue is presented by significant sectors. The table below illustrates this breakdown, providing insight into the relative weight of each area in the company's overall economic performance.

ACTIVITY	REVENUE (€)
Pulp, Paper & Wood products	815 814 239€
Others	25 018 554€
Total	**840 833 123€**

Sonae Arauco is one of the world's most relevant producers of wood-based solutions, made from a natural, renewable and recyclable raw material.

Sonae Arauco is committed to the sustainable use of raw materials and actively upholds these principles in all its business practices. The company believes that an efficient value chain can stimulate investment and the active management of forests. In this context, wood-based panels contribute to the sustainable use of forest resources and play a relevant role in the transition to a more sustainable economic model.

SONAE ARAUCO STRATEGY

With a clear guiding purpose – to be the company of choice – and an unwavering ambition to affirm the potential of wood-based solutions as key to the transition to a sustainable economic model, the strategy is customer-centred, based on value creation, and has partnerships at its core.

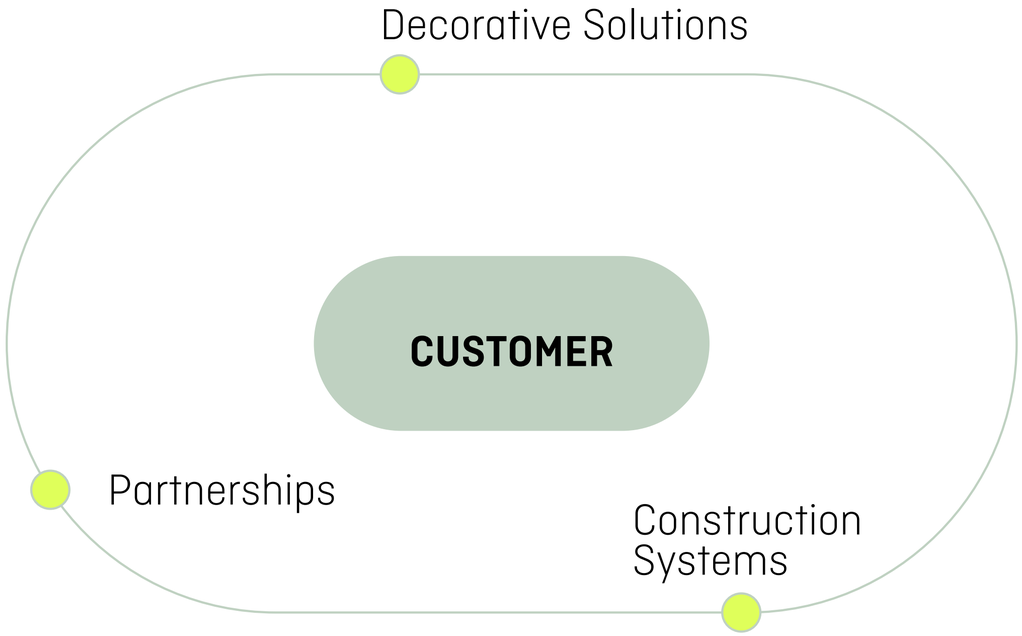
Sonae Arauco's strategy is structured around five strategic pillars.

PEOPLE AND CULTURE | **VALUE-BASED INNOVATION** | **PARTNER FOR VALUE** | **OPERATIONAL EXCELLENCE** | **CARING FOR THE PLANET**

All the strategic pillars are connected to, or contribute directly or indirectly to, sustainability – a core value for Sonae Arauco. Furthermore, the "Caring for the Planet" pillar is fully dedicated to reinforcing the company's commitment in this area and to developing actions that support the broader ESG strategy and objectives.

- Promotion of Circular Economy
- Waste Reduction
- Preservation of natural resources
- Ensuring carbon storage
- Reducing the carbon footprint

The Value2Win (V2W) project reinforces this approach by placing customers and partnerships at the centre of decision-making, strengthening collaboration and co-creation across all products, especially decorative solutions and construction systems.



Sonae Arauco's customer value strategy is grounded in its core values:

- The starting point on which the company was founded: its industrial heritage and expertise, its proud industrial soul.
- A commitment to wood-based life improvement, delivering solutions to the market for furniture, interior design, and construction.
- Through wood-lasting alliances with stakeholders across its value chain.

PROUD INDUSTRIAL SOUL

- Wood-based expertise
- Long-term business vision
- Solid growth ambition

WOOD-BASED LIFE IMPROVEMENT

- Sustainable and renewable
- Innovative
- Fit for purpose

WOOD-LASTING ALLIANCES

- Ethics and transparency
- Long-lasting partnerships
- Safety and good citizenship

SUSTAINABLE DEVELOPMENT GOALS

Sonae Arauco supports all 17 United Nations Sustainable Development Goals (SDGs). Based on its business model and materiality assessment, the Company has identified specific SDGs where it can exert the greatest and most material influence through its operations and value chain. The following section describes how Sonae Arauco embeds the SDGs in its strategy, actions, day-to-day decisions, and results.

As wood is the core raw material for Sonae Arauco products, the business model is built around the use of renewable, reusable and recyclable materials. Wood-based panels play an important role in enabling decarbonisation across the construction, furniture and interior design value chain.

STRATEGIC PILLAR STRUCTURE				
PEOPLE AND CULTURE	**OPERATIONAL EXCELLENCE**	**VALUE BASED INNOVATION**	**PARTNER FOR VALUE**	**CARING FORTHE PLANET**
Ambition: Adequate Wages & Working Conditions | SDG subtopics 1.1, 1.2	Ambition: Responsible Use of Water | SDG subtopics 6.3, 6.4, 6.6	Ambition: Sustainable & Impactful Innovation | SDG subtopics 9.1, 9.4	Ambition: Solutions for Better Living | SDG subtopics 7.2, 7.3	Ambition: Climate Action & Resilience | SDG subtopics 13.1, 13.2, 13.3
Ambition: Safe Workplaces | SDG subtopics 8.5, 8.7, 8.8	Ambition: Efficiency and Clean Energy Use | SDG subtopics 7.2, 7.3			Ambition: Protecting Forests & Biodiversity | SDG subtopics 15.1, 15.2, 15.5
	Ambition: Circular Use of Materials | SDG subtopics 12.2, 12.4, 12.5, 12.6			

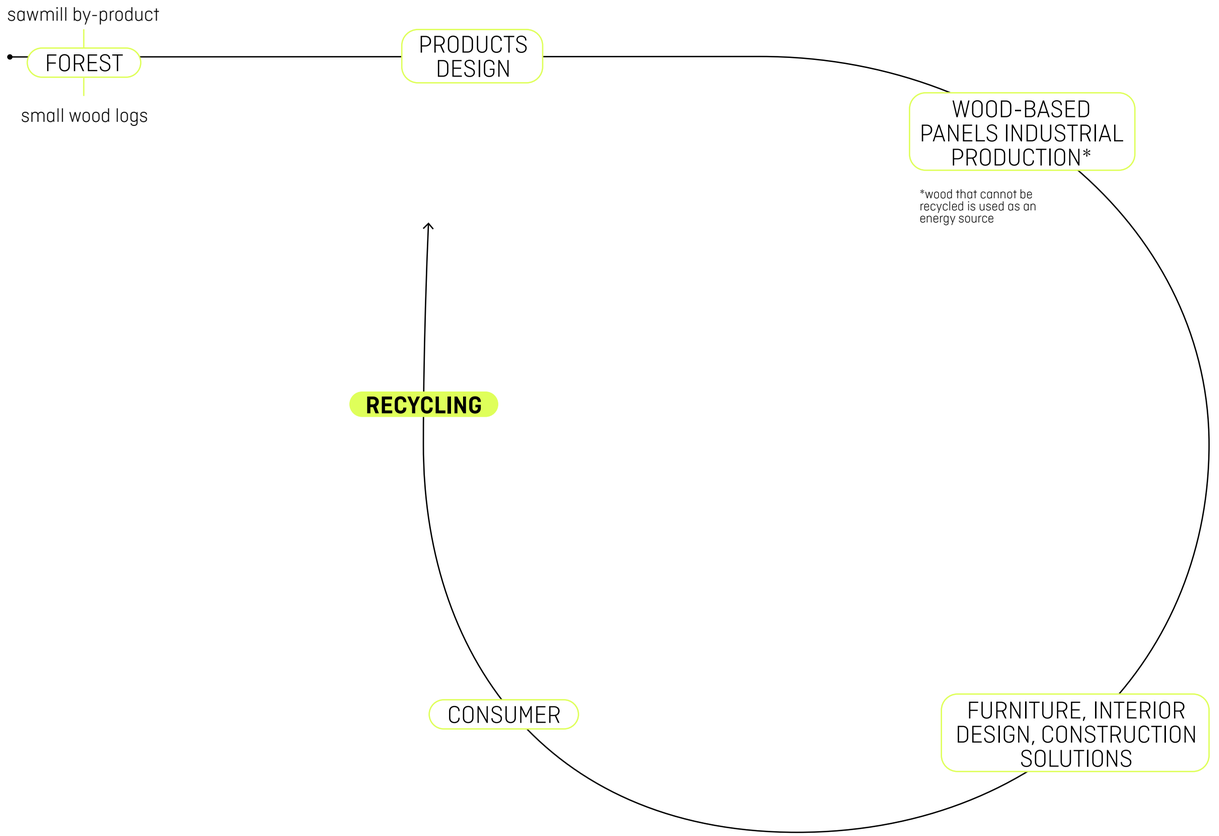
STRATEGIC PILLAR	SDG	OUR AMBITION	COMMITMENTS	KEY ACTIONS 2025	TARGETS
PEOPLE AND CULTURE	1	Adequate Wages & Working Conditions	Ensure Adequate Wages & Working Conditions for all employees.	• Progressed the Living Wage assessment and commitent; • Advanced internal reskilling and upskilling programs through SAKA and external community initiatives such as PRO_MOV AND BBBEE.	**100%** of employees earning a living wage by **2028**.
	8	Safe Workplaces	Promote a safe, healthy, and inclusive workplace with a proactive sofery culfure.	• Advanced Safety and Risk Management roadmaps: progressed the BOOST Safety Culture Program; • Improved Severity Rate and the Global Safety KPI.	Global Safety KPI **≤100** by **2027**.
VALUE-BASED INNOVATION	9	Sustainable & Impactful Innovation	Develop innovative products and solutions that deliver environmental and social value.	• Progressed projects and research networks such as EcoReFibre, CircularWood, CIR4FUN and SusBoard; • Started operations of the MDF recycling line.	Replace up to **20%** of virgin fibers with **recycled** fibers from post-consumer MDF.
PARTNER FOR VALUE	11	Solutions for Better Living	Provide sustainable, high-performance solutions that enhance building quality and well-being.	• Continued development of AGEPAN® SYSTEM and decorative products; • Provided customers with transparent product-level information, including EPDs, PCFs and a carbon footprint estimator.	Further development of **construction systems**.
OPERATIONAL EXCELLENCE	6	Resposible Use of Water	Optimise water use efficiency across operations and promote water circularity.	• Improved water efficiency by 6%; reduced freshwater withdrawals by 7%; • Initiated a framework for reused and recycled water; completed a water-stress risk assessment.	Reduce water intensity by **5%** by **2026** vs. **2023**.
	7	Efficient & Clean Energy Use	Reduce energy consumption and accelerate the transition to renewable energy.	• Increased the share of renewable energy; intensity target not achieved but efficiency programs continued; • Progressed in fleet and machinery electrification.	Reduce energy intensity by **1%** by **2026** vs. **2025**.
	12	Circular Use of Materials	Embed circular design principles and increase the use of recycled and responsibly sourced materials.	• Incorporated 42% recycled wood and by-products globally; • Reduced waste intensity by 6.1%.	Increase the collection and recycling of post-consumer products by **≥5%** by **2027**.
CARING FOR THE PLANET	13	Climate Action & Resilience	Reduce greenhouse gas emissions and strengthen climate resilience across operations and the value chain.	• Reduced total absolute emissions by 4% and Scope 1+2 emissions by 7% versus the previous year; • Included a CO_2eq variable in CAPEX decisions: • Normalised quarterly reporting of Scope 1 and 2 emissions; • Scope 3 remains a priority.	Reduce **Scope 1** and **2** carbon footprint by **58.8%** by **2033** vs. **2019** baseline.
	15	Protecting Forests & Biodiversity	Ensure responsible forest management and contribute to biodiversity protection and restoration.	• Kept using 100% of wood from controlled sources; Certified wood used 78%; Planted 347 ha under the CO_2 capture project; • Selected families for reproduction under the Gene Radiata Project; • Completed the biodiversity risk assessment.	Increase the share of wood materials from certified sources by **5%** by **2026** vs. **2024.**

SONAE ARAUCO'S BUSINESS MODEL AND VALUE CHAIN

The company's commitment to sustainable development goes beyond forest and management certifications. It includes the implementation of a circular bioeconomy model, the ongoing integration of recycled wood into the industrial process, and the development of wood-based solutions that actively contribute to decarbonisation. Through continuous investment in innovation and R&D, Sonae Arauco seeks to achieve a sustainable balance in which economic growth, social well-being, and environmental protection progress together.

Sonae Arauco is committed to the responsible use of raw materials and applies these principles across all its business practices. Wood-based panels offer several advantages, including:

- An attractive alternative to solid wood;
- High-dimensional flexibility, allowing for the development of made-to-measure products;
- Significantly lower environmental impacts, when compared with other building materials such as steel and concrete;
- Support for improved energy efficiency and a reduction in greenhouse gas emissions;
- The ability to store carbon, contributing to lower CO_2 emissions over the product lifecycle;
- Recyclability at the end of their lifespan, enabling transformation into new products and supporting a continuous circular process.



The production of wood-based panels at Sonae Arauco thus incorporates several of the principles of circular economics, such as:

DESIGN OF PRODUCTS THAT MINIMISE WASTE
With the design or redesign of products that take into account a less intensive use of resources, giving priority to renewable and non-hazardous materials, as well as the integration of recovered raw materials.

MORE EFFICIENT PRODUCTION MODELS
Reduction in the consumption of virgin raw materials, as well as production processes that minimise waste.

IMPROVEMENT IN ENERGY EFFICIENCY
Continuous investment in more efficient production processes with less associated carbon emissions.

EXTENSION OF THE LIFE CYCLE OF MATERIALS
Optimisation of take-back, reuse and remanufacturing or recycling networks.

PROMOTION OF BY-PRODUCTS AND UPCYCLING
Production of new solutions using waste/by-products, focusing on upcycling (the process of converting waste into new materials or products with greater added value).

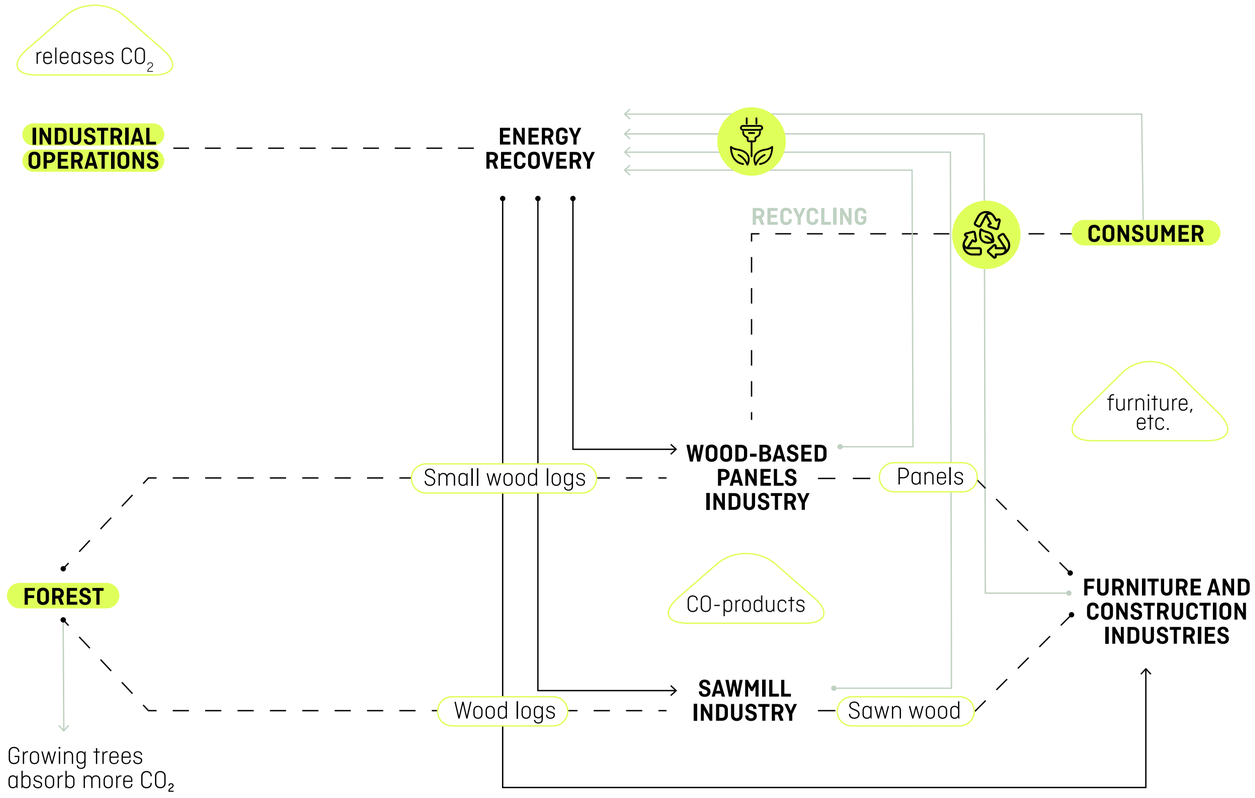
AWARENESS AND SOCIAL ENGAGEMENT
Including environmental education initiatives on the importance of forests and wood recycling, amongst other initiatives.

LIFE CYCLE OF WOOD AND WOOD-BASED PRODUCTS

We turn wood waste into new products - extending its lifecycle while keeping the CO_2 locked away.

Only the wood that cannot be recycled should be used as energy source.

Recycling prolongs the life of wood, allows the carbon to remain stored and prevents its burning and consequent release of CO_2 to the atmosphere.



THE UPSTREAM VALUE CHAIN consists primarily of suppliers from the wood, pulp and paper, and chemicals industries, which provide the core raw materials used in Sonae Arauco's operations.

OWN OPERATIONS comprise Sonae Arauco's core activities across its geographies, namely recycling centres, industrial operations and wood-based panels industrial operations (wood-based panel plants).

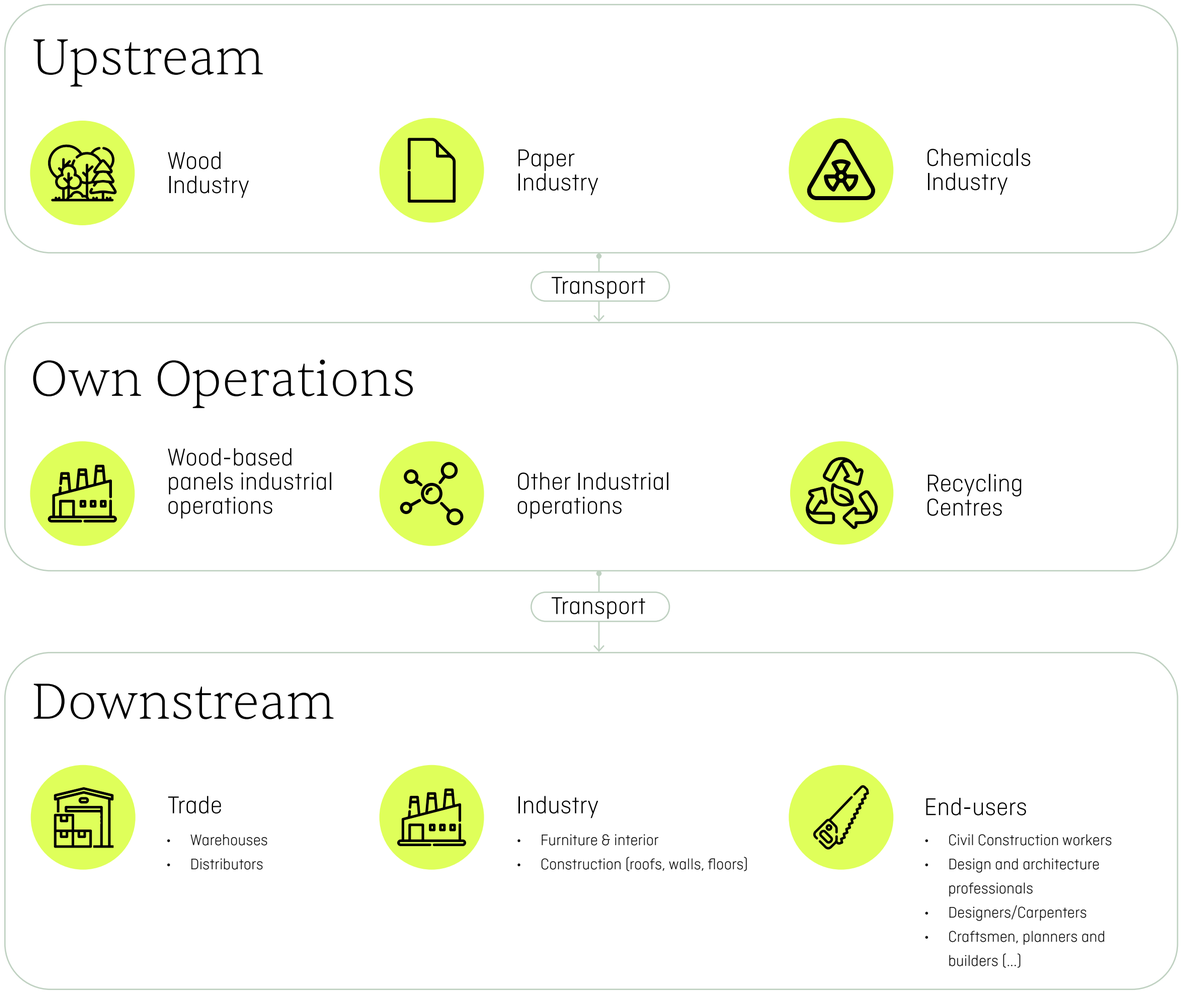
The wood-based panels industrial operations transform raw materials such as wood, resins, and other components into wood-based panel solutions. The plants produce PB (particleboard), MDF (medium-density fibreboard) and OSB (oriented strand board). With a range of characteristics and properties, the panels are suitable for a growing number of applications, such as home and office furniture (including bathrooms and kitchens), as well as doors, wall panelling and decorative elements for residential and public projects. The solutions can include features such as fire retardance, moisture resistance, anti-fingerprint and antibacterial properties, as well as low formaldehyde emission levels.

The other industrial operations referenced above also provide solutions that are closely linked to the development of wood-based panels. Sonae Arauco operates a timber sawing unit in Cuéllar, Spain, whose primary purpose is to produce sawn wood and wood pallets. The resins produced by Euroresinas in Sines (Portugal) are a crucial component of wood-based panels, acting as a binding agent that enhances mechanical strength, durability, and moisture resistance, while enabling fibres or particles to bond under heat and pressure. In addition, the impregnated paper produced by Euroresinas (Portugal) and Impaper (Germany) can be used as a decorative or protective surface layer, providing improved wear resistance, aesthetic versatility, and long-term stability. Together, these materials help ensure the quality and versatility of Sonae Arauco wood panels across a wide range of industrial and commercial applications.

Recycling centres: Within an integrated business model, part of the wood used by Sonae Arauco's industrial operations begins its journey in structured recycling operations at centres located in strategic regions, through **Tecmasa** (Spain) and **Ecociclo** (Portugal). The wood comes from wood waste collected from entities across all sectors, supplemented by more than 800 containers for direct collection, distributed throughout customers' facilities.

Sonae Arauco played a pioneering role in creating a wood waste recycling system in the Iberian Peninsula to promote the collection and reintegration of recycled materials into the production process, from pallets to packaging, furniture, doors, construction, municipal waste, and more. The system also takes advantage of and creates value for industry by-products, such as slabs, sawdust, or wood chips.

THE DOWNSTREAM VALUE CHAIN includes the range of customers that rely on Sonae Arauco's products, including both the trade sector (such as distributors and retailers) and the industrial sector (such as furniture manufacturing and construction). It also includes end-users, such as carpenters, designers, and other skilled professionals who transform these materials into finished products.



Interests and views of stakeholders (SBM-2)

Following the double materiality assessment carried out in 2025, the stakeholder groups to be consulted were identified, considering their relevance to Sonae Arauco and the influence they exert on the company's activities. Priority stakeholders include employees, customers, suppliers, researchers, educational institutions, shareholders, society and government, as these groups have the greatest influence on operations and are also among those most affected by the organisation's strategic and sustainability-related decisions.

Communication and engagement mechanisms vary by stakeholder group, reflecting different needs, expectations and levels of influence. The engagement processes in place aim to strengthen relationships, promote a positive working environment, foster a sense of community, support a more resilient value chain, and ensure the effective management of identified impacts, risks and opportunities. Ongoing engagement contributes to more informed decision-making, greater transparency, and the integration of sustainability principles into the company's business strategy.

The outcomes of this engagement help ensure that sustainability objectives are aligned with the expectations and needs of the most relevant stakeholders. By promoting transparent dialogue and active collaboration, engagement supports the identification of future actions, strengthens trust across the value chain, and helps to drive continuous improvement in ESG performance, reinforcing Sonae Arauco's commitment to long-term shared value creation.

STAKEHOLDER CATEGORY	TYPE OF ENGAGEMENT	INTERESTS AND VIEWS
Employees	• Employee satisfaction pulse survey • Employee consultations and feedback • Q&A sessions • Works Councils • Safety roadmap 2020–2028 • Cooperation with employee representatives • Whistleblowing channel	• Health and safety • Working conditions • Social dialogue • Appropriate working practices • Access to resources • Job satisfaction • Active participation • Communication and information
Customers	• Customer satisfaction survey (CSS) • Sonae Arauco newsletters • Strategic meetings • Projects (V2W) • Customer portal • Whistleblowing channel	• Product quality • Product information and performance • Regulatory compliance • Innovation • Sustainability credentials
Suppliers	• Qualification and Evaluation Processes, including due diligence • Strategic meetings • Whistleblowing channel	• Payment practices • Compliance with contractual obligations • Sustainable supply chain practices • Health and safety
Researchers, educational institutions and students	• Scholarships • Cooperation projects • Site visits	• Research and development collaboration • Education, training and skills development • Learning opportunities
Shareholders	• General Shareholders' Meeting	• Return on investment • Confidence in the company's sustainability performance
Society and government (associations and communities are included)	• Formal meetings • Collaboration events • Newsletters • Site visits • Open Days • Whistleblowing channel	• Trust in a responsible organisation that generates employment, creates wealth, and protects and preserves both the working population and the environment, contributing to sustainable development • Policy engagement and lobbying • Partnerships • Public policy engagement • Safeguarding biodiversity • Compliance with legal and regulatory requirements • Health and safety • Community involvement

The administrative, management and supervisory bodies of Sonae Arauco are informed about the views and interests of affected stakeholders through the **Sustainability Working Group (SWG)**, the company's main internal mechanism for coordination and reporting on sustainability matters.

The SWG is a multidisciplinary group composed of representatives from various functional and operational areas of the company, including representation from the Executive Committee, ensuring a direct connection to senior leadership. The group meets monthly to monitor the progress of ESG projects, discuss material topics and consolidate internal and external inputs, including stakeholder feedback.

For more information about the SWG, access the section Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (GOV-2).

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

Sonae Arauco's double materiality assessment led to the identification of impacts, risks and opportunities (IROs) across its own operations and value chain, in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD). During this process, links between IROs, their potential dependencies and the relevant time horizons were established, taking into account business relationships across the upstream and downstream value chain, as well as Sonae Arauco's own operations. A summary of the material subtopics is presented in the table below. A detailed description of the identification of each impact, risk and opportunity by ESRS subtopics is provided in the relevant thematic sections, including the links to the strategy and business model.

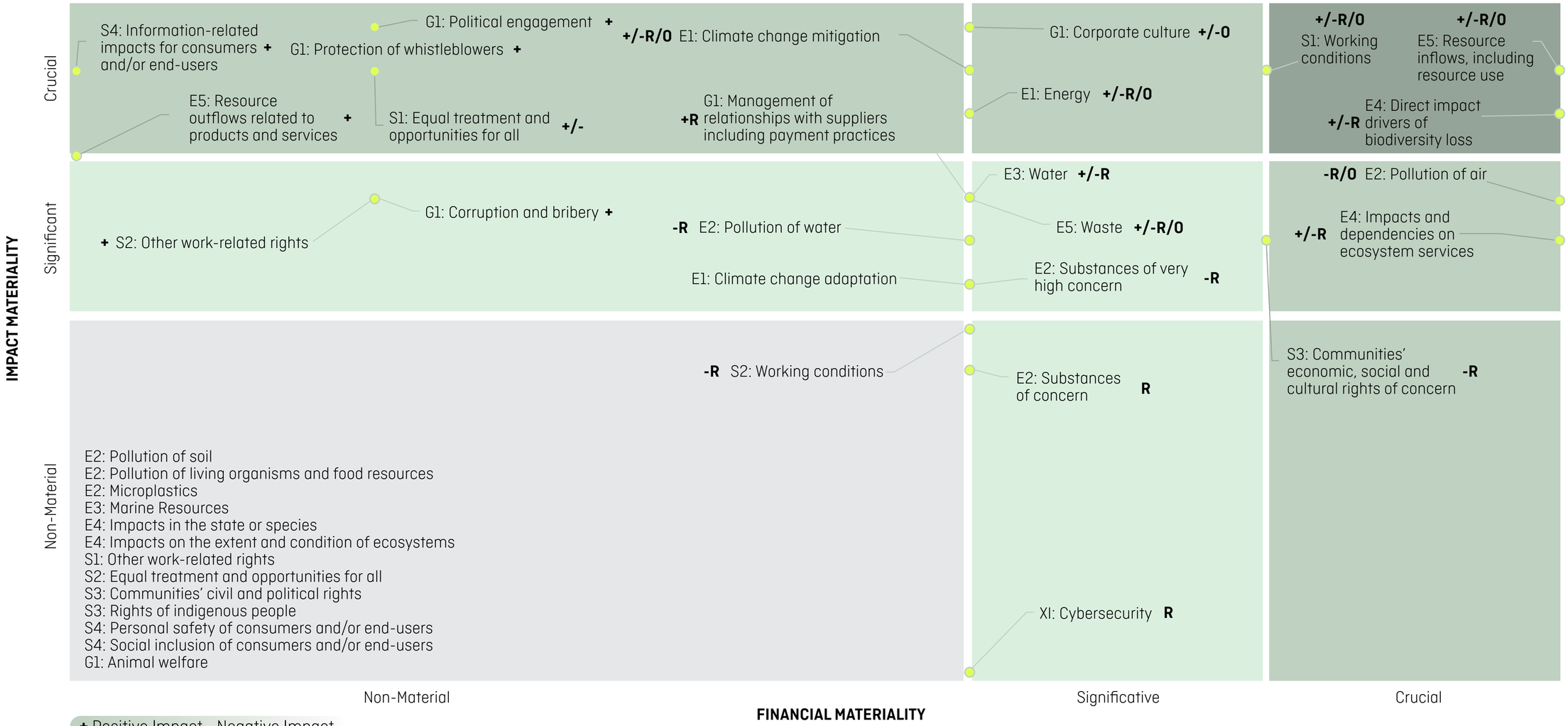
Sonae Arauco's double materiality assessment resulted in the identification of 25 material subtopics: 13 environmental subtopics, 6 social subtopics, 5 governance subtopics, and 1 entity-specific subtopic related to cybersecurity.

To date, Sonae Arauco has not carried out an analysis of the resilience of its strategy and business model in relation to the identified IROs.

DOUBLE MATERIALITY ASSESSMENT

ESRS TOPIC	ESRS SUBTOPIC	IMPACT MATERIALITY	FINANCIAL MATERIALITY	MATERIALITY ASSESSMENT
E1	Climate change adaptation	●	●	●
	Climate change mitigation	●	●	●
	Energy	●	●	●
E2	Pollution of air	●	●	●
	Pollution of water	●	●	●
	Substances of concern		●	●
	Substances of very high concern	●	●	●
E3	Water	●	●	●
E4	Direct impact drivers of biodiversity loss	●	●	●
	Impacts and dependencies on ecosystem services	●	●	●
E5	Resource inflows, including resource use	●	●	●
	Resource outflows related to products and services	●		●
	Waste	●	●	●

ESRS TOPIC	ESRS SUBTOPIC	IMPACT MATERIALITY	FINANCIAL MATERIALITY	MATERIALITY ASSESSMENT
S1	Working conditions	●	●	●
	Equal treatment and opportunities for all	●		●
S2	Working conditions	●	●	●
	Other work-related rights	●		●
S3	Communities' economic, social and cultural rights	●	●	●
S4	Information-related impacts for consumers and/or end-users	●		●
G1	Corporate culture	●	●	●
	Protection of whistleblowers	●		●
	Political engagement	●		●
	Management of relationships with suppliers including payment practices	●	●	●
	Corruption and bribery	●		●
X1	Cybersecurity		●	●



+ Positive Impact **-** Negative Impact

R Risk | **O** Opportunity

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

SONAE ARAUCO
Taking wood further

ESRS 2 - GENERAL DISCLOSURES

Description of the processes to identify and assess material impacts, risks, and opportunities (IRO-1)

DOUBLE MATERIALITY ASSESSMENT

During 2025, Sonae Arauco carried out its Double Materiality Assessment (DMA) in accordance with the requirements of the European Sustainability Reporting Standards (ESRS), to refine the materiality process and related outcomes for its first report under the Corporate Sustainability Reporting Directive (CSRD) for the FY25 financial year.

Sonae Arauco's DMA identified and evaluated ESG impacts, risks and opportunities (IROs) across its own operations and its upstream and downstream value chain. The assessment followed a methodology for both impact materiality and financial materiality, which is described in detail in the following sections.

1. PREPARATION OF THE DOUBLE MATERIALITY ASSESSMENT

For the identification of IROs within its own operations, all entities of the organisation were included within the scope. In addition, to ensure a comprehensive analysis, the process considered potential IROs across upstream activities - from wood extraction, paper production, and chemical manufacturing - to downstream segments such as trading, construction, and the furniture industry, as well as end-users, in line with the section on Sonae Arauco's business model and value chain presented above in "Strategy, Business Model and Value Chain" (SBM-1).

In the initial phase of the DMA, Sonae Arauco defined the main business areas, relevant geographic locations, and the associated stakeholders to be involved. This structured approach guided the identification of IROs, while also highlighting the critical areas and stakeholder groups to be involved in the process.

Based on the scope defined for the DMA and the stakeholders identified, **questionnaires** were administered to both **internal and external stakeholders** to gather their perspectives on Sonae Arauco's impacts across the various ESG topics. This systematic collection of input supported the integration of stakeholder views in the identification of IROs. This structured engagement strengthened the robustness and legitimacy of the process, ensuring that the assessment reflected both stakeholders' concerns and expectations and the specific characteristics of Sonae Arauco's operations across its value chain.

The stakeholders identified as relevant were:

- Employees;
- Shareholders;
- Suppliers;
- Customers;
- Society and government (associations and communities are included);
- Researchers, educational institutions and students;
- Media.

In addition, a total of **22 internal functional experts**, representing different areas and locations across Sonae Arauco, were selected to participate in **16 interviews** to support the identification and assessment of sustainability matters across its operations and value chain.

The functional experts were selected based on their experience and technical knowledge in their respective areas, as well as their involvement in the company's overall management. The areas represented included Forestry & Wood Sourcing, OIS&E (Occupational & Industrial Safety and Environment) & Risk Management, Corporate Communication & Social Responsibility, Marketing, Human Resources, Quality, and the Integrated Management System, among others. This approach ensured the collection of a cross-functional view of ESG topics across Sonae Arauco's operations and value chain.

2. IDENTIFICATION OF IMPACTS, RISKS, AND OPPORTUNITIES

To develop the list of impacts, risks, and opportunities, Sonae Arauco adopted an integrated methodological approach that combined several relevant sources of information, including the previous materiality assessment conducted, market and sector benchmarking, as well as a comprehensive internal and external consultation process.

In this context, a positive impact was defined as any additionality beyond what is normally practised or expected; that is, anything that goes beyond the mere fulfilment of the organisation's legal or operational obligations. A negative impact was understood as any adverse effect that may compromise the well-being of people or the environment, regardless of whether it results from Sonae Arauco's activities or from its value chain.

All identified impacts were classified according to their time horizon, distinguishing between actual and potential impacts, their location within the value chain, the degree of Sonae Arauco's involvement in their occurrence, and, finally, the relationship of each identified impact with human rights.

Regarding the identification of risks, these are understood as potential negative financial effects for the company arising from adverse impacts, dependencies, or other external conditions. In contrast, opportunities correspond to potential positive financial effects for the company, resulting, for example, from the adoption of sustainable practices, innovation, or an effective response to market or regulatory trends and expectations.

All risks and opportunities were classified considering the time horizon, their origin within the value chain, whether they stem from any previously identified impact, and whether they arise from dependencies.

In conclusion, the preliminary list of potentially material ESG topics was developed based on the results of the interviews and questionnaires, supported by internal documentation and market and sector benchmarking. This process ensured a comprehensive and well-founded understanding of the topics most relevant to the organisation and its stakeholders.

The process resulted in **218 IROs identified — 136 impacts and 82 risks and opportunities** — which were detailed based on specificities and local context, ensuring an analysis that accurately reflects the reality and complexity of Sonae Arauco's organisational universe.

3. ASSESSMENT OF IMPACT MATERIALITY AND FINANCIAL MATERIALITY

The IROs identified were assessed by technical experts and contributors from the various thematic areas according to their areas of competence, as defined by Sonae Arauco's sustainability team.

The assessment was carried out with continuous support from the project's central team and combined a quantitative approach, based on predefined scoring scales, with a qualitative approach, in accordance with the methodology set out below.

Methodology and process for the assessment of impact materiality

Sonae Arauco's impact assessment was conducted based on rigorous criteria, distinguishing between actual and potential impacts.

- Actual: The impact already exists.
- Potential: The impact does not yet exist but could exist in the future.

The identified actual impacts were evaluated solely in terms of their severity, while potential impacts were assessed considering the severity of the impact and the likelihood of occurrence. The severity of the impact was defined as the sum of three parameters: scale, scope, and remediability:

- Scale: How severe is the impact, based on its magnitude and intensity? Rate the impact's intensity.
- Scope: How widespread is the impact? For example, how many people, natural resources, or regions are or may be affected?
- Remediability: How difficult is it to counteract, remediate, or alter the resulting damages?

It is important to note that the assessment was conducted separately for positive and negative impacts, meaning that they do not offset each other and no form of compensation exists between them.

Regarding Sonae Arauco's involvement in the identified impacts, three categories were considered:

- Directly caused: Impacts that are caused single-handedly by Sonae Arauco.
- Contributed: Impacts to which Sonae Arauco contributes, in conjunction with one or more third parties.
- Directly linked: Impacts to which Sonae Arauco is directly linked through its business relationships, even if it does not cause or contribute to them.

The time horizon of the impacts was classified according to ESRS definitions:

- Short-term: To be defined for each sustainability matter (e.g. ≤ 1 year).
- Medium-term: To be defined for each sustainability matter (e.g. > 1 to 5 years).
- Long-term: To be defined for each sustainability matter (e.g. > 5 years).

In addition, the impacts were classified according to their location within the value chain - upstream, within Sonae Arauco's own operations, or downstream.

Finally, the impacts were also assessed in terms of their potential negative effect on human rights. Whenever negative impacts, whether actual or potential, with implications in this area were identified, the assessment prioritised the severity criterion, regardless of the likelihood of occurrence.

Impact materiality assessment

The classification occurred based on predefined quantitative scales. In the case of **positive impacts**, the materiality scales were structured as follows:

SCALE OF IMPACT	
5	Very high
4	High
3	Medium
2	Low
1	Very Low
0	None
SCOPE OF IMPACT	
5	Global/Total
4	Widespread
3	Medium
2	Concentrated
1	Limited
0	None

LIKELIHOOD OF THE OCCURRENCE	
5	Very likely (> 80%)
4	Likely (60-80%)
3	Rather unlikely (40-60%)
2	Unlikely (20-40%)
1	Very unlikely (< 20%)

In the case of **negative impacts**, in addition to the criteria applied to positive impacts, an additional criterion was introduced – remediability - which was likewise assessed on a scale from 0 to 5.

REMEDIABILITY OF IMPACT	
5	Not remediable
4	Very severe / long-term
3	Difficult / medium-term
2	With effort (time & cost)
1	Relatively easy / short-term
0	Very easy to remediate

Methodology and process for the assessment of financial materiality

Regarding the assessment of financial materiality, the topics were analysed considering their financial magnitude and likelihood of occurrence. Financial magnitude was understood as the potential for loss (risk) or gain (opportunity) for Sonae Arauco's operations, corresponding to the scale or extent of the potential effect on its revenues and costs associated with a specific risk or opportunity.

Regarding the likelihood of occurrence, this refers to the probability that a given risk or opportunity will materialize in a way that could significantly impact Sonae Arauco's financial performance.

Finally, the financial magnitude results from these two factors and was compared against a threshold pre-established by Sonae Arauco, defined based on the tangible net worth, allowing the relevance of each identified risk or opportunity to be assessed.

During the process of identifying risks and opportunities, it was also assessed whether these stemmed from impacts identified in the impact materiality assessment or from dependency relationships. For this purpose, the following dependencies were considered:

- Reliance on natural resources: the potential financial effects are triggered by Sonae Arauco's dependency on continuing to use or obtain natural (mainly physical) resources.
- Reliance on human or social resources: the potential financial effects are triggered by Sonae Arauco's dependency on human or social resources.
- Reliance on business relationships: the potential financial effects are triggered by Sonae Arauco's dependency on business relationships.

The time horizons and value chain origins considered in the financial materiality assessment were the same as the impact materiality.

Financial materiality assessment

After the identification of risks and opportunities, the financial materiality assessment was carried out according to the following financial impact magnitude and likelihood:

FINANCIAL MAGNITUDE	
5	Very high
4	High
3	Medium
2	Low
1	Very low
LIKELIHOOD OF OCCURRENCE	
5	Very likely (>80%)
4	Likely (60 – 80%)
3	Rather Unlikely (40 – 60%)
2	Unlikely (20 – 40%)
1	Very Unlikely (<20%)

The thresholds of Financial Magnitude correspond to increasing degrees of loss (in the case of risk) or gain (in the case of opportunity) that the event could represent for Sonae Arauco.

Furthermore, for each of these levels, Sonae Arauco defined quantitative financial ranges adapted to its reality and risk management model. This approach aimed to ensure comparability with the methodology already applied to the assessment of non-financial risks, ensuring the coherent integration of the analyses into the overall decision-making process.

Calculation of the materiality

The impact materiality score was calculated by summing the scores assigned to scale, scope, and remediability, with the latter parameter applied exclusively to negative impacts, as noted previously. Subsequently, the impact's severity is multiplied by the quantitative likelihood factor in the case of a potential impact. The final score can range from 0 to 15, with a materiality threshold of 8 or higher established as material.

Financial materiality was calculated by multiplying the financial impact magnitude by the likelihood of occurrence, resulting in values between 0 and 5. These were compared against the quantitative threshold of 3, allowing the determination of which risks and opportunities would be considered material.

4. CALIBRATION AND VALIDATION OF PRELIMINARY RESULTS

Once the assessment was completed, the project team carried out a critical review of the results, ensuring their overall consistency and coherence.

The preliminary results were presented at the subtopic level and compared with the findings previously obtained through the sectoral and market benchmark exercise, as well as with the insights gathered from the consultations with internal and external stakeholders.

5. FINAL VALIDATION OF THE DOUBLE MATERIALITY RESULTS

In conclusion, the final outcomes were presented to Sonae Arauco's Executive Committee, which formally approved them, thereby ensuring the legitimacy of the process and its alignment with the company's strategic guidelines. At this stage, the results were also compared with the previously identified potential material topics, and an additional entity-specific topic — Cybersecurity — was incorporated.

Impacts, risks, and opportunities related to climate change

Sonae Arauco carried out the identification and assessment of its climate-related impacts, risks, and opportunities as part of the double materiality assessment. This analysis was conducted with the contribution of functional specialists, internal experts, and other contributors, many of whom are responsible for climate-related topics, including greenhouse gas (GHG) emissions. Internal and external stakeholders were also consulted through questionnaires.

Sonae Arauco recognises that climate change is a global issue requiring urgent and collective action by governments, businesses, and citizens alike. As companies, public entities, and consumers continue to align with the global sustainable development agenda, including the goals of the Paris Agreement, it is essential to ensure that decarbonisation strategies are in place, which first requires an in-depth understanding of associated GHG emissions. Sonae Arauco has committed to achieving carbon-neutral operations in Scope 1 and Scope 2 by 2040. This commitment represents a challenge and anticipates the fulfilment of global and EU goals by 10 years. At the same time, it represents an opportunity for Sonae Arauco to take on the challenge and work towards an even more sustainable business.

During the process, the analysis considered the identification of physical and transition climate-related risks that may affect Sonae Arauco's operations. These identified climate risks are also linked to other thematic standards, namely ESRS E5 – Circular Economy (Resource Inflows), insofar as acute and chronic risks resulting from climate change may adversely affect operational activities and the value chain, with a particular emphasis on the upstream. Such risks may lead to constraints on the availability and accessibility of essential raw materials required for operational activities, specifically wood. Sonae Arauco acknowledges the current context in which existing pressures on access to raw materials may be further exacerbated by climate-related impacts, including the increase in frequency and severity of forest fires as well as prolonged drought conditions. Although Sonae Arauco does not yet have a formal climate risk analysis considering the climate scenarios, the development of this approach is planned for the coming years, in alignment with best practices and international recommendations, such as those of the Task Force on Climate-related Financial Disclosures (TCFD) and the Corporate Sustainability Reporting Directive (CSRD).

Impacts, risks, and opportunities related to pollution

The thematic standard E2 – Pollution was included within Sonae Arauco's reporting scope, as air and water pollution were found to present material impacts, risks, and opportunities across the entire value chain, including the company's own operations. These operations comprise 8 panel board sites, 1 sawmill, 1 resin plant, 1 impregnation plant, and 11 recycling centres.

In the subtopic related to substances of concern, only one material risk was identified within Sonae Arauco's own operations. In the subtopic related to substances of very high concern, material impacts and risks were identified in the company's operations. These material impacts and risks were specifically identified in the 8 panel board sites and the resin plant.

The analysis process considered the main practices promoted by the company across its various locations, the technologies currently available for mitigating impacts, and, finally, the monitoring of regulatory scenarios that have been followed in recent years related to the emission limit values and the hazard classifications of certain chemicals.

Impacts, risks and opportunities related to water and marine resources

The involvement of functional experts, topical experts and contributors, as well as relevant stakeholders, was equally essential for the identification and assessment of impacts, risks, and opportunities related to water and marine resources, both within the value chain and the company's own operations.

Sonae Arauco identified impacts, risks, and opportunities associated with water scarcity, water efficiency and circularity, as well as water acquisition and discharge.

During the analysis, areas classified as "high risk" across different geographies were also taken into consideration, along with information from the continuous monitoring of water use and efficiency, supported by environmental management systems certified by independent external entities.

Impacts, risks, and opportunities related to biodiversity and ecosystems

The double materiality assessment carried out by Sonae Arauco includes the analysis of impacts, risks, and opportunities related to biodiversity and ecosystems. As with the other thematic standards, all company locations as well as its value chain were considered.

The process for identifying these impacts, risks, and opportunities was based on consultations with internal experts and relevant stakeholders, as well as on information from a previous analysis and study conducted to assess all Sonae Arauco sites and operations located near biodiversity-sensitive areas. This study evaluates the proximity of Sonae Arauco's sites to Natura 2000 areas, nature reserves, protected areas, natural parks, and other locations of relevance for biodiversity and ecosystems.

The analysis indicates that none of Sonae Arauco's operational sites are located within designated biodiversity-sensitive areas. However, several industrial sites are located in proximity to such areas, with varying levels of exposure identified within defined buffers. The highest level of exposure was identified at the Meppen site in Germany, while several Spanish and other German sites present low to intermediate exposure, and the remaining locations show low or negligible exposure.

Although these sites are not located within protected areas, Sonae Arauco recognises that proximity to biodiversity-sensitive areas may give rise to potential impacts on biodiversity and ecosystems, including emissions, discharges and operational disturbances. These potential impacts are managed through environmental management systems, site-level monitoring and operational controls.

Office locations were also assessed and considered non-material from an environmental perspective, given the absence of industrial activities and significant emissions. Nevertheless, their proximity to protected areas is monitored as part of the overall site-level assessment.

To support biodiversity and ecosystem resilience, Sonae Arauco has implemented initiatives such as the CO_2 Capture Program and targeted R&D projects, focusing on forest resilience, and adaptation to local soil and climatic conditions. In parallel, the company assesses not only its potential impacts on biodiversity, but also its dependencies on ecosystem services across its own operations and along the value chain.

In the process of identifying and classifying impacts, the potential impacts on biodiversity were assessed, but also Sonae Arauco's dependencies on ecosystem services, both within its own operations and along the value chain.

Impacts, risks, and opportunities related to the circular economy

The identification and assessment of impacts, risks, and opportunities related to the circular economy were integrated into Sonae Arauco's double materiality assessment process. This process involved various experts, contributors, internal and external stakeholders through consultation questionnaires, whose input was crucial for identifying potential impacts, risks, and opportunities associated with circularity. The analysis covered all of Sonae Arauco's activities and locations, as well as its value chain.

Sonae Arauco's circular approach focuses on the reuse of by-products and the recycling of wood waste, keeping materials and carbon in circulation and avoiding their incineration or disposal in landfills. A significant portion of the raw materials used comes from materials that would otherwise be considered waste, which are transformed into sustainable, value-added products that can be recycled at the end of their life cycle.

The company is committed to responsible resource use, reducing CO_2eq emissions, and promoting the circular economy, including wood recyclability and carbon capture and retention, aligning its mission with the principles of sustainability and circular bioeconomy.

Impacts, risks, and opportunities related to business conduct

Sonae Arauco ensures ethical business conduct through a robust governance and compliance model, supported by structured risk management and independent internal auditing. This model promotes consistency in principles, methodologies, and tools to assess and manage risks and opportunities across all business units, ensuring the effective implementation of controls and mitigation actions, as well as the reliable production of operational, financial, and compliance information.

The double materiality assessment included the identification and analysis of impacts, risks, and opportunities related to business conduct, both within its own operations and across its value chain. For this process, functional experts with demonstrated experience in the field were involved and tasked with identifying the most relevant impacts, risks, and opportunities within this topic.

The assessment was based on criteria such as the regulatory, socio-economic, and cultural context, always taking into account the specific location in which Sonae Arauco operates.

Disclosure Requirements in ESRS covered by the undertaking's sustainability statement (IRO-2)

The table below compiles the disclosure requirements included in the sustainability statement and indicates where the corresponding information can be found. The determination of material information was based on the impacts, risks, and opportunities identified in Sonae Arauco's materiality assessment. After identifying the material topical standards, materiality was assessed at the level of each disclosure requirement and the respective datapoints. The materiality assessment process and the application of thresholds are detailed in section ESRS 2 IRO-1.

ESRS DR	DISCLOSURE REQUIREMENT	PAGE
ESRS 2 – GENERAL DISCLOSURES		
BP-1	General basis for preparation of sustainability statements	13
BP-2	Disclosures in relation to specific circumstances	13
GOV-1	The role of the administrative, management and supervisory bodies	15
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	18
GOV-3	Integration of sustainability-related performance in incentive schemes	18
GOV-4	Statement on due diligence	19
GOV-5	Risk management and internal controls over sustainability reporting	20
SBM-1	Strategy, business model and value chain	22
SBM-2	Interests and views of stakeholders	35
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	37
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	41
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	44

ESRS DR	DISCLOSURE REQUIREMENT	PAGE
E1 – CLIMATE CHANGE		
GOV-3	Integration of sustainability-related performance in incentive schemes	18
E1-1	Transition plan for climate change mitigation	65
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	37
IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	41
E1-2	Policies related to climate change mitigation and adaptation	73
E1-3	Actions and resources in relation to climate change policies	75
E1-4	Targets related to climate change mitigation and adaptation	79
E1-5	Energy consumption and mix	80
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	82
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	85
E1-8	Internal carbon pricing	Not material
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Phase-in

ESRS DR	DISCLOSURE REQUIREMENT	PAGE
E2 – POLLUTION		
IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	41
E2-1	Policies related to pollution	91
E2-2	Actions and resources related to pollution	92
E2-3	Targets related to pollution	95
E2-4	Pollution of air, water and soil	96
E2-5	Substances of concern and substances of very high concern	98
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	Phase-in

ESRS DR	DISCLOSURE REQUIREMENT	PAGE
E3 – WATER		
IRO-1	Description of the processes to identify and assess material water and marine	41
E3-1	Policies related to water and marine resources	105
E3-2	Actions and resources related to water and marine resources	106
E3-3	Targets related to water and marine resources	109
E3-4	Water consumption	110
E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	Phase-in
E4 – BIODIVERSITY AND ECOSYSTEMS		Phase-in

ESRS DR	DISCLOSURE REQUIREMENT	PAGE
E5 – RESOURCES USE AND CIRCULAR ECONOMY		
IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	41
E5-1	Policies related to resource use and circular economy	116
E5-2	Actions and resources related to resource use and circular economy	118
E5-3	Targets related to resource use and circular economy	121
E5-4	Resource inflows	122
E5-5	Resource outflows (metrics)	124
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Phase-in

ESRS DR	DISCLOSURE REQUIREMENT	PAGE
S1 – OWN WORKFORCE		
SBM-2	Interests and views of stakeholders	35
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	128
S1-1	Policies related to own workforce	132
S1-2	Processes for engaging with own workers and workers' representatives about impacts	133
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	134
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	135
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	142
S1-6	Characteristics of the undertaking's employees	144
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	Phase-in
S1-8	Collective bargaining coverage and social dialogue	145
S1-9	Diversity metrics	146
S1-10	Adequate wages	146
S1-11	Social protection	146

ESRS DR	DISCLOSURE REQUIREMENT	PAGE
S1 – OWN WORKFORCE		
S1-12	Persons with disabilities	Not material
S1-13	Training and skills development metrics	147
S1-14	Health and safety metrics	148
S1-15	Work-life balance metrics	149
S1-16	Compensation metrics (pay gap and total compensation)	149
S1-17	Incidents, complaints and severe human rights impacts	148
S2 – WORKERS IN THE VALUE CHAIN		Phase-in
S3 – AFFECTED COMMUNITIES		Phase-in

ESRS DR	DISCLOSURE REQUIREMENT	PAGE
S4 – CONSUMERS AND END-USERS		
SBM-2	Interests and views of stakeholders	35
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	152
S4-1	Policies related to consumers and end-users	156
S4-2	Processes for engaging with consumers and end-users about impacts	157
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Not material
S4-4	Taking action on material impacts, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users and effectiveness of those actions and approaches	158
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	161

ESRS DR	DISCLOSURE REQUIREMENT	PAGE
G1 - GOVERNANCE		
GOV-1	The role of the administrative, supervisory and management bodies	15
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	41
G1-1	Corporate culture and Business conduct policies and corporate culture	168
G1-2	Management of relationships with suppliers	171
G1-3	Prevention and detection of corruption and bribery	177
G1-4	Confirmed incidents of corruption or bribery	179
G1-5	Political influence and lobbying activities	180
G1-6	Payment practices	181
CYBERSECURITY		
MDR-P	Policies adopted to manage Cybersecurity	186
MDR-A	Actions and resources in relation to Cybersecurity	187
MDR-M	Metrics in relation to Cybersecurity	189
MDR-T	Targets related to Cybersecurity	190

The table below presents all disclosure requirements and respective datapoints mandated by other European Union legislation, also indicating the pages of the Sustainability Report where the corresponding information is disclosed. The items highlighted in grey refer to information considered non-material based on the double materiality assessment, information not applicable to Sonae Arauco's context, and/or information not yet reported due to the application of phase-ins.

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	PAGE
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816(5), Annex II		15
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		15
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				19
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453(6)Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		-
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		-

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	PAGE
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818(7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		-
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		-
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	65
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		65
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		79
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				80

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	PAGE
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				80
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				80
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		82
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	85
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		-
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			-

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	PAGE
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2:Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			-
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		-
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				96
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				105
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				105
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				-

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	PAGE
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				110
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				110
ESRS 2- IRO 1- E4 paragraph 16 (a) i					-
ESRS 2- IRO 1- E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				-
ESRS 2- IRO 1- E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				-
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				-
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				-
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				-

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	PAGE
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				124
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				124
ESRS 2- SBM3- S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				-
ESRS 2- SBM3- S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				-
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				132
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		132
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				132
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				132

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	PAGE
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				134
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		148
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				148
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		149
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				149
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				149
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		-
ESRS 2- SBM3– S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				-

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	PAGE
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				-
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				-
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		-
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		-
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				-
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				-
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		-
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				-

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	PAGE
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				156
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		-
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				-
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				168
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				168
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		179
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				179

02

DISCLOSURES PURSUANT TO ARTICLE 8 OF REGULATION 2020/852 (TAXONOMY REGULATION)

CONTEXT

The European Taxonomy Regulation (Regulation (EU) 2020/852) establishes a classification system for environmentally sustainable economic activities, aiming to support sustainable investment in line with the European Green Deal.

For an activity to be considered environmentally sustainable, it must:

1. Contribute substantially to one of the six environmental objectives:
   - Climate change mitigation;
   - Climate change adaptation;
   - Sustainable use and protection of water and marine resources;
   - Transition to a circular economy;
   - Pollution prevention and control;
   - Protection and restoration of biodiversity and ecosystems.

2. Do no significant harm to any of the other environmental objectives.

3. Comply with minimum social safeguards.

The Regulation also requires non-financial companies to disclose the proportion of Turnover, CapEx and OpEx associated with Taxonomy-eligible and Taxonomy-aligned activities.

Since 2023, all six environmental objectives have been covered by the EU Taxonomy framework, including the non-climate objectives related to water, circular economy, pollution prevention, and biodiversity. In addition, Commission Delegated Regulation (EU) 2026/73 introduced simplifications to disclosure requirements and technical screening criteria. In line with these amendments, Sonae Arauco will apply the updated requirements from the 2025 reporting year onwards.

ELIGIBILITY AND ALIGNMENT ASSESSMENT

For an economic activity to be considered Taxonomy-eligible, it must be included in either the Climate Delegated Act or the Environmental Delegated Act. In the 2025 reporting year, the eligible activities are as follows:

- CCM 1.1. Afforestation
- CCM 1.2. Rehabilitation and restoration of forests, including reforestation and natural forest regeneration after an extreme event
- CCM 1.3. Forest management
- CCM 1.4. Conservation forestry
- CCM 3.5. Manufacture of energy efficiency equipment for buildings
- CCM 3.14. Manufacture of organic basic chemicals
- CCM 3.17. Manufacture of plastics in primary form
- CCM 4.1. Electricity generation using solar photovoltaic technology
- CCM 4.20. Cogeneration of heat/cool and power from bioenergy
- CCM 4.24. Production of heat/cool from bioenergy
- CCM 4.29. Electricity generation from fossil gaseous fuels
- CCM 5.3. Construction, extension and operation of wastewater collection and treatment
- CCM 5.5. Collection and transport of non-hazardous waste in source segregated fractions
- CCM 5.9. Material recovery from non-hazardous waste
- CCM 6.4. Operation of personal mobility devices, cycle logistics
- CCM 6.5. Transport by motorbikes, passenger cars and light commercial vehicles
- CCM 7.3. Installation, maintenance and repair of energy efficiency equipment
- CCM 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
- CCM 7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings
- CCM 7.7. Acquisition and ownership of buildings
- CE 5.3. Preparation for re-use of end-of-life products and product components
- BIO 1.1. Conservation, including restoration, of habitats, ecosystems and species.

In accordance with the outcomes of the Omnibus I initiative, which aims to simplify the scope and complexity of sustainability disclosures, the assessment of the technical screening criteria for alignment may be waived for activities that cumulatively represent less than 10% of the total financial metrics assessed (Turnover, CapEx and OpEx), as reflected in Commission Delegated Regulation (EU) 2026/73.

In light of this update, the Group has chosen to include only activities **CCM 3.5, CCM 4.1, CCM 5.5 and CCM 5.9** in its alignment assessment, as cumulatively these activities represent more than 90% of each of the three individual Taxonomy KPIs (Turnover, CapEx and OpEx). Of these four activities, only CCM 4.1 is partially aligned.

MINIMUM SAFEGUARDS

The assessment of Sonae Arauco's Minimum Safeguards was based on an internal assessment supported by applicable legal requirements and corporate policies, with contributions from the relevant business areas and corporate functions.

In this context, Sonae Arauco's commitment to the protection of human rights is reflected in its Labour & Human Rights Policy, which incorporates the UN Guiding Principles on Business and Human Rights and the Universal Declaration of Human Rights. This commitment is further supported by the Code of Ethics, the Suppliers' Code of Conduct, and the whistleblowing and due diligence mechanisms implemented across the organisation and supply chain. The company also carries out internal audits, stakeholder engagement processes, and risk assessments to identify, prevent, mitigate, and monitor potential adverse impacts on human rights and labour rights.

Regarding Corruption, Fair Competition, and Taxation, Sonae Arauco has established policies, procedures, and internal controls to ensure compliance with applicable legal and regulatory requirements and to promote ethical and transparent business practices. These include, among others, the Business Ethics Policy, Crime Prevention Policy, Plan for the Prevention of Corruption and Related Offences, and the Antitrust Policy and Guidelines. Training, compliance monitoring, whistleblowing mechanisms, and oversight by the Compliance Committee and Ethics Committee support the implementation and effectiveness of these measures.

During the reporting period, Sonae Arauco did not record any judicial convictions, legal proceedings, or confirmed cases of non-compliance related to Human Rights, Corruption, Fair Competition, or Taxation.

KPI DISCLOSURE

The summary tables provided for in Annex II to Commission Delegated Regulation (EU) 2021/2178, as subsequently amended by Commission Delegated Regulation (EU) 2026/73, are presented below, followed by supplementary information presented in accordance with this Regulation.

KPI	TOTAL	PROPORTION OF TAXONOMY-ELIGIBLE ACTIVITIES	TAXONOMY-ALIGNED ACTIVITIES	PROPORTION OF TAXONOMY-ALIGNED ACTIVITIES	BREAKDOWN BY ENVIRONMENTAL OBJECTIVES OF TAXONOMY-ALIGNED ACTIVITIES						PROPORTION OF ENABLING ACTIVITIES	PROPORTION OF TRANSITIONAL ACTIVITIES	NOT ASSESSED ACTIVITIES CONSIDERED NON-MATERIAL	TAXONOMY-ALIGNED ACTIVITIES IN PREVIOUS FINANCIAL YEAR (2024)	PROPORTION OF TAXONOMY-ALIGNED ACTIVITIES IN PREVIOUS FINANCIAL YEAR (2024)
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity					
	€	%	€	%	%	%	%	%	%	%	%	%	%	€	%
Turnover	840 833 123 €	18.1%	0€	0%	0%	0%	0%	0%	0%	0%	0%	0%	1.17%	N/A	N/A
CapEx	103 379 544 €	26.5%	5 310 535 €	5.1%	5.1%	0%	0%	0%	0%	0%	0%	0%	1.49%	N/A	N/A
OpEx	58 325 310 €	19.4%	0€	0%	0%	0%	0%	0%	0%	0%	0%	0%	9.97%	N/A	N/A

TURNOVER

ECONOMIC ACTIVITIES	CODE	PROPORTION OF TAXONOMY-ELIGIBLE TURNOVER	TAXONOMY-ALIGNED TURNOVER	PROPORTION OF TAXONOMY-ALIGNED TURNOVER	BREAKDOWN BY ENVIRONMENTAL OBJECTIVES OF TAXONOMY-ALIGNED ACTIVITIES						ENABLING ACTIVITY	TRANSITIONAL ACTIVITY	PROPORTION OF TAXONOMY-ALIGNED IN TAXONOMY-ELIGIBLE
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity			
		%	€	%	%	%	%	%	%	%	E (where applicable)	T (where applicable)	%
Manufacture of energy efficiency equipment for buildings	CCM 3.5	17.8%	0€	0%	0%	0%	0%	0%	0%	0%	E		0%
Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.5	0.2%	0€	0%	0%	0%	0%	0%	0%	0%			0%
Material recovery from non-hazardous waste	CCM 5.9	0.1%	0€	0%	0%	0%	0%	0%	0%	0%			0%
SUM OF ALIGNMENT PER OBJECTIVE		-	-	-	0%	0%	0%	0%	0%	0%	-	-	-
TOTAL TURNOVER		18.1%	0€	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

The proportion of turnover is calculated as the share of the annual net turnover resulting from products or services, including intangibles, associated with taxonomy-aligned economic activities (numerator) divided by net turnover (denominator), within the meaning of Article 2(5) of Directive 2013/34/EU. Net turnover includes revenues recognised in accordance with International Accounting Standard (IAS) 1, paragraph 82(a), as adopted by Commission Regulation (EC) No 1126/2008. The turnover denominator corresponds to the total revenue of the Group, as presented in the consolidated income statement.

CAPEX

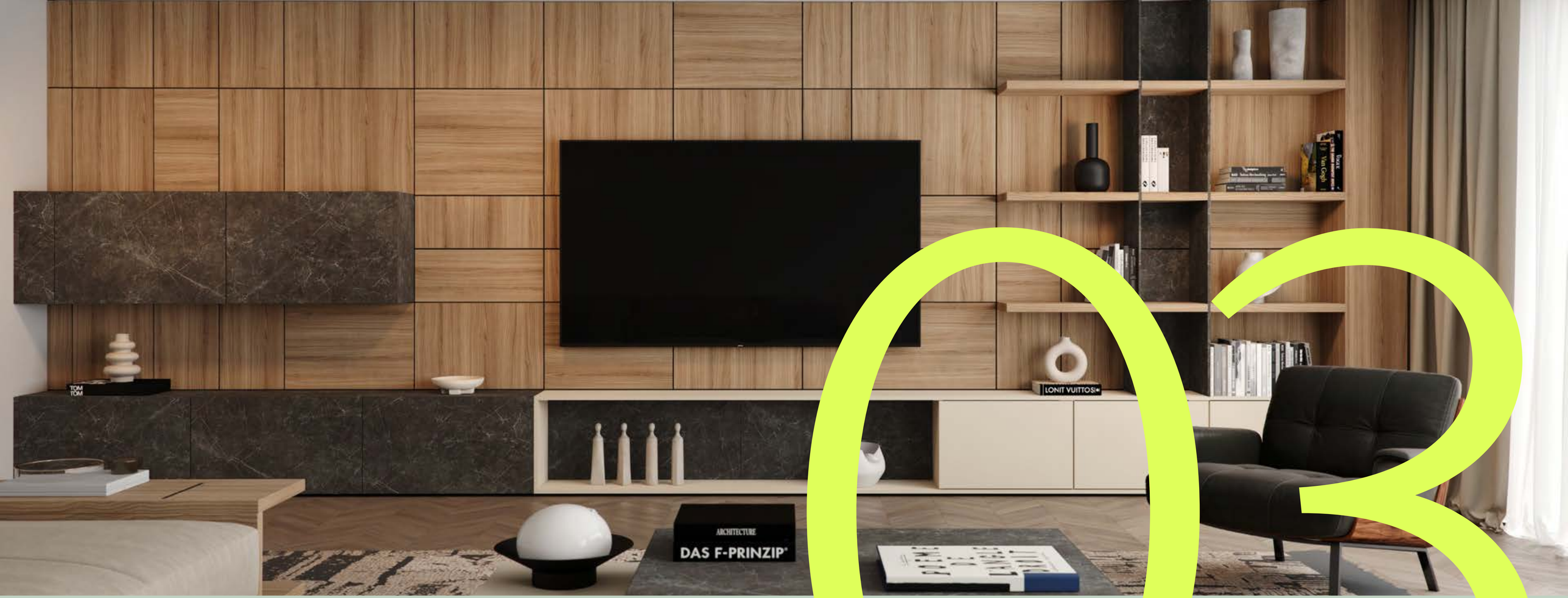
ECONOMIC ACTIVITIES	CODE	PROPORTION OF TAXONOMY-ELIGIBLE CAPEX	TAXONOMY-ALIGNED CAPEX	PROPORTION OF TAXONOMY-ALIGNED CAPEX	BREAKDOWN BY ENVIRONMENTAL OBJECTIVES OF TAXONOMY-ALIGNED ACTIVITIES						ENABLING ACTIVITY	TRANSITIONAL ACTIVITY	PROPORTION OF TAXONOMY-ALIGNED IN TAXONOMY-ELIGIBLE
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity			
		%	€	%	%	%	%	%	%	%	E (where applicable)	T (where applicable)	%
Manufacture of energy efficiency equipment for buildings	CCM 3.5	9.5%	0€	0%	0%	0%	0%	0%	0%	0%	E		0%
Electricity generation using solar photovoltaic technology	CCM 4.1	9.0%	5 310 535 €	5.1%	5.1%	0%	0%	0%	0%	0%			57.1%
Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.5	3.9%	0€	0%	0%	0%	0%	0%	0%	0%			0%
Material recovery from non-hazardous waste	CCM 5.9	4.1%	0€	0%	0%	0%	0%	0%	0%	0%			0%
SUM OF ALIGNMENT PER OBJECTIVE		-	-	-	0%	0%	0%	0%	0%	0%	-	-	-
TOTAL CAPEX		26.5%	5 310 535 €	5.1%	5.1%	0%	0%	0%	0%	0%	0%	0%	57.1%

Under the Delegated Act of Article 8 of the Taxonomy, the CapEx values are comprised of additions to tangible and intangible assets excluding EU ETS Allowances, during the year (including their rights of use), including assets acquired through business combinations, before depreciation, amortisation, and any remeasurements, including those resulting from revaluations and impairments, while excluding changes in fair value. Accordingly, the denominator corresponds to the total acquisitions of tangible fixed assets, including rights of use of tangible and intangible assets, as disclosed in the consolidated financial statements.

OPEX

ECONOMIC ACTIVITIES	CODE	PROPORTION OF TAXONOMY-ELIGIBLE OPEX	TAXONOMY-ALIGNED OPEX	PROPORTION OF TAXONOMY-ALIGNED OPEX	BREAKDOWN BY ENVIRONMENTAL OBJECTIVES OF TAXONOMY-ALIGNED ACTIVITIES						ENABLING ACTIVITY	TRANSITIONAL ACTIVITY	PROPORTION OF TAXONOMY-ALIGNED IN TAXONOMY-ELIGIBLE
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity			
		%	€	%	%	%	%	%	%	%	E (where applicable)	T (where applicable)	%
Manufacture of energy efficiency equipment for buildings	CCM 3.5	13.4%	0€	0%	0%	0%	0%	0%	0%	0%	E		0%
Electricity generation using solar photovoltaic technology	CCM 4.1	0%	0€	0%	0%	0%	0%	0%	0%	0%			0%
Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.5	0%	0€	0%	0%	0%	0%	0%	0%	0%			0%
Material recovery from non-hazardous waste	CCM 5.9	6.0%	0€	0%	0%	0%	0%	0%	0%	0%			0%
SUM OF ALIGNMENT PER OBJECTIVE		-	-	-	0%	0%	0%	0%	0%	0%	-	-	-
TOTAL OPEX		19.4%	0€	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Under the Delegated Act of Article 8 of the Taxonomy, total OpEx values consist of direct non-capitalised costs during the year related to research and development, building renovation measures, short-term leases, maintenance and repairs, and other direct costs associated with the day-to-day upkeep of tangible fixed assets necessary to ensure the proper functioning of the respective Taxonomy-eligible activity. The OpEx denominator corresponds to the sum of maintenance and repair expenses, short-term lease expenses and material costs associated with the maintenance of Sonae Arauco assets, as detailed in the consolidated financial statements.



03

ESRS E1 - CLIMATE CHANGE

SONAE ARAUCO

STRATEGY

SONAE ARAUCO
Taking wood further

ESRS E1 – CLIMATE CHANGE

Transition plan for climate change mitigation (E1-1)

Sonae Arauco's **Climate Transition Plan (Decarbonisation Roadmap)**, which was approved by the Executive Committee in July 2023, defines the decarbonisation pathway for its operations and value chain, constituting a central element of the company's long-term strategy.

This plan reflects the company's commitment to achieving carbon neutrality in Scopes 1 and 2 by 2040 and to promoting the progressive decarbonisation of Scope 3 emissions by 2050, in alignment with the Paris Agreement and the 1.5°C global warming limitation objective.

The plan is based on a Decarbonisation Roadmap specifically developed for Sonae Arauco's context and integrated into the business strategy and strategic and operational planning processes. The Roadmap is structured around three strategic pillars:

(1) reducing corporate emissions;

(2) decarbonising the product portfolio;

(3) decarbonising logistics.

These pillars are supported by concrete decarbonisation levers and a phased implementation model.

Sonae Arauco's wood solutions are an ally in the challenge of climate change.

DECARBONISATION ROADMAP

1- REDUCING CORPORATE EMISSIONS

Renewable Energy
Power Purchase Agreements (PPAs), on-site renewable energy, and green electricity utilisation to phase out fossil fuels.

Energy Efficiency
Implementation of a comprehensive energy efficiency plan.

Electrifying mobile sources
Electric vehicles procurement for the vehicle fleet and machines.

2- DECARBONISING OUR PRODUCT OFFER

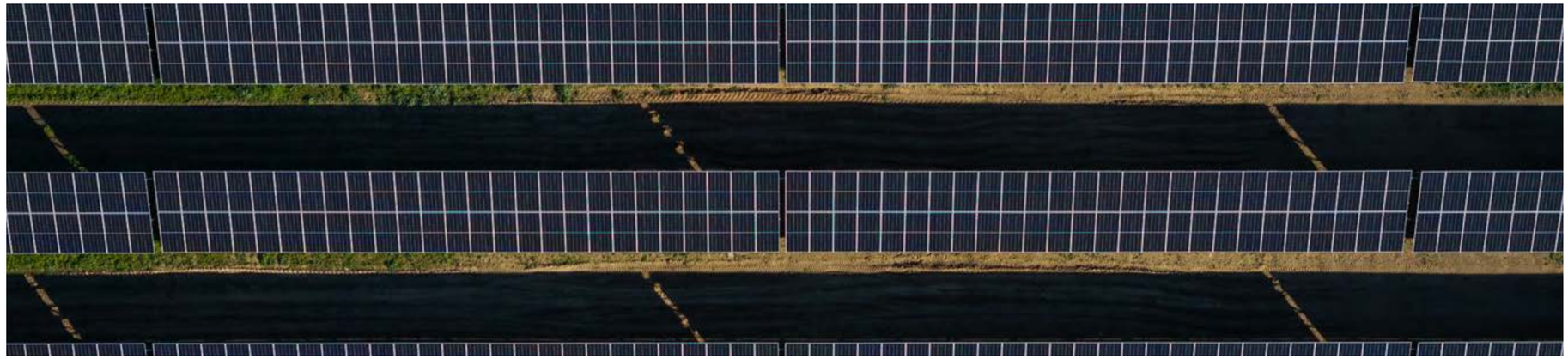
Raw Materials
Investments and R&D projects to increase the usage of recycled and recyclable wood; assessment and trials for bio-based and lower carbon footprint resins usage.

Circular Business Models
Increasing the lifetime of the products' use; working with the value chain to increase recycling rates (thus decreasing the materials' landfill rates).

3- DECARBONISING LOGISTICS

Supplier Collaboration
Framework being developed to work together with suppliers to reduce carbon intensity in upstream and downstream transportation.

Vehicle Optimisation
Using a transport management system to optimise routes, vehicle fulfilment and backhauling.



PILLAR: CARING FOR THE PLANET

Ambitions: Climate Action & Resilience | Protecting Forests & Biodiversity

The integration of the Climate Transition Plan is anchored in the strategic business pillar Caring for the Planet, which guides Sonae Arauco's environmental and climate-related actions, ensuring alignment between the decarbonisation pathway, the business strategy and stakeholder expectations regarding the transition to a low-carbon economy.

Within this framework, the Plan guides the prioritisation and implementation of decarbonisation initiatives across operations and the value chain, promoting the integration of climate considerations into strategic, operational and investment decision-making processes. Its implementation is supported by continuous monitoring mechanisms.

The Sustainability Working Group (SWG) meets monthly, and presents climate-related topics to the Executive Committee twice per year, ensuring strategic alignment and timely decision-making. In addition, quarterly management forums review the evolution of Scopes 1 and 2 emissions intensity, assess deviations against targets, and drive corrective actions where required.

The GHG emissions reduction targets supporting the transition plan were modelled in line with the principles of the **Science Based Targets initiative (SBTi)**, using the Target Setting Tool (version 2.1) and applying the Absolute Contraction method. The base year is 2019, and the targets defined by Sonae Arauco are as follows:

- At least 58.8% reduction in Scopes 1, 2 and 3 by 2033
- Final objective Scopes 1 + 2: **Net-Zero by 2040**
- Final objective Scope 3: **Net-Zero by 2050**

Although the formal validation of the targets by the SBTi is still in the planning phase, the plan was designed to meet the criteria applicable to near-term targets, ensuring the scientific coherence of the goals with the Paris Agreement objective and enabling regular monitoring of performance against the defined trajectory.

DECARBONISATION LEVERS

Sonae Arauco's decarbonisation pathway follows a phased approach aligned with the GHG emissions reduction targets set out in section E1-4 – Targets related to climate change mitigation and adaptation and is operationalised through the actions and resources described in E1-3 – Actions and resources in relation to climate change policies. In the current phase of the Climate Transition Plan, the company is focusing its efforts on Pillar 1 – Reducing corporate emissions, with emphasis on Scopes 1 and 2, where there is greater direct control, higher technological maturity and stronger execution feasibility. This pillar has been the main driver of the progress achieved up to 2025, enabling structural reductions in emissions from the company's own operations.

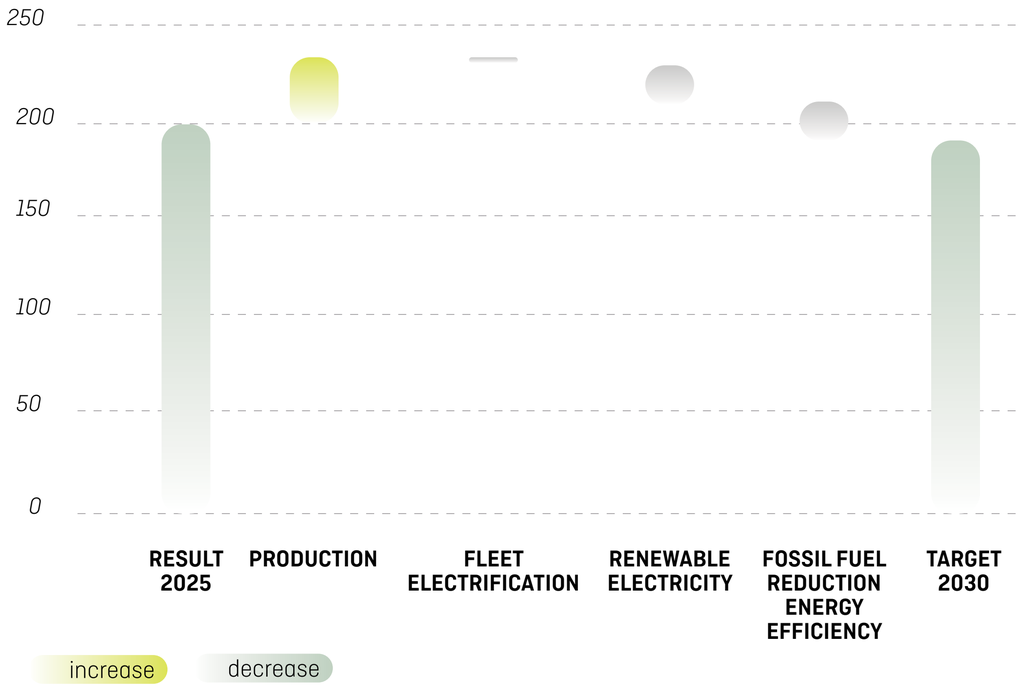
The implementation of Pillar 1 is supported by three complementary decarbonisation levers that transform the energy model, reduce consumption, and progressively replace carbon-intensive sources:

1. Fleet Electrification
Focused on the progressive electrification of vehicles and equipment, including internal mobility and handling systems. This lever reduces direct emissions associated with fossil fuel consumption, and contributes to more efficient and resilient operations.

2. Renewable Electricity
Focused on replacing fossil-based electricity with renewable sources, combining onsite generation, PPAs and certified green electricity. This approach reduces emissions and strengthens the autonomy and robustness of the company's energy supply across its operations.

3. Fossil Fuel Reduction and Energy Efficiency
The reduction of fossil fuel use and the continuous improvement of energy efficiency constitute a core pillar of the decarbonisation pathway. This approach is based on the progressive replacement of fossil fuels with lower-carbon alternatives, whenever technically feasible, and on the optimisation of production processes and energy systems through the implementation of structured energy efficiency plans. Together, these initiatives contribute to reducing the energy intensity of operations and strengthening the competitiveness and resilience of the industrial model.

PLANNED REDUCTIONS WITHIN SONAE ARAUCO OWN OPERATIONS
(2025-2030, in $ktCO_2e$)



The levers associated with **Pillar 1** support the planned **emissions reductions in the company's own operations** for the 2025–2030 period, as shown in the accompanying chart, illustrating the relative contribution of electrification, renewable electricity and the reduction of fossil fuel consumption and energy efficiency to the achievement of the defined interim targets.

In **Pillars 2 and 3**, Sonae Arauco's actions will progressively extend to the **product portfolio** and the **value chain**, in line with the lower degree of direct control over Scope 3 emissions. In this context, **Research and Development (R&D)** plays a central role as an enabler of medium- and long-term climate transition.

Under **Pillar 2**, the reduction of the carbon intensity of the product portfolio is driven by continuous investments in innovation, recognising R&D as a critical element for developing lower-impact solutions. Sonae Arauco has been promoting research initiatives in collaboration with stakeholders across the value chain, namely in the development and testing of lower-carbon resins, the assessment of bio-based alternatives and the strengthening of circular business models, including the increased incorporation of recycled wood. These initiatives create the technical conditions required for the progressive decarbonisation of the product offering, and for the structural reduction of Scope 3 emissions over time.

Pillar 3, focused on reducing indirect emissions associated with logistics and transport, complements this approach, recognising that the decarbonisation of Scope 3 requires collaborative solutions and continuous innovation, both technological and organisational.

In this context, the implementation of Sonae Arauco's Climate Transition Plan is influenced by several factors, namely the maturity and scalability of decarbonisation technologies, the evolution of the regulatory framework and energy markets, the availability of competitive alternatives to fossil fuels and the progressive mobilisation of the value chain.

PROGRESS IN TRANSITION PLAN IMPLEMENTATION

The year 2025 marked a consolidation stage in Sonae Arauco's decarbonisation pathway, translating into concrete results the structured work initiated in previous years. The implementation of the Plan has progressed consistently, supported by systematic monitoring against the targets defined in section E1-4 – Targets related to climate change mitigation and adaptation.

Regular monitoring of GHG emissions, based on the 2019 baseline year and on trajectories modelled according to the SBTi methodology, enables the assessment of performance alignment with the short-, medium- and long-term decarbonisation objectives.

By 2025, Sonae Arauco achieved significant reductions in **Scope 1 and 2 emissions**, reflecting the progressive implementation of the Plan's main levers, namely the expansion of renewable energy use, improvements in energy efficiency, the reduction of fossil fuel consumption and the electrification of equipment and fleets.

Regarding **Scope 3 emissions**, progress has been more gradual, reflecting the inherent complexity of the value chain. Nevertheless, relevant advances have been made, particularly in strengthening circular economy practices — including increased incorporation of recycled wood — improving supplier data quality and gradually optimising logistics operations.

To reinforce the scientific credibility of the defined trajectory, Sonae Arauco plans to formally prepare the submission of its decarbonisation targets to the **SBTi** in 2026, ensuring the continued consistency of medium- and long-term objectives with the initiative's methodological framework and with international best practices.

INVESTMENTS AND FINANCIAL RESOURCES FOR THE CLIMATE TRANSITION

To ensure the achievement of the established climate targets, Sonae Arauco has secured business investment plans enabling the allocation of financial resources to its industrial assets (CapEx) and in related operational costs (OpEx), thereby supporting the implementation of its climate transition strategy.

These actions and projects, as detailed in the E1-3 section, are supported by an ongoing investment program of €38 million, primarily directed towards renewable energy, electrification and energy efficiency initiatives. Of this, €15 million was executed in 2025. This amount represents capital expenditures associated with economic activities assessed as eligible with the EU Taxonomy, of which €5 million were considered aligned with climate change mitigation objectives. Part of the renewable energy investments are supported under the Portuguese Recovery and Resilience Plan (PRR), contributing to their financing and implementation. Complementing these investments, Sonae Arauco leverages sustainable financing mechanisms as enablers of its climate transition plan. This includes a **€200 million sustainability-linked loan**, which is aligned with clearly defined Sustainability Performance Targets (SPTs) to be achieved annually. These targets focus on enhancing circularity by increasing the proportion of recycled wood used in its production processes, as well as reducing the carbon intensity of its greenhouse gas emissions.

EU- PARIS-ALIGNED BENCHMARKS

Sonae Arauco has assessed the exclusion criteria set out in Delegated Regulation (EU) 2020/1818, which establishes the minimum requirements for EU Climate Transition Benchmarks (CTB) and EU Paris-Aligned Benchmarks (PAB), particularly regarding exposure to fossil fuel-related activities and other sectors subject to mandatory exclusion.

Based on its current revenue structure and the sectors in which it operates, Sonae Arauco does not engage in activities falling within the exclusion criteria defined in Article 12(1), points (d) to (g), of Delegated Regulation (EU) 2020/1818. This includes activities related to the exploration, extraction, refining, or distribution of thermal coal, oil, or natural gas, as well as electricity generation activities with a high carbon intensity.

In this context, Sonae Arauco is not automatically excluded from the EU Climate Transition Benchmarks or the EU Paris-Aligned Benchmarks under the applicable regulatory criteria. Its activities are aligned with the underlying objective of these benchmarks, which is to support the transition of industrial sectors towards pathways consistent with the goals of the Paris Agreement.

POTENTIAL LOCKED-IN GHG EMISSIONS FROM KEY ASSETS AND PRODUCTS

As part of its internal processes and policies, Sonae Arauco monitors its transition risks and actively manages the transformation required to align its operations with a low-carbon economy. To date, risks have been identified in certain industrial assets — such as continuous presses, dryers and boilers — which are currently partially reliant on fossil fuels. These characteristics may give rise to potential locked-in GHG emissions over the technical lifetime of such assets and are being progressively addressed through efficiency improvements and decarbonisation initiatives. In addition, the production of wood-based panels involves the use of synthetic resins, which are associated with high carbon emissions. These factors influence the embodied carbon in the final product and may contribute to product-related locked-in emissions over their lifecycle. In this context, Sonae Arauco is actively exploring innovation pathways, including the development and integration of lower-carbon, bio-based or alternative adhesive systems, to reduce reliance on fossil-derived chemicals and progressively lower product-related emissions in line with its decarbonisation strategy.

Due to the long lifetimes and technical characteristics of certain industrial assets and products, including energy-intensive processes and the current dependence on fossil-derived resins and adhesives, part of Sonae Arauco's greenhouse-gas emissions can be considered locked in. These factors may constrain the pace of decarbonisation and influence the achievement of long-term reduction targets in the short to medium term, given existing technological and economic limitations. As outlined in its strategy, Sonae Arauco is implementing a transition plan to progressively address these constraints through a phased approach, including:

- The gradual substitution of fossil fuels with biomass and renewable electricity;
- Targeted investments in low-carbon and bio-based resin alternatives;
- Progressive launch of certified low-carbon product lines aligned with EU Taxonomy criteria.

Current and planned investments consider the operational lifespan of both existing and newly acquired equipment, as well as their respective contributions to the progressive reduction of carbon emissions.

Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3)

IRO TYPE: I Impact | **R** Risk | **O** Opportunity

+ Positive Impact **-** Negative Impact

TYPE OF IMPACT: A Actual | **P** Potential

IRO LOCATION: OP Own Operations | **US** Upstream | **DS** Downstream

Environment	IRO	+/-	A/P	OP/US/DS	Time horizon
ESRS E1: CLIMATE CHANGE					
CLIMATE CHANGE ADAPTATION					
Sonae Arauco products can support climate adaptation in buildings by contributing to improved energy performance and enabling customers to pursue recognised green building certifications such as LEED®, where applicable. Sonae Arauco's products also demonstrate greater resilience (in the face of extreme weather events), thereby contributing to the adaptation measures needed to address climate change scenarios.	I	+	A	OP and DS	Short-, medium- and long-term
Opportunities related to adaptation projects in the upstream value chain. Sonae Arauco's investments in collaborative forest-related R&D and innovation enhance forest management practices, making the upstream value chain more resilient to climate change. Such collaborative initiatives can support the development and the adaptation practices, considering new climate conditions scenarios.	O			UP and OP	Medium- and long-term
Risks related to the lack of adaptation measures in Sonae Arauco's industrial units, which can be affected by extreme weather events, such as storms, heatwaves, floods, and other emergencies. The increase in severity and frequency of these events can affect the infrastructure, assets and the security of operations. The financial impacts can be the increase of costs with interruptions, disruptions, breakdowns and inefficiencies due to the situations, causing loss of revenue, transport disruptions, hazardous working conditions, loss of wood, among other consequences.	R			OP	Short-, medium- and long-term
Risks related to the possibility of disruption of raw materials supply chain due to extreme weather events like floods, storms, fires, severe winters, among others. This situation on upstream can impose the disruption on Sonae Arauco's operations, affecting production and leading to delays, increased operating costs, loss of revenue, and impacting the ability to meet customer demand, constituting a significant financial risk for Sonae Arauco.	R			UP	Short-, medium- and long-term
CLIMATE CHANGE MITIGATION					
Sonae Arauco's core products (wood panels) can store carbon over the long term, through forest sequestration, by replacing fossil-based materials, and by retaining carbon within the products themselves; overall, these products are estimated to account for around 3 million tons of CO_2eq absorbed and stored.	I	+	P	Whole value chain	Long-term (> 5 years)
Contribution to climate change through GHG emissions by Sonae Arauco activities, due to fossil fuel consumption related to vehicles, machinery and infrastructure: natural gas, petrol, diesel and propane gas consumption; heat exchangers; burners; air-conditioning equipment; fire extinguishers; electricity from non-renewable sources (e.g. South Africa), among others.	I	-	A	OP	Short-, medium- and long-term
Contribution to climate change through indirect GHG emissions (majority) that occur in Sonae Arauco's value chain. The most representative emissions come from "purchased goods and services" (e.g., chemicals, wood, paper, water, others), transport, and the end-of-life treatment and distribution.	I	-	A	US and DS	Short-, medium- and long-term
Positive impact through the implementation of supply chain strategies, such as the "cycle of GHG emissions reduction processes" enhancing transportation efficiency. Strengthening the collaboration between recycling centres, industrial units, and clients optimises logistics, reduces emissions, and improves carbon footprint.	I	+	A	OP and DS	Short-, medium- and long-term

IRO TYPE: I Impact | **R** Risk | **O** Opportunity

+ Positive Impact **-** Negative Impact

TYPE OF IMPACT: A Actual | **P** Potential

IRO LOCATION: OP Own Operations | **US** Upstream | **DS** Downstream

Environment	IRO	+/-	A/P	OP/US/DS	Time horizon
CLIMATE CHANGE MITIGATION					
Risk related to the consumption of fossil fuels in Sonae Arauco's industrial units. Dependence on fossil fuel sources may pose long-term risks, particularly in relation to greenhouse gas (GHG) emissions (e.g., regulatory targets), and may also lead to increased costs associated with carbon compensation, mitigation measures, asset replacement, among others. This risk may be exacerbated by insufficient investment in decarbonisation and the lack of adequate technologies.	R			OP	Short-, medium- and long-term
The potential reclassification of biomass under the EU Emissions Trading System (EU ETS), whereby it would no longer be considered a carbon-neutral energy source, could significantly affect Sonae Arauco's operations in Germany. Such a regulatory change would result in higher reported direct emissions, requiring the company to surrender additional emission allowances. This would lead to increased compliance costs and additional expenditure on EU ETS allowances, thereby negatively affecting profitability and potentially impacting the financial resilience of its industrial operations.	R			DS	Short-, medium- and long-term
Opportunity to generate additional revenue (e.g., recognised as 'other operating income') arising from the potential sale of emission allowances allocated to Sonae Arauco under the European Union Emissions Trading System (EU ETS).	O			OP	Medium- and long-term
The transition to lower-emission transportation methods (e.g. green fuels) may require substantial capital investment and result in increased operational costs, potentially affecting Sonae Arauco's competitiveness. Furthermore, there is a risk of insufficient investment in decarbonisation measures and a limited ability to manage and reduce greenhouse gas (GHG) emissions across the value chain.	R			DS	Short-, medium- and long-term
Sonae Arauco's (e.g., Sonae Forest and Antarr) "CO_2eq Capture Program" has positive impacts on mitigating climate change at a global level through forest management. By focusing on preserving forests, ecosystems that are crucial for storing carbon, the program directly contributes to capturing and sequestering CO_2eq from the atmosphere (it has covered more than 160 hectares, with more than 200,000 trees planted).	I	+	A	US and OP	Short-, medium- and long-term
A climate change mitigation-related risk may arise in the event of wood supply shortages, potentially requiring Sonae Arauco to source raw materials from more distant locations due to local unavailability, thereby increasing transport-related greenhouse gas (GHG) emissions and associated costs. This would imply higher transportation costs and an increase in carbon emissions, making it difficult to meet GHG goals and may result in additional costs associated with carbon offsets.	R			OP	Short-, medium- and long-term
Through its forest management practices, Sonae Arauco may generate carbon credits that contribute to climate change mitigation and support the management and optimisation of its greenhouse gas (GHG) inventory.	I	+	P	OP	Medium- and long-term
ENERGY					
The high level of electricity consumption across Sonae Arauco Group's operations (e.g. industrial units subject to Energy Consumption Rationalization Plans – PREn), coupled with the lack of a fully renewable energy mix, contributes to greenhouse gas emissions and the depletion of natural resources.	I	-	A	OP	Short-, medium- and long-term
Opportunity to develop and implement decarbonisation initiatives focused on reducing the carbon footprint and increasing energy self-sufficiency across industrial operations. Such measures may contribute to cost reductions and improved environmental performance. Key actions include increasing the use of renewable energy, particularly through the installation of photovoltaic systems, and entering into agreements to secure renewable energy supply through contracts with energy providers.	O			OP	Short-, medium- and long-term

IRO TYPE: I Impact | **R** Risk | **O** Opportunity

+ Positive Impact **-** Negative Impact

TYPE OF IMPACT: A Actual | **P** Potential

IRO LOCATION: OP Own Operations | **US** Upstream | **DS** Downstream

Environment	IRO	+/-	A/P	OP/US/DS	Time horizon
ENERGY					
Risk related to the increase of energy prices and electricity shortages due to fluctuation of local market productions, affecting the operations with production stoppages, replacement of sources by other alternatives with increased GWP, and the financial performance. This situation can contribute to emissions and climate change, and consequently, could hamper Sonae Arauco's GHG goals, commitments, reputation and increase costs.	R			OP	Short-, medium- and long-term
The upstream activities (paper, chemical, and wood industries) and downstream activities (furniture and construction industries) can cause negative impacts regarding energy consumption, which can be associated with climate impacts and depletion of natural resources.	I	-	A	US and DS	Short-, medium- and long-term
The use of renewable energy, particularly biomass for thermal generation, contributes to environmental performance by relying on renewable, low-carbon resources. By using wood waste from its production processes - that has no further material use - as an energy source, Sonae Arauco reduces dependence on fossil fuels, lowers greenhouse gas emissions, and supports the decarbonisation of its operations.	I	+	A	OP	Short-, medium- and long-term
Financial and reputational risk may arise if the company does not meet the requirements of the environmental certification, as any non-conformities identified during external audits can lead to additional costs and influence how the company's performance is perceived.	R			OP	Short-, medium- and long-term

Climate change is a material topic for Sonae Arauco, with impacts across its operations and upstream and downstream value chain. The company is exposed to both transition risks — such as regulatory changes, fossil fuel dependency, energy price volatility — and physical risks, including extreme weather events that may affect infrastructure, raw material availability, and operational continuity.

The opportunities are also present, particularly through product innovation, circularity, and sustainable forest management. Sonae Arauco's products contribute to climate adaptation in buildings and support green certifications such as LEED®. Investments in renewable energy, energy efficiency and logistics optimisation also support mitigation and resilience across the value chain.

The IROs are progressively integrated into the company's strategy and business model not only through the Decarbonisation Roadmap, but also through broader ESG governance and investment processes, grounded in the Caring for the Planet Pillar of the business strategy.

At this stage, Sonae Arauco has not yet performed a formal climate resilience analysis to assess the preparedness of its strategy and business model for the identified risks and opportunities. The resilience and climate scenario analysis processes are planned to be carried out in the coming years.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

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Taking wood further

ESRS E1 – CLIMATE CHANGE

Policies related to climate change mitigation and adaptation (E1-2)

SAFETY, QUALITY, ENVIRONMENT AND ENERGY INTEGRATED POLICY

The **"Safety, Quality, Environment and Energy Integrated Policy"** is the main guideline that ensures daily responsible management of natural resources, employees, and the communities involved in every activity performed by Sonae Arauco in its own operations and its value chain as contractors, visitors and customers.

This Policy recognises the importance of high standards across Safety, Environmental Protection, Quality Assurance and Energy Efficiency, in alignment with international best practice and Sonae Arauco's mission for a sustainable future. This commitment is established in core areas relating to sustainability, quality and safety, ensuring the continuous improvement of management and compliance with legal and other requirements. The key principles across these areas are:

SONAE ARAUCO'S POLICY COMMITMENT FOR A SUSTAINABLE FUTURE

1	2	3	4
Safety First	Quality Always	Environmental Sustainability for a Better Planet	Energy for the Future
People	**Product**		**Planet**

SONAE ARAUCO MANAGEMENT SYSTEM (SAMS)

The management of environmental impacts, risks and opportunities involving Sonae Arauco's operations and value chain, such as GHG emissions, energy, pollution, water, waste, natural resources and biodiversity, is integrated and monitored through the **Sonae Arauco Management System (SAMS)** in place at each industrial unit.

Progress against the commitments is monitored by each industrial unit on a local level and globally by the Corporate Departments, which track progress against targets annually and report to the Executive Committee. The Corporate Departments, together with the Sonae Arauco Management System, periodically assess the **"Safety, Quality, Environment and Energy Integrated Policy"** and other related policies during the Management Review process, based on performance and changing circumstances.

Sonae Arauco ensures the involvement of a range of stakeholder perspectives and interests in policy development, where this approach enhances the commitment to a climate-resilient and sustainable company, embedded in transparency and external disclosures for better performance, reputation safeguards and strategies that secure access to finance, and reduced risks for employees, shareholders, suppliers, communities and customers. This perspective is applied across all transversal ESG topics.

All environmental policies and commitments are publicly available on the website (https://www.sonaearauco.com/) for external access and are also available internally on the intranet for employees. Additionally, internal dissemination occurs through awareness sessions with employees, knowledge sharing with partners in the value chain, and communication forums.

ENVIRONMENTAL MANAGEMENT ISO 14001

Through international standards, external audits to secure the third-party verification, the **ISO 14001 certification** contributes to a cross-functional management of the material topics across Sonae Arauco's industrial units, and ensures the daily monitoring of procedures and operational best practices for the environment and for people.

The standard is a voluntary commitment that improves activities related to environmental impacts and integrates the main issues in the management agenda, promoting risk probability reduction, process efficiency, and enhancing stakeholders' trust, while ensuring the compliance of applicable legislation across the activities.

CLIMATE CHANGE MITIGATION AND ADAPTATION

Sonae Arauco's climate-related policies are anchored in the strategic pillar Caring for the Planet, which reflects the company's commitment to environmental sustainability and responsible climate action. Sonae Arauco manages climate change mitigation and adaptation topics in accordance with several internal procedures, including the structures within the **ISO 14001 certification** and the **"Safety, Quality, Environment and Energy Integrated Policy"** cited above.

The climate-related internal practices of Sonae Arauco establish objective guidelines on climate change mitigation. These aim to promote the efficient use of energy resources, reduce the carbon footprint, and support the transition to a more resilient and low-carbon economy. Finally, they ensure the deployment of renewable energy in line with the **Decarbonisation Roadmap.**

To access more information regarding the Decarbonisation Roadmap, see the section E1-3 - Actions and resources in relation to climate change policies

CHAIN OF CUSTODY POLICY

Sonae Arauco's commitment to the sustainable use of raw materials and to responsible forest management is reinforced through the integration of its **Chain of Custody Policy (CoC Policy)** into climate-related approaches, ensuring effective IROs management in its upstream value chain. All operations are certified under the **FSC® Chain of Custody standard** (Forest Stewardship Council®), and the European operations also hold **PEFC Chain of Custody standard** (Program for the Endorsement of Forest Certification), the two leading global forest certification systems dedicated to promoting sustainable forest management.

We believe in efficient value chains, which are capable of stimulating investments and active forest management.

Integrating climate-mitigation across upstream perspectives, the application of the CoC Policy requisites enables Sonae Arauco to prevent the sourcing from deforestation-related activities, support carbon sequestration in managed forests, and enable more informed decisions to reduce carbon footprint across the value chain. **As a result, 100% of the wood used in Sonae Arauco's operations comes from certified or controlled sources.**

In this way, Sonae Arauco demonstrates its commitment to integrating stakeholders' responsibilities and contributions to work collectively to guarantee the reduction of GHG emissions across the value chain, the decarbonisation of the sector and responsible forest management. The initiatives across the value chain with suppliers (upstream), logistics and product use (downstream), as well as other stakeholders, can be accessed in E1-3 – Actions and resources in relation to climate change policies.

ADAPTATION

Sonae Arauco recognises climate change adaptation as a critical dimension of its sustainability strategy and risk management framework. The climate change adaptation topic integrates the climate impacts and risks control in Sonae Arauco's operational management, to adapt the infrastructure of industrial units to both chronic and acute climate impacts and updating procedures to ensure greater resilience in the production system – for the current and future scenarios of extreme weather events, considering the health and safety of the employees and the surrounding communities.

From a value chain perspective, Sonae Arauco's wood-based panels and related solutions can enable positive climate outcomes in the built environment by:

- supporting resource-efficient design choices and enhancing the durability of building elements, thereby contributing to more resilient asset management by customers over time.
- supporting climate resilience, particularly through improvements in the thermal performance of buildings, which can help with adaptation to future climate scenarios.
- contributing to achieving credits within the LEED® green building certification system, under the Materials and Resources (MR) category, by supporting building product disclosure, improved performance, and the responsible sourcing of raw materials.
- contributing to carbon retention within the built environment, by keeping carbon stored within wood products throughout their lifetime.
- contributing to the transition towards a low-carbon economy at system level by enabling, where applicable, the substitution of more carbon-intensive materials, when assessed across the full lifecycle of construction solutions.

Through its business model based on a circular bioeconomy, Sonae Arauco aims to drive industrial transformation through technology and product quality, providing solutions that support customers' sustainability objectives and improved environmental performance in the built environment and construction projects, placing human safety and environmental health at the centre.

Wood is a natural and renewable raw material enabling the transition towards a lower-impact future.

ENERGY

The processes developed to manage energy performance and the related IROs are covered by the **ISO 50001 – Energy Management System** certification, incorporating topics such as energy use, source management and equipment efficiency. The scope of this certification approach applies to all wood-based panel industrial units.

As part of its bioeconomy approach, Sonae Arauco expands the use of renewable energy beyond photovoltaic systems and green energy contracts by integrating biomass feedstock — following cascade use principles — into its energy supply strategy, thereby reinforcing its renewable energy portfolio and reducing reliance on fossil fuels.

The governance structure supporting climate change-related policies at Sonae Arauco occurs through the Chief Financial Officer and the SWG. These bodies play a central role in ensuring that climate-related policies are effectively integrated into both strategic and operational decision-making. Overall accountability for implementation lies with the Executive Committee, supported by a Steering Committee and site-level enablement teams responsible for local execution.

The Executive Committee holds ultimate responsibility, with all Policies endorsed by the CEO and overseen at a strategic level by SAMS. At the operational level, site-specific practices are implemented under the accountability of local teams and Corporate Departments, which ensure effective on-the-ground execution and alignment with corporate directives. The Integrated policy accountability structure applies to all environmental-material topics (E1, E2, E3, E4 – omitted in this report, and E5).

To access more information related to the governance bodies on IROs management, see the section Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (GOV-2).

Actions and resources in relation to climate change policies (E1-3)

Mitigating the impacts of climate change and improving energy efficiency continue to guide Sonae Arauco's sustainability strategy. In a sector that is highly energy-intensive, climate action is embedded in corporate governance and decision-making processes, ensuring coherence between policies, investments and the targets, as it is defined in the **Decarbonisation Roadmap**. The regular monitoring of indicators supports the informed management of climate-related risks and opportunities.

ACTIONS 2025

In 2025, the **Decarbonisation Roadmap** advanced consistently through initiatives that combined renewable energy, energy efficiency, asset electrification and supplier engagement. This set of measures made it possible to act simultaneously on operational emissions and on the value chain, strengthening three key vectors:

- Absolute and intensity reductions in Scope 1 and 2 emissions;
- Increased share of renewable energy;
- Progress across Scope 3 decarbonisation levers.

RENEWABLE ENERGY TRANSITION

The transition to renewable energy remained a central pillar of climate action in 2025. The main initiatives included:

- The ongoing implementation of a Power Purchase Agreement (PPA) for photovoltaic electricity supported the integration of renewable energy into the site's energy mix, covering **approximately 12% of its electricity needs.**

  Location: Spain (Linares)

- The operation of a dedicated on-site power plant in the Beeskow unit supported a high level of renewable energy integration into the site's energy mix, with **renewable sources accounting for approximately 94%** of total electricity consumption.
  Location: Germany (Beeskow)

- A wind PPA continued to supply several industrial units, ensuring an **annual provision of approximately 20 GWh of renewable electricity** and supporting the transition to renewable power in Northern Europe.

  Location: Germany (Meppen, Nettgau and Kaisersesch)

- A green electricity contract in Iberia supplies renewable electricity to the resin production plant and recycling centres in Portugal, supporting the use of **100% renewable electricity** at these sites.

  Location: Portugal (Ecociclo, Euroresinas)

- Additional renewable electricity supply backed by **Guarantees of Origin (GoOs)** was secured across European wood-based panel operations, strengthening the traceability and certification of renewable electricity consumption.

  Location: Germany, Portugal, and Spain

Collectively, these measures increased the share of renewable energy across operations to 74% in 2025, representing a rise of 5 percentage points compared with 2024, while contributing to the reduction of Scope 2 greenhouse gas emissions and reinforcing progress towards the company's renewable energy and climate targets.

ENERGY EFFICIENCY

- Sonae Arauco continued its **energy efficiency programs** within the framework of its energy management system across several industrial units. Actions focused on energy rationalisation plans, targeted equipment upgrades and process optimisation, particularly in higher energy intensity systems, supporting more efficient energy use and improved operational performance. These measures contributed to a gradual reduction in energy consumption per unit produced and support the decoupling of production volumes from energy-related emissions, while creating the conditions to expand and consistently implement these programs across all industrial units in 2026.

  Location: Global

FLEET ELECTRIFICATION

- **Electrification of the passenger vehicle fleet** progressed in 2025, with more advanced deployment in Portugal, where the replacement of combustion vehicles with electric alternatives is more mature. In parallel, technical assessments were carried out in other countries to support future expansion. These actions contributed to reducing fossil fuel consumption by company vehicles.

  Location: Portugal

- **The electrification of forklifts and industrial equipment** also advanced across operations. In addition to reducing direct fossil energy consumption and improving the environmental performance of operations, it contributed to lower Scope 1 emissions associated with internal logistics, paving the way for further acceleration in 2026.

  Location: Portugal, Spain, and Germany

SUPPLIER DECARBONISATION (SCOPE 3)

Scope 3 emissions represent the largest share of Sonae Arauco's carbon footprint. In 2025, these were the actions focused on strengthening long-term structural decarbonisation levers:

- Sonae Arauco advanced the **development of its decarbonisation roadmap for chemical products**, deepening the analysis of key inputs used and strengthening dialogue with strategic suppliers. The work focused on identifying the market availability and technical feasibility of lower-carbon alternatives, including the evaluation of supplier product carbon footprints. This process made it possible to map substitution opportunities and encourage the evolution of a more sustainable chemical supply.

  Location: Global

- **Tests were carried out on lower carbon logistics solutions**, including the use of HVO fuel in machines and transport trucks, with trials conducted in 2025 and further tests planned for 2026. These tests enabled the assessment of operational performance, technical feasibility and the potential for reducing emissions associated with warehousing activities and road transport.

  Location: Portugal

- **Transport and logistics operations were optimised** through a dedicated transport management system, including route optimisation, improved load efficiency and coordination between recycling centres, industrial units and customers.

  Location: Global

Participation in collaborative R&D and sector initiatives focused on low-impact materials, circular products and alternative technologies, as further detailed in section E5-2 Actions and resources in relation to resource use and circular economy.

Location: Global

FOREST-BASED CLIMATE MITIGATION AND RESILIENCE ACTIONS

- **In 2025, Sonae Arauco advanced its forest-based climate mitigation and resilience actions under the CO_2 Capture Program**, reinforcing nature-based initiatives as a complementary element within its climate strategy. Progress included the expansion of forest recovery, conservation and sustainable management projects through Sonae Forest and Antarr, increasing the area under direct management to 347 hectares of planted forests and overseeing 11,087 hectares under a forest portfolio management service. These actions contribute to long-term carbon sequestration and improved forest resilience to climate-related risks. Forest R&D activities also progressed, with the achievement of a major milestone in the **Gene Radiata Portugal** project through the selection of high-genetic-gain radiata pine families, strengthening the scientific basis for supporting forest owners to increase forest productivity, encouraging investment in forest assets and reversing the long-term decline of pine forest areas in Portugal. Collectively, these actions supported climate mitigation and adaptation objectives, as well as the long-term sustainability of forest ecosystems and wood supply.

  Location: Portugal

The combined effect of these actions resulted in measurable progress:

A 43% reduction in total GHG emissions compared with the 2019 baseline;

A 52% reduction in absolute Scopes 1 and 2 emissions compared with 2019, with a 49% decrease in Scope 1 and 2 emission intensity;

An approximate 40% reduction in Scope 3 emissions compared with 2019, reflecting advances in circular economy practices, supplier engagement and improvements in data coverage and quality.

FUTURE ACTIONS

In the future, **Sonae Arauco will continue to implement its Climate Transition Plan**, with actions that remain focused on the main decarbonisation levers, contributing to further reductions in Scope 1, 2, and 3 emissions and to the progressive neutralisation of unavoidable emissions.

RENEWABLE ENERGY TRANSITION

- Sonae Arauco plans to implement solar energy farms across selected operations to increase renewable energy production and meet its carbon targets. At the Valladolid site, the project will start in 2026 and is expected to provide around 25% of the site's electricity needs. In Portugal, solar projects at the Oliveira do Hospital and Mangualde sites are also planned to start in 2026, with expected coverage of approximately 30% and 32% of their electricity consumption, respectively.

  Location: Spain (Valladolid) and Portugal (Oliveira do Hospital and Mangualde)

VALUE CHAIN DECARBONISATION

- Further **strengthening of decarbonisation initiatives with key suppliers** is planned to deepen alignment with the Sustainable Procurement Roadmap and integrate climate-related expectations more systematically into procurement processes. This will include increased technical interaction with strategic partners, assessment of sustainability practices and identification of opportunities to reduce the carbon footprint of purchased materials and services, supporting greater alignment with suppliers on decarbonisation pathways.

  Location: Global

Further **development of the chemicals' decarbonisation roadmap** is planned, with an emphasis on supplier engagement, improved data management and the implementation of technological tests related to lower-carbon solutions. This work will be supported by collaborative R&D initiatives and partnerships, including the BioResins Program and projects such as SUSBOARD and InsiGlue. These are detailed in section E5-2 Actions and resources in relation to resource use and circular economy, supporting the assessment of technical feasibility and market readiness of alternative inputs, and contributing to reduced dependence on carbon-intensive raw materials.

Location: Global

- **Circular material models** based on recycled wood and post-consumer fibreboards will continue to be supported through collaborative innovation projects and operational initiatives. These include programs such as Urban Wood and recycling of post-consumer fibreboards, as described under the section E5-2 Actions and resources in relation to resource use and circular economy, maximising the use of circular inputs and thus reducing the use of virgin raw materials.

  Location: Global

- The **transport decarbonisation roadmap** will be further developed, focusing on supplier engagement, improved data quality, and testing additional lower-carbon logistics solutions to reduce emissions associated with transport activities.

  Location: Global

Collectively, these levers create the conditions for a sustained reduction of Scope 3 emissions over time by addressing key upstream and downstream emissions drivers. They act as critical structural levers supporting the achievement of Sonae Arauco's long-term climate objectives and net-zero ambitions.

SBTI COMMITMENT

- In 2026, the **formal preparation for submitting the decarbonisation targets to the Science Based Targets initiative (SBTi)** is planned, ensuring that the medium- and long-term objectives remain aligned with the initiative's methodological framework. This work will help consolidate the scientific integrity of the climate targets and ensure their consistency with international best practices, creating the conditions to move forward with the external validation process in the near future.

  Location: Global

RESIDUAL EMISSIONS MANAGEMENT

- In 2026, work dedicated to the long-term **management of residual emissions** will continue, drawing on carbon capture initiatives and the strengthening of existing forestry projects. The objective is to neutralise unavoidable emissions through solutions that combine removal technologies with nature-based projects, ensuring coherence with the climate strategy and future neutralisation commitments. This set of initiatives is expected to contribute to offsetting emissions that cannot be eliminated through operational measures, reinforcing the link between forestry projects, capture solutions, and the ambition to achieve net-zero emissions over the long-term.

  Location: Portugal

FOREST-BASED CLIMATE MITIGATION AND RESILIENCE ACTIONS

- In 2026, Sonae Arauco will continue to strengthen its forest-based climate mitigation and resilience actions under the CO_2 Capture Program and the Gene Radiata Portugal project, reinforcing these initiatives as a complementary element of its climate strategy. Actions will focus on the continued development of forest recovery, conservation and sustainable management areas, as well as the progression of forest R&D activities. These efforts are intended to support long-term carbon sequestration, enhance forest resilience to climate-related risks and contribute to the long-term sustainability of forest ecosystems and wood supply, in alignment with the company's climate transition pathway.

  Location: Portugal

The implementation of the actions set out in the Climate Transition Plan depends on the continuous allocation of specialised human resources, as well as recurring CapEx and OpEx investments associated with industrial modernisation, asset electrification, PPA implementation, and energy efficiency programs. Although some initiatives benefit from support instruments such as the PRR or sustainability-linked loans, most projects are financed with their own capital, reinforcing the importance of access to competitive financing and regulatory stability to sustain the implementation pace. For 2025, as detailed in the Transition Plan, the initiatives covered **€15 million for the execution**.

In parallel, these initiatives reflect an integrated approach to climate action, combining technology, operational efficiency and supplier engagement to accelerate decarbonisation across the value chain. **The set of measures implemented in 2025, together with those planned for 2026, demonstrates the Group's ability to articulate structural investments in renewable energy, industrial modernisation, equipment electrification, and data quality improvements, strengthening the consistency and credibility of its emissions-reduction trajectory.** While some actions respond to regulatory frameworks or support programs, a significant share results from voluntary commitments undertaken within the company's environmental and innovation strategy. Taken together, these initiatives position Sonae Arauco as an active agent in the energy and climate transition, reinforcing its ambition to achieve more sustainable and resilient operations.

METRICS AND TARGETS

SONAE ARAUCO
Taking wood further

ESRS E1 – CLIMATE CHANGE

Targets related to climate change mitigation and adaptation (E1-4)

The targets set by Sonae Arauco demonstrate its ongoing policy commitment to managing climate-related material IROs, aligned with its Decarbonisation Roadmap and as presented in the Sonae Arauco Strategy. This section presents the quantitative and qualitative targets, outlining the baseline values, progress achieved over 2025, and the future projections for the respective goals.

The targets outlined encompass Sonae Arauco's own operational boundaries, ensuring their consistent application across all company sites. These objectives are fully integrated within the framework of the Transition Plan (E1-1) and are designed to drive progress towards carbon neutrality. The main decarbonisation levers are presented in detail in section E1-1.

SONAE ARAUCO'S LONG-TERM AMBITION FOR CLIMATE MITIGATION

- **Net-zero Emissions for Scope 1 and Scope 2 by 2040;**
- **Net-zero Emissions for Scope 3 by 2050.**

The targets below present the performance for the year 2025:

TARGET NAME	UNIT	BASE YEAR	BASELINE VALUE	TARGET VALUE AND YEAR	2025 PERFORMANCE AGAINST THE BASE YEAR
Reduction of absolute emissions[1]	kt CO_2eq	2019	1 993 kt CO_2eq	58,8% by 2033	2025: 1 138 kt CO_2eq (-43% of reduction)
Reduction of Scope 1 and Scope 2 absolute emissions[1]	kt CO_2eq	2019	404 kt CO_2eq	178 kt CO_2eq by 2030	2025: 192 kt CO_2eq (-52,5% of reduction)
Carbon Intensity Reduction Scope 1 and 2[1]	kgCO_2eq/m^3	2019	137 kgCO_2eq/m^3	56 kg CO_2eq/m^3 by 2029	2025: 70 kg CO_2eq/m^3
Improve global energy efficiency	kWh/m^3	2025	199 kWh/m^3	- 1% by 2026	-

[1]The target considers Market-based approach for the Scope 2.

In addition to the quantitative targets, Sonae Arauco also established qualitative targets focused on ensuring the implementation of self-consumption electricity generation across wood-based panels industrial plants in Iberia. The company also aims to consolidate the application of a standardised energy investment valuation according to DIN EN 17463 ("Valeri") in NEE operations by 2026, with subsequent implementation in SWE by 2027.

Sonae Arauco's climate targets are based on internal methodologies that are aligned with the GHG Protocol and the European Union's guidelines. The baseline year considered is 2019, reflecting the operational reality after significant restructuring. Emission reduction targets were established considering business growth projections, investments in energy efficiency, the transition to renewable energy, and both national and European regulatory contexts.

The data used comes from the company's internal emissions inventory, audited reports, and external sector benchmarks. The targets are framed within the company's commitment to the Paris Agreement and the Sustainable Development Goals, considering the specificities of the markets in which Sonae Arauco operates.

During the reporting period, no relevant methodological changes occurred, and the greenhouse gas (GHG) emission calculation methodology applied in 2025 is consistent with that used in the prior reporting year. In the latest reporting period, **Scope 1 and 2 GHG emissions were reduced by 52.5% compared with the 2019 baseline, progressing towards the 58.8% reduction target by 2033, decreasing from 404 ktCO_2eq to 192 ktCO_2eq.** The most impactful lever driving this reduction was the increased share of renewable electricity, complemented by energy-efficiency improvements, the progressive phase-out of fossil fuels in selected processes, and the electrification of forklifts and other equipment, such as passenger fleet.

Scope 3 GHG emissions were reduced by 40% compared to the 2019 baseline, reflecting progress across value-chain activities that account for approximately 83% of Sonae Arauco's total carbon footprint.

This reduction was driven by several factors, such as improvements in data quality, supported by closer collaboration with suppliers to obtain more robust data on emissions-intensive raw materials. This was complemented by the reinforcement of circular-economy practices, including the increasing recycling and reuse of wood residues and by-products, as well as logistics initiatives, such as the load fulfilment and route optimisation. In terms of carbon intensity, in 2025 Sonae Arauco's total emissions represented 412 kg of CO_2eq/m^3, a reduction of 2% compared with the previous year and a reduction of 39% compared with the 2019 baseline year. Scopes 1 and 2 absolute emissions represented 70 kg of CO_2eq/m^3, corresponding to a reduction of 7% versus the previous year and a reduction of 49% versus the 2019 baseline year.

Stakeholders were actively involved in the process of setting climate change targets at Sonae Arauco. The initial alignment with the Science-Based Targets initiative (SBTi) was conducted in collaboration with external entities, ensuring the appropriate expertise and validation. In addition, external benchmarking and key customer meetings provided valuable input to calibrate the ambition and relevance of the targets. For approval and double-checking, the targets were reviewed by the company's banking partners and external auditors, particularly in the context of the sustainability-linked loan (SLL). After the initial phase, further target setting and adjustments were managed internally, with input from relevant business areas and management teams.

Energy consumption and mix (E1-5)

ENERGY CONSUMPTION MIX

Energy consumption is one of the main environmental impacts across Sonae Arauco's operations, reflecting the energy-intensive nature of wood-based panel production. Energy, in its different forms, is used throughout Sonae Arauco's industrial process.

The energy strategy focuses on continuously improving efficiency, reducing fossil-based energy consumption and progressively increasing the share of renewable sources and the electrification of processes whenever possible. In addition, an energy management system, certified in accordance with ISO 50001 and integrated into SAMS, is in place.

In 2025, considering all industrial units, recycling centres, and offices, **26% of the energy consumed originated from fossil sources, while 74% came from renewable sources.**

In its activity, Sonae Arauco uses a diverse set of energy vectors, including:

- Electricity purchased through bilateral contracts established with electricity power suppliers, either through conventional contracts or through 100% green contracts - PPAs and green contracts;
- Self-generated renewable electricity;
- Thermal energy produced either using biomass or natural gas as primary energy sources;
- In minor quantities, propane gas, fuel oil, polyfuel and diesel (stationary and mobile) for complementary activities supporting operations.

In addition, the solar farm projects approved for the Iberian Peninsula will increase the availability of renewable energy in the coming years. These projects will make a strong contribution to reducing dependence on fossil fuels and strengthening energy resilience across operations.

METRICS RELATED TO TOTAL ENERGY CONSUMPTION (MWH)	2025
TOTAL ENERGY CONSUMPTION FROM FOSSIL SOURCES	**466 280**
Fuel consumption from crude oil and petroleum products	16 195
Fuel consumption from natural gas	151 904
Fuel consumption from other fossil sources	-
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	298 181
TOTAL ENERGY CONSUMPTION FROM RENEWABLE SOURCES	**1 294 220**
Fuel consumption for renewable sources, including biomass, biofuels, biogas, and hydrogen from renewable sources	1 041 196
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	142 832
Consumption of self-generated non-fuel renewable energy	110 192
Total energy consumption	**1 760 500**

Accounting principles | Certain energy sources do not apply to Sonae Arauco's operations, specifically the consumption of coal-derived fuels and the total consumption of nuclear energy, which are not included in Sonae Arauco's energy mix.

The energy consumption data presented cover all Sonae Arauco units, including industrial units, recycling centres and offices. The values for industrial units and recycling centres are based on measured consumption, reported through the company's internal monitoring and reporting systems, while office consumption figures are derived from the carbon footprint report.

ENERGY PRODUCTION: NON-RENEWABLE & RENEWABLE SOURCES

At Sonae Arauco, energy production relies on a diversified set of renewable and non-renewable sources used to meet the thermal and electrical needs of the operations.

Renewable energy produced internally comes mainly from the use of biomass as primary source, with ongoing investments to significantly increase electricity generation for self-consumption using **photovoltaic technology**. The solar plants are located in the Mangualde, Oliveira do Hospital and Valladolid operations and are currently under execution, with completion expected during 2026. The biomass used – consisting of wood residues and by-products from the industrial process – is utilised as a renewable fuel for thermal energy generation, contributing to the substitution of fossil fuels and aligning with the principle of cascading use of wood.

METRICS RELATED TO ENERGY PRODUCTION (MWH)	2025
Non-renewable energy production	168 099
Renewable energy production	875 140
Total energy produced	**1 043 238**

ENERGY INTENSITY ASSOCIATED WITH ACTIVITIES IN HIGH CLIMATE IMPACT SECTORS

Sonae Arauco operates in activities classified as high climate-impact, due to the energy- and emissions-intensive nature of its industrial processes. This classification covers the production of wood-based panels, resin manufacturing, impregnated paper production and the operation of recycling centres, all of which involve thermal, chemical and mechanical stages with significant energy consumption.

Administrative activities and offices, although not considered high climate-impact sectors, are included in the overall analysis, as their energy consumption and associated revenue are directly linked to the Group's industrial operations.

METRICS RELATED TO ENERGY INTENSITY	2025
Net revenue (M€)	841
Energy intensity (MWh/M€)	**2093,76**

Accounting principles | Regarding energy intensity, the indicator was calculated by dividing Sonae Arauco's total energy consumption by the Group's total net revenue. The calculation was performed at a global level, covering all activities classified as high climate-impact — including wood-based panel production, resin manufacturing, impregnated paper production and recycling centre operations — as well as the remaining units within the operational perimeter.

Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)

GROSS SCOPE 1, 2 AND 3 GHG EMISSIONS

Sonae Arauco **monitors and reports** its greenhouse gas (GHG) emissions for **Scopes 1, 2, and 3**, in accordance with the **GHG Protocol Corporate Accounting and Reporting Standard**. The emissions accounting **is based on an operational control approach**, covering all entities and facilities with relevant operational activity included within the Group's reporting boundary.

Direct emissions (Scope 1), indirect emissions associated with energy consumption (Scope 2), and other indirect emissions along the value chain (Scope 3) are quantified using representative activity data, recognised emission factors, and consistent methodologies. This approach ensures the robustness, reliability, and comparability of the reported information. Scope 2 emissions are calculated using both location-based and market-based approaches, while Scope 3 emissions cover categories considered relevant to the company's business model, in line with GHG Protocol screening principles.

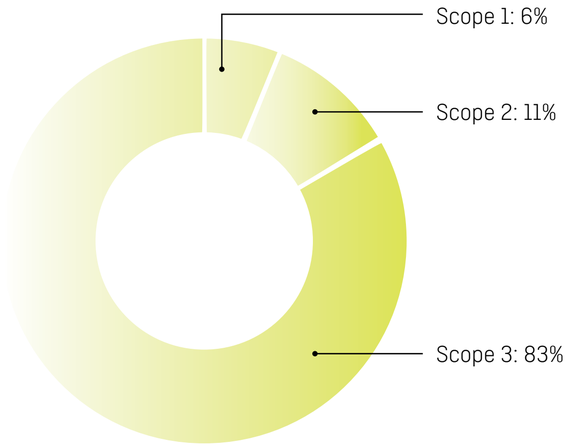
The emissions inventory provides a comprehensive overview of Sonae Arauco's carbon footprint, highlighting the relative contribution of each scope, as well as emphasising the predominance of emissions associated with the value chain. This information supports the identification of the main emission sources; the analysis of emissions trends compared with the base year and the monitoring of progress towards the decarbonisation targets defined by the Group. Biogenic emissions are reported separately, in accordance with applicable standards.

The table below details total emissions and emissions by scope, as well as the distribution of Scope 3 emissions by significant categories.

	RETROSPECTIVE			
	2019 (BASE YEAR)	**2024**	**2025**	**VARIATION (%)**
Gross Scope 1 GHG emissions (tCO_2eq)	90 004	68 322	70 157	2,68%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	71%	77%	76%	-1,60%
Gross location-based Scope 2 GHG emissions (tCO_2eq)	258 435	211 071	215 525	2,11%
Gross market-based Scope 2 GHG emissions (tCO_2eq)	313 590	141 053	122 084	-13,45%
Total Gross indirect (Scope 3) GHG emissions (tCO_2eq)	1 589 869	970 190	946 201	-2,47%
Category 1: Purchased goods and services (tCO_2eq)	1 023 478	528 363	467 699	-11,48%
Category 2: Capital goods (tCO_2eq)	27 170	35 033	49 739	41,98%
Category 3: Fuel and energy-related activities (not included in Scope 1 or 2) (tCO_2eq)	90 733	46 425	44 124	-4,96%
Category 4: Upstream transportation and distribution (tCO_2eq)	212 317	175 499	184 995	5,41%
Category 5: Waste generated in operations (tCO_2eq)	7 929	10 567	10 322	-2,32%
Category 6: Business travel (tCO_2eq)	395	343	1 469	327,93%
Category 7: Employee commuting (tCO_2eq)	-	4 463	4 415	-1,08%
Category 9: Downstream transportation and distribution (tCO_2eq)	183 615	153 004	170 412	11,38%
Category 12: End-of-life treatment of sold products (tCO_2eq)	44 231	16 492	13 026	-21,01%
Total GHG emissions (location-based) (tCO_2eq)	1 938 308	1 249 583	1 161 725	-7,03%
Total GHG emissions (market-based) (tCO_2eq)	1 993 463	1 179 565	1 138 441	-3,49%

Considering the market-based method, Scope 1 emissions accounted for approximately 6% of Sonae Arauco's total GHG emissions, while Scope 2 emissions associated with purchased electricity represented about 11%. Scope 3 emissions remained the main source, representing around 83% of the total, highlighting the dominant impact of value chain emissions on the Group's overall profile.

GHG EMISSIONS - DISTRIBUITION PER SCOPE (2025)



Within the scope of Scope 2 GHG emissions, which were calculated using the market-based approach, **contractual instruments represented approximately 8%** of the energy consumption covered. The main contractual instruments used included Guarantees of Origin (GoOs), Power Purchase Agreements (PPAs), notably a wind energy acquisition contract in Germany, and, in some cases, certified green electricity contracts.

Nevertheless, it is important to highlight that most of the energy consumed by Sonae Arauco comes from renewable sources, as detailed in section E1-5 - Energy consumption and mix, reflecting the high share of renewable sources in the Group's overall energy profile, regardless of the use of specific contractual instruments.

Approximately **13%** of Sonae Arauco's **Scope 3** greenhouse gas emissions were calculated based on **primary data**, corresponding to emissions estimated through specific emission factors provided directly by value chain suppliers, particularly in the chemicals category.

These data reflect direct contributions from upstream activities in the value chain and allow for a more accurate representation of emissions associated with purchased goods, compared with approaches based solely on average sectoral factors.

Accounting principles | The quantification of Sonae Arauco's greenhouse gas (GHG) emissions followed the GHG Protocol Corporate Standard and the GHG Protocol Corporate Value Chain (Scope 3) Standard. Primary data were used whenever available and, in their absence, conservative estimates and emission factors from internationally recognised sources were adopted.

Emissions were expressed in CO_2 equivalent (CO_2eq), using the 100-year global warming potentials (GWP) from the IPCC Sixth Assessment Report (AR6).

Biogenic CO_2 emissions were reported separately, as required by the GHG Protocol.

SCOPE 1 GHG EMISSIONS
For direct emissions (Scope 1), Sonae Arauco considered all emissions from sources owned or controlled by the Group. This scope included emissions associated with stationary combustion in fixed equipment, including facilities both covered and not covered by the EU ETS, as well as process emissions reported under that system. It also included emissions from mobile combustion in the company's own fleet, machinery, and equipment operated by the company, fugitive emissions resulting from losses of fluorinated gases in refrigeration systems, air conditioning, and safety equipment, and emissions generated by internal wastewater treatment.

Quantification was based on recorded fuel consumption in industrial units, the fleet and equipment, verified EU ETS data – used directly, without the need for additional calculations – records of refrigerant gas refills, and operational data from internal wastewater treatment systems. Whenever primary data were not available, properly documented conservative estimates were applied. Emissions of CO_2, CH_4, and N_2O were included whenever relevant, and converted to CO_2 equivalent based on IPCC AR6 GWPs.

SCOPE 2 GHG EMISSIONS
For indirect emissions associated with purchased energy, Scope 2, Sonae Arauco considered emissions resulting from the production of electricity and thermal energy consumed by the Group. These emissions were calculated according to both market-based and location-based methodologies, in accordance with the GHG Protocol.

In the market-based approach, supplier-specific emission factors were used whenever available, reflecting the characteristics of the contracted energy, including its origin and composition. When this information was not accessible, average national or regional grid factors were used.

In the location-based approach, emissions were determined based on national average electricity factors, representative of the carbon intensity of electricity production in the countries where consumption occurred. Scope 2 emissions were calculated only for CO_2, since the emission factors used did not include other GHGs.

SCOPE 3
Regarding Scope 3, Sonae Arauco assessed and reported on the indirect emissions associated with upstream and downstream activities of its value chain, following the GHG Protocol Corporate Value Chain Standard. The inventory included all categories considered relevant to the business model and for which there was sufficiently robust information available.

The included categories were: **Category 1 – Purchased goods and services**, covering wood, chemicals, paper, water, and services; **Category 2 – Capital goods; Category 3 – Fuel- and energy-related activities not included in Scopes 1 and 2**, calculated based on consumption data reported in Scopes 1 and 2; **Category 4 – Upstream transportation and distribution; Category 5 – Waste generated in operations; Category 6 – Business travel; Category 7 – Employee commuting; Category 9 – Downstream transportation** and **distribution; and Category 12 – End-of-life treatment of sold products.**

Some categories were not included because they were not applicable or due to data limitations. **Category 8 – Upstream leased assets** and **Category 13 – Downstream leased assets** were not considered relevant. Category 10 – Processing of sold products was excluded due to the lack of reliable data across the downstream value chain. **Category 11 – Use of sold products** was considered not applicable, since the wood panels produced by Sonae Arauco do not generate GHG emissions during their use phase. **Categories 14 – Franchising** and **15 – Investments** do not apply to the Group's business model.

Scope 3 emissions quantification used methodologies tailored to the nature of each category. In Category 1, methods based on average data were used, applying emission factors to physical activity units. For service purchases, included in the same category, the spend-based method was adopted, applying emission factors per monetary unit. In Category 3, emissions associated with fuels and energy were estimated from Scopes 1 and 2 data, using well-to-tank factors and average grid loss rates. Categories 4 and 9 were calculated based on quantities transported, distances travelled, and transport modes, supplemented by conservative estimates when necessary. Category 5 considered off-site transportation and treatment of waste, applying specific factors by waste type and treatment method. Category 12 was estimated based on sales volumes, national average waste management rates, and emission factors per final destination.

Sonae Arauco mostly used secondary data and average factors, given the scope and complexity of the value chain, integrating primary data whenever available, namely some supplier-specific emission factors within the chemicals product category. In the absence of specific data, recognised databases and conservative assumptions were used, ensuring methodological consistency, transparency, and temporal comparability of results.

EMISSION FACTOR
Regarding emission factors, Sonae Arauco used internationally validated and recognised public sources, selected according to the nature of each emission source and the methodologies defined by the GHG Protocol. The factors applied corresponded to the most recent versions available at the time of reporting, ensuring the robustness and reliability of the results.

For emissions associated with fuel and energy consumption, DEFRA factors were mainly used, complemented by factors from national entities such as APA, CNMC and UBA, as well as databases such as Ecoinvent, ADEME and Climatiq, especially for Scope 3 emissions. The global warming potentials (GWPs) used were those from IPCC AR6, applied over 100 years, and the methodologies for calculating fluorinated gas emissions and wastewater treatment also followed IPCC guidelines. Emission factors are updated periodically, incorporating new database versions and ensuring temporal comparability and the continuous improvement of the quality of the emissions inventory.

BIOGENIC EMISSIONS OF CO_2

Biogenic emissions correspond to carbon dioxide (CO_2) released as part of the natural biomass cycle, resulting mainly from the combustion or decomposition of materials of biological origin. In the case of Sonae Arauco, these emissions are primarily associated with the use of biomass for energy production in industrial processes, including both purchased biomass and internally generated by-products.

In practice, most of the company's biogenic emissions originate from the energy recovery of wood waste and other by-products from the production process.
The carbon released was previously absorbed during biomass growth and is therefore part of the biogenic carbon cycle.

METRICS RELATED TO BIOGENIC EMISSIONS OF CO_2EQ (tCO_2eq)	2025
Biogenic emissions of CO_2eq (Scope 1 and 2)	537 045

Accounting principles | In the Sonae Arauco emissions inventory, no distinction was made between Scopes 1 and Scope 2 for biogenic emissions, nor are the location-based or market-based methodologies applied, since these are intended exclusively for fossil-origin emissions. Scope 3 biogenic emissions are also not quantified, in alignment with the methodological approach defined by the company and with the GHG Protocol guidelines for the value chain.

At the facilities covered by the EU Emissions Trading System (EU ETS) (Beeskow, Nettgau, and Meppen), the values for biogenic emissions determined within the system itself were used, subject to independent verification. These values explicitly assume that the biogenic fraction of the fuels was not included in the fossil emissions reported to the EU ETS.

For the remaining industrial units, biogenic emissions were calculated based on the total biomass used for energy generation, including purchased biomass, by-products (e.g. chips, sawdust, bark, shavings) and wood waste, with energy use occurring in accordance with the principles of cascading use, after the prioritisation of internal wood material applications.

Quantification followed the recommended methodology for biogenic emissions from biomass combustion, considering the carbon content of the material and the stoichiometric conversion to CO_2.

The reported biogenic emissions refer exclusively to the combustion of biomass for energy purposes. Biogenic carbon incorporated in products, potential effects of sequestration or long-term storage, and indirect biogenic emissions from the value chain (Scope 3) were not included. These exclusions were in line with the scope of Sonae Arauco's corporate GHG inventory, and with the materiality, consistency, and transparency principles of the GHG Protocol.

GHG INTENSITY BASED ON NET REVENUE

GHG emission intensity was calculated by relating the total emissions to the respective net revenue, as presented in the following table.

GHG INTENSITY PER NET REVENUE	2025
Net revenue (M€)	841
Total GHG emissions (location-based) per net revenue (tCO_2eq/M€)	1 382
Total GHG emissions (market-based) per net revenue (tCO_2eq/M€)	1 354

Accounting principles | Within the scope of the analysis of GHG emission intensity, it is important to highlight that no net revenues were excluded from the calculation. All available financial data were fully considered, ensuring the consistency and transparency of the indicator. The emission intensity was determined by dividing the total greenhouse gas emissions by the respective turnover.

GHG removals and GHG mitigation projects financed through carbon credits (E1-7)

As a producer of wood-based panels, Sonae Arauco contributes to climate change mitigation primarily through the ongoing reduction of its greenhouse gas emissions throughout its operations and value chain, as well as by promoting solutions based on the circular bioeconomy.

As part of its **Decarbonisation Roadmap**, the company is implementing a structured set of measures focused on emission reduction (Scopes 1, 2, and 3), including energy efficiency, increased use of renewable energy, and the incorporation of recycled raw materials, in alignment with its climate transition plan.

In parallel, Sonae Arauco is developing the **CO_2 Capture Program**, which includes forest-based initiatives under its management, with special emphasis on **Sonae Forest** – a collaborative project among Sonae Group companies aimed at conserving and restoring forests, promoting biodiversity, and strengthening ecosystem resilience. These projects help increase natural carbon sinks, supporting a long-term approach to climate change mitigation and nature restoration.

As of the date of this report, these **forestry initiatives are still being developed and consolidated**, and have not yet been formalised as quantified, certified GHG removal projects or used for emission neutralisation purposes. During the reporting period, Sonae Arauco did not use carbon credits to offset residual emissions, maintaining its primary focus on the direct and structural reduction of its emissions.

CARBON STORAGE BY PRODUCTS

Regarding the products, Sonae Arauco's wood-based solutions play a relevant role in **carbon retention** by acting as long-term carbon storage solutions within the built environment. In 2025, **Sonae Arauco's products retained approximately 3 million tonnes of CO_2**, reflecting the cumulative carbon storage effect of products placed on the market.

Furthermore, by enabling the substitution of more carbon-intensive materials, Sonae Arauco's wood-based solutions contribute meaningfully to the transition towards a low-carbon economy on a systemic level.

04

ESRS E2 - POLLUTION

STRATEGY

SONAE ARAUCO
Taking wood further

ESRS E2 - POLLUTION

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

The Double Materiality Assessment identified negative impacts, risks and opportunities that are relevant to Sonae Arauco and across its value chain. These material IROs relate to air pollution, water pollution, substances of concern and substances of very high concern.

IRO TYPE: I Impact | **R** Risk | **O** Opportunity

+ Positive Impact **-** Negative Impact

TYPE OF IMPACT: A Actual | **P** Potential

IRO LOCATION: OP Own Operations | **US** Upstream | **DS** Downstream

Environment	IRO	+/-	A/P	OP/US/DS	Time horizon
ESRS E2: POLLUTION					
POLLUTION OF AIR					
Negative impacts related to emissions of particles and non-GHG gases (dust, emissions of suspended particles (PM), sulphur oxides (SOx), nitrogen oxides (NOx), volatile organic compounds (VOCs), formaldehyde) in Sonae Arauco industrial units contributing to air pollution.	I	-	A	OP	Short-, medium- and long-term
Risk related to non-compliance with new regulations and/or new limit values for atmospheric emissions imposed by regulators. This situation may increase operating costs due to new obligations and the need for technological and process adaptations, which represents a financial risk for Sonae Arauco. Non-compliance may involve fines, penalties, sanctions or remediation costs.	R			OP	Medium- and long-term
Opportunities for new investments in technologies and the application of Best Available Techniques (BAT) to reduce air emissions, especially in the drying process. This opportunity can not only reduce concerns related to the health and safety of workers and surrounding communities, but also help to reduce emissions of air pollutants, thus representing a significant financial opportunity by optimising processes and reducing the costs of compliance with environmental regulations.	O			OP	Medium- and long-term
Upstream and downstream activities can cause negative impacts on air quality as a result of the nature of certain activities, such as the wood industry, the chemical industry, the paper industry and the furniture industry. These emissions contribute to pollution and a decrease in quality of life.	I	-	A	US and DS	Short-, medium- and long-term
POLLUTION OF WATER					
Potential negative impacts from water contamination and discharges due to Sonae Arauco's industrial activities. This situation can affect rivers near operations, groundwater, among others.	I	-	P	OP	Short-, medium- and long-term
Risk of non-compliance with new water pollution limits imposed by regulators at industrial units. Non-compliance may result in monetary penalties, sanctions or remediation costs, among other financial risks.	R			OP	Short-, medium- and long-term
Upstream and downstream activities can cause negative impacts on water quality, contributing to water contamination. For example, this may occur in the wood, chemical, paper, furniture and construction industries. These impacts contribute to water pollution and a decline in the quality of life.	I	-	A	US and DS	Short-, medium- and long-term

IRO TYPE: I Impact | **R** Risk | **O** Opportunity

+ Positive Impact **-** Negative Impact

TYPE OF IMPACT: A Actual | **P** Potential

IRO LOCATION: OP Own Operations | **US** Upstream | **DS** Downstream

Environment	IRO	+/-	A/P	OP/US/DS	Time horizon
SUBSTANCES OF CONCERN					
Risk related to new regulations, new limit values and/or reclassification of chemicals considered as "substances of concern" by ECHA. This situation can increase operating costs due to new obligations and can increase raw-material procurement costs, among other changes to the production process.	R			OP	Short-, medium- and long-term
SUBSTANCES OF VERY HIGH CONCERN					
Sonae Arauco's industrial unit (Euroresinas), as a producer of formaldehyde and synthetic resins, is a potential user of Substances of Concern (obligations under the REACH Regulation). Use by Euroresinas can cause potential negative impacts in relation to these substances, since they can have adverse effects.	I	-	P	OP	Short-, medium- and long-term
Risk related to new regulations, new limit values and/or reclassification of chemicals considered as "substances of very high concern" by ECHA. This situation can increase operating costs due to new obligations and can increase raw-material procurement costs, among other changes.	R			OP	Short-, medium- and long-term

PILLAR: OPERATIONAL EXCELLENCE

On **air pollution**, Sonae Arauco identified negative impacts both in its own operations and across the value chain. At its industrial sites, emissions of particulate matter and non-GHG gases arising from production processes can contribute to deteriorating air quality. Upstream and downstream activities may also exacerbate this impact, reflecting the intensive nature of the underlying processes. In parallel, compliance with new legal emission limit values (ELVs) may require technological upgrades and lead to additional costs. Conversely, adopting more efficient technologies and Best Available Techniques (BAT), represents an opportunity to reduce emissions, improve environmental performance and optimise compliance costs.

On **water pollution**, negative impacts were also identified in Sonae Arauco's own operations and across the value chain. Industrial activities may lead to discharges that affect rivers and groundwater, while upstream and downstream activities can also contribute to water contamination. A risk of non-compliance with new legal water-quality limits was also identified, potentially resulting in financial penalties and remediation costs.

For **substances of concern (SoC)**, the company identified a risk associated with potential changes to European regulation, including new limits, additional obligations or reclassifications by ECHA. Such changes may require adjustments to production processes and increase operating costs, including raw-material procurement costs, underscoring the need for robust management of chemical compliance across operations.

For **substances of very high concern (SVHC)**, an impact was identified in connection with Euroresinas' production of formaldehyde and synthetic resins, given that the use of SVHC is linked to the manufacturing processes. This entails specific obligations under the REACH Regulation and may lead to adverse effects due to the properties of these substances. In addition, potential regulatory changes — such as new limits, new obligations or reclassifications by ECHA — represent a risk that could increase operating costs, require process adaptations and influence raw-material prices.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

SONAE ARAUCO
Taking wood further

ESRS E2 – POLLUTION

Policies related to Pollution (E2-1)

The material IROs related to pollution topics are connected to emissions to air, to water, and to the use of hazardous materials, namely Substances of Concern (SoC) and Substances of Very High Concern (SVHC).

The **"Safety, Quality, Environment and Energy Integrated Policy",** as cited above (E1-2 - Policies related to climate change mitigation and adaptation), addresses environmental rules and procedures, including air and water pollution and the use of substances, by identifying hazards, assessing risks and taking immediate corrective actions. The procedures aim to minimise negative environmental impacts by addressing emissions of particles, responsible chemical use, non-GHG gases and hazardous substances from industrial operations. Recognising the importance of environmental protection, Sonae Arauco remains committed to continuous improvement in industrial practices and to going beyond regulatory compliance by integrating advanced technologies and monitoring systems wherever possible, including the implementation of Best Available Techniques (BAT) applicable to its activity.

- For further details related to BAT, see ESRS E2-4 - Pollution of air and water.

Sonae Arauco's pollution procedures are currently applied in all operating countries and the management of IROs takes place through several practices, including the ISO 14001 Environmental Management System. Compliance is assured through regular audits that enable continuous improvement cycles, such as corrective actions and management reviews, including compliance with legislation as cited in section E1-2 - Policies related to climate change mitigation and adaptation.

EURORESINAS

The Sines operation — Euroresinas — has more specific internal policies and practices due to the activities performed, such as the commercialisation and production of chemical products (synthetic resins and formaldehyde) and impregnated paper. Given Euroresinas' location within the Sines Industrial and Logistics Zone (ZILS), the procedures for the prevention of major accidents and the management of hazardous substances are more specific, reflecting the presence of substances that are harmful to the environment and human health, such as phenol, fuel oil, methanol, formaldehyde and other chemicals.

- **REACH**

Regarding the use of SVHC, Sonae Arauco, as a downstream user, maintains full compliance with the EU REACH regulation to ensure the safe and responsible supply of its products. These commitments are embedded in the company's governance framework, policies, and operational practices, supported by ISO 14001 certification, which reinforces systematic risk management in line with European chemical safety standards. Sonae Arauco actively monitors regulatory developments, promotes science-based risk assessments, and ensures that future decisions strike the right balance between health protection, environmental sustainability, and industrial feasibility.

The "Policy on Research, Development and Innovation Management, CdR, and Prevention of Serious Accidents" ensures legal compliance and seeks continuous improvement regarding hazard control and the prevention of serious accidents, with targets and objectives reviewed when necessary. The practices supported by the Research, Development and Innovation (RDI) approach are an essential component in ensuring best practice in the use of SoC and SVHC, as well as the continuous review and gradual substitution with safer alternatives, including reducing use and innovating towards less harmful products.

For emergencies that may result in pollution, Sonae Arauco has specific internal procedures, including emergency response plans and regular drills, to ensure an appropriate response to incidents and critical situations. Incidents are also subject to root cause analysis (RCA) and post-incident corrective actions, as part of a continuous improvement cycle.

Actions and resources in relation to pollution (E2-2)

The actions implemented by Sonae Arauco to remediate and control material pollution-related IROs are aligned with a continuous improvement approach, as defined in the Integrated Policy for Safety, Quality, Environment and Energy, the Sonae Arauco Management System (SAMS), and complementary monitoring processes at both corporate and local levels.

The annual renewal of ISO 14001 certification across all sites constitutes a core pillar of the company's environmental management system, ensuring ongoing legal compliance, systematic control of key pollutants, independent third-party auditing, and the integration of pollution management into operational and decision-making processes.

This framework reinforces consistency across regions, strengthens pollution prevention at source, and builds stakeholder trust. Pollution-related issues are prioritised and tracked through a structured corporate and site register that links each topic to mitigation actions, authority interface (where applicable) and escalation risks (e.g. fines, operational restrictions or permit exposure).

The critical pollution topics identified by Sonae Arauco include dust generated during raw material preparation and handling, TVOC and NMVOC emissions associated with drying processes, and formaldehyde as both an atmospheric emission and a hazardous substance. Control effectiveness is supported by ongoing monitoring and measurement, with site monitoring results maintained in each site's environmental reports and reviewed through several-year trend analysis.

The company also considers water pollution a priority, particularly regarding industrial effluents and the efficient use of water resources, as well as the management of SoC and SVHC, with particular attention to formaldehyde and melamine.

ACTIONS 2025

AIR POLLUTION

In the area of air pollution, Sonae Arauco strengthened its commitment to this material topic through the following actions:

Implementation and upgrade of BAT technologies

- Technological **upgrade and improvement of atmospheric emission abatement systems**, including WESP, wet scrubbers, bio scrubbers and biofilters, increasing the efficiency of controlling dust (PM), TVOC/NMVOC and formaldehyde.
    - Location: Spain (Linares) and Germany (Nettgau)
- Consistent **application of BAT techniques** such as aqueous/biological abatement, dry/mechanical abatement and thermal oxidation, in accordance with the sector BREF, ensuring compliance with applicable ELVs across all relevant emission sources.
    - Location: Global

Operational management and prevention of dust control

- Development of processes to optimise controls to minimise fugitive emissions and accidental releases that contribute to air pollution. Examples include the construction of physical barriers to reduce fugitive sawdust, improving control of dust dispersion in surrounding areas, and the use of water-based quenching systems to control dust. These measures aim to prevent the release of dust, limit off-site dust dispersion and reduce adverse impacts on local air quality.
    - Location: Portugal (Oliveira do Hospital, Souselas), Germany (Beeskow, Nettgau, Meppen), Spain (Valladolid, Linares)

WATER POLLUTION

Given the relevance of water pollution, Sonae Arauco implemented the following specific action in 2025:

- The implementation of a new wastewater treatment system (WWTS), reinforced a robust and reliable compliance framework for effluent discharge limit values. This new installation strengthens treatment capacity and control, improving discharge quality and ensuring consistent adherence to regulatory parameters under normal and upset operating conditions. In parallel, the upgraded process reduces pollutant loads in the final effluent and decreases reliance on corrective or additional downstream treatment steps, improving overall operational stability. Overall, this action represents a structural improvement in minimising water pollution risk by ensuring tighter process control, stronger monitoring, and sustained compliance with applicable discharge standards
    - Location: Spain (Linares)

SOC AND SVHC

Given the stringent regulatory framework and the operational relevance of formaldehyde and melamine, the following specific actions were implemented in 2025 to strengthen the management of these substances:

Formaldehyde

Formaldehyde is associated with adverse impacts on human health and air quality, which increases exposure to regulatory, operational, legal and reputational risks. To address these challenges, Sonae Arauco has continuously invested in research and development, enabling the production of wood-based panels with very low formaldehyde emissions, fully aligned with the latest regulatory requirements and market expectations.

In addition to emissions from the final product, formaldehyde is also a relevant component of industrial atmospheric emissions, particularly from dryers and presses. For this reason, the company continuously optimises its processes to comply with applicable limits and, whenever possible, go beyond compliance by achieving emission levels below regulatory thresholds established by authorities, supported by regular investments in emission control technologies and operational improvements that reduce the environmental footprint and reinforce compliance.

Within the scope of actions, Sonae Arauco ensures the production and commercialisation of panels with very low formaldehyde emissions (E1 and E05 classes), verified through independent product profiles and EPDs.

The company also integrates European BOELVs into its internal procedures, ensuring standardised monitoring of occupational exposure across all units. In parallel, it maintains the continuous optimisation of industrial processes and abatement systems, ensuring the progressive reduction of atmospheric formaldehyde emissions associated with drying and pressing operations.

Melamine

Melamine is an essential component in the production of resins used in wood-based panels, contributing to the durability, water resistance and mechanical performance of the final products. As a critical element in the engineered wood value chain, its regulatory classification as a Substance of Very High Concern (SVHC) requires preventive and rigorous management.
Recognising this relevance, Sonae Arauco actively monitors the regulatory developments related to melamine through participation in the European Panel Federation (EPF) working groups and through ongoing technical-regulatory follow-up with ECHA, ensuring continuous alignment with legal requirements and preparedness for potential legislative changes. In parallel, the company is developing a preliminary mapping of melamine uses and its supply chain, enabling the anticipation of compliance needs and supporting strategic decision-making whenever new regulatory obligations arise. This preventive approach strengthens the company's ability to manage risks associated with chemical substances and ensures operational continuity in a regulatory context that is constantly evolving.

CAPACITY BUILDING AND OPERATIONAL MANAGEMENT

In the context of internal capacity building and the strengthening of environmental management systems, Sonae Arauco developed a set of initiatives in 2025 aimed at reinforcing pollution prevention and ensuring the effectiveness of environmental controls.

During this period, the company enhanced team preparedness through training dedicated to pollution prevention and environmental emergency response, directed at employees and contractors and fully integrated into the OIS&E system, thereby ensuring greater readiness to act in the event of potential incidents. In parallel, external audits for the renewal of ISO 14001 certification were completed across all industrial units, confirming the effectiveness of the controls in place, compliance with legal requirements, and the consistent integration of pollution-prevention practices into operational and management processes.

FUTURE ACTIONS

The material IROs related to pollution topics are connected to emissions to air, to water, and to the use of hazardous materials, namely Substances of Concern (SoC) and Substances of Very High Concern (SVHC).

Compliance is a fundamental part of responsible environmental management and is supported by the company's management systems. Future actions therefore include strengthening compliance processes and digital monitoring tools, improving visibility of key licence indicators, and ensuring that operations meet - and, where possible, exceed - the stringent air-quality and emissions concentration limits imposed by regulators. In addition, Sonae Arauco is assessing its facilities to identify retrofit opportunities and further improvements to air and water treatment technologies, as well as initiatives to enhance collaboration with suppliers and customers on pollution-related impacts.

Pollution control investments are systematically planned and reflected in the annual capital expenditure (CapEx) budgets, ensuring the allocation of dedicated resources for the implementation of technologies, processes, and initiatives aimed at mitigating environmental impacts. The costs associated with these actions are continuously monitored, consolidated, and reported in both sustainability reports and financial statements, ensuring transparency, traceability, and consistency of the information disclosed to stakeholders.

Resources are allocated through the Group's regular budgeting, CapEx and OpEx planning processes. **In 2025, more than €9 million was invested in pollution prevention and control (CapEx)**, complemented by ongoing OpEx for the operation, maintenance, monitoring and auditing of environmental control systems and ISO 14001 – certified processes. These resources are reflected in the Group's consolidated financial statements and will continue to be allocated through annual planning cycles.

METRICS AND TARGETS

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ESRS G1 – BUSINESS CONDUCT

Targets related to pollution (E2-3)

Sonae Arauco does not currently have voluntary specific targets related to pollution. Nevertheless, the company ensures the continuous management of its material impacts through the implementation of its environmental policies, the ISO 14001 Environmental Management System, and the monitoring and continuous-improvement mechanisms integrated into SAMS.

The company regularly monitors performance related to air emissions, effluents and SVHC, ensuring compliance with applicable legislation and permit conditions, European requirements (including REACH), and BAT/BREF-aligned requirements under the Industrial Emissions Directive (IED), as applicable. As required under the European regulatory framework and site permitting regimes, Sonae Arauco meets all mandatory pollution-control targets established by law, namely Emission Limit Values (ELVs) and the associated monitoring, reporting and inspection requirements applicable to its industrial operations.

Although no voluntary targets have currently been defined, in addition to these mandatory targets, Sonae Arauco may establish additional targets in the future as monitoring systems mature, new regulatory requirements enter into force, and operational performance enables the definition of robust quantitative indicators aligned with sector developments.

Pollution of air and water (E2-4)

The industrial activities carried out by Sonae Arauco, associated with the production of wood-based panels, involve emissions to air and wastewater discharges related to its production processes. The company recognises pollution prevention and control as an essential element of its environmental management, integrating these topics systematically into its sustainability strategy, management systems and operational practices.
Air and water pollution management is conducted in accordance with the applicable legal and regulatory requirements, namely the Industrial Emissions Directive (IED), the environmental permits/licences in force and the Best Available Techniques (BAT) conclusions for the sector. All relevant industrial units have formal environmental monitoring plans that define the parameters to be controlled, the frequency of measurements and the methodologies to be applied.
Monitoring of atmospheric emissions and wastewater discharges is carried out by accredited external entities, where applicable, using standardised methods and calibrated equipment, ensuring the reliability and consistency of the information collected. The results obtained are analysed by the environmental teams, compared with the respective emission and discharge limit values, and reported to the competent authorities, ensuring compliance with legal obligations and transparency of environmental performance.
The metrics presented in the following sections reflect this management framework and enable a structured assessment of Sonae Arauco's performance regarding air and water pollution, supporting the evaluation of the effectiveness of control measures implemented and the identification of opportunities for continuous improvement.
The following tables present only the emissions from facilities for which releases above the applicable reporting thresholds were recorded, as defined in Annex II of Regulation (EC) No 166/2006.

EMISSIONS TO AIR

In 2025, releases of non-methane volatile organic compounds, nitrogen oxides, cadmium and its compounds, chlorine and inorganic compounds, and particulate matter were above the applicable reporting thresholds established in Annex II of Regulation (EC) No 166/2006.

AIR EMISSIONS METRICS	2025
Non-methane volatile organic compounds (NMVOCs) (kg)	956 178
Nitrogen oxides (NO_x/NO_2) (kg)	625 414
Cadmium and its compounds (as Cd) (kg)	14
Chlorine and inorganic compounds (as HCl) (kg)	12 263
Particulate matter (PM_{10}) (kg)	315 530

In addition to these pollutants, Sonae Arauco regularly monitors other atmospheric parameters, namely carbon monoxide and sulphur oxides. However, during the reporting period, these parameters were below the applicable reporting thresholds and are therefore not included in the table presented.

Accounting principles | Sonae Arauco's atmospheric emissions were quantified and consolidated in accordance with the principles of the Pollutant Release and Transfer Register (PRTR). The total annual quantity of each pollutant (kg/year) emitted is determined based on site specific data, using a combination of direct measurements (spot or continuous), calculations and estimates, as established in the respective environmental permits/licences and monitoring plans. Whenever applicable, emissions are calculated from measured concentrations (mg/Nm^3), multiplied by the relevant annual flow rate and operating hours, to determine the total annual emission per pollutant.

For industrial units located in Portugal, atmospheric emission data are determined and reported in accordance with the national PRTR methodology, under the supervision of the Portuguese Environment Agency (APA), with the official reporting files used as supporting evidence. For units located outside Portugal, emission quantification follows the requirements of the respective environmental permits/licences and equivalent methodologies, ensuring consistency and comparability at company level.

Only industrial units with relevant emissions are included in the consolidation of air pollution metrics;offices and other entities to which this metric is not applicable are excluded.

EMISSIONS TO WATER

With regard to water pollution, in 2025, only the pollutant phenols were reported above the applicable reporting threshold value established in the legislation.

EMISSIONS TO WATER	2025
Phenols (as total C) (kg)	65

It is important to note that Sonae Arauco frequently monitors other pollutants present in its wastewater discharges, such as total organic carbon and total nitrogen. However, during the reporting period, these parameters were below the reporting thresholds and are therefore not included in the table presented.

Over recent years, Sonae Arauco has evolved from a predominantly compliance-driven approach to a more preventive and opportunity-oriented pollution management model.

This shift has been supported by sustained investments in BAT-aligned air-emission abatement, upgrades of wastewater treatment systems, and stronger integration of pollution risks into ISO 14001-certified management processes. Key milestones include the expansion of advanced emission-control technologies, improved site-level monitoring and trend analysis, and the systematic linkage between regulatory risks, operational controls and capital planning, reinforcing both environmental performance and operational resilience.

Accounting principles | The data relating to pollutants present in wastewater were obtained through monitoring methodologies adapted to the operational characteristics and legal and permit/license requirements applicable to each facility. In units with industrial wastewater discharges, analyses are carried out by accredited external laboratories, with a frequency and parameter set defined by local regulations, covering parameters such as COD, phenols, oils and fats, pH and other relevant substances.

The reported values may result from direct measurements, calculations based on discharged volumes, or periodic reports issued by external entities. In facilities subject to Water Use Licences (WUL), only the parameters required by the licence are reported. In units without industrial wastewater discharges, reporting is limited to analyses applicable to municipal wastewater or to the monitoring of filterable substances in rainwater.

Only industrial units with relevant emissions are included in the consolidation of water pollution metrics; offices and other non-applicable entities are excluded.

Substances of very high concern (E2-5)

SVHC's corresponds to a category of substances identified under Regulation (EC) No 1907/2006 (REACH) as presenting particularly concerning properties for human health or the environment, including substances meeting the criteria in Article 57 and identified for inclusion in the Candidate List in accordance with Article 59.

In the context of Sonae Arauco's activities, SVHC may occur as chemical raw materials used in specific industrial processes or as residual components incorporated into products. The assessment carried out covers the substances present in the company's relevant industrial operations, as well as substances purchased and transformed within production processes, with a particular focus on resin manufacturing and impregnated paper production.

Based on the Double Materiality Assessment conducted in 2025, only **melamine** was identified as a materially relevant SVHC for reporting purposes, with no other SVHC identified as material for reporting across Sonae Arauco's operations.

Melamine is included in the REACH Candidate List, under Article 57(f), as it presents an equivalent level of concern associated with potential serious adverse effects on human health and the environment, namely target organ toxicity following prolonged exposure and suspected carcinogenicity. In addition, ECHA has recommended melamine for potential inclusion in the REACH Authorisation List (Annex XIV), which would move it from Candidate List status towards possible authorisation requirements, subject to a European Commission decision.

Within Sonae Arauco's operations, melamine is associated with **Euroresinas' activities**, where it is used as an essential raw material. Melamine may also be present in the products placed on the market at residual levels, in the form of residual free (unreacted) melamine incorporated into resins and impregnated papers.

The presence of melamine in products results from the chemical polymerisation process of the resins, with the substance being largely consumed and transformed throughout the production process.

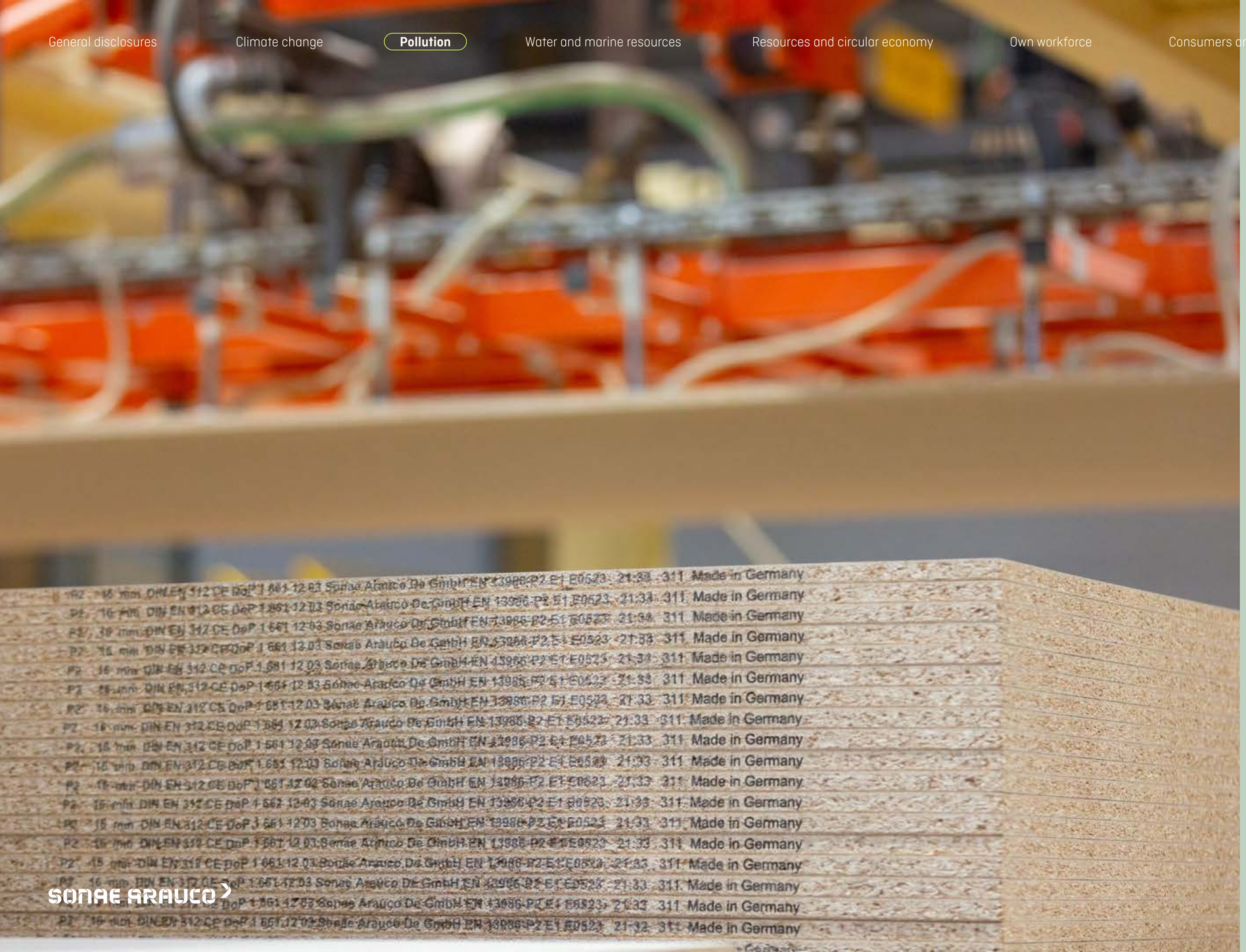
The metrics presented correspond to the inputs and outputs associated with melamine:

- **Inputs:** refer to the total amount of melamine purchased as a raw material during the reporting period;
- **Outputs:** refer to the amount of melamine leaving the facilities as part of products, reflecting only the fraction of residual free melamine present in the resins and impregnated papers dispatched.

AMOUNT OF SVHC THAT IS PROCURED BY MAIN HAZARD CLASSES (t)	
Carcinogenic (Article 57a)	-
Mutagenic (Article 57b)	-
Toxic for reproduction (Article 57c)	-
Persistent, Bioaccumulative and Toxic properties (Article 57d)	-
Very Persistent, Very Bioaccumulative properties (Article 57e)	-
Endocrine disruption properties (Article 57f - environment)	5 185
Endocrine disrupting properties (Article 57f - human health)	5 185
Respiratory sensitising properties (Article 57f - human health)	5 185
Specific target organ toxicity after repeated exposure (Article 57f - human health)	5 185
Equivalent level of concern having probable serious effects to human health (and/or) the environment (Article 57f)	5 185
Total SVHC that is procured	**5 185**

AMOUNT OF SVHC THAT LEAVES ITS FACILITIES AS PART OF PRODUCTS BY MAIN HAZARD CLASSES (t)	
Carcinogenic (Article 57a)	-
Mutagenic (Article 57b)	-
Toxic for reproduction (Article 57c)	-
Persistent, Bioaccumulative and Toxic properties (Article 57d)	-
Very Persistent, Very Bioaccumulative properties (Article 57e)	-
Endocrine disruption properties (Article 57f - environment)	259
Endocrine disrupting properties (Article 57f - human health)	259
Respiratory sensitising properties (Article 57f - human health)	259
Specific target organ toxicity after repeated exposure (Article 57f - human health)	259
Equivalent level of concern having probable serious effects to human health (and/or) the environment (Article 57f)	259
Total SVHC that leaves its facilities as part of products	**259**

Note: Melamine is the only SVHC considered in the reporting period and presents multiple hazardous properties covered under Article 57(f) of REACH. Accordingly, the quantities presented per hazard class refer to the same substance and are not cumulative, meaning they do not represent additional volumes.



Taken together, the results show that melamine is largely consumed and incorporated into the production process, with the amount reported in the outputs limited to the unreacted fraction that remains in the final product. This profile is consistent with the reporting approach applied in this disclosure, in which outputs reflect only the residual free melamine fraction estimated for final products based on shipment data and representative laboratory analyses.

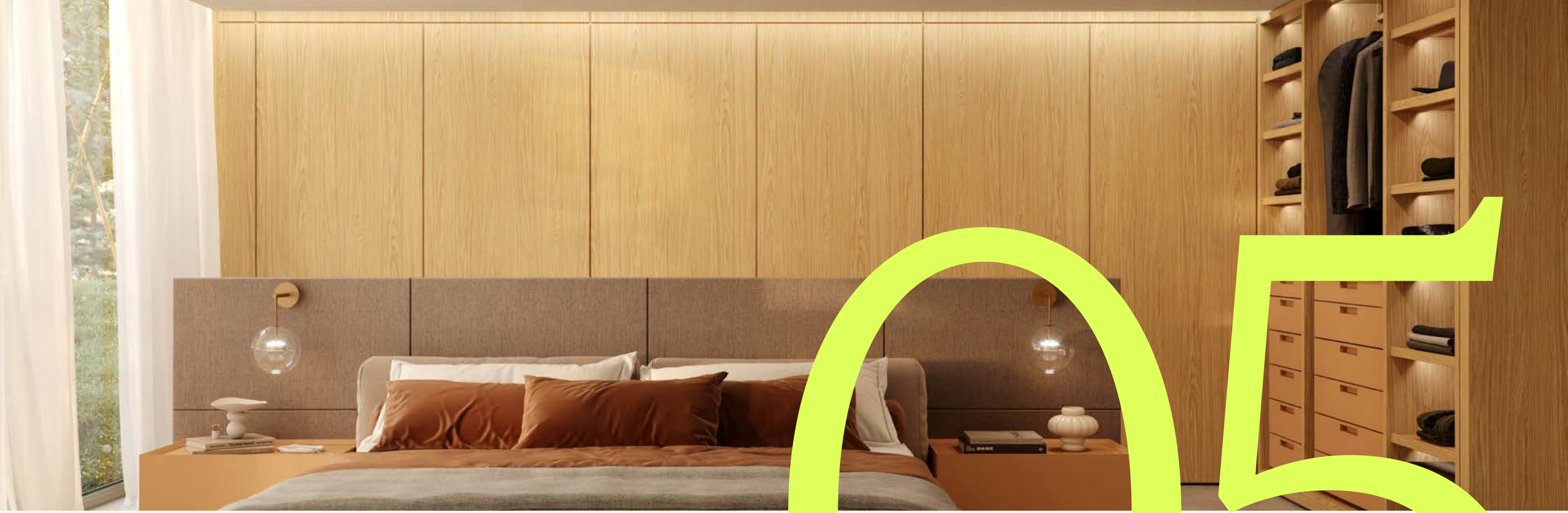
In the case of impregnation operations, it is important to note that ImPaper acts exclusively as a downstream user and does not purchase or place SVHC on the market as standalone substances, acquiring only resins that may contain melamine solely as residual components resulting from the resin manufacturing process. The applicable SVHC communication obligations therefore remain upstream and are ensured by suppliers through Safety Data Sheets.

Regarding formaldehyde, it is not included in the Candidate List as of 31 December 2025 and is therefore not considered an SVHC for reporting purposes. Nevertheless, formaldehyde presents characteristics compatible with a potential future classification as an SVHC, namely under Article 57(a) of REACH, due to its carcinogenic potential (Category 1B). Sonae Arauco continuously monitors scientific and regulatory developments related to formaldehyde and manages this substance within the scope of:

- Atmospheric emissions control;
- Occupational health and safety (BOELVs);
- Development of low-emission products (E1 and E05).

Accounting principles | The quantities of melamine purchased were determined based on the information available in the SAP system, considering exclusively the production carried out during the 2025 financial year.

Concerning the quantities of melamine incorporated into the products dispatched, these were determined using shipment data for resins and impregnated papers extracted from SAP, together with laboratory analyses of representative samples used to determine the annual average percentage of residual free melamine. The reported value results from applying this annual average percentage to the total quantities dispatched during the reporting period.



05

ESRS E3 - WATER AND MARINE RESOURCES

SONAE ARAUCO

STRATEGY

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ESRS E3 – WATER AND MARINE RESOURCES

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

The Double Materiality Assessment carried out for the water topic identified material IROs both in Sonae Arauco's operations and across its value chain. These IROs relate to water consumption and abstraction for industrial activities, wastewater discharges arising from production processes, and initiatives such as water reuse and rainwater harvesting. Taken together, they reflect challenges and opportunities linked to the availability, quality and efficient management of water resources, requiring a proactive and sustainable approach.

IRO TYPE: I Impact | **R** Risk | **O** Opportunity

+ Positive Impact **-** Negative Impact

TYPE OF IMPACT: A Actual | **P** Potential

IRO LOCATION: OP Own Operations | **US** Upstream | **DS** Downstream

Environment	IRO	+/-	A/P	OP/US/DS	Time horizon
ESRS E3: WATER AND MARINE RESOURCES					
WATER					
The consumption and extraction of groundwater and surface water for Sonae Arauco's industrial activities, and to supply its fire-fighting network, contributes to reduced water availability in the regions and can contribute to resource scarcity.	I	-	A	OP	Short-, medium- and long-term
Sonae Arauco's industrial units generate wastewater discharges through production processes, which result in negative environmental impacts.	I	-	A	OP	Short-, medium- and long-term
Upstream and downstream activities can also contribute to negative impacts associated with water consumption, given the intensity of activities such as the wood, chemical, paper and furniture industries.	I	-	A	US and DS	Short-, medium- and long-term
Positive impacts related to water reuse and rainwater harvesting initiatives in industrial activities, supporting responsible water management and greater resilience to drought conditions.	I	+	P	OP	Short-, medium- and long-term
Potential negative impacts from water contamination and discharges due to Sonae Arauco's industrial activities. This situation can affect rivers near operations, groundwater, among others.	I	-	P	OP	Short-, medium- and long-term
High costs to implement new projects and plans related to water efficiency and circularity in the industrial units imply significant challenges in reducing water consumption and the water footprint.	R			OP	Medium- and long-term
The reduction in the amount of available water due to the impacts of heatwaves, droughts and/or new restrictions on water extraction or the imposition of reduced extraction volumes compared to existing permits can constitute a financial risk for Sonae Arauco. This situation may result in additional costs for acquiring water from alternative sources, operational disruptions, and production impacts, directly affecting the profitability and efficiency of its activities.	R			OP	Short-, medium- and long-term
Risk of penalties, sanctions and violations related to wastewater discharges with pollutant levels above permit conditions, particularly about non-compliance with discharge emission limit values established by environmental regulations.	R			OP	Short-, medium- and long-term

PILLAR: OPERATIONAL EXCELLENCE

Ambition: Responsible Use of Water
SDG subtopics 6.3, 6.4, 6.6

Within its own operations, **positive impacts** were identified related to water reuse and rainwater harvesting initiatives, which can contribute to more responsible water management and may strengthen the resilience of industrial units to drought conditions.

Negative impacts were also identified regarding the consumption and withdrawal of groundwater and surface water for industrial activities and for supplying the fire-fighting network, potentially contributing to reduced water availability in the regions where the company operates. Additionally, industrial units generate wastewater discharges from production processes, which, if not adequately treated and controlled, may affect municipal sewage systems and local hydrological ecosystems. Upstream and downstream, activities within Sonae Arauco's value chain may also generate negative impacts associated with intensive water consumption, reflecting the nature of the processes involved.

Material risks were identified related to the high costs of implementing water-efficiency and circularity projects in industrial units, which pose significant challenges to reducing water consumption and the overall water footprint. Furthermore, the reduction in water availability due to heatwaves, droughts or new legal restrictions on water withdrawal or reduced abstraction volumes compared to existing permits may lead to additional costs for alternative water sources, operational disruptions and production impacts, directly affecting the profitability and efficiency of activities. Finally, there is a risk of penalties and sanctions associated with non-compliance with applicable discharge limit values for wastewater discharges, which may result in remediation costs and regulatory consequences.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

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ESRS E3 – WATER AND MARINE RESOURCES

Policies related to water and marine resources (E3-1)

As cited above in E1-2 - Policies related to climate change mitigation and adaptation, the transversal policies and practices, such as the "Safety, Quality, Environment and Energy Integrated Policy" and the ISO 14001 Environmental Management System, include responsible water use, ensuring the sustainable use of this natural resource across **all sites where Sonae Arauco operates.** The sustainable management process includes water reduction, the prevention and minimisation of negative impacts on water bodies and associated ecosystems, as well as enhancing water efficiency and circularity in industrial operations.

Internal operational procedures and practices include monitoring water consumption and wastewater discharge quality to evaluate the effectiveness of implemented actions, mitigate risks and identify opportunities. Sonae Arauco supports pollution prevention and control through its management systems and operational practices, including monitoring programs for relevant discharge points. In addition, through its R&D approach, the company supports the development of products and processes that embed best practices in water management.

Sonae Arauco has established a comprehensive risk-management framework to monitor local regulatory requirements and address water-related risks, particularly in regions with higher exposure to drought and water scarcity. According to the WRI Aqueduct Water Risk Atlas, 11 of Sonae Arauco locations are situated in areas of high-water stress. This exposure reinforces the need for a structured approach to water management, based on efficiency, reuse and risk mitigation, ensuring that water-saving measures are adapted to local realities.

In addition, the company reinforces compliance with the EU Water Framework Directive for its European operations through robust governance policies that promote systematic monitoring and reporting of water consumption and risk exposure at both site and group levels. These practices are embedded in Sonae Arauco's environmental management system, supporting continuous improvement and alignment with European standards for sustainable water stewardship.

Actions and resources in relation to water and marine resources (E3-2)

Water is a critical natural resource for the wood-based panel industry and for its entire value chain. At Sonae Arauco, the responsible management of this resource is regarded as a strategic priority and is approached holistically, covering all operations, from recycling centres to industrial manufacturing units, and integrating principles of efficiency, circularity and risk management.

Within this framework, the continuous monitoring of efficiency and performance metrics has been a consolidated practice, ensuring that the actions implemented effectively contribute to the intended results. This approach includes the ongoing improvement of production processes, the adoption of closed-loop systems whenever technically feasible, and the integration of water-efficiency criteria into operational planning and decision-making.

In 2025, these efforts were reinforced through optimisations such as replacing municipal or fresh water with internally reused streams, whenever quality specifications allowed, and reducing avoidable losses in water-dependent equipment.

As a result, Sonae Arauco achieved progress across three essential fronts:

WATER INTENSITY
(i) reversing last year's increase in water intensity.

WATER WITHDRAWAL
(ii) reducing total water withdrawals.

WATER REUSE AND RECYCLING
(iii) formal reporting of water reused and recycled across our operations.

These advances reflect the company's commitment to the responsible and efficient use of water resources, strengthening operational resilience and contributing to the sustainability of the value chain.

ACTIONS 2025

Water efficiency projects

- Optimisation projects were implemented at strategic industrial units, focusing on improving production processes, reducing avoidable losses and strengthening operational practices. These initiatives included technical upgrades and process adjustments, resulting in a 6% improvement in water consumption and more rigorous monitoring of site-level water use.
    - Locations: Portugal, Spain, Germany and South Africa

Upgrading of wastewater treatment plants (WWTP)

- The upgrade of wastewater treatment plants (WWTP) enhanced discharge quality and supported compliance with regulatory standards. These improvements aim to optimise treatment processes, reduce pollutant loads in water discharges, and minimise local environmental impacts. By implementing improved technologies and monitoring systems, this action mitigates risks associated with water-quality regulations and strengthens management practices in line with stakeholders' expectations.
    - Locations: Portugal (Oliveira do Hospital), Spain (Linares) and South Africa (White River)

Engagement with local authorities and communities

- The company strengthened its dialogue with regional authorities and local communities to address specific water-related challenges and promote a collaborative approach to resource management.
    - Locations: Portugal, Spain, Germany and South Africa

Water stress assessment at industrial unit level

- In 2025, Sonae Arauco carried out a water stress assessment at industrial-unit level, with the objective of strengthening and adjusting the Water Action Plan, particularly in regions potentially exposed to water scarcity. This analysis informed the explicit integration of water management into the company's operational and environmental risk-management systems. For this assessment, the methodology of the Aqueduct Water Risk Atlas 4.0 tool, developed by the World Resources Institute (WRI), was applied across all industrial units.
    - Locations: Portugal, Spain, Germany and South Africa

FUTURE ACTIONS

Sonae Arauco will implement a **Water Action Plan** (2026–2028), aimed at strengthening water management systems, reducing consumption, and improving efficiency across all operations. These investments are designed to minimise the environmental impact associated with water use, enhance operational resilience through efficient resource management, and mitigate dependency risks while ensuring the long-term availability of water at a local level.

In this context, Sonae Arauco is preparing to implement anticipatory measures to address expected changes in European and national water resource regulations, ensuring full compliance and operational readiness. It also plans to expand water reuse and recycling initiatives across key industrial units, reinforcing circularity in water use. Additionally, Sonae Arauco will adopt advanced water monitoring and management systems to enable real-time tracking and optimisation, supporting more efficient, data-driven decision-making across its operations.

Resources for water-related actions are allocated through the Group's regular budgeting, CapEx and OpEx planning processes. In 2025, actions focused mainly on operational optimisation, efficiency improvements, monitoring and risk assessment, supported by ongoing OpEx rather than capital-intensive investments, and are reflected in the Group's consolidated financial statements. Future financial resources will be assessed and allocated through annual planning cycles, subject to site-specific water-risk profiles, regulatory developments and the phased implementation of the Water Action Plan.

METRICS AND TARGETS

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Taking wood further

ESRS E3 – WATER AND MARINE RESOURCES

Targets related to water and marine resources (E3-3)

Sonae Arauco has defined water-related targets as part of its **ESG strategy and environmental management system, in alignment with ISO 14001 and the applicable European directives.**

The target aims to reduce water consumption and strengthen water efficiency across all industrial units — Portugal, Spain, Germany and South Africa — with particular attention to regions facing higher water scarcity. The objectives are fully integrated into the environmental management system and form a central pillar of the company's sustainability strategy.

Sonae Arauco has established a single relative target focused on water intensity. This target is defined at group level, including the analysis of BAT.

Monitoring of water performance is based on methodologies that ensure rigour, consistency and regulatory compliance. Sonae Arauco uses direct metering at key intake and discharge points, complemented by periodic sampling to ensure the accuracy of reported data. Whenever necessary, assumptions based on stable and representative production conditions are applied, ensuring consistency and comparability over time.

Water management is aligned with the BAT defined in the EU Industrial Emissions Directive (IED) and in the sector-specific BREF documents. This alignment translates into the implementation of closed-loop water systems, advanced filtration and treatment technologies, and process optimisation measures that reduce dependence on external water sources without compromising product quality or operational efficiency. In line with BAT conclusions, the company prioritises the reuse of process water, the substitution of municipal water wherever technically feasible, and the adoption of closed systems that minimise losses and increase efficiency. These practices contribute simultaneously to reducing water consumption, strengthening operational resilience and lowering costs associated with this resource.

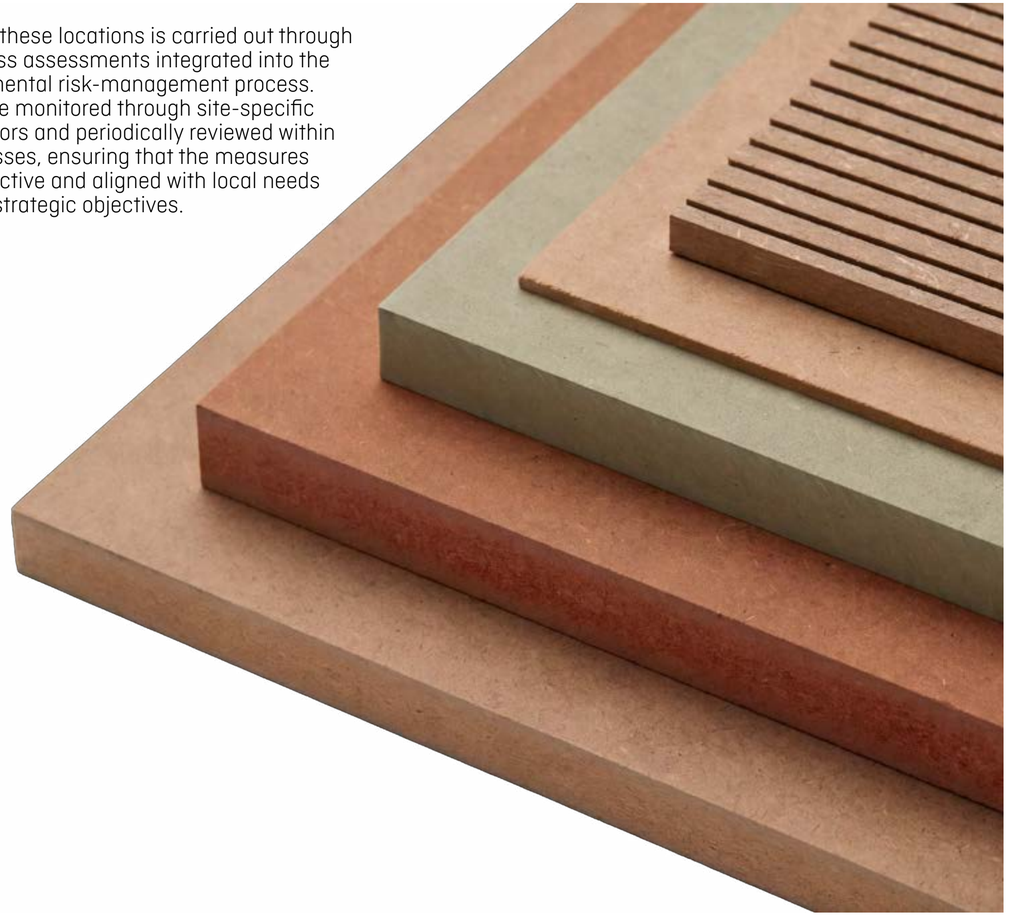
The defined target is as follows:

Target name	Water intensity
Unit	m^3 of water/m^3 produced
Base year	2023
Baseline value	0.63
Target Year and Value	5% by 2026

The performance achieved in 2025 demonstrates the effectiveness of the measures implemented and confirms the feasibility of the target defined at company level. During this period, Sonae Arauco recorded a 6% reduction in water intensity. This result highlights the robustness of the monitoring and management methodologies adopted, as well as the alignment of operations with international best practices and emerging regulatory requirements.

Specific targets for high water-stress areas are currently under development and will be finalised in 2026. Nevertheless, the company already applies a differentiated approach in these locations, prioritising additional efficiency, reuse and substitution measures to mitigate operational and environmental risks associated with water scarcity. At sites identified as critical — such as Mangualde and other locations with high water-stress levels — dedicated mitigation plans are being implemented, supported by reinforced monitoring and targeted investments in water-management technologies and infrastructure.

The identification of these locations is carried out through site-level water-stress assessments integrated into the company's environmental risk-management process. Mitigation actions are monitored through site-specific performance indicators and periodically reviewed within management processes, ensuring that the measures adopted remain effective and aligned with local needs and the company's strategic objectives.



Water consumption (E3-4)

Sonae Arauco is a resource-intensive industrial company in which water plays an essential role in the production of wood-based panels, in cooling systems, and in various washing and technical support operations. Efficient management of this natural resource is therefore critical to environmental performance and to the resilience of operations.

According to the WRI Aqueduct Water Risk Atlas, 11 Sonae Arauco locations are situated in areas of high-water stress, accounting for 25% of the company's total water consumption. This context reinforces the importance of a structured approach to water management, bas ed on efficiency, reuse, and risk mitigation.

The **water consumption** in operations comes mainly from municipal sources, complemented by groundwater and surface water withdrawals. Whenever technically feasible, these sources are progressively replaced by reused water, reducing dependence on freshwater and contributing to the sustainability of local resources.

Water reuse and recycling result primarily from the recovery of process water, the optimisation of water-dependent systems, and the substitution of municipal water with reused water when quality requirements allow. A significant share of reused water corresponds to internal streams that, after appropriate treatment, are reintroduced into the production process, avoiding unnecessary discharges and reducing the need for additional freshwater abstraction.

Based on the data collected, it was possible to quantify total water consumption and determine the main water performance indicators. These elements allow the company to monitor performance trends over time, assess the effectiveness of implemented measures, and identify opportunities for continuous improvement in the management of this essential resource.

In 2025, the main indicators were as follows:

WATER METRICS	2025
Water Consumption (m^3)	1 765 502
Water consumption in areas at water risk, including areas of high-water stress (m^3)	445 653
Water recycled and reused (m^3)	168 335
Water stored (m^3)[1]	30 015
Net revenue (€)	840 833 123
Water Intensity (m^3/M€)	2 100

[1]There is water storage capacity in all industrial units. However, its annual variability is not considered significant, as this storage has an operational function and is intended exclusively to support the production process.

These results reflect the impact of the efficiency and reuse measures implemented, as well as the company's commitment to reducing pressure on water resources. The integration of treated internal streams, the reuse of cooling water and the substitution of municipal water with recovered water contribute to a more circular and responsible use of water.

Sonae Arauco will continue to strengthen water management, with a particular focus on locations in high water-stress areas, where specific mitigation plans are being developed, supported by reinforced monitoring and targeted investments in water-management technologies and infrastructure.

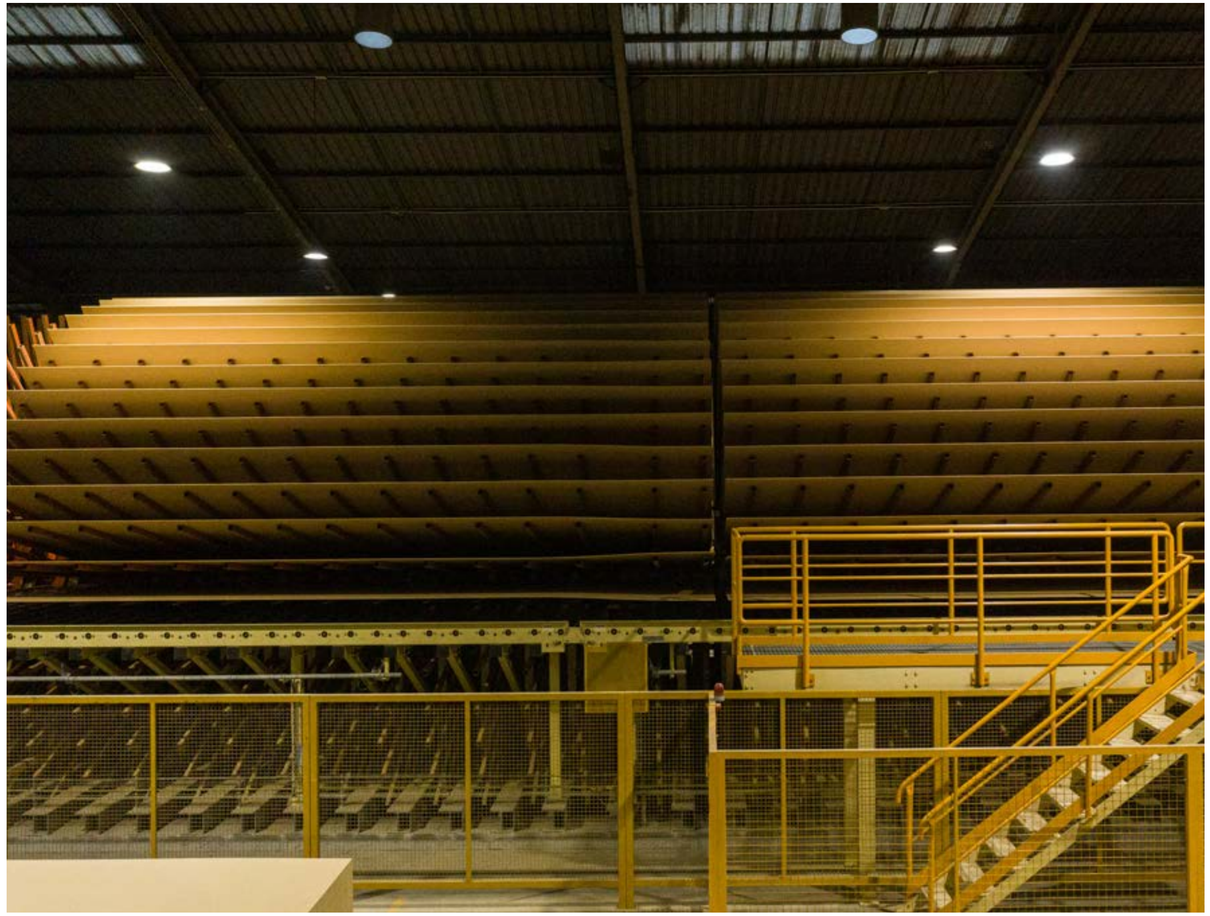
Accounting principles | Water consumption data are derived from meter readings recorded in the company's reporting system. Data for boards, resin and impregnated paper production units were collected through the central system, whereas data for the Cuéllar site and Recycling Centres were complemented using additional internal monitoring sources.

Water consumption in water-stress areas corresponds to the volume consumed at facilities located in regions classified as high (40–80%) or extremely high (>80%) water-risk zones, identified according to the methodology of the WRI Aqueduct Water Risk Atlas 4.0. The data were obtained using the same approach as for total water consumption.

Regarding recycled and reused water, approximately 74% of the reported values were obtained through direct measurements (meters), while around 26% were based on estimates.

Stored water volumes were accounted for across all industrial units. All sites have stored water (at least for fire-emergency purposes), and some plants maintain additional industrial water reserves. For this measurement, the maximum capacities of tanks and/or artificial lagoons were considered.

Finally, water intensity was calculated by dividing the total volume of water consumed by the net revenue in millions of euros.



06

ESRS E5 - RESOURCE USE AND CIRCULAR ECONOMY

STRATEGY

SONAE ARAUCO
Taking wood further

ESRS E5 – RESOURCE USE AND CIRCULAR ECONOMY

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

The analysis carried out in the scope of resource use, circular economy and waste management identified relevant impacts, risks and opportunities both within Sonae Arauco's operations and across its value chain. These aspects are associated with the dependence on biological and technical raw materials, the availability of wood waste to supply recycling centres and industrial units, and the need to ensure efficient management of the waste generated across the different industrial processes. These topics are intrinsically linked to Sonae Arauco's business model, which is based on a circular bioeconomy approach, as described in SBM-1 – Strategy, Business Model and Value Chain.

IRO TYPE: I Impact | **R** Risk | **O** Opportunity

+ Positive Impact **-** Negative Impact

TYPE OF IMPACT: A Actual | **P** Potential

IRO LOCATION: OP Own Operations | **US** Upstream | **DS** Downstream

Environment	IRO	+/-	A/P	OP/US/DS	Time horizon
ESRS E5: RESOURCE USE AND CIRCULAR ECONOMY					
RESOURCE INFLOWS, INCLUDING RESOURCE USE					
Market risks related to raw material acquisition and the local practices in different regions. This situation can impose restrictions and financial consequences related to Sonae Arauco's ESG journey (e.g. increasing the global recycled content in products, challenges related to quality, among other goals).	R			OP	Short-, medium- and long-term
The use of non-renewable, chemical (e.g. resins, paints, solvents, etc) and non-reusable materials for the development of Sonae Arauco's industrial activities can have negative environmental impacts.	I	-	A	Whole value chain	Short- and medium-term
Positive impacts related to promoting operational efficiency and maximising the use of resources, as well as implementing circular economy practices, such as extending the life cycle of products through recycling and reintegrating waste as raw materials. These practices not only reduce waste and dependence on virgin resources but also contribute to a more sustainable production process.	I	+	A	Whole value chain	Short- and medium-term
Recycling centres are dependent on receiving used wood/wood waste for their operations, and consequently for Sonae Arauco's industrial units. Although the recycling centres have established several strategies with companies and stores, construction operations/sites, relationships with municipalities, and the voluntary delivery of wood by members of the public, there is a market risk of insufficient receipt of this material, especially given potential acquisition by competitors.	R			US	Short-term (< 1 year)
The incorporation of recycled wood into MDF within the R&D investment program (MDF sorting & F2F) enhances material circularity at Sonae Arauco and reinforces its commitment to a more sustainable and resource-efficient production model.	O			OP	Medium-term (1-5 years)
The opportunity to increase the incorporation of recycled wood into Sonae Arauco's products represents a strategic gain, not only by reducing environmental impact and natural resources consumption, but also by strengthening sustainability-related risk management. This practice can result in greater differentiation in the market, attracting consumers and business customers, as well as strengthening the brand's image and increasing competitiveness, while opening new partnerships, contracts and access to sustainable finance mechanisms, among others.	O			OP	Short-, medium- and long-term
The current market is increasingly demanding bio-products (biomaterials, bioadhesives, recycled content, among others). This may represent a risk to Sonae Arauco due to the high cost of these materials. The company may need to adjust its production processes to meet this growing demand, which may generate additional costs and impact operational efficiency.	R			OP	Short-, medium- and long-term

IRO TYPE: I Impact | **R** Risk | **O** Opportunity

+ Positive Impact **-** Negative Impact

TYPE OF IMPACT: A Actual | **P** Potential

IRO LOCATION: OP Own Operations | **US** Upstream | **DS** Downstream

Environment	IRO	+/-	A/P	OP/US/DS	Time horizon
RESOURCE OUTFLOWS RELATED TO PRODUCTS AND SERVICES					
Sonae Arauco's products can be recycled, reused and transformed into new products, supporting the circular economy process.	I	+	A	OP	Short-, medium- and long-term
WASTE					
The industrial plants generate non-reusable and non-recyclable materials (dust and wood chips, etc.) that can be used as fuel in the power plants. These power plants supply thermal energy to Sonae Arauco, following the five-stage waste hierarchy (e.g., other types of recovery).	I	+	A	US	Short-, medium- and long-term
The upstream and downstream activities can cause negative impacts regarding waste, as they involve activities such as the chemical industry (e.g., residual chemicals, by-products, packaging materials, and process waste), the paper industry (e.g., iodine), and the construction industry (e.g., cement, glass, metal, plastic, paper and cardboard, wood, and rubber).	I	-	A	US and DS	Short-term (< 1 year)
Risk related to waste destination, particularly WWTP sludge, whereby regulatory changes, dependencies on waste management or disposal partners, or site-specific operational constraints may result in non-compliance, fines, penalties, sanctions or remediation costs.	R			OP and DS	Short-, medium- and long-term
Opportunity to valorise WWTP sludge as a by-product (e.g., organic fertiliser or biofuel), supporting circular economy objectives while potentially reducing waste management costs and generating additional revenue streams.	O			OP	Medium- and long-term

PILLAR: VALUE-BASED INNOVATION
Ambition: Sustainable & Impactful Innovation

PILLAR: OPERATIONAL EXCELLENCE
Ambition: Circular Use of Materials

PILLAR: CARING FOR THE PLANET
Ambition: Protecting Forests & Biodiversity

Positive impacts were identified related to promoting operational efficiency and maximising the use of resources, namely through extending product life cycles, increasing recycling and reintegrating waste as raw materials. **Sonae Arauco's wood-based products are recyclable and reusable, contributing directly to the transition towards a circular economy. Additionally, non-recyclable waste generated in industrial units can be used for energy recovery, reinforcing compliance with the waste hierarchy when material recovery is not viable.**

In parallel, negative impacts were identified associated with the use of non-renewable and non-reusable materials — such as resins, solvents and other chemicals — which may generate environmental impacts across the value chain. Upstream and downstream activities, including the chemical, paper and construction industries, also contribute to the generation of waste and by-products requiring specialised treatment.

From a **risk** perspective, volatility in raw material availability and practices across different markets may affect the achievement of ESG targets, such as increasing recycled content in products. There is also a risk of insufficient availability of wood to supply recycling centres, exacerbated by competition from other market operators. Growing demand for biobased products and recycled materials may lead to cost increases and require adjustments to production processes. In the area of waste, risks related to destination and treatment, such as sludge from wastewater treatment plants, require ongoing monitoring and coordination with external partners to ensure compliance and avoid fines or remediation costs, particularly in the context of regulatory changes.

Relevant **opportunities** were also identified, namely the increased incorporation of recycled wood into MDF and other products, which can reduce environmental impacts and strengthen competitiveness. The valorisation of specific waste streams, such as wastewater treatment sludge, as by-products for other markets — including fertilisers or biofuels — represents an opportunity to develop new value streams, reduce waste management costs and reinforce the company's contribution to the circular economy.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

SONAE ARAUCO
Taking wood further

ESRS E5 – RESOURCE USE AND CIRCULAR ECONOMY

Policies related to resource use and circular economy (E5-1)

The **responsible use of materials** is central to Sonae Arauco's sustainability vision, reflecting the company's commitment to valuing every resource and managing it with care throughout its life cycle.

In parallel, negative impacts were identified in relation to the use of non-renewable and non-reusable materials — such as resins, solvents and other chemicals — which may generate environmental impacts across the value chain. These materials can contribute to pollution and increase the complexity of waste management, requiring specialised treatment and often leading to higher disposal costs. Upstream and downstream activities, including the chemical, paper and construction industries, also contribute to the generation of waste and by-products requiring specialised treatment.

RESOURCES INFLOWS

Sonae Arauco's business model, as described in SBM-1 – Strategy, Business Model and Value Chain, reflects a circular bioeconomy approach, with wood at its core. Sonae Arauco maximises the use of wood by-products and post-consumer wood waste, keeping carbon in circulation and avoiding landfill or incineration wherever possible. This approach is aligned with the cascading use principle - whereby material value is maximised through successive uses before recovery. This principle is embedded across operations, from sourcing to product design, and is supported by innovation initiatives, certifications and stakeholder partnerships.

As a core practice, Sonae Arauco reduces the use of virgin materials by sourcing recycled wood and wood by-products, complemented by the operation of its own wood recycling centres. Through these operations, the company collects and processes post-consumer wood waste, enabling industrial units to secure recycled wood for reintegration into the production of new wood-based panels. This commitment, guaranteed by the operational model, also involves the ambition and strategies to increase the incorporation of recycled wood in industrial units, while guaranteeing final product quality. The use of recycled wood extends its life cycle and CO_2 retention, culminating in greater added value for the business and the environment.

The **Chain of Custody Policy (CoC Policy)**, cited in section E1-2 - Policies related to climate change mitigation and adaptation, supports the sustainable sourcing of raw materials, ensuring that 100% of the purchased wood comes from sources that are certified, sustainably managed or carefully controlled. In this context, Sonae Arauco holds the chain of custody certification PEFC (Program for the Endorsement of Forest Certification) (PEFC/14-35-00013) in all european industrial operations and FSC® (Forest Stewardship Council®) (FSC® C009049) in all industrial operations. In 2025, Sonae Arauco developed the **Sustainable Procurement Policy**, applicable to all operations, to support responsible sourcing practices of raw materials, goods, equipment and services. The policy reinforces the company's commitment to a more responsible supply chain by raising awareness and promoting better practices on environmental, social and governance topics within the upstream value chain. To manage risks and improve transparency, the practices also incorporate an ESG Risk Matrix at group level, mandatory supplier compliance with the **Supplier Code of Conduct** for targeted suppliers, and audits on environmental and social criteria.

RESOURCES OUTFLOWS / WASTE

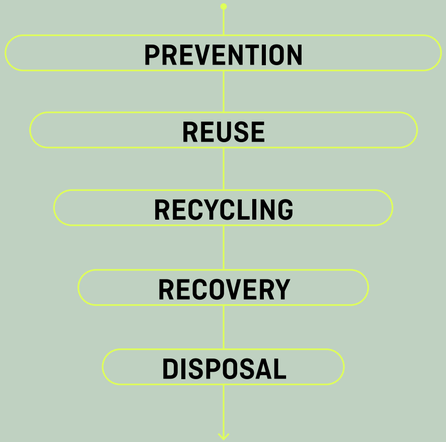
Resource and waste management practices are also set out in transversal policies such as the **"Safety, Quality, Environment and Energy Integrated Policy"** and the **ISO 14001 Environmental Management System**. As effective waste management is essential to daily operations, waste sorting is systematically implemented and enforced across all industrial sites as part of the company's environmental certifications and compliance obligations. The practices state that each category is processed according to its designated disposal method:

- **Hazardous waste** is handled exclusively by certified operators to ensure safe and compliant disposal;
- **General waste** is directed to municipal waste operators for proper treatment;
- **Recyclable materials** — such as plastics, paper, and metals — are collected separately and sent to specialised recycling partners.

To optimise waste prevention and resource management, Sonae Arauco implements a structured five-step waste hierarchy throughout its operations. This framework promotes a holistic and forward-thinking approach to material utilisation by prioritising:

1. **Prevention** – minimising waste at source through process efficiency and raw material optimisation;
2. **Preparing for reuse** – identifying opportunities to extend the useful life of materials and components prior to them becoming waste;
3. **Recycling** – segregating and diverting suitable streams to certified recyclers, while continuously improving onsite segregation and compaction to increase recycling rates;
4. **Recovery** – utilising non-recyclable wood by-products as alternative fuel in on-site energy systems, where permitted and compliant with IED/BAT requirements;
5. **Disposal** – as a last resort, ensuring responsible disposal by licensed operators under permit conditions.

5-STEP WASTE HIERARCHY



This structured approach compels the organisation to reassess all materials and services entering or leaving its sites and to maintain a circular economy mindset consistent with the current policy.

In addition, the Life Cycle Assessment (LCA) is used as a strategic management tool, applying a cradle-to-gate approach to monitor the environmental impacts from raw material extraction through production and distribution. Based on LCA studies, Sonae Arauco also develops Environmental Product Declarations (EPDs), which translate the results of the LCA into a standardised, transparent, and third-party verified disclosure, ensuring a comparable scientific basis for assessing the environmental performance of its products.

These processes enable Sonae Arauco to monitor and manage resource inflows and outflows throughout the entire product life cycle, enabling the assessment of recyclability, waste recovery, and wood use. This information enables targeted actions to reduce waste, optimise the use of resources as raw materials, energy, and water, as well as identifying environmental hotspots, guiding the continuous improvement and efficiency of production processes.

Actions and resources in relation to resource use and circular economy (E5-2)

Sonae Arauco integrates circular economy principles as a central pillar of its industrial strategy, promoting resource efficiency, material valorisation and waste reduction across the entire value chain. In this context, the company has been implementing concrete actions that reinforce the incorporation of secondary raw materials, extend product lifecycles and reduce pressure on natural resources, combining initiatives already in place with structural actions planned for the coming years.

ACTIONS 2025

In 2025, the actions developed under resource use and circular economy focused on **increasing recycled content in products, reducing waste sent for disposal** and **strengthening resource-use efficiency**. These initiatives were structured around three main pillars:

1. RESOURCES INFLOWS
Urban Wood Program – expansion of recycled wood sourcing capacity

Through the **Urban Wood Program**, Sonae Arauco expanded its recycled wood sourcing capacity in 2025 by strengthening its own operations in wood waste collection and pre-processing activities in Portugal. In Portugal, a new recycling centre-initiated construction in Valença do Minho, increasing internal capacity for the collection and pre-processing of wood waste through Ecociclo.

This action aims to increase the availability of recycled wood for wood-based panels production, supporting the substitution of virgin raw materials and reinforcing circular material flows across operations.

- Location: Portugal (Valença do Minho)
- **Investments: more than half a million euros invested in 2025 to strengthen recycling-centre capacity and improve material processing efficiency.**

Recycling of post-consumer fibreboards

As part of its circular bioeconomy approach, Sonae Arauco participates in the **EcoReFibre project (2022–2026)**, led by the R&D team.

Post-consumer MDF and fibreboard waste is growing, and Europe's transition towards a circular economy requires materials that can be recovered, transformed and reintroduced into industrial production loops. EcoReFibre was established to address this challenge by developing industrial-scale technologies capable of converting discarded fibreboards into new, high-performance secondary fibres suitable for manufacturing fibreboard and other wood-based products, enabling closed-loop material cycles within the wood-panel industry.

Within Sonae Arauco's MDF recycling strategy, EcoReFibre was developed in parallel with the **F2F (Fibre-to-Fibre) project** under the Transform Agenda, both aligned under the same long-term circularity vision. These two projects are closely linked at technical and strategic levels. EcoReFibre contributed fundamentally with the know-how on post-consumer MDF recycling, fibre quality, and processing, which complemented the more application- and scale-oriented work of F2F. Together, they reinforced a shared innovation pathway, ensuring that research, pilot validation, and industrial implementation evolved consistently within Sonae Arauco's broader circular economy strategy, including the start-up of the industrial MDF recycling line at the Mangualde site in 2025.

- Location: Portugal (Mangualde)

BioResins and partnerships – Circular and bio-based inputs

As part of its circular economy and resource-efficiency strategy, Sonae Arauco advanced its **BioResins program** in 2025, focused on the research and development of bio-based and formaldehyde-free alternatives aimed at reducing dependence on fossil-based raw materials and supporting the circularity of materials used in its products.

In this context, the company participates in several collaborative innovation projects, including **SUSBOARD**, a European initiative dedicated to developing a 100% bio-based and formaldehyde-free resin for PB and MDF panels, and InsiGlue, a project funded by the BMEL (Germany) that explores adhesive systems based on activating the natural bonding properties of wood fibres. These initiatives contribute to solutions compatible with more sustainable life cycles and the future recyclability of products.

These actions are supported by an ongoing circular economy investment program exceeding €14 million in approved projects and R&D activities, of which approximately €7 million were executed in 2025, including expenditures financed under the PRR Transform Agenda.

2. RESOURCE OUTFLOWS
Ecodesign and product information actions enabling future circularity (DPP)

In preparation for the upcoming **EU Ecodesign for Sustainable Products Regulation (ESPR)** and the introduction of **Digital Product Passports (DPP)**, Sonae Arauco actively contributes to the **CIR4FUN project.**

Through this initiative, the company supports the development of ecodesign guidelines, durability and reparability assessments, and the infrastructure required for furniture DPP. These activities strengthen product transparency, material traceability and the future circularity of products placed on the market.

Wood4Rise – Engineered wood products enabling material efficiency and circular construction

Through the **Wood4Rise initiative**, Sonae Arauco is developing engineered wood products that expand the use of wood in sustainable construction, supporting material efficiency and long product lifetimes. Ongoing work focuses on flexible insulation, lightweight solutions, new structural components and hybrid products for mass timber buildings.

By enabling durable construction systems and integrated solutions such as the **AGEPAN® SYSTEM**, this initiative contributes to reduced material losses during construction, extended service life of buildings and more efficient use of renewable resources, supporting circular economy principles in the built environment.

3. WASTE
Waste prevention and improved segregation at source

Ongoing work on **waste prevention at source and tighter segregation practices** contributed in 2025 to a reduction in waste intensity by lowering re-handling needs and avoiding contamination of waste streams. These practices are embedded in the integrated management system and supported by monthly waste disposal records, ensuring traceability, compliance monitoring and robustness for internal audits and external assessments.

Projects to declassify waste into raw materials for other industries

Sonae Arauco is developing **projects aimed at declassifying selected industrial waste streams as secondary raw materials**, enabling their use in other industrial sectors. These initiatives focus on identifying technically and legally viable pathways to move waste streams out of disposal routes and into material valorisation solutions, supporting industrial symbiosis and reducing the volume of waste sent for elimination.

Global Environmental Forum – waste management

Sonae Arauco organised an internal **Global Environmental Forum**. This initiative strengthens internal knowledge exchange, supports harmonisation of waste management practices across sites and reinforces continuous improvement in circular economy performance.

FUTURE ACTIONS

In addition to the actions already implemented, Sonae Arauco has defined a set of future initiatives for the 2026–2027 period, aimed at consolidating the progress achieved and scaling circular-economy solutions. These actions focus primarily on increasing the incorporation of recycled raw materials and on enhancing the valorisation of industrial by-products and waste.

Additionally, in anticipation of the application of the EU Deforestation Regulation (EUDR), Sonae Arauco has already initiated actions to align its policies, governance and management practices with the regulation, and will continue to adjust these as regulatory requirements and guidance evolve. In 2026, the company will further deploy these processes to support compliance with EUDR obligations, reinforcing responsible sourcing practices and enhancing transparency across its wood-based value chain.

URBAN WOOD PROGRAM – EXPANSION OF RECYCLED WOOD SOURCING CAPACITY

In 2026, Sonae Arauco will further strengthen the **Urban Wood Program** through the continued expansion of recycled wood collection and pre-processing capacity across Iberia, increasing the availability of secondary raw materials for PB and MDF production. Building on the capacity developed in 2025, the program foresees the ramp-up and optimisation of existing recycling centres and associated logistics.

In Portugal, this includes the continued start-up and operational stabilisation of the recycling centre in Valença do Minho, enhancing internal sourcing of recycled wood through Ecociclo. In Spain, the program continues through Tecmasa, consolidating and optimising recycling capacity. These actions aim to increase the availability of recycled wood for wood-based panels, supporting the replacement of virgin raw materials and reinforcing circular material flows across the value chain, in collaboration with municipal waste operators, recyclers and customers with growing demand for recycled content products.

- Location: Portugal (Valença do Minho)

MDF RECYCLING SCALE-UP – INDUSTRIAL DEPLOYMENT OF RECYCLED FIBRE

Sonae Arauco will increase the scale and impact of its **industrial-scale MDF recycling line** following the initial installation phase, enabling the integration of post-consumer MDF fibres into new MDF production. This scale-up will allow the replacement of up to 20% of virgin fibre in the next few years, reducing pressure on forest resources and supporting the broader industrial scale-up of MDF recycling.

Although implemented in its own operations, this action has a direct impact: upstream on the raw material mix, and downstream on the circular characteristics of products supplied to customers. The scale-up is supported by collaboration with wood recyclers and technology partners.

- Location: Portugal (industrial operation)

METRICS AND TARGETS

SONAE ARAUCO
Taking wood further

ESRS E5 – RESOURCE USE AND CIRCULAR ECONOMY

Targets related to resource use and circular economy (E5-3)

Sonae Arauco has defined a set of quantified, time-bound and results-oriented targets in the areas of resource use, circular economy and waste management, aligned with its strategic sustainability objectives and formalised in the Integrated Safety, Quality, Environment and Energy Policy and in the Sustainable Procurement Policy. These targets reflect the Group's commitment to the circular economy and to reducing the use of primary raw materials, consistent with a business model based on the circular bioeconomy and the principle of cascading use of wood.

The targets apply to Sonae Arauco's own operations — wood-based panel industrial units, recycling centres and activities under operational control — across the geographies where the Group operates: Portugal, Spain, Germany and South Africa. Progress is monitored annually, enabling the company to track performance trends and adjust practices whenever necessary.

The definition of these targets was based on historical performance trends, existing operational practices and progressive technical improvements identified by internal teams. Applicable legal and normative requirements were also considered, including ISO 14001 and the European Union waste hierarchy. The process involved internal stakeholders — technical areas, the management system, senior management and governance bodies — ensuring that the targets reflect both operational reality and the company's strategic ambition.

Building on this foundation, the targets are directly linked to key aspects of the circular economy, demonstrating an integrated approach to resource management. The target to **reduce waste** production contributes to strengthening waste management, acting primarily at the level of prevention, which represents the highest tier of the waste hierarchy.

By reducing the amount of waste generated in its operations, the company promotes more efficient resource use, decreases pressure on primary raw materials and reinforces the circularity of internal material flows.

The target to **increase the collection and recycling of post-consumer products** is directly associated with enhancing circular product design, as the ability to recycle materials at end-of-life depends on recyclability and separability features incorporated into product design. This target also contributes to increasing the circular use rate of materials by enabling recovered materials to be reintegrated into the production cycle, extending their economic value and reducing the need for virgin resources. Within the waste hierarchy, this target corresponds to the levels of preparation for reuse and recycling, promoting the valorisation of post-consumer materials and avoiding their disposal.

The target to **increase the sourcing of certified sustainable wood materials** is directly related to the sustainable sourcing, ensuring that the wood used originates from responsibly managed sources aligned with principles of conservation, traceability and sustainable forest management.

The defined targets are as follows:

TARGET NAME	UNIT	BASE YEAR	BASELINE VALUE	TARGET VALUE AND YEAR
Reduce waste generation	%	2023	70 713	≤ 1% by 2026
Increase the collection and recycling of post-consumer products	%	2025	24,5%	25,7% by 2027
Increase the share of recycled wood consumption	%	2021	29%	38% by 2029
Increase certified sustainable wood materials sourcing	%	2024	76.8%	≥ 5% or 2 pp. by 2026

Regarding performance against the established targets, differentiated outcomes were observed, with waste-generation intensity decreasing year-on-year, certified sustainable wood sourcing increasing to 78%, and recycled wood consumption not achieving the 2025 target, while maintaining a positive and structurally supported long-term upward trend.

The disclosed targets are voluntary in nature, although legal requirements related to waste and resource management exist at both local and European levels.

Resource inflows (E5-4)

Sonae Arauco's operations depend on significant volumes of raw materials, reflecting the resource-intensive nature of its industrial processes and the importance of the upstream supply chain. Although most materials used are of biological and renewable origin, their procurement entails environmental impacts and risks associated with resource availability, market volatility and local forest management practices. These risks are particularly relevant in geographies where the company faces structural constraints, such as the absence of recycling capacity or dependence on a limited number of suppliers, which may create operational and financial challenges in meeting the company's ESG objectives.

Wood is Sonae Arauco's critical raw material, representing the vast majority of biological materials used (97%). All wood purchased comes from controlled sources, and a significant share, around 78%, originates from FSC® or PEFC certified supplies, reflecting the company's commitment to responsible forest management and traceability. Sonae Arauco holds FSC® chain of custody certification across all operations and PEFC certification in its European sites, ensuring compliance with leading international verification systems.

In terms of the wood-mix profile, in 2025, at the global level, recycled wood represented 31.3% of the total wood incorporated across all products, reaching up to 80% in certain products, while the share of by-products represented 11%.

Overall, 42% of the wood used by Sonae Arauco originated from recycled material and by-products, reflecting continued alignment with the company's circular-economy model and its focus on cascaded use of wood.

Regarding **raw paper, 100% of the material used is sourced sustainably.**

Water is also considered a critical raw material due to its transversal role throughout the industrial process. It performs essential functions in wood-based panel production, cooling systems and various washing and technical support operations. Given its operational and strategic relevance, water management is addressed in detail in section E3 – Water and Marine Resources.

Technical materials represent a smaller share (9%) of total resources used and include impregnated paper, chemicals and plastic packaging. Chemicals are subject to prior assessment to ensure legal compliance, safety, environmental protection and circularity requirements, and the company is particularly active in replacing hazardous substances with safer and more sustainable alternatives.

In terms of **secondary materials**, packaging is the main source, with components including protection boards, skids, cardboard, straps and plastic films. In 2025, 93 977 tonnes of secondary materials were used, corresponding to 2% of total materials consumed. This amount is related to reused or recycled secondary materials mainly deriving from internal production rejects reintroduced into the manufacturing process or from by-product or waste streams, reflecting the company's ongoing efforts to enhance material circularity within its operations.

Sonae Arauco carried out a detailed assessment of the materials used throughout 2025, distinguishing between biological and technical materials. The following table presents the total weight, in tonnes, of these materials, providing a clear understanding of the composition of inputs used and supporting the evaluation of the organisation's environmental performance.

METRICS RELATED TO RESOURCE INFLOWS (t)	2025
Total weight of biological materials	3 886 948
Wood	3 784 498
Raw paper	6 892
Kraft paper	1 107
Packaging	94 926
Total weight of technical materials	353 201
Impregnated paper	9 346
Chemicals	343 381
Packaging (Plastics)	475
Total weight of materials	4 240 150
Biological materials sustainably sourced (%)	78%
Secondary reused or recycled materials	93 977
Secondary reused or recycled materials (%)	2%

Accounting principles | The reported data are primarily based on direct measurements and records from the ERP system, which are the main sources of information on materials purchased and consumed.

For packaging, due to the high number of SKUs and product variants, quantities were estimated using representative product profiles defined for each industrial site. The largest share of packaging weight relates to protection boards and skids. For plastic and cardboard packaging components, a conservative approach was applied when assessing reuse or recycling, as data collection is still being further developed. Accordingly, these components were estimated at 1%, reflecting their limited and residual share within total packaging.

Resource outflows (E5-5)

PRODUCTS

Sonae Arauco is dedicated to the production of **wood-based panels**, namely PB (Particleboard), MDF (Medium Density Fibreboard), and OSB (Oriented Strand Board), which serve as essential intermediate materials for the furniture, construction, and interior design industries. In the company's business model, circular economy principles are applied directly at the level of materials and developed solutions, rather than being limited to auxiliary components.

Wood, the main raw material used, is a renewable resource and forms the basis for the development of products designed to incorporate recycled wood and recovered fibres whenever technically feasible. Circularity is reinforced through the collection and reintegration of wood waste and end-of-life panels into the production process, contributing to the reduction of virgin resource consumption and to the extension of the materials' life cycle.

The panels produced by Sonae Arauco are used in multiple applications in the furniture, construction, and interior design sectors. As structural and supporting materials, their performance and functionality depend on the technical specifications and requirements defined by final product manufacturers, who determine the useful life cycle, durability, and reparability of the solutions in which these materials are incorporated. In this context, metrics related to durability and reparability are not applicable to Sonae Arauco's products.

In addition to the production of wood panels, Sonae Arauco also produces **resins**, which are a central element of its industrial process. These resins are subsequently used in the production of wood-based boards and also **impregnated papers**, which, in turn, are applied as decorative and functional coatings on wood panels. This production chain ensures technical consistency, performance, and quality in the final materials provided to customers.

RECYCLABLE CONTENT

Regarding recyclable content, wood-based panels are considered technically recyclable, based on their material composition and established end-of-life recycling processes. This assessment is based on the intrinsic recyclability of the material and does not depend on the specific processing or finishing applied by downstream manufacturers.

The main packaging materials — such as **protection boards, skids, protection corners and cardboard** — are also considered **100% technically recyclable**, given their wood- and paper-based composition and compatibility with existing recycling systems.

While all wood products are technically recyclable, actual end-of-life recycling rates for MDF can be constrained by factors such as resin content, coatings and contamination, which in some markets limit available recycling routes. Through continued investment in innovative processes and technologies under the F2Fiber and EcoReFibre projects, Sonae Arauco has been conducting R&D, testing, and pilot industrial activities to improve MDF recyclability. These efforts support the development of closed-loop material solutions and strengthen circular-economy outcomes across the value chain.

Accounting principles | The rate of recyclable content is assessed based on technical recyclability, reflecting whether materials used in products and packaging can be recycled using appropriate recycling technologies, independently of actual collection or recycling rates after use. This indicator does not imply that all material is effectively recycled at the end of life, as outcomes depend on external factors such as waste collection systems, sorting practices, available infrastructure and market conditions.

For plastic films used in product packaging, it was not possible to estimate recyclable content due to the absence of detailed composition data and variations across SKUs. This constitutes a methodological limitation considered in the reporting process.

WASTE

Sonae Arauco's activities generate various types of waste, reflecting the diversity of its industrial processes, from the production of resins and impregnated papers to recycling operations and the manufacture of wood panels. Waste generation varies across units due to the distinct nature of each process, resulting in different waste streams, compositions, and treatment requirements. The management of these waste streams is based on circular economy principles, prioritising separation at source, recycling, and recovery, while ensuring strict compliance with applicable legislation.

At **Euroresinas**, waste mainly results from chemical processes associated with resin production. Among the most relevant streams are distillation and reaction waste, as well as waste from coatings and ceramic materials. These materials include hazardous fractions that require specialised treatment, being sent for controlled disposal or incineration, depending on their characteristics.

At **Impaper**, dedicated to the manufacture of impregnated papers, the main waste consists of impregnated paper residues and dust generated during paper impregnation processes, which may contain hazardous substances resulting from the use of resins and chemical additives. This waste is directed for energy recovery through licensed operators, ensuring the safe management and disposal of potentially contaminating components.

At the **recycling centres**, waste reflects the nature of sorting and material recovery operations. Ferrous and non-ferrous metals, which are sent for recycling, stand out, as well as wood waste from mechanical processing operations, which is sent for energy recovery. These centres play a significant role in material recovery and reducing the amount of waste sent for disposal.

In the **industrial units**, where wood panel manufacturing operations are concentrated, waste is associated with mechanical and thermal processing. Among the most representative are uncontaminated wood waste, mostly destined for energy recovery, and combustion waste, such as ash, slag, and dust, which are sent for recycling, composting, or landfill disposal, depending on their properties. In some cases, fly ash with hazardous characteristics is also generated, subject to controlled disposal.

Across all Sonae Arauco units, waste management is supported by robust internal procedures, ensuring proper segregation, routing to licensed operators, and maximisation of recovery opportunities.

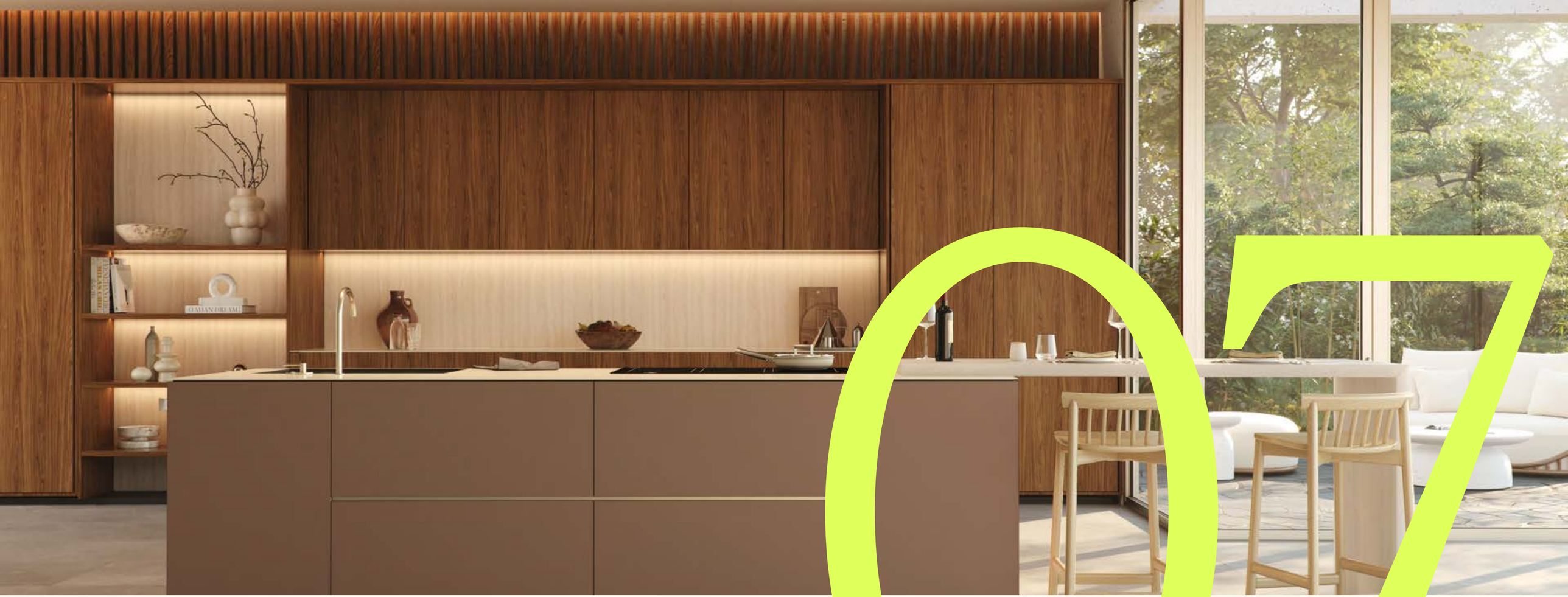
In 2025, Sonae Arauco generated approximately 69 460 tonnes of waste, of which **79% was diverted from disposal.** The amount of non-recycled waste corresponded to 51 585 tonnes, representing 74% of total waste generated. This indicator reflects all waste not classified as recycling, in accordance with the definition of recycling set out in Article 3(17) of Directive 2008/98/EC. As such, it does not capture other recovery operations within the waste hierarchy, including preparation for reuse.

Accounting principles | The quantities of waste presented correspond to the total amounts received by the respective final recipients by final treatment operators, based on documented waste transfer records and confirmations provided by authorised recipients. These values therefore result from direct and verified measurements. Waste classification as hazardous or non-hazardous is determined based on the type of treatment or recovery operation applied, in line with applicable waste management standards.

The amount of non-recycled waste includes all waste not directed to recycling operations, encompassing waste sent to disposal and waste recovered through operations other than recycling, such as reuse, composting, or energy recovery, among others.

In 2025, no radioactive waste was generated.

METRICS RELATED TO RESOURCE OUTFLOWS (t)	2025
TOTAL AMOUNT OF WASTE DIVERTED FROM DISPOSAL	**54 876**
Non-hazardous waste	**52 347**
Preparation for reuse	24 053
Recycling	15 925
Other	12 369
Hazardous waste	**2 529**
Preparation for reuse	453
Recycling	1 950
Other	127
TOTAL AMOUNT OF WASTE DIRECTED TO DISPOSAL	**14 584**
Non-hazardous waste	**9 142**
Incineration	-
Landfill	9 142
Other	-
Hazardous waste	**5 442**
Incineration	-
Landfill	5 442
Other	-
TOTAL AMOUNT OF WASTE GENERATED	**69 460**
Total amount of hazardous waste	7 972
Total amount of radioactive waste	-



07

ESRS S1 - OWN WORKFORCE

STRATEGY

SONAE ARAUCO
Taking wood further

ESRS S1 – OWN WORKFORCE

Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3)

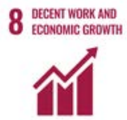
As part of the double materiality assessment carried out by Sonae Arauco, the material impacts, risks and opportunities affecting its own workforce were identified, covering all the individuals related to the company's operations. In this context, Sonae Arauco defines its own workforce as all workers who maintain a direct employment relationship with the company, as well as non-employee workers who provide services within its operations.

As the employees are deeply interconnected to the priorities and commitment of Sonae Arauco's strategic pillars, with the employee well-being and safety established as the highest priority, the workforce, distributed across industrial units and corporate offices, is integrated into the **People & Culture strategic pillar**, which guides the company in promoting safe, fair and human-rights-aligned working conditions.

As a signatory to the **UN Global Compact**, Sonae Arauco aligns its actions with key international frameworks and the Sustainable Development Goals, particularly SDG 1 – No Poverty and SDG 8 – Decent Work and Economic Growth.
This alignment informs the company's approach to working conditions, safety, skills development, equality, inclusion and broader socio-economic development, while recognising that implementation and outcomes may differ across geographies and operational contexts.

To promote these priorities, Sonae Arauco aligns its actions with the United Nations Sustainable Development Goals (SDGs), particularly:

SDG 1 – NO POVERTY The company supports initiatives that provide adequate wages and training opportunities for young people and those seeking employment, contributing to improved socio-economic conditions and poverty reduction in the communities where it operates.



SDG 8 – DECENT WORK AND ECONOMIC GROWTH Sonae Arauco implements safety and risk management programs, living wage assessments, and invests in training, skill development, career progression, and well-being programs, reinforcing its commitment to education and the professional growth of its employees. The objective is to ensure safe, inclusive, and productive work environments, with clear targets for reducing accidents and fostering employee development.

For more information about Sonae Arauco Strategic Pillars, see chapter ESRS 2 – SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model.

IRO TYPE: I Impact | **R** Risk | **O** Opportunity

+ Positive Impact **-** Negative Impact

TYPE OF IMPACT: A Actual | **P** Potential

IRO LOCATION: OP Own Operations | **US** Upstream | **DS** Downstream

Social	IRO	+/-	A/P	OP/US/DS	Time horizon
ESRS S1: OWN WORKFORCE					
WORKING CONDITIONS					
Contribution to the long-term financial security of Sonae Arauco's employees through the offer of permanent contracts with guaranteed full-time hours, positively contributing to their well-being and to the stability and financial security.	I	+	A	OP	Short-, medium-and long-term
Negative impact on the working hours of Sonae Arauco's industrial workers due to shift-based night work, which may affect the quality of employees' sleep. This can lead to health issues such as chronic fatigue, sleep disturbances, and an increased risk of cardiovascular diseases, as well as impact the work-life balance of the employees.	I	-	A	OP	Short-,medium-and long-term
Positive impact related to the payment of wages above the minimum wage established by the law in all countries where Sonae Arauco operates.	I	+	A	OP	Short-,medium-and long-term
Positive impact related to the promotion of social dialogue among Sonae Arauco's employees. The initiatives related to the social dialogue include the "Employee Satisfaction Pulse Survey" (collection of employees' perspectives), the European Forum (share knowledge and goals), employees consultation and feedback, Q&A moments, inclusion of employees in the strategic review, among others.	I	+	A	OP	Short-,medium-and long-term

IRO TYPE: I Impact | **R** Risk | **O** Opportunity

+ Positive Impact **-** Negative Impact

TYPE OF IMPACT: A Actual | **P** Potential

IRO LOCATION: OP Own Operations | **US** Upstream | **DS** Downstream

Social	IRO	+/-	A/P	OP/US/DS	Time horizon
WORKING CONDITIONS					
Positive impact on the freedom of association for Sonae Arauco employees, as they are free to join work councils. Sonae Arauco actively supports these groups by regularly participating in meetings and processes (e.g., consultations), aimed at reaching agreements for all parties involved.	I	+	A	OP	Short-,medium-and long-term
Positive impact on working conditions because the majority of employees are covered by collective agreements, contributing positively to employees' work and well-being.	I	+	A	OP	Short-, medium- and long-term
Sonae Arauco provides family-related leave in its South Africa operations, exceeding national legal requirements. This practice positively impacts employees' lives, fostering a better work-life balance regarding family responsibilities.	I	+	A	OP	Short-, medium- and long-term
The flexible work offered by Sonae Arauco has a positive impact on the work-life balance of employees in corporate positions. By allowing adaptable hours and remote work, it provides greater autonomy for employees to better balance their professional and personal responsibilities, contributing to increased well-being, satisfaction and productivity.	I	+	A	OP	Short-, medium- and long-term
The negative impacts on the health and safety of workers in Sonae Arauco's industrial units can result from exposure to hazards, such as physical, ergonomic and chemical hazards. These impacts can result in diseases and other long-term health problems.	I	+	A	OP	Short-, medium- and long-term
Investing in health and safety strengthens Sonae Arauco's safety culture, with a focus on reducing accidents and injuries. These investments reduce risks, improve employee well-being and increase productivity, resulting in financial gains and a decrease in possible interruptions to production processes.	I	+	A	OP	Short-, medium- and long-term
Risks related to fire and explosion hazards, and the possibility of increasing the severity and/or frequency of occurrences due to the incorporation of recycled content into operations. This situation can create serious health and safety risks and can directly affect operations, causing interruptions, loss of workdays, loss of revenue/assets/facilities, increased insurance premiums, among other impacts.	R			OP	Short- and medium-term
Litigation, sanctions and remediation costs resulting from accidents at work and occupational diseases can constitute high costs for Sonae Arauco, as well as impacting its reputation in the market, affecting the trust of its stakeholders. These costs can also increase employee turnover and reduce productivity, jeopardising the company's long-term financial and operational sustainability.	R			OP	Medium- and long-term
Increased turnover and absenteeism, which is reflected in increased operating costs, resulting from accidents at work or occupational illnesses, can constitute a financial risk for Sonae Arauco, as well as affecting productivity, employee morale and the company's reputation, negatively impacting operational efficiency and the working environment.	R			OP	Short-, medium- and long-term
Potential negative impact related to the recruitment process and/or worker turnover, which may lead to excessive workloads and occupational hazards. Risky activities and periods of overwork can negatively impact workers, increasing the likelihood of overexertion and other safety concerns.	I	-	P	OP	Short- and medium-term
EQUAL TREATMENT AND OPPORTUNITIES FOR ALL					
Sonae Arauco adopted in the Labour & Human Rights Policy, as well as in the Code of Ethics, the principles of non-discrimination, equal treatment and opportunities for men and women according to each country. In this way, Sonae Arauco has a positive impact on equal treatment.	I	+	A	OP	Short- and medium-term

IRO TYPE: I Impact | **R** Risk | **O** Opportunity

+ Positive Impact **-** Negative Impact

TYPE OF IMPACT: A Actual | **P** Potential

IRO LOCATION: OP Own Operations | **US** Upstream | **DS** Downstream

Social	IRO	+/-	A/P	OP/US/DS	Time horizon
EQUAL TREATMENT AND OPPORTUNITIES FOR ALL					
The SAKA (Sonae Arauco Knowledge Academy), created by Sonae Arauco, has a positive impact by promoting the continuous development of employees, offering training programs that reinforce business knowledge and organisational culture. This ensures that the company has a well-prepared workforce to face future challenges, supporting its long-term strategy and sustainability.	I	+	A	OP	Short- and medium-term
Negative impacts related to the still lack of development of Sonae Arauco workers per function or task regarding additional competences. This situation can impose impacts in relation to the release of a worker for a certain role/competence in addition to his/her base-function, and other consequences, such as the insufficient clarification of certain competences and responsibilities in the workplace.	I	-	A	OP	Short- and medium-term
Sonae Arauco offers development programs to improve the qualifications, educational and technical skills of all its employees. The programs also include leadership plans, the identification of strategic needs, succession plans, among others, promoting professional growth and strengthening core competencies.	I	+	A	OP	Short- and medium-term
Sonae Arauco has an Ethics Committee aimed at addressing cases of violence and harassment in the workplace. Additionally, the company provides an internal channel where employees can report these issues anonymously, creating a safer and more trustworthy environment, allowing workers to feel protected and respected in their professional journey.	I	+	A	OP	Short- and medium-term
Sonae Arauco demonstrates a high level of workforce diversity, fostering an inclusive and equitable environment, which contributes to the company's innovation, creativity, and sustainable growth. The diversity of skills, experiences, nationalities, and cultural backgrounds enriches the work dynamics, driving collaboration and the development of more effective solutions to the challenges in the sector.	I	+	A	OP	Short- and medium-term
Positive impact related to BBBEE (Broad-Based Black Economic Empowerment) certification in South Africa, contributing to the fight against inequalities and promoting equal rights to regional black communities.	I	+	A	OP	Short- and medium-term
Sonae Arauco has a significant positive impact on the development of female talent in STEM (Science, Technology, Engineering and Mathematics) areas through the "STEM Talent Girl" program, which has been supported by the Valladolid plant since 2017. By supporting female inclusion in STEM areas, Sonae Arauco contributes to promoting diversity and equity in the sector, while investing in the development of highly qualified future professionals.	I	+	A	OP	Short- and medium-term

PILLAR: PEOPLE AND CULTURE

The identified impacts, risks and opportunities related to working conditions reflect the inherent characteristics of Sonae Arauco's industrial business model.

The majority of the positive impacts identified – namely stable and fair employment, the existence of safe working conditions, training opportunities and equal treatment – are elements that contribute to employee well-being, development and engagement. The positive impacts can differ between the geographies where Sonae Arauco operates. In regions such as South Africa, one concrete outcome is the provision of parental leave entitlements that go beyond legal requirements, aimed at strengthening employees' work-life balance. Taken together, these aspects reflect the company's efforts to promote inclusion, equity and the active participation of workers in organisational life.

Alongside these positive aspects, the negative impacts identified are associated with the business model of industrial operations, particularly due to the activities performed, which lead to exposure to physical, ergonomic and chemical risks that can result in health and safety issues. Different groups of workers, such as industrial workers, corporate employees and non-employees, can experience the identified impacts in distinct ways, depending on their roles, working environment and exposure levels. These exposures are addressed through Sonae Arauco's integrated occupational & industrial health and safety management framework, group-wide Occupational Safety requirements and procedures to ensure consistent protection for all persons within the operational scope.

The risks and opportunities identified fall within issues the company considers fundamental to business continuity, namely safety, working conditions, skills development and diversity. These themes are reflected in policies such as the Labour and Human Rights Policy and the Integrated Policy for Safety, Quality, Environment and Energy, which guide hazard mitigation, risk reduction and worker involvement in internal governance processes.

The opportunities identified reinforce the company's commitment, including investments in safety technologies, skills development, career progression and the strengthening of diversity and inclusion - factors that contribute to innovation, productivity and talent retention.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

SONAE ARAUCO
Taking wood further

ESRS S1 – OWN WORKFORCE

Policies related to own workforce (S1-1)

Sonae Arauco places people at the centre of its actions, and this is reflected in the way the company structures its internal policies. The **Labour & Human Rights Policy** sets out the principles that guide the organisation in managing its impacts, risks and opportunities related to labour practices and human rights, establishing clear commitments in essential areas such as:

- Prohibition of Child Labour.
- Elimination of Forced and Compulsory Labour;
- Fair Wages and Benefits, Working Hours and Rest Periods;
- Freedom of Association and Collective Bargaining;
- Non-Discrimination and Equal Opportunity;
- Health, Safety, and Well-being;
- Prevention of Harassment and Abuse;
- Career Management and Training;
- Supplier Engagement.

These commitments translate into an approach that prioritises respect for fundamental human rights, the prevention of adverse impacts, and the existence of effective reporting and investigation mechanisms that ensure any identified situation is addressed promptly and appropriately. The policy also reinforces the active involvement of the workforce by promoting continuous training, participation in safety processes, consultation on health and safety matters, and access to confidential reporting channels.

Responsibility for implementing the policy lies at the highest level of the organisation, with the Executive Committee overseeing compliance and defining the necessary measures. The policy is aligned with internationally recognised standards, namely the **United Nations Guiding Principles on Business and Human Rights** and the **Universal Declaration of Human Rights.**

Complementing this, the **Safety, Quality, Environment & Energy Integrated Policy** reinforces the company's commitment to protecting and promoting the well-being of its workforce. This policy serves as the central instrument for operationalising the guarantee of safe and healthy working conditions, promoting hazard elimination, risk reduction and the prevention of injuries, occupational diseases and incidents. Beyond physical safety, it also integrates the promotion of mental well-being and the creation of a positive and responsible working environment. It encourages a proactive safety culture in which workers are motivated to identify unsafe acts or conditions, report near misses and participate in corrective actions, training and awareness initiatives.

Implementation of this policy is ensured by the **Sonae Arauco Management System** (SAMS), in collaboration with the corporate departments for Safety, Environment, Quality and Energy, which monitor progress and report results to the Board of Directors, ensuring continuous application and review.

The scope of the policies is broad and applies to all Sonae Arauco entities, including majority-owned joint ventures, across all geographies where the company operates. For the own workforce, this means that all workers – regardless of role, location or contractual relationship – are covered by the same principles and safeguards, including safe and healthy working conditions, respect for human rights, equal opportunities, physical and mental well-being, and access to reporting mechanisms. The policies also extend to contractors and visitors present at company sites, ensuring consistent standards of safety, ethics and conduct.

Both policies are publicly available on the Sonae Arauco website, ensuring that all workers and other stakeholders have access to their content and any updates.

The Sonae Arauco **Code of Ethics** complements this framework by reinforcing the standards of ethics, integrity and responsibility that guide the behaviour of all workers. The Code establishes clear principles of respect, cooperation and accountability, expressly prohibiting any form of discrimination based on factors such as race, religion, gender, sexual orientation, age, nationality, disability, marital status or descent, thereby ensuring equal opportunities and promoting an inclusive environment for all, including particularly vulnerable groups.

The Code also prohibits moral or sexual harassment, ensuring that any worker who considers themselves a victim of such conduct has access to formal reporting and protection mechanisms. Its application is ensured through confidential reporting channels, independent investigation of irregularities and the implementation of corrective measures whenever necessary, ensuring that situations of harassment or discrimination are prevented, mitigated and remedied.

In its relationships with suppliers and business partners, Sonae Arauco ensures that they comply with labour and ethical standards equivalent to those applied internally. The **Suppliers' Code of Conduct**, referenced, incorporates requirements aligned with ILO standards, including worker safety, prohibition of child labour, forced labour and human trafficking, non-discrimination, freedom of association and dignified working conditions.

Further information on the Code of Ethics and Suppliers' Code of Conduct can be found in section G1-1 – Corporate culture and Business conduct policies and corporate culture.

In addition, in the context of South Africa, and to ensure compliance with the national economic transformation framework, Sonae Arauco implements its **Broad-Based Black Economic Empowerment (BBBEE) Policy**. This policy is grounded in the country's legislative requirements, namely Act No. 53 of 2003, as amended in 2013, which establishes the principles and mechanisms aimed at promoting the full economic participation of historically disadvantaged groups.

The policy that guides Sonae Arauco South Africa's approach is grounded in a Transformation Strategy in areas such as skills development, socio-economic inclusion, responsible procurement and the promotion of opportunities for under-represented groups, ensuring that the company actively contributes to national transformation objectives and to a more equitable and sustainable development model.

To ensure the transversal implementation of the transformation strategy across all operations in South Africa, Sonae Arauco integrates the principles of BBBEE into its management processes. The coordination and monitoring of these initiatives is led by the BBBEE Committee, a multidisciplinary structure that brings together representatives from all key areas and ensures alignment with the applicable legislation and the prevailing policy.

Processes for engaging with own workers and workers' representatives about impacts (S1-2)

The perspectives and opinions of Sonae Arauco's workforce play a central role in how the company manages its material, actual and potential impacts on its own workers. To ensure that employees' voices are effectively considered, the company has established structured dialogue mechanisms – both direct and through worker representatives – that enable the collection of input, the identification of needs, and the integration of these perspectives into decision-making processes.

The contributions gathered through these mechanisms are systematically analysed and incorporated into decisions related to working conditions, health and safety, training necessities, and internal policies, ensuring that employees' experience and knowledge inform the management of material impacts.

EMPLOYEE SATISFACTION PULSE SURVEY

Sonae Arauco launched the Employee Satisfaction Pulse Survey at the end of 2023, addressed to all employees, gathering employees' perspectives on key dimensions such as overall satisfaction, internal communication, and social dynamics at work and other key points of employee experience.

The survey is conducted at least every three years and results are shared with full transparency, serving as the basis for defining improvement actions.

Workshops and working groups – rescheduled for 2026 – will further explore the survey results and enable open dialogue, ensuring that employees contribute directly to defining actionable initiatives that improve their work environment, ultimately reinforcing their satisfaction and strengthening our value proposition as an employer.

A concrete example of how employee input has been translated into action is the revision of the internal communication plan and the reinforcement of leadership training initiatives, both of which resulted directly from points identified through the Pulse Survey.

EUROPEAN FORUM

The European Forum brings together, once per year, the Chief Corporate Officer, national Human Resources Managers and worker representatives from the European subsidiaries (currently Germany and Spain). This forum ensures that employees are informed about relevant developments and can express concerns and expectations, contributing to decisions that affect the workforce.

OPEN COMMUNICATION CHANNELS

Sonae Arauco fosters open dialogue through multiple channels, including:

- Regular team meetings;
- Internal workshops and forums, held as needed;
- Periodic Q&A sessions with the CEO;
- Regular plant-level Town Halls meetings;
- Annual Global OIS&E meeting;
- A formal non-compliance reporting platform is available.

These channels enable employees to raise concerns, ask questions and contribute to operational and strategic decisions.

SOCIAL DIALOGUE WITH EMPLOYEE REPRESENTATIVES

The company maintains continuous dialogue with formal worker representation structures, including Works Councils, Health and Safety Committees, Equality and Training Committees and trade union representatives.

Meetings are held regularly (monthly, bimonthly or quarterly, depending on the country and topic) and address working conditions, health and safety, work organisation, training and other relevant matters.

PARTICIPATION IN SAFETY GOVERNANCE

The Integrated Policy reinforces the active participation of employees and their representatives in safety governance, through the identification of unsafe acts and conditions, participation in H&S committees, contribution to prevention actions and involvement in training and awareness initiatives.

COLLECTIVE LABOUR AGREEMENTS AND FORMAL AGREEMENTS

Sonae Arauco is covered by collective labour agreements in most of the countries where it operates, complemented by company-level formal agreements, such as:

- Recognition Agreement in South Africa;
- Wage Agreement in South Africa;
- Annual wage review agreements in Spain;
- Collective bargaining agreements and company-level agreements in Germany;
- Collective agreements in Spain and Portugal.

These agreements constitute formal mechanisms that allow the company to understand workers' perspectives on wages, working hours, benefits, working conditions, health and safety and organisational changes.

Responsibility for ensuring that social dialogue takes place regularly and that its outcomes are integrated into management processes is shared across several areas of the organisation: the Human Resources Department, which coordinates social dialogue and the integration of workers' contributions; the Executive Committee, responsible for oversight and decision-making; the Risk Management & Internal Audit function, which ensures audit and verification activities; and, finally, the Ethics Committee, which conducts investigations of reported concerns, where applicable.

The effectiveness of dialogue mechanisms is assessed through various indicators, including the results of the Employee Pulse Survey, participation in workshops and working groups, the quality and volume of contributions collected, the evolution of satisfaction indicators, internal audit results, the implementation of actions arising from consultation or negotiation processes, and the regular functioning of formal forums and committees.

Processes to remediate negative impacts and channels for own workers to raise concerns (S1-3)

Through the contributions gathered from the dialogue mechanisms described in section S1-2 – Processes for engaging with own workers and workers' representatives about impacts, such as the **Employee Satisfaction Pulse Survey, workshops, working groups, formal forums and direct communication channels**, Sonae Arauco identifies needs, concerns and potential negative impacts on its workforce. This continuous process of active listening enables the company to transform insights into concrete actions, giving rise to specific improvement initiatives that are analysed and coordinated by the Human Resources Department and overseen by the Executive Committee, ensuring that the results are effectively integrated into management processes. In this way, the company ensures that the contributions collected translate into informed decisions and proportionate responses to the impacts identified. All actions resulting from these processes are systematically recorded and monitored.

In the area of **Health and Safety at Work**, employees can report negative impacts or risk situations through participation in H&S committees, the identification of unsafe acts and conditions, and reporting through formal communication channels. These mechanisms enable early detection of risks and ensure that each situation is handled in a structured manner, being recorded, analysed and monitored, contributing to the continuous improvement of working conditions and the prevention of incidents.

In addition to these mechanisms, Sonae Arauco provides direct and specific channels for reporting irregularities, including the **Whistleblowing Channel** and **direct contact with the Ethics Committee**. Employees may also rely on their formal representatives, such as Works Councils, Health and Safety Committees, Equality and Training Committees and trade union representatives, who in turn maintain direct communication channels with the Human Resources Department. This network of interlocutors ensures that any concern can be expressed safely, accessibly and in a manner appropriate to each worker's context.

The Whistleblowing Channel is managed by the Ethics Committee, and the process for handling reports is defined in the Labour & Human Rights Policy and the Whistleblowing Regulation, detailed in section G1-1 – Business conduct policies and corporate culture. This mechanism ensures confidentiality, impartiality and protection against retaliation for workers, including representatives, enabling the reporting of situations related to harassment, abuse, ethical misconduct, legal non-compliance or other irregularities. Each report follows a clear and rigorous pathway, being received, logged and analysed through a structured process that includes investigation, definition of corrective and disciplinary measures and communication of outcomes, where applicable. When necessary, the Ethics Committee may rely on internal auditors or external specialists, reinforcing the independence and robustness of the process.

Sonae Arauco ensures that all employees are aware of and able to access the reporting channels through the continuous dissemination of internal policies, made available on "Our Portal", and through periodic training and awareness-raising actions on the Code of Ethics, the Whistleblowing Channel and the role of the Ethics Committee.

These initiatives strengthen the accessibility and effectiveness of the reporting mechanisms across all geographies in which the company operates. The follow-up of issues raised is carried out through the systematic recording of cases, monitoring of the measures implemented, and audits conducted by the Risk Management & Internal Audit function, which help prevent recurrence and strengthen the effectiveness of the processes.

Currently, Sonae Arauco does not have a specific mechanism to assess the level of knowledge and confidence employees have in the structures or processes available for raising concerns or needs. The Employee Satisfaction Pulse Survey, applied to all employees, does not yet include questions focused on the perception of these reporting mechanisms. This topic may be integrated into future editions of the survey, should it be identified as critical, strengthening the company's ability to monitor the effectiveness of these processes and to incorporate employees' perspectives into their continuous improvement.

Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions (S1-4)

During 2025, Sonae Arauco developed a set of initiatives aimed at improving the working conditions of its own workforce, reinforcing its commitment to safe, healthy, fair and inclusive working environments. These actions encompassed areas such as wages, social dialogue, collective bargaining, health and safety, and training and skills development, reflecting the strategic importance placed on people.

The management of impacts, risks and opportunities related to the company's own workforce is integrated into Sonae Arauco's global risk management system, involving coordinated work between Occupational & Industrial Safety and Environment, Human Resources, Risk Management and Governance. This integration enables the identification and mitigation of risks, the prevention of negative impacts and the promotion of development and engagement opportunities for employees.

The effectiveness of these actions is monitored through quantitative and qualitative indicators, risk assessments, incident investigations, near-miss reporting and regular internal feedback mechanisms, ensuring continuous improvement across all geographies.

ACTIONS

WORKING CONDITIONS

1. ADEQUATE WAGES
Living Wage Assessment

Sonae Arauco advanced its **Living Wage Assessment** and reinforced its commitment to ensure that all employees earn at least a living wage by 2028, while simultaneously strengthening pay-equity considerations. The assessment was implemented across all geographies where Sonae Arauco operates and covers all direct employees contributing directly to improved working conditions and to the company's objective of ensuring adequate wages. The phased implementation of measures resulting from the assessment is planned for the period between 2025 and 2028.

2. SOCIAL DIALOGUE
Employee Pulse Survey

In 2025, Sonae Arauco planned to further explore the results of the Employee Satisfaction Pulse Survey with the objective of identifying and addressing potential critical issues related to employee experience and satisfaction. The survey results were shared internally and used as input to design a series of local workshops and working groups aimed at gathering more in-depth insights and capturing location- and country-specific needs requiring tailored initiatives and actions.

Although originally planned for 2025, these workshops were rescheduled to 2026 and will focus on exploring key topics in greater depth and defining concrete improvement actions. The Pulse Survey covers all employees and geographies, reinforcing structured dialogue, participation, and the integration of employees' perspectives into decision-making, to strenghten satisfaction, engagement, and a culture of continuous improvement throughout 2026.

The survey results are analysed in a structured manner and integrated into the action plans of Human Resources and leadership teams, enabling the identification of priorities, the definition of corrective measures and the monitoring of their effectiveness over time.

European Forum Sonae Arauco 2025

The **European Forum**, held in Nettgau, brought together employee representatives, country HR leaders and the corporate leadership team, promoting transparent information sharing and structured dialogue on topics relevant to employees. This initiative covers all European operations and their respective worker representatives, contributing to strengthened dialogue, collaboration and internal alignment. The Forum takes place annually, ensuring continuity in employee engagement and participation.

3. COLLECTIVE BARGAINING, INCLUDING THE RATE OF WORKERS COVERED BY COLLECTIVE AGREEMENTS
Collective Agreements

Regular meetings were held with **trade unions, workers' committees and Works Councils** to address topics such as wage reviews, working conditions and collective agreements. This included the revision of minimum wages, allowances and shift arrangements in South Africa, the renegotiation of the collective agreement in Spain, wage reviews and facility improvements in Portugal, and the continuation of structured agreements and meetings in Germany.

These actions covered Sonae Arauco's operations across the four geographies involved and included worker representatives and HR teams, ensuring full coverage of activities and employee groups. The initiatives resulted in improvements to working conditions and reinforced fair negotiation practices aligned with the needs of employees.

4. HEALTH AND SAFETY
Risk Assessments (HIRA/JRRA)

The implementation of a unified risk assessment method was a central milestone in 2025. Sonae Arauco adopted a single **HIRA methodology** across all operations, replacing local approaches and establishing a common language for hazard identification, severity assessment and the definition of ALARP controls. Existing assessments are being progressively converted within a maximum review cycle of two years.
At the operational level, the **JRRA tool** was updated in the middle of 2025, strengthening post-task verification and introducing mandatory compensatory measures whenever required. This evolution reinforces technical consistency, risk mitigation and legal compliance across all operations.

Life Saving Rules, Basic Safety Rules and Consequence Management

The reinforcement of the **Life-Saving Rules** (LSR), **Basic Safety Rules** (BSR) and the **Consequence Management** procedure was a key pillar in 2025, ensuring clarity and consistency in the communication of essential safety requirements. New plain-language booklets were developed, incorporating practical examples and visual elements, and the full redesign of the LSR/BSR e-learning program was initiated in collaboration with SAKA. These initiatives ensured that expectations regarding safe behaviours were communicated uniformly across all operations. In parallel, the Consequence Management procedure was revised to ensure fair, consistent and timely responses to deviations, while maintaining positive recognition of exemplary behaviours as a central element.

These actions covered all groups directly involved in operations and will be further strengthened in 2026 with the company-wide rollout of the new materials and e-learning modules, consolidating a system that reinforces safe behaviours and supports the organisation's prevention-driven culture.

BOOST – Safety Culture program

The **BOOST – Safety Culture Program** continued in 2025 with a focus on strengthening behavioural safety awareness, with implementation concentrated in Portugal and Spain. The actions included:

- Strengthening the Safety Observations process;
- Daily training for supervisors on Daily Safety;
- Delivery of Train-the-Trainers sessions to equip internal employees to train colleagues, ensuring continuity and methodological consistency.

These initiatives involved operational teams, supervisors and internal trainers, ensuring coverage of the groups directly affected by safety routines. This program will be further expanded, contributing to strengthening safe behaviours, improving the quality of observations and consolidating a prevention-driven culture, aligned with the organisation's safety objectives.

Safety Roadmap 2020-2028

The **Safety Roadmap** continued to guide the evolution of safety at Sonae Arauco in 2025, strengthening leadership visibility and frontline engagement through Gemba Walks, Safety Dialogues, structured observations and routines such as Daily Safety and See Safety. These actions aligned behaviours with the prevention philosophy and consolidated consistent practices across all operations.

For 2026, the focus will be expanded to reinforce safe execution, eliminate procedural gaps and strengthen responses to rule-non-compliance situations.

Positive Recognition & Consequence Management

Throughout 2025, Sonae Arauco strengthened the recognition of its own improvements highlighted on the OIS&E team boards and maintained consistent application of consequences in situations of non-compliance with safety rules. These practices covered all workers involved in safety routines and were monitored monthly through OIS&E management reports, ensuring continuous visibility and follow-up. Corporate communication initiatives, including dedicated materials and safety campaigns such as the LSR/BSR video and World Day for Safety and Health at Work, supported these routines. This approach contributed to reinforcing safe behaviours and consolidating a prevention-driven culture built on a balanced combination of positive recognition and accountability.

Contractor Qualification and Integration

In 2025, the **qualification and integration of contractors** into daily safety routines were strengthened, ensuring that they meet the same requirements applicable to internal employees. In industrial locations, contractor teams participated in Job-Related Risk Assessments (JRRA), contributed to near-miss reporting and collaborated in the identification and resolution of Potential Risk Situations (PRS). These actions covered all contractors involved in operations and reinforced the consistent application of the same rules, training expectations and safety standards.

By the end of 2026, all critical contractors are expected to be qualified in Health & Safety, further deepening their integration into daily routines and ensuring that third-party activities contribute to the same prevention-driven culture required of internal teams.

Risk Management Framework & KPI Enhancement

The **Risk Management Framework** was strengthened in 2025 with the implementation of a new **Risk KPI** across all locations and the introduction of the **Severity Index Tool**, promoting uniform assessment criteria and reinforcing accountability. This enhancement consolidated the oversight of operational risk and aligned performance with the governance standards defined by Sonae Arauco.

Health & Safety and Risk Management Heat Maps

Throughout 2025, a structured **Heat Map methodology** was developed to strengthen the visibility of operational risk exposure and support the prioritisation of preventive actions across all locations.

The Heat Maps integrate safety indicators, risk metrics, operational data and event records, enabling each site to build a consolidated view of its risk exposure. In 2026, this work will evolve towards the digitalisation of the methodology, creating a dynamic and continuously updated tool to support proactive risk management.

Bow-Tie Analysis Implementation

In 2025, preparation began for the implementation of the **Bow-Tie Analysis methodology** across Sonae Arauco's operations, establishing a structured approach to mapping high-impact risk scenarios and identifying preventive and protective barriers.

The initiative involved operational and management teams engaged in risk assessment and will be further developed in 2026, with implementation at unit level. The Bow-Tie analyses will be integrated into governance processes and aligned with KPI monitoring and system verification activities. This approach supports the systematic validation of critical controls and strengthens the company's ability to anticipate, prevent and mitigate higher-severity events.

EQUAL TREATMENT AND OPPORTUNITIES FOR ALL

5. TRAINING AND SKILLS DEVELOPMENT
Sonae Arauco Knowledge Academy – SAKA

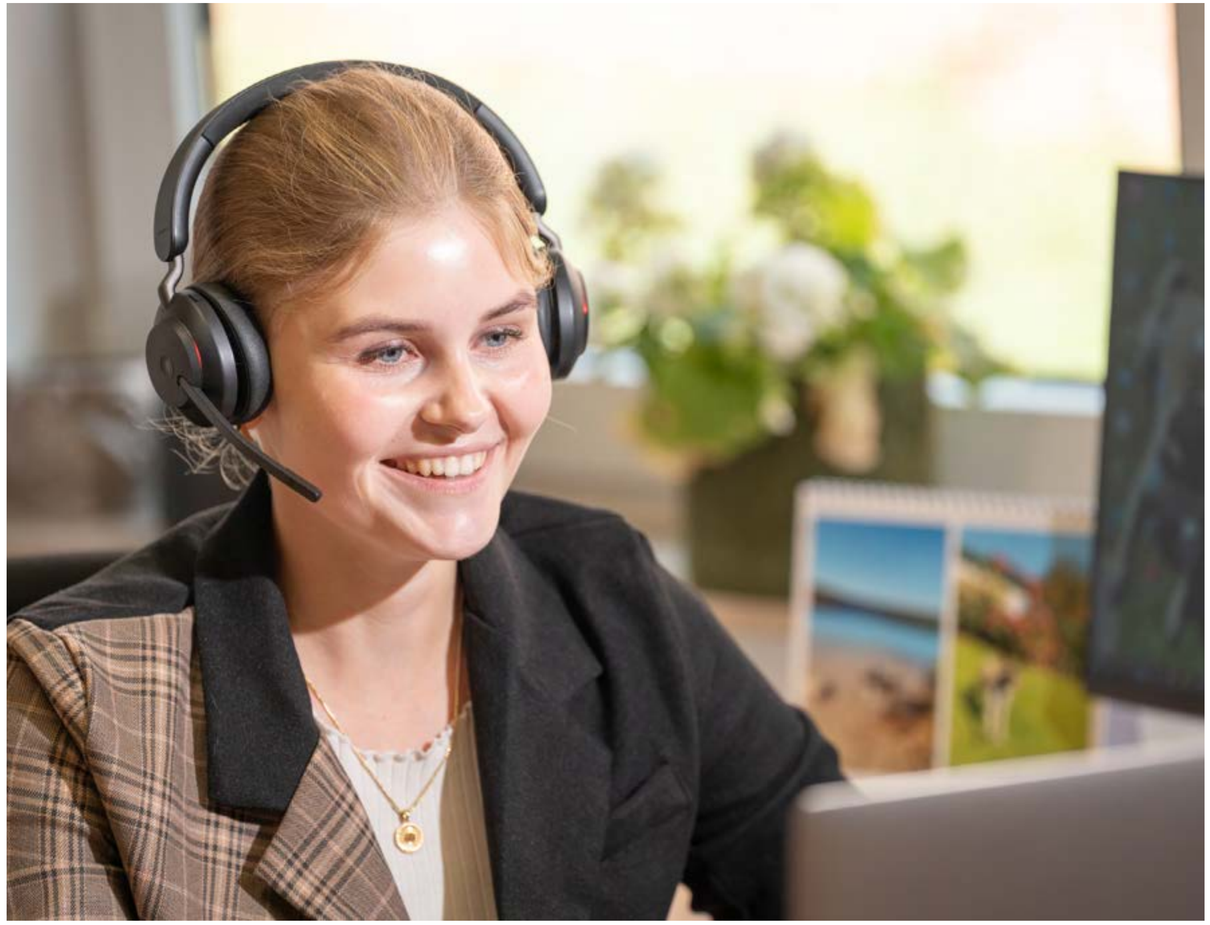
SAKA has consolidated its role as a strategic pillar of organisational development, strengthening technical and behavioural capabilities and preparing teams for operational, technological and digital challenges. Through classroom training, digital learning and specialised training initiatives, the Academy supported employees across operations, technical areas and support functions, fostering a culture of continuous learning aligned with real business needs, fuelling personal and professional growth, and keeping the organisation ahead of its challenges.

In 2025, upskilling programs, masterclasses and e-learning modules were launched, fostering ongoing development aligned with operational requirements.

Upskilling Program | The program evolved significantly in 2025, supported by rigorous diagnostics and individual development plans derived from the competency matrix. This approach enabled the identification of critical gaps and the creation of learning pathways tailored to the needs of industrial units in the Iberian Peninsula and Germany.

Specialised Masterclasses | The masterclasses were a key component of the learning strategy, deepening critical knowledge and promoting collaboration with technological partners.
Designed to address concrete technical challenges, these sessions enabled focused, hands-on learning, accelerated the transfer of expert knowledge, and promoted the application of best practices. By combining internal expertise with external insights, the masterclasses strengthened teams' capability to solve complex problems, enhanced technical autonomy, and reinforced continuous improvement within an industrial and technological context.

Launch of New E-learning Modules | Learning digitalisation advanced with the launch of new e-learning courses that broaden global access to training while standardising knowledge and reinforcing a strong culture of compliance and safety. This approach enabled more flexible, accessible, and consistent learning experiences across all geographies.



Upskilling Program	Automation and PLCs; Variable speed drives; Lubrication; Reliability methods; Advanced maintenance.
Specialised Masterclasses	Blister Masterclass (IMAL); Paper Wrinkles Masterclass (SIMCO & University of Rosenheim); Several technical sessions delivered in collaboration with internal teams and partners.
Launch of New E-learning Modules	PB Production Process; Safety Learning; Stress Management; Data Protection (South Africa); Cybersecurity; ARIBA.

The initiatives promoted by SAKA played an important role in injury prevention, strengthening awareness of operational risks and reinforcing a proactive and sustainable safety culture across teams.

Through these actions, SAKA established itself as a strategic asset for Sonae Arauco, contributing to reduced operational risk, improved reliability, increased structural efficiency and the reinforcement of an organisational culture centred on knowledge, collaboration and continuous improvement.

Compared with previous years, there was clear progress in the digitalisation of training, the expansion of masterclasses and the maturity of the Upskilling Program, representing a significant advancement relative to 2024.

Training delivered through SAKA supports the sustainable development of critical capabilities, enabling employees to adapt to technological and operational challenges while reinforcing the company's organisational capacity and long-term resilience.

In 2026, SAKA will continue to deepen this trajectory, expanding learning pathways, strengthening technical and behavioural competencies and preparing teams for emerging technological, digital and operational challenges. The focus will be on consolidating advanced content, expanding the digital offering and reinforcing the connection between learning, performance and organisational transformation.

Knowledge Day 2025

Knowledge Day 2025 brought together employees from different countries, areas and hierarchical levels in an event that promoted global alignment, highlighted learning initiatives and showcased the achievements reached throughout the year.
The event, led by SAKA, created a space for recognition and transparency, reinforcing the company's commitment to talent development while strengthening technical excellence, continuous learning, and a culture of knowledge sharing across the organisation. It also promoted the exchange of best practices and initiatives, supporting collective learning and long-term capability building. The outcomes achieved consolidated Knowledge Day as a structuring element of the annual strategic agenda.

Citizen Developers Program

The launch of the **Citizen Developers Program** in 2025 democratised access to digital tools among employees in operational, administrative and support areas, enabling them to develop low-code/no-code solutions tailored to day-to-day needs. The initiative generated immediate benefits:

- Development of several small digital applications;
- Creation of an internal community of digitally empowered employees;
- Strengthening of an accessible innovation culture.

The program has become one of the main enablers of Sonae Arauco's agile transformation, expanding the organisation's digital capability from within its own teams.

Succession Development Program (SDP)

In 2025, the SDP was consolidated as a strategic priority, strengthening succession planning, mitigating demographic risks, and supporting the identification of key positions, critical and high-potential talent. This work enabled a clearer assessment of succession readiness, informed targeted development and retention actions, and supported the proactive identification of talent-related risks with potential impact on operational and business resilience. As a result, the company enhanced its preparedness to manage workforce ageing, address critical capability gaps, and ensure continuity through effective leadership and talent transitions.

Refinement of the Rise-Up Behaviour Model

A working session was held with senior leaders to **refine the behaviours of the RISE-UP Behaviour Model**, ensuring its alignment with Sonae Arauco's strategic challenges and ambitions. The initiative enabled the model to be reviewed and strengthened based on input from leadership teams, reinforcing its relevance for organisational development and for the consolidation of the desired culture.

In 2026, this work will continue with the validation and further development of the model, preparing its rollout across all levels of the organisation.

Ignite Leadership Program

The Ignite Leadership Program was strengthened with new development initiatives directed at the pilot group, ensuring continuity and depth in their leadership journey. Additional actions were defined based on the results of individual assessments, allowing development to be tailored to the specific needs of each participant and to the organisation's future requirements.

In parallel, Sonae Arauco established a partnership with a leading academic institution to design a structured learning pathway aimed at addressing transversal leadership gaps and strengthening the critical capabilities needed to navigate complex contexts. This pathway was designed in alignment with the company's leadership mindset and cultural attributes, integrating components such as behavioural development, strategic thinking, cross-geography collaboration, decision-making in high-complexity environments and digital readiness.

These initiatives reinforced the evolution of the Ignite Leadership Program as a strategic instrument for leadership development, preparing participants to lead transformation, promote organisational alignment and contribute to the company's resilience and sustainable growth. The first group will begin this pathway in the first half of 2026, marking the next step in consolidating a modern, agile and future-oriented leadership culture.

At the same time, the company continued to invest in the development of shift leaders and supervisors, recognising their pivotal role in operational performance, safety, and day to day people leadership. Ongoing training initiatives focused

on strengthening leadership fundamentals, continuous improvement, team management, and other critical topics core to their performance, to ensure alignment with organisational values, reinforcing a consistent leadership culture from the shop floor upwards.

Together, these initiatives reinforced the evolution of the Ignite Leadership Program as a strategic instrument for leadership development, preparing participants at different leadership levels to lead transformation, promote organisational alignment, and contribute to the company's resilience and sustainable growth.

Broad-based Black Economic Empowerment – BBBEE

In line with its commitment to **Broad-Based Black Economic Empowerment (BBBEE)**, established under South Africa's main empowerment legislation (Act No. 53 of 2003, amended in 2013), Sonae Arauco strengthened its investment in education as a driver of social inclusion. Among the initiatives implemented, the scholarship program for employees' children in South Africa stood out, designed to facilitate access to higher education and support young people from historically disadvantaged backgrounds. As a result of the initiatives carried out in 2025, nine apprentices successfully completed their trade tests and sixteen permanent employees concluded an accredited Generic Management program, reinforcing skills development and employability. Part of the initiatives of 2025 was also investing in the development of people living with disabilities, where 4 Interns were employed to receive on-the-job training along with completing an accredited Learnership in Business Management.

These measures directly contributed to reducing socio-economic barriers, supporting vulnerable groups and meeting the legal and social obligations of the South African context, while also representing progress compared to the previous year's results.

FUTURE ACTIONS

In addition to the initiatives launched in 2025 and continued or reinforced in 2026, Sonae Arauco has defined a set of additional strategic actions to be implemented next year, with the aim of accelerating the transition towards a proactive prevention culture in Health, Safety and Risk Management.

TRANSITIONING TO PROACTIVE PREVENTION

In 2026, Sonae Arauco will take a decisive step in consolidating a prevention-oriented risk management culture by complementing the current Risk KPI (focused on outcomes) with a set of prevention-oriented indicators. These actions form part of the broader plan to strengthen Governance in Health, Safety and Risk Management and aim to anticipate failures, reinforce critical barriers and promote operational discipline across all operations.

BARRIER INTEGRITY | Quarterly reviews and functional tests will be carried out on critical safety systems to ensure that preventive and protective barriers remain effective and reliable. This measure strengthens emergency preparedness and reduces the risk of incident escalation.

SYSTEM RELIABILITY | A structured condition-monitoring program will be implemented for Heat Transfer Fluid systems, enabling early detection of degradation, reinforcing asset integrity, preventing failures and protecting the environment.

CORRECTIVE ACTION DISCIPLINE | The number of overdue corrective actions resulting from incident investigations and cross-site applicability analyses will be monitored. The objective is to reinforce organisational learning, eliminate root causes and prevent recurrence.

EXECUTION OF RISK-REDUCTION INVESTMENTS | The execution rate of the Budget Action Plan (BAP) will be monitored to ensure that approved risk-mitigation investments are implemented within the defined timelines. The goal is to strengthen execution discipline, accelerate the implementation of critical measures and ensure accountability.

These actions will be applied across all industrial units and will involve the teams responsible for implementing risk-mitigation measures, ensuring a consistent and integrated approach throughout the organisation.

Financial and non-financial resources are allocated to actions through the Group's regular budgeting processes. In 2025, this included investments of around €1 million in training, skills development and digital capability building (through SAKA and the Citizen Developers program); more than €1 million in Health & Safety initiatives and around €200 thousand dedicated to BBBEE actions in South Africa. These resources are reflected in the Group's consolidated financial statements. Future resources will continue to be allocated through annual planning cycles to support the implementation of the defined action plans related to the own workforce.

METRICS AND TARGETS

SONAE ARAUCO
Taking wood further

ESRS S1 – OWN WORKFORCE

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S1-5)

Sonae Arauco has defined a set of measurable, time-bound and results-oriented targets aimed at strengthening working conditions, promoting safety and well-being, ensuring respect for human rights and guaranteeing fair labour practices across all geographies in which it operates. Taken together, these targets reflect a structured approach to managing the impacts, risks and opportunities associated with its workforce and are aligned with the commitments set out in the Sonae Arauco's corporate policies.

In addition, these targets demonstrate the company's alignment with international frameworks, including the United Nations Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights and the Principles of the United Nations Global Compact, to which Sonae Arauco has formally adhered. This comprehensive framework ensures that the defined objectives incorporate practices of decent work, safety, ethics and social responsibility.

The scope of the targets is internal and covers all entities controlled by the company, including majority-owned joint ventures, as well as all Sonae Arauco employees.

In line with this approach, the company has established targets in key areas relevant to workforce management, including:

- Health and safety;
- Child and forced labour;
- Adequate wage, collective bargaining and freedom of association;
- Diversity and gender equality and equal pay for work of equal value;
- Measures against violence and harassment in the workplace.

Taken as a whole, these targets reflect the ambition to reduce risks, strengthen prevention practices, promote safe and inclusive working environments and ensure that all workers benefit from fair labour conditions aligned with international standards.

TARGET NAME	UNIT	BASELINE VALUE	BASE YEAR	TARGET VALUE AND YEAR
HEALTH AND SAFETY				
Global Safety KPI	Number	50	2025	≤100 by 2027
Global Industrial Safety KPI	Number	1023	2025	≤200 by 2027
Mitigation of high-risk PRS	%	94%	2025	Annually renewed to ≥ 80%
ADEQUATE WAGE, COLLECTIVE BARGAINING AND FREEDOM OF ASSOCIATION				
Compliance with national wage laws and applicable collective bargaining agreements	%	100%	2024	Annually renewed to keep 100% compliance
Percentage of employees earning the identified living wage	%	99,6%	2025	100% by 2028
Compliance with national laws regarding union representation	%	100%	2024	Annually renewed to be 100% compliance
Reported and confirmed cases of retaliation against employees exercising their rights	Number	0	2024	Annually renewed to 0 reported and confirmed cases
DIVERSITY, GENDER EQUALITY AND EQUAL PAY FOR WORK OF EQUAL VALUE				
Reported and confirmed cases of discrimination across operations	Number	0	2024	Annually renewed to 0 reported and confirmed cases
Reported and confirmed cases of discrimination in hiring and promotion decisions	Number	0	2024	Annually renewed to 0 reported and confirmed cases
MEASURES AGAINST VIOLENCE AND HARASSMENT IN THE WORKPLACE				
Number of days to investigate reported cases	Number	0	2024	Annually renewed to spend < 30 days in the investigation process
Number of legal convictions	Number	0	2024	Annually renewed to 0 legal convictions

The definition of these targets is based on Sonae Arauco's existing internal processes, which include the continuous identification of safety risks, compliance with applicable labour legislation across all geographies, and the human rights due diligence procedures set out in the company's corporate policies. Additionally, the company uses internal audits, reporting mechanisms and monitoring systems that enable the tracking of policy compliance and the identification of improvement needs.

In the area of working conditions, the living wage gap analysis forms the basis for defining the 2028 target. Taken together, these practices ensure that the targets are defined using reliable internal information, consistent assumptions and methodologies aligned with the company's operational context and the geographies where it operates.

Although workers participate indirectly in the definition of targets through structured mechanisms for consultation, participation and reporting that influence how these targets are monitored and improved over time. These mechanisms include structured safety-related consultation processes, the active participation of workers in identifying unsafe acts and conditions, confidential reporting channels and the governance structures responsible for analysing and investigating incidents, complemented by formal dialogue forums and direct communication channels. These processes are aligned with what is described in section **S1-2 – Processes for engaging with own workers and workers' representatives about impacts.**

The performance against the disclosed targets is assessed through monitoring progress on a regular basis, including the evaluation against the action plan and the identification of significant trends that may impact the overall performance.

In 2025, performance showed positive progress. Health and safety indicators remained within the defined trajectories towards the 2027 targets. Full compliance with labour legislation, collective bargaining and freedom of association was maintained, while progress was made towards the 2028 living-wage objective. Targets related to non-discrimination, retaliation and convictions were met. During the reporting period, one case of moral harassment was reported. The case was duly investigated within the established timeframe, and no legal conviction resulted. No significant adverse trends were identified.

Characteristics of the undertaking's employees (S1-6)

As of 31st December 2025, Sonae Arauco employed 2,461 employees (Full-Time Equivalent – FTE).

The following tables present the main characteristics of the company's own workforce, including the distribution by gender, by country, by type of contract with gender breakdown, and, additionally, by type of contract with country breakdown. The turnover rate of employees is also presented.

TOTAL NUMBER OF EMPLOYEES BY GENDER

Of the total number of employees, 84% are male and 16% are female.

GENDER	NUMBER OF EMPLOYEES (FTES)
Male	2055
Female	406
Other	-
Not reported	-
Total Employees	2461

TOTAL NUMBER OF EMPLOYEES BY COUNTRY

Sonae Arauco operates in eight countries, with the majority of employees concentrated in Germany (40%), Portugal (30%) and Spain (20%).

COUNTRY	NUMBER OF EMPLOYEES (FTES)
Portugal	732
Spain	495
Netherlands	5
United Kingdom	4
France	3
Switzerland	2
Germany	993
South Africa	226

TOTAL NUMBER OF EMPLOYEES BY TYPE OF CONTRACT, BROKEN DOWN BY GENDER

Sonae Arauco's commitment to stable and long-term employment relationships is reflected in the fact that 93% of employees hold permanent contracts, reinforcing their financial security, well-being and professional stability. Additionally, 45 employees have part-time contracts.

FEMALE	MALE	OTHER	NOT DISCLOSED	TOTAL
Number of employees (FTEs)				
406	2055	-	-	2461
Number of permanent employees (FTEs)				
378	1903	-	-	2281
Number of temporary employees (FTEs)				
28	153	-	-	181
Number of non-guaranteed hours employees (FTEs)				
-	-	-	-	-

TOTAL NUMBER OF EMPLOYEES BY TYPE OF CONTRACT, BROKEN DOWN BY REGION

Regarding the number of employees by type of contract, broken down by region, Portugal and Germany are the geographies with the highest number of temporary employees, mainly due to the seasonality associated with certain activities.

PORTUGAL	SPAIN	NETHERLANDS	UNITED KINGDOM	FRANCE	SWITZERLAND	GERMANY	SOUTH AFRICA	TOTAL
Number of employees (FTEs)								
732	495	5	4	3	2	993	226	2461
Number of permanent employees (FTEs)								
685	491	5	4	3	2	878	212	2281
Number of temporary employees (FTEs)								
47	4	-	-	-	-	115	14	181
Number of non-guaranteed hours employees (FTEs)								
-	-	-	-	-	-	-	-	-

TURNOVER RATE

During 2025, 276 employees left Sonae Arauco, resulting in a turnover rate of 11%.

Accounting principles | The values presented refer to the end of the 2025 reporting year (31st December) and are based on the number of employees expressed in FTE.

At this stage, it has not yet been possible to determine the number of employees with non-guaranteed hours. Sonae Arauco is working to ensure that this information can be disclosed in the next reporting cycle.

The turnover rate was calculated as the ratio between the number of employees who left Sonae Arauco in 2025 and the total number of employees as of 31st December 2025. Both voluntary and involuntary exits were considered, with involuntary exits including contract termination by company decision (end of fixed-term contract, end of probation period and dismissals).

Collective bargaining coverage and social dialogue (S1-8)

Collective labour agreements cover around 89% of employees and regulate working conditions, including, among other aspects, working hours, remuneration, access to training and career progression.

In the remaining countries where Sonae Arauco operates, there are no collective bargaining agreements, and neither of these countries has more than 50 employees, representing less than 10% of the total workforce.

Sonae Arauco is part of a European Works Council, a transnational employee representation body established under European legislation, ensuring formal mechanisms for information and consultation at the European level.

TOTAL PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

COLLECTIVE BARGAINING AGREEMENTS COVERAGE (%)	
INSIDE THE EEA	
Portugal	96%
Spain	73%
Germany	90%
OUTSIDE THE EEA	
South Africa	100%
Total employees covered by collective	89%

PERCENTAGE OF EMPLOYEES COVERED BY WORKER REPRESENTATION

Regarding the employees covered by worker representation in the EEA, the total percentage is 61%.

SOCIAL DIALOGUE (%)	
INSIDE THE EEA	
Portugal	
Spain	77%
Germany	98%
Percentage of employees covered by workers' representatives	61%

	COLLECTIVE BARGAINING COVERAGE		SOCIAL DIALOGUE
Coverage Rate	**Employees - EEA (for countries with > 50 employees representing > 10% total employees)**	**Employees - Non-EEA (for countries with > 50 employees representing > 10% total employees)**	**Workplace representation (EEA only) (for countries with > 50 employees representing > 10% total employees)**
0-19%			Portugal
20-39%			
40-59%			
60-79%	Spain		Spain
80-100%	Portugal Germany	South Africa	Germany

Accounting principles | The total percentage of employees covered by collective bargaining agreements corresponds to the number of employees whose contracts fall under a collective agreement, at total level or by country, divided by the total number of employees, at total level or by country.

The total percentage of employees covered by worker representation corresponds to the total number of employees represented by worker representative structures, at total level or by country, divided by the total number of employees, at total level or by country.

Diversity metrics (S1-9)

GENDER DISTRIBUTION AT THE TOP MANAGEMENT LEVEL

The Sonae Arauco's leadership structure comprises 20 employees, of whom 15% are women and 85% are men. For reporting purposes, leadership positions include roles classified under the professional categories of Group Senior Executive, Senior Executive and Executive.

GENDER	NUMBER OF EMPLOYEES (FTES)	PERCENTAGE (%)
Male	17	85%
Female	3	15%
Other		
Not disclosed		
Total	20	

DISTRIBUTION OF EMPLOYEES BY AGE GROUP

In terms of age distribution, most employees fall within the 30–50 age group (46%), followed by those over 50 (42%) and, lastly, employees under 30 (12%). This distribution reflects a predominantly experienced workforce with a high level of professional maturity.

AGE GROUP	NUMBER OF EMPLOYEES (FTES)
< 30 years old	285
30 – 50 years old	1 135
> 50 years old	1 042

Accounting principles | The total number of leadership positions corresponds to the number of employees whose roles fall under the professional categories of Group Senior Executive, Senior Executive and Executive.

Regarding the distribution of employees by age group, the figures presented refer to the end of the reporting period, 31st December 2025, and are based on the number of employees expressed in FTEs.

Adequate wages (S1-10)

Sonae Arauco ensures that all its employees receive adequate remuneration, in line with the applicable reference parameters in each country where it operates. The majority of employees are covered by collective labour agreements, which guarantee wage conditions aligned with local labour market practices. For employees not covered by such agreements, the company strictly complies with national legislation and applies a structured Compensation & Benefits Policy, ensuring internal equity and salary consistency across the organisation.

The Compensation & Benefits policy is aligned with the commitments set out in Sonae Arauco's **Labour & Human Rights Policy**, referenced in section S1-1 Policies related to own workforce, which guarantees fair wages, adequate benefits, compliant working hours and mandatory rest periods. The company conducts living wage analyses and has set the objective of ensuring that all employees receive, by 2028, at least the living wage identified for their geography, reinforcing its commitment to ethical and responsible remuneration.

This framework, together with the explicit prohibition of child labour, forced or compulsory labour, and the respect for freedom of association and collective bargaining, ensures that all Sonae Arauco employees receive an adequate wage, contributing to fair, safe and sustainable labour relations.

Social protection (S1-11)

All Sonae Arauco employees are covered by social protection systems, either through the public schemes in force in the countries where the company operates or through benefits provided by the company, against loss of income resulting from any of the following major life events:

- Sickness;
- Unemployment starting from when the worker is working for the undertaking;
- Employment injury and acquired disability;
- Parental leave;
- Retirement.

Training and skills development metrics (S1-13)

PARTICIPATION IN REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

The performance appraisal of Sonae Arauco's salaried employees is carried out through the PACD (Performance Appraisal and Career Development) process, which takes place annually and comprises three main stages. The cycle begins with the Self-Assessment phase, a recommended self-evaluation completed by employees before the formal assessment conducted by their direct manager. This is followed by the Assessment & Validation stages, during which managers evaluate performance and proceed with the corresponding validation, including review by Human Resources.

After the appraisal process is closed, the validation of individual KPIs for the current year takes place, as well as the definition or update of objectives for the following year. The PACD process therefore ensures a structured cycle of feedback, expectation alignment and continuous development across the organisation.
Given the established timeline, the performance appraisal process for the 2025 performance cycle has not yet been completed. However, a total of 1,095 reviews is planned, corresponding to a ratio of 1.

GENDER	NUMBER OF EMPLOYEES (FTES)	PERCENTAGE (%)
Male	834	41%
Female	261	64%
Other	-	-
Not disclosed	-	-
Total	1 095	44

AVERAGE NUMBER OF TRAINING HOURS PER EMPLOYEE

In 2025, the number of training hours provided to employees amounted to 44,448 hours. The average number of training hours per employee stood at 18 hours.

GENDER	TRAINING HOURS PER EMPLOYEE (FTES)
Male	17
Female	23
Other	-
Not disclose	-
Total	18

Accounting principles | For the calculation of the percentage of employees who participated in regular performance reviews, the total number of employees as of 31st December 2025 was considered, even though not all are eligible for these evaluations.

Within the scope of the performance review process, all employees not covered by collective bargaining agreements are included across the geographies where Sonae Arauco operates. In Portugal, the process is carried out for all employees.

The average training hours per employee, as well as their distribution by gender, are calculated by dividing the total number of recorded training hours by the total number of employees. This calculation is based on the reporting period and includes all salaried employees of Sonae Arauco.

Health and safety metrics (S1-14)

HEALTH AND SAFETY MANAGEMENT SYSTEM

Sonae Arauco manages occupational health and safety through an integrated management framework supported by the Sonae Arauco Integrated SQEEn Policy, which applies to all Sonae Arauco entities and extends safety expectations to employees, contractors and visitors. Sonae Arauco ensures the highest standards of health and safety, guaranteeing that **100% of its own workforce is covered by the company's Health and Safety Management System**, implemented in accordance with applicable legal requirements and internationally recognised standards.

All Sonae Arauco units - including industrial sites, offices and recycling centres - are certified under ISO 45001, reinforcing the company's commitment to preventing occupational risks, continuously improving working conditions and ensuring consistent internal governance in health and safety.

WORK-RELATED ACCIDENTS

In 2025, **no fatalities resulting from work-related injuries or work-related ill health** were recorded among Sonae Arauco employees, reflecting the company's strong commitment to preventing severe incidents.

During the same period, **89 recordable work-related accidents** were registered, corresponding to a **rate of recordable work-related accidents of 21.39**, calculated based on a total of 4 160 943 hours worked. **One case of recordable work-related ill health** was also identified, occurring in Portugal.

Concerning the impact of these occurrences, a total of **1 235 days lost** were recorded due to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health.

Accounting principles | For the accounting of work-related accidents, Sonae Arauco considered all severity levels, including Level 1, in accordance with the classification defined in the internal HSE Management System. This category includes all recordable accidents, even those that do not result in lost workdays, ensuring a comprehensive and consistent approach to monitoring health and safety performance.

Regarding the rate of work-related accidents, it was calculated based on the total number of accidents reported during the reporting period. The metric results from dividing the total number of accidents by the total number of hours actually worked by all employees and subsequently multiplying the result by one million. This indicator expresses the number of recordable accidents per one million hours worked, enabling a standardised assessment of accident frequency at Sonae Arauco.

The number of lost days reported includes only the days associated with accidents that occurred in 2025.

For reporting purposes, only employees were considered, as in the current reporting year Sonae Arauco will not disclose data relating to non-employees.

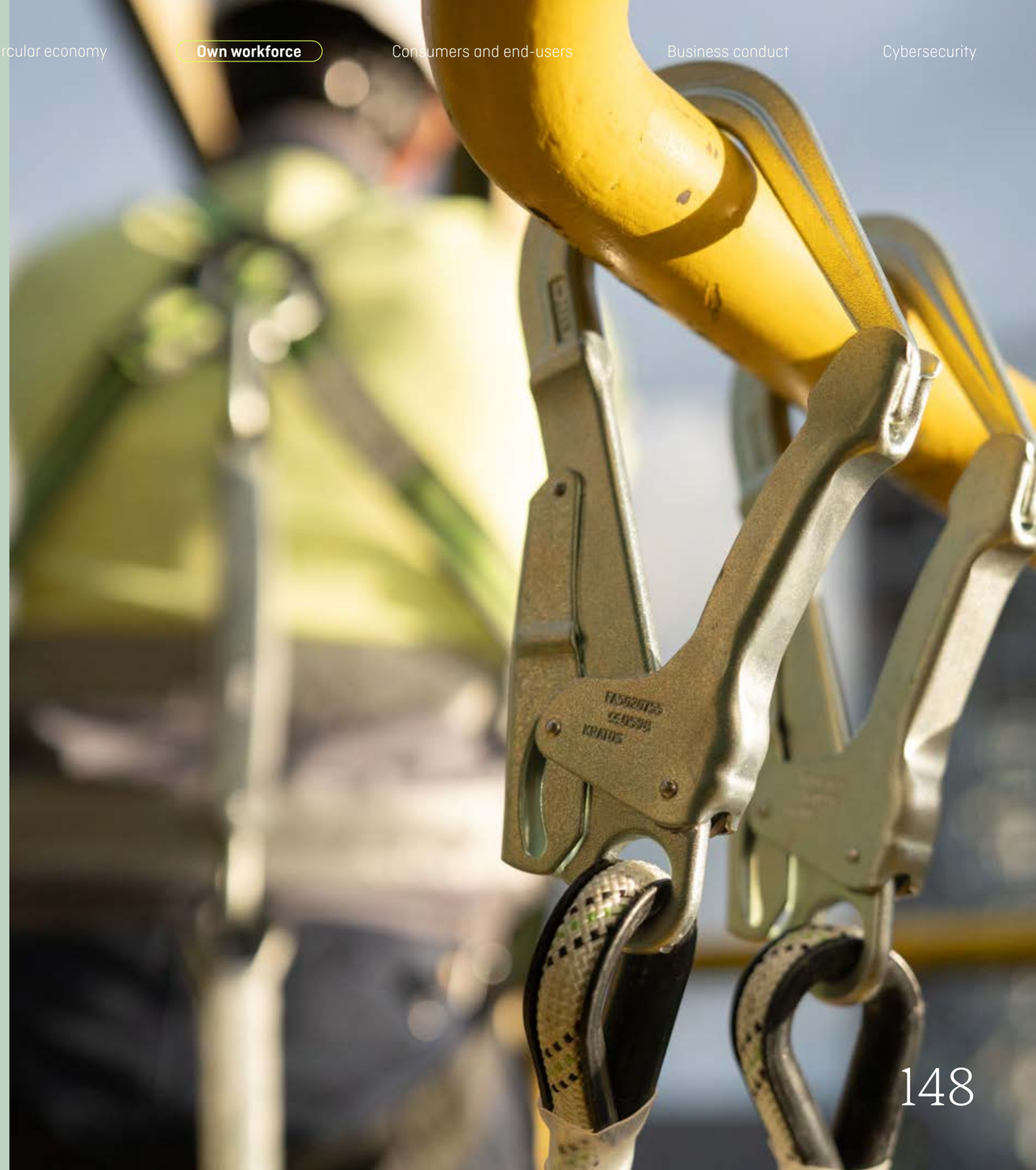
The data are obtained through the company's internal information systems and are presented disaggregated between employees and non-employees, ensuring transparency and traceability of the information reported.

OTHER INDICATORS

In addition to the general indicators on work-related accidents, Sonae Arauco also monitors Lost Workday Cases (LWC) to assess in greater detail the impact, in terms of loss days, from the incidents recorded. In 2025, a total of **30 LWC** were registered, corresponding to an **LWC rate of 5.38**. This indicator provides a more accurate understanding of the actual impact of accidents, as it considers only those that result in at least one lost workday.

Accounting principles | For the calculation of these indicators, both employees and non-employees within Sonae Arauco's operational scope were included, ensuring a comprehensive representation of health and safety performance.

The LWC rate is calculated based on work-related accidents resulting in lost workdays per 1 000 hours worked.



Work-life balance metrics (S1-15)

All Sonae Arauco employees are entitled to family leave and may make use of it. During 2025, around 2% of employees took family leave.

PERCENTAGE OF ENTITLED EMPLOYEES WHO TOOK FAMILY-RELATED LEAVE

GENDER	PERCENTAGE OF ENTITLED EMPLOYEES THAT TOOK FAMILY-RELATED LEAVE (%)
Male	2%
Female	4%
Other	
Not disclose	
Total	2%

Accounting principles | Family leave includes maternity leave, paternity leave and parental leave. At present, Sonae Arauco does not record carers' leave from work.

The percentage of employees who took family leave is calculated by dividing the number of employees of each gender who made use of this type of leave by the total number of employees expressed in FTEs.

Remuneration metrics (pay gap and total compensation) (S1-16)

GENDER PAY GAP

In 2025, Sonae Arauco maintained its commitment to transparency and pay equity, continuously monitoring key indicators related to its remuneration practices. The pay gap between the average remuneration of male and female employees stood at -3%, meaning that, on average, female employees earned 3% more than male employees.

ANNUAL TOTAL REMUNERATION RATIO

Regarding annual total remuneration equity, the ratio between the total annual remuneration of the highest-paid salaried individual and the median total annual remuneration of all salaried employees was 22.

Accounting principles | For the calculation of the gender pay gap, Sonae Arauco applies a methodology based on gross average annual base salaries, using the average remuneration of each gender within each professional category. The gap is expressed as a percentage of the average male remuneration (FTEs).

For the calculation of the Annual Total Remuneration Ratio, gross annual remuneration, bonuses and the Medium-Term Incentive Plan (MTIP) of employees active as at 31st December 2025 were considered. Employees classified as definitive dormant and trainees were excluded from the calculation. The ratio was determined based on the average remuneration of all salaried employees (men and women), subtracting the remuneration of the highest-paid individual, divided by the total number of salaried employees, also excluding the remuneration of the highest-paid individual.

Incidents, complaints and severe human rights impacts (S1-17)

During the reporting period, Sonae Arauco did not record any incidents of discrimination. However, one case of moral harassment was identified, whose veracity was confirmed following an investigation conducted by the Ethics Committee. As a result, the necessary actions were implemented, including the corresponding disciplinary conclusion, with no legal convictions associated with the case.

Additionally, seven alleged irregularities were reported through the internal whistleblowing channels. All these cases were reviewed by the Ethics Committee, which carried out the respective investigations and defined the subsequent actions.

No fines, penalties or compensation related to these incidents or complaints were recorded during the reporting period.

08

ESRS S4 - CONSUMERS AND END-USERS

STRATEGY

SONAE ARAUCO
Taking wood further

ESRS S4 - CONSUMERS AND END-USERS

Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3)

From the Double Materiality assessment carried out under **ESRS S4 – Consumers and End-Users**, Sonae Arauco identified material actual positive impacts associated with the way it provides technical, environmental and safety information to its professional customers. These impacts stem directly from the company's business model, which is based on the production of wood-based solutions and on the promotion of sustainable, transparent practices aligned with market expectations.

The provision of robust technical documentation, accessible communication channels and comprehensive information on environmental performance and product safety contributes to customer trust and supports more informed decisions regarding product use. These impacts are reflected in the following information-related impacts for consumers and end-users, identified as material:

IRO TYPE: I Impact | **R** Risk | **O** Opportunity

+ Positive Impact **-** Negative Impact

TYPE OF IMPACT: A Actual | **P** Potential

IRO LOCATION: OP Own Operations | **US** Upstream | **DS** Downstream

Social	IRO	+/-	A/P	OP/US/DS	Time horizon
ESRS S4: CONSUMERS AND END-USERS					
INFORMATION-RELATED IMPACTS FOR CONSUMERS AND/OR END-USERS					
Sonae Arauco provides a dedicated communication channel for its end-users, positively promoting freedom of expression and open dialogue due to non-compliance, among other issues.	I	+	A	OP	Short-, medium- and long-term
Positive impact related to access to quality information, which Sonae Arauco provides through product manuals and documents (e.g. Environmental Product Declarations - EPDs, Declaration of Performance - DOP, instructions) to inform the consumers and end-users.	I	+	A	OP	Short-, medium- and long-term

PILLARS: VALUE-BASED INNOVATION & PARTNER FOR VALUE

These positive impacts are further reinforced by Sonae Arauco's strategic pillars **Value-Based Innovation** and **Partner for Value**. By placing its wood-based product portfolio on the market and supporting it with transparent, reliable and decision-enabling documentation, the company helps customers select and apply products that contribute to resource-efficient, low-emission and more sustainable construction.

As a result, Sonae Arauco contributes to the following Sustainable Development Goals:

SDG 9 – INDUSTRY, INNOVATION AND INFRASTRUCTURE
through industrial innovation projects that enhance the environmental performance of wood-based products;

SDG 11 – SUSTAINABLE CITIES AND COMMUNITIES
by supporting more sustainable construction practices and contributing to responsible urban development.

These positive impacts also illustrate how Sonae Arauco's strategy and business model shape the customer experience, while at the same time informing the continuous evolution of the strategy itself, including through active participation in sector associations, ongoing adaptation to regulatory developments and a commitment to digital and sustainable communication.

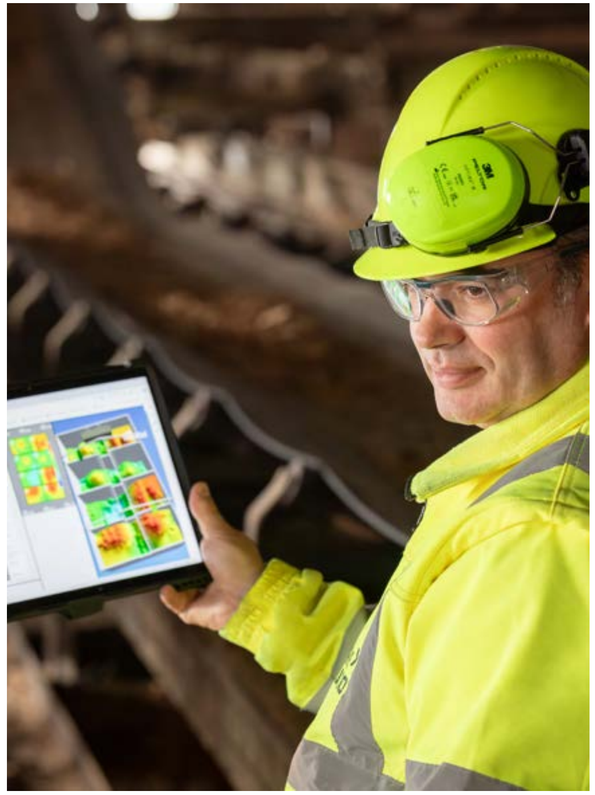
Regarding the scope of consumers and end-users considered, Sonae Arauco operates exclusively under a B2B model and does not supply products directly to final consumers. Its customers are professional users - wholesalers, distributors and industrial companies - and all are included in the definition of disclosures and in the assessment of material impacts. In this B2B context, Sonae Arauco's influence on end-users occurs primarily through its direct customers and downstream distribution channels, which pass on product information and application requirements. General product and sustainability information is made publicly available, while more specific content may be provided upon request, ensuring that all customers have access to the elements required for the safe and appropriate use of the products.

The groups subject to material impacts include:

- Professional users who rely on rigorous technical information to ensure the safe use of products. For these customers, Sonae Arauco provides:
  - Declarations of Performance (DoP), when applicable;
  - Environmental Product Declarations (EPD);
  - Technical data sheets and product profiles;
  - Instructions for use, including information on composition, emissions, handling and disposal.

The positive impacts identified translate into concrete benefits for professional customers, particularly through enhanced access to reliable information and increased transparency regarding wood-based products. Sonae Arauco offers technical training, guidance on interpreting legislative changes, and support in product application, helping to promote safer and more sustainable practices across the downstream value chain.

In addition, the company's quality assurance approach - supported by certified management systems (including ISO 9001) - is designed to deliver products consistently to agreed performance and quality standards, and to support the fulfilment of applicable legal obligations through controlled processes. Technical and environmental documentation is provided in multiple languages and regions, ensuring both accessibility and consistency of information. This supports customers in their own sustainability journey, including adopting low-carbon solutions and progressing toward LEED® or BREEAM® certification of buildings, for example.



LEED® CERTIFICATION, A KEY CONTRIBUTION TO SUSTAINABLE BUILDINGS

OSB, PB and MDF solutions fulfil the criteria set out in the LEED® certification, specifically in terms of:

EPDs

Environmental Product Declarations are available across all product ranges, presenting a transparent view of their environmental impact, based on the EN 15804 standard.

Origin

100% of the wood used comes from certified or controlled sources, with FSC® (Forest Stewardship Council®) certified solutions across all ranges.

Recycling

PB solutions incorporate large amounts of recycled wood, and, in addition, the company has set up a wood waste recycling circuit, which allows for its reintegration into the industrial process.

Low-emission materials

OSB, PB and MDF solutions are available with formaldehyde-free resins.

Sonae Arauco's Customer Portal, website and engagement processes strengthen proximity with customers, by providing access to updated information and direct contact channels for clarifying questions or support. This commitment to openness is reinforced through adherence to the **United Nations Global Compact principles**, which guide its actions in areas such as human rights, labour, environment and anti-corruption. In addition, Sonae Arauco submits its overall sustainability performance to independent external assessment, **EcoVadis**, ensuring a transparent and credible evaluation of its ESG practices. These tools and commitments strengthen transparency, efficiency and responsiveness, contributing to confidence across the entire value chain, especially downstream stakeholders.

For more information about Sonae Arauco commitments, see chapter ESRS 2 – General Information.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

SONAE ARAUCO
Taking wood further

ESRS S4 – CONSUMERS AND END-USERS

Policies related to consumers and end-users (S4-1)

The management of ESG matters related to consumers and end-users at Sonae Arauco is framed by the **Safety, Quality, Environment and Energy Integrated Policy**, already described in more detail in section E1-2 – Policies related to climate change mitigation and adaptation. In the context of consumers and end-users, this policy is particularly relevant as it guides how the company ensures product quality, the safety of professional users, legal compliance and the provision of accurate technical information, serving as the main instrument for daily management, and it is globally monitored by Corporate Departments. In addition, the policy applies to all own operations and is relevant for the downstream value chain, covering and reflecting professional customers' requirements across all geographies where the company operates.

Although there is no standalone policy dedicated exclusively to consumers and end-users, the relevant principles are fully embedded in all transversal policies and related practices across the departments. They reinforce the company's commitment to continuous improvement, incident prevention, user protection and value creation for customers, and are operationalised through the **Sonae Arauco Management System (SAMS)**, aligned with ISO 9001, ISO 14001, ISO 45001 and ISO 50001, implemented across all Sonae Arauco wood panels operational units.

In practice, this policy translates into measures that ensure consistent product quality, compliance with technical specifications and the availability of complete and accessible documentation. The company regularly monitors processes relevant to product quality through inspections, tests and performance indicators such as the Right First Time (RFT), ensuring that products placed on the market meet applicable legal and normative requirements.

Customer interests are incorporated into policy development through satisfaction surveys, spontaneous feedback and direct contact with commercial teams, ensuring that quality and sustainability policies reflect the needs and expectations of professional customers.

Based on the international presence of Sonae Arauco and the global reach of its products, the policy is publicly available on the website, which is accessible in six languages to ensure that any interested party can consult it. The multilingual approach, combined with the digitalisation and centralisation of content on a public platform, guarantees the accessibility of the company's policies and guidelines.

Sonae Arauco thus promotes a responsible, transparent and quality-driven relationship with its customers, ensuring that they have access to accurate information, effective communication channels and support mechanisms that reinforce trust and the safe use of its products.

In all product-related communication or documentation, the EN standards guidelines for greenwashing prevention are followed, ensuring that environmental claims are presented with accuracy, clarity, and based on substantiated evidence. This approach ensures that any environmental information conveyed about the products is responsibly developed and aligned with internationally recognized best practices.

Processes for engaging with consumers and end-users about impacts (S4-2)

Clients play a decisive role in shaping Sonae Arauco's commercial priorities and development pathways. The company seeks to maintain a close and continuous relationship with its diverse customer profiles, gathering their perspectives through several formal and informal channels. The **annual survey** addressed to all commercial contacts is one of the central instruments in this process, enabling the assessment of topics such as product, quality, innovation, service, sales and marketing. Alongside this structured mechanism, initiatives such as the **Value 2 Win (V2W) project** and the **Customer Portal** ensure that any customer or stakeholder can share questions, suggestions or concerns, supported by an internal procedure that guarantees the appropriate follow-up. The annual **Impulse event** further strengthens this proximity by bringing together industrial customers to collect insights that directly integrate the development of new solutions.

VALUE 2 WIN

V2W Value2Win

The V2W project is designed to strengthen the company's value proposition by delivering differentiated value to customers through enhanced relationships and a deeper understanding of their wants and needs. This can only be achieved through a strong, unified and integrated value chain. From value creation, by identifying market needs and trends to create an innovative offer and adapt our resources, Sonae Arauco defines the key drivers that resonate with its customers as true differentiators, and finally to value delivery, ensuring customer expectations are met or exceeded.

In 2025, **V2W** project evolved from a standalone project into an integrated way of working across multiple functions of the company. This evolution was sustained by the expansion of customer segmentation, the continuous development of differentiated value propositions, the update of benchmarking cycles and the continuation of the Industrial **Strategic Value Partners initiative.**

Direct interaction is also a key element of this relationship. Commercial teams maintain regular contact with customers through proactive visits recorded in **Salesforce**, allowing them to monitor needs, clarify technical matters and reinforce the commercial relationship.

CUSTOMER PORTAL

Digital tools play an increasingly important role in enhancing the customer experience. The **Customer Portal** has become one of the main touchpoints, providing real-time information on orders, invoicing, marketing materials, documentation and product data. It is currently available in Portugal, Spain, Germany and South Africa, registering an average of around 40 logins per day.

Customer service responsiveness has also been strengthened through the implementation of CTI (Computer Telephony Integration), which enables a single contact number per country and a simpler, faster and more personalised service experience. In 2025, Customer Service teams registered (*) 24,727 inbound calls and 17,452 outbound calls through the CTI system. A dedicated e-mail address (customercare@sonaearauco.com) complements these mechanisms, allowing customers to submit comments, questions, complaints or requests related to the Customer Portal, ensuring proper routing and follow-up by the Sales and Marketing teams.

This dialogue takes place throughout the entire commercial cycle - before, during and after the sale - and is complemented by the annual survey cycle, ensuring that the company captures customer perceptions at different stages of the relationship.

Regarding the governance of these processes, responsibility for ensuring their quality and effectiveness is shared between the relevant operational areas and the ExCom members involved in each initiative. The processes ensuring customer dialogue and information transparency are coordinated by the Sales & Marketing teams, with oversight and reporting to the Chief Marketing and Sales Officer (CMSO).

Finally, the effectiveness of customer engagement is monitored through indicators such as response rates to the annual surveys, considered aligned with sector expectations, the strong participation in the Impulse event - which records around 90% attendance relative to the invitations sent - and the CTI service level consistently above 95%. These results demonstrate the relevance of the existing interaction mechanisms and Sonae Arauco's ability to integrate customer needs and feedback into the continuous improvement of its practices and solutions.

Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end- users, and effectiveness of those actions (S4-4)

During the reporting period, Sonae Arauco implemented a comprehensive set of actions aimed at enhancing the quality, clarity and accessibility of product-related information made available to customers and end-users. These initiatives focused on strengthening transparency regarding product performance, technical specifications and sustainability attributes, thereby supporting safe, informed and responsible use.

In addition, the company reinforced its communication practices across digital and direct interaction channels, ensuring that all stakeholders have timely access to reliable and accurate information tailored to their needs. Through these efforts, Sonae Arauco sought not only to facilitate informed decision-making but also to deepen trust, foster open dialogue and promote a consistent and positive user experience across all markets in which it operates.

The scope of these actions is global and focuses mainly on the downstream value chain, covering all markets in which the company operates.

ACTIONS

PRODUCT PROFILES

Comprehensive documents were issued for each product family, focusing on information related to sustainability, safe use, storage, processing, and environmental recommendations. These documents are made available to customers and updated annually.

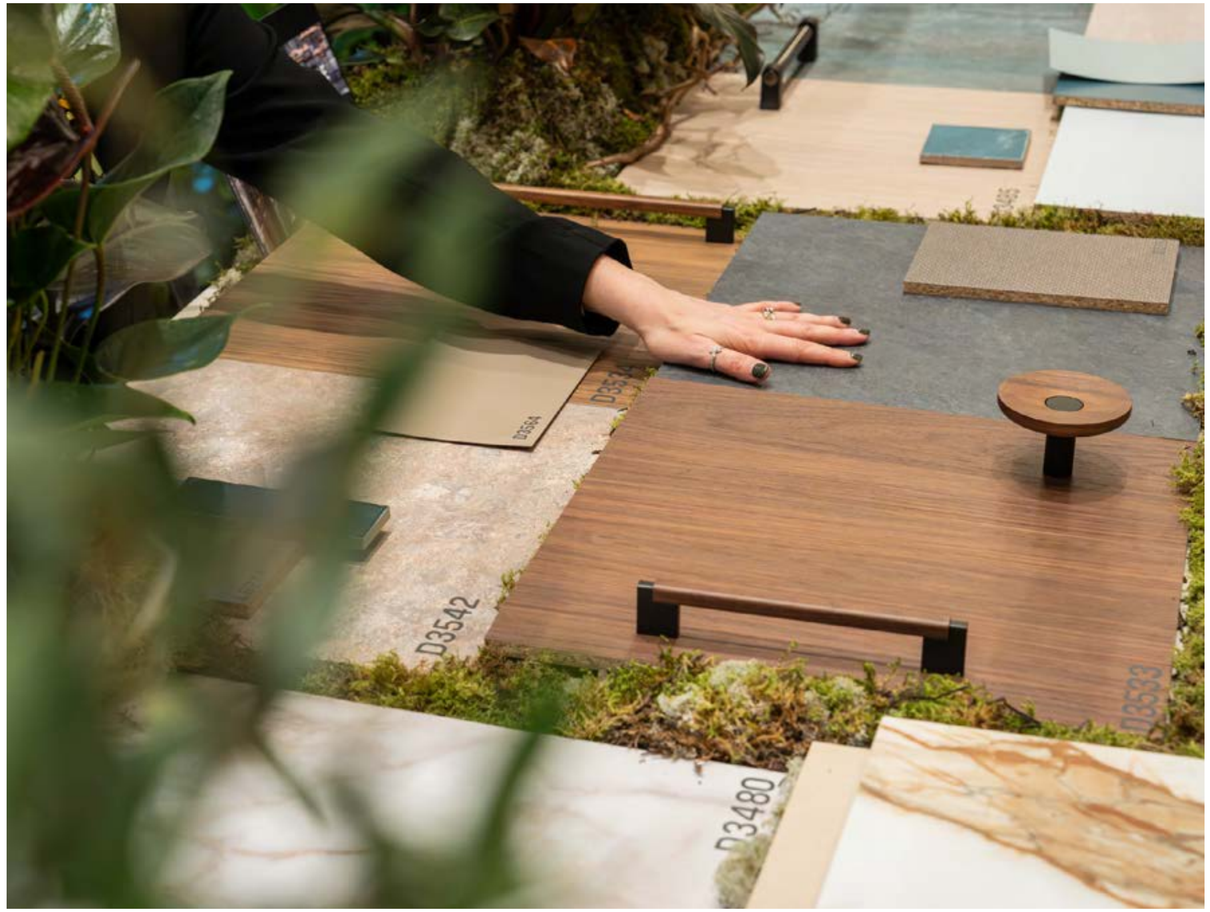
PRODUCT CARBON FOOTPRINT DOCUMENTS (PCFS)

The company issued simplified documents based on EPDs, with the aim of facilitating the understanding of the carbon footprint of its products. These documents are available upon request and are updated whenever new EPDs are issued.

CARBON FOOTPRINT CALCULATOR

Sonae Arauco launched its online Carbon Footprint Calculator in 2025, based on EPDs data, designed to give customers, architects, manufacturers and other stakeholders transparent and reliable information on the CO_2 footprint of the company's wood-based products.

The tool enables users to calculate the carbon footprint of specific products by entering product type, quantity and transport distance, providing a clear breakdown between emissions from production and transport. This initiative supports informed decision-making, helps users compare environmental impacts across product and logistics options, and responds to increasing sustainability requirements in procurement and reporting. It reinforces the company's commitment to transparency, climate goals and customer empowerment regarding environmental information.



SUSTAINABLE CREDENTIALS

To reinforce the sustainability strategy and the information availability, Sonae Arauco submitted products to be declared in the **Nordic Ecolabeling Supply Chain Portal** and listed key products on the **DGNB® Navigator**, the digital platform of the German Sustainable Building Council (GSBC). These steps contribute to greater supply-chain transparency and support the selection of products aligned with environmental criteria relevant for specific markets, and data availability for further stakeholders regarding sustainable construction markets. Sonae Arauco also maintains its commitment to FSC® and PEFC certifications.

FUTURE ACTIONS

Building on the work carried out during the reporting period, Sonae Arauco has defined for 2026 a set of actions with a global scope, focused on the downstream value chain and directed to customers and end-users.

LISTING OF PRODUCTS IN THE BVB PLATFORM

The inclusion of products in the BvB platform is planned for 2026, mainly targeting Germany and the Nordic countries. This initiative aims to improve the visibility and accessibility of verified product information, supporting customers in meeting the applicable sustainability and construction-related information requirements in these markets.

STRENGTHENING SUSTAINABILITY-RELATED PRODUCT COMMUNICATION

Enhance the way sustainability-related product information is communicated, ensuring that data on circularity, climate-related aspects and technical performance is presented in a clear, accurate and accessible manner, aligned with evolving regulatory and market expectations. In parallel, Sonae Arauco will continue to develop and communicate its sustainable product offer portfolio, including the AGEPAN® SYSTEM and new products with a reinforced focus on circularity and climate-related considerations, while maintaining technical performance. These products will be supported by structured and transparent product-level documentation.

This approach aims to improve the visibility and accessibility of sustainable product solutions in the markets and to support customers and end-users in meeting their sustainability and performance expectations through informed decision-making.

The management of these actions involves several internal teams, including the Marketing team, responsible for website management and customer surveys, the commercial and back-office teams, responsible for order follow-up and customer communication, and the product development teams, responsible for the technical evolution of products. Adequate resources are consistently allocated to guarantee the effective execution of ongoing plans, as well as the development of future actions and improvement initiatives in this domain. The teams are regularly taking trainings held by sector associations and recognised independent institutes, to ensure knowledge is updated.

Product Development allocates a yearly budget to the execution of comprehensive product testing, according to relevant regulations in place across the world, to support emissions-related statements relevant for customers intending to obtain their constructions/ renovations for sustainability buildings certifications (LEED®/ BREEAM®).

The effectiveness of these initiatives is monitored through the response rate to the customer satisfaction survey, the internal analysis of its results, and the evolution of complaint indicators.

The company uses formal targets to measure the effectiveness of the measures implemented. For further information on targets and performance, please refer to section S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities.

METRICS AND TARGETS

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ESRS S4 - CONSUMERS AND END-USERS

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S4-5)

Sonae Arauco has set time-bound and measurable targets focused on continuously enhancing the positive impacts, ensuring open dialogue and freedom of expression for customers and end-users. The main objective is to drive ongoing improvements in product information availability to contribute to the sustainability goals of the customer and reinforce the commitment to delivering exceptional and proactive support regarding the channels and interactions.

The target's focus is related to the processes of customer service and customer satisfaction. The company has established targets which, together, reflect its ambition to ensure customer assistance and response and reinforce the perceived value of its products and services:

- **Maintenance of high levels of customer satisfaction, measured through the Customer Satisfaction Survey (CSS), with targets defined for:**
  - Net Promoter Score (positive value);
  - Global Satisfaction Index (≥ 80%).

SWE: South West Europe **NEE:** North East Europe **SAF:** South Africa

TARGET NAME	UNIT	BASELINE VALUE	BASE YEAR	TARGET VALUE AND YEAR
Customer Satisfaction Survey – Global Satisfaction Index	%	SWE: 79% NEE: 81% SAF: 80%	2023	≥ 80%
Customer Satisfaction Survey – NPS	Number	SWE: 25 NEE: 29 SAF: 31	2023	> 20

The definition of the targets is based on consolidated internal methodologies and historical performance analysis and is monitored by the CMSO teams. These processes incorporate consistent assumptions, internal data sources and reporting practices aligned with sustainability requirements and the operational context of the different geographies.

The Net Promoter Score (NPS) is measured through periodic customer satisfaction surveys addressed to customers and used as a complementary indicator of relationship quality in a B2B industrial context, where maintaining a positive score and values above 20 are considered appropriate indicators of a good relationship.

These targets are particularly relevant for consumers and end-users, as they reflect their experience about service responsiveness, satisfaction with interactions, and the accessibility, clarity and reliability of product-related information, provided through customer interfaces and downstream channels. The definition and monitoring of performance targets are conducted internally. Feedback obtained through complaints, direct interactions, annual surveys, and digital channels is systematically analysed to support decision-making processes and to identify areas for continuous improvement.

The performance against the disclosed targets is carried out through regular tracking of customer satisfaction indicators and periodical internal reviews, comparing results against baseline values to assess progress, identify trends and define follow-up actions where needed.

Metrics

In addition to the measures listed above, Sonae Arauco monitors a comprehensive set of metrics related to customer interaction, access to information and service quality, including the number of inbound and outbound calls, the percentage of calls answered within one minute (Global Service Level), Customer Portal usage indicators and customer satisfaction by service dimension.

These metrics are used to assess the responsiveness and consistency in customer dialogue and satisfaction, and to support the handling of potential concerns or feedback, enabling freedom of expression through accessible communication channels. The monitoring of these indicators allows the company to track trends over time, identify improvement opportunities and ensure service levels are aligned with internal standards.

To assess and track product sustainability performance, the company also relies on a range of internal metrics, namely the quantity of CO_2 stored in products, the number of products with Environmental Product Declarations (EPDs), product carbon footprint documentation, and sales of the sustainable product portfolio, including AGEPAN® systems, Ecoboard ranges, and products incorporating high levels of recycled content.

Information related to customer interaction and satisfaction is obtained through the company's internal monitoring and reporting systems.

Together, these metrics provide a structured basis for monitoring the effectiveness of customer interaction and information accessibility in relation to the material positive impacts identified under the consumers' and end-users' perspective.

09

ESRS G1 - BUSINESS CONDUCT

SONAE ARAUCO

STRATEGY

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ESRS G1 – BUSINESS CONDUCT

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

In the context of the double materiality assessment, several actual positive impacts, risks, and opportunities were identified in relation to the governance practices of Sonae Arauco's own operations and its value chain, both upstream and downstream.

IRO TYPE: I Impact | **R** Risk | **O** Opportunity

+ Positive Impact **-** Negative Impact

TYPE OF IMPACT: A Actual | **P** Potential

IRO LOCATION: OP Own Operations | **US** Upstream | **DS** Downstream

Governance	IRO	+/-	A/P	OP/US/DS	Time horizon
ESRS G1: BUSINESS CONDUCT					
CORPORATE CULTURE					
Sonae Arauco has a Code of Ethics applied to all the countries where it operates, which has a positive impact on its stakeholders through a corporate culture based on ethical standards and environmental and social responsibility.	I	+	A	OP	Short-, medium- and long-term
Opportunities for Sonae Arauco to enhance the Code of Ethics, strengthening employee alignment with corporate values with the promotion of training sessions. This opportunity could improve Sonae Arauco's reputation and foster greater ethical consistency among employees.	O			OP	Short-, medium- and long-term
Opportunity related to reputational advantages and increased turnover for Sonae Arauco, due to its responsible and ethical corporate culture. This culture can increase trust and loyalty on the part of customers and other stakeholders, as the organisation commits to responsible and transparent practices. In turn, these practices can result in the attraction of new customers and business partnerships, enabling Sonae Arauco to increase its market share, its competitive advantage and, at the same time, its business.	O			DS	Short-, medium- and long-term
Sonae Arauco has an Ethics Committee that covers all its operations. This committee aims to reinforce Sonae Arauco's ethical culture among its stakeholders and ensure processes and procedures are in line with the company's values and purpose.	I	+	A	OP	Short-, medium- and long-term
The lack of global corporate responsibility can negatively impact corporate culture, generating differences in leadership across geographies.	I	-	A	OP	Short-term (< 1 year)
Promoting an ethical and compliance-orientated corporate culture leads to greater identification of employees with the company's values. This happens through transparent communication of corporate goals and values by means of guidelines / a code of conduct as well as regular feedback and dialogue between employees and management.	I	+	A	OP	Short-term (< 1 year)
PROTECTION OF WHISTLEBLOWERS					
Sonae Arauco has a whistleblowing channel for its employees, where they can report in a safe, confidential and, if desired, anonymous way. Whistleblowing cases can range from suspicions of infractions committed, such as corruption and bribery, to cases of violence, harassment, among others.	I	+	A	OP	Short-, medium- and long-term
Potential positive impact is associated with promoting greater transparency in the whistleblowing mechanisms, enhancing trust and accountability, and improving access to Our Portal (channels), which will facilitate better communication and enable employees to report concerns more easily and securely.	I	+	P	OP	Short-, medium- and long-term

IRO TYPE: I Impact | **R** Risk | **O** Opportunity

+ Positive Impact **-** Negative Impact

TYPE OF IMPACT: A Actual | **P** Potential

IRO LOCATION: OP Own Operations | **US** Upstream | **DS** Downstream

Governance	IRO	+/-	A/P	OP/US/DS	Time horizon
POLITICAL ENGAGEMENT AND LOBBYING ACTIVITIES					
Sonae Arauco is registered on the European Union's Transparency Register, which provides transparency in its lobbying and political engagement activities, ensuring that its interactions with EU institutions are clear, accessible and in compliance with transparency rules and regulations for its stakeholders. Also, as a practice, Sonae Arauco prohibits donations to political parties and all possibilities must be analysed and approved by the Ethics Committee, guaranteeing that the company acts ethically and impartially, without trying to unduly influence governments or political decisions.	I	+	A	OP	Short-, medium- and long-term
Lobbying Activities - Collaboration with renowned organisations strengthens Sonae Arauco's presence in the forestry and wood-based panels sector. This strategic approach to public relations and awareness-raising initiatives allows the company to positively influence the sector's policies and practices, promoting sustainability and innovation.	I	+	A	OP	Short-, medium- and long-term
MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS					
Sonae Arauco positively impacts its relationship with suppliers, including payment methods, by adhering to global procurement policies. These policies establish standardised payment terms, clearly defining payment deadlines and conditions, ensuring transparency and consistency across all transactions.	I	+	A	OP	Short-, medium- and long-term
Risk related to the breakdown of relationships with suppliers due to pressure from Sonae Arauco to achieve better socio-environmental performance targets and more rigorous sustainability criteria, leading to the loss of the best partnerships and difficulty in acquiring new relationships.	R			UP and OP	Medium- and long-term
Sonae Arauco places strong emphasis on protecting human rights, ensuring facility safety, and maintaining full regulatory compliance as core priorities for responsible and sustainable business conduct. By requiring its suppliers to adhere to the Global Guiding Principles on Business and Human Rights, the company enhances transparency and accountability across its supply chain, strengthening its reputation and reducing both operational and legal risks.	I	+	A	OP	Short-, medium- and long-term
CORRUPTION AND BRIBERY					
Positive impact on prevention and detection, including anti-corruption training, through the implementation of anti-corruption policies and the Code of Ethics, which strengthens legal compliance and ensures that all Sonae Arauco employees follow transparent and responsible business practices.	I	+	A	OP	Short-, medium- and long-term

Sonae Arauco generates clear positive impacts by fostering a corporate culture grounded in ethics and responsibility. The Code of Ethics, applied across all geographies, together with the Ethics Committee that oversees its implementation, creates an environment of trust and integrity that guides decisions and behaviours. The secure and accessible whistleblowing channel reinforces this culture by allowing employees to report concerns safely. In the area of corruption and bribery prevention, anti-corruption policies and related training strengthen legal compliance and ensure transparent business practices. In supplier relations, global procurement policies and consistent payment terms promote predictability and transparency, while the new supplier assessment mechanisms further raise standards of human rights, safety and compliance across the value chain.
Despite these advances, the company recognises that its ethical culture continues facing challenges and awareness initiatives should remain a key strategy. Different cultures and leadership styles across geographies can lead to varying interpretations of corporate values, creating inconsistencies in how ethics are lived day to day. Ongoing awareness and training initiatives on ethics, conduct and corruption prevention strengthen employees' ability to identify risks and act proactively, reducing the room for behaviours misaligned with the company's principles.
The ambition to continuously raise socio-environmental standards also brings relevant risks. Pressure on suppliers to meet more demanding criteria may lead to the breakdown of commercial relationships, particularly with partners unable to keep pace with these expectations. This risk can compromise strategic partnerships and hinder the development of new ones, while cultural misalignment between countries may weaken the coherence of governance practices and create vulnerabilities in the application of ethical and compliance principles.
Sonae Arauco also has clear opportunities to continue strengthen its ethical culture and reinforce stakeholder trust. Enhancing the Code of Ethics through more frequent and targeted training can deepen employee alignment with corporate values and promote greater ethical consistency across all geographies. This internal evolution also represents a reputational opportunity: a responsible and transparent culture tends to generate stronger trust and loyalty from customers, partners and other stakeholders. By reinforcing this ethical identity, the company can attract new clients and partnerships, expand its competitive advantage and support business growth.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

SONAE ARAUCO
Taking wood further

ESRS G1 – BUSINESS CONDUCT

Business conduct policies and corporate culture (G1-1)

Sonae Arauco's corporate culture is grounded in high standards of ethics, integrity, and compliance, supported by a structured set of internal policies, processes and regulations. The Group has several governance instruments to ensure the principles in place, as the **Code of Ethics**, the **Business Ethics Policy**, and the **Anti-Corruption and Related Offences Prevention Policy**, which establish the fundamental principles and values that guide responsible conduct across the stakeholders on the value chain and own operations.

These and the remaining instruments are described in detail below. The promotion and assessment of the adoption of this corporate and compliance culture are ensured through various mechanisms. Notably, the **Business Ethics and Compliance Questionnaire** is completed annually by key employees, with 285 employees participating in the latest cycle*. These key employees were selected based on job grade, job function and/or organisational responsibility, ensuring that the assessment focuses on roles with higher exposure to ethical and compliance risks*. This process is complemented by internal awareness campaigns on relevant ethical standards, including thematic actions in the internal newsletter and specific campaigns such as the non-discrimination campaign.

CORPORATE CULTURE

To establish the foundations for responsible behaviour, as well as defining duties and general rules of business ethics and conduct that should govern the stance and performance of all affected stakeholders, including its employees, Sonae Arauco has in place internal policies that articulate the ethical values that guide its decisions and operations.

Regarding the **Code of Ethics**, it constitutes a central framework for promoting ethical, responsible, and transparent behaviour at all levels of the organisation, establishing the principles, values, and standards of conduct that should guide all employees in the performance of their professional duties.

The Code of Ethics applies to everyone working in the Group, including members of the statutory governing bodies of Sonae Arauco, S.A. and Group companies, managing directors, senior executives and employees (including temporary staff). As set out therein, all are required to comply with applicable national and international legislation, as well as the ethical and professional principles established by the Group.
The supervision of compliance with this Code is ensured by

an Ethics Committee, whose members are appointed by the Board of Directors of Sonae Arauco. In 2026, an e-learning training on the Code of Ethics will be implemented, in which all employees will be enrolled to be informed about the core values and business conduct of Sonae Arauco, as well as the internal whistleblower process.

Additionally, at the end of 2025, Sonae Arauco adopted the **Business Ethics Policy** as a complementary component to the Code of Ethics, with the same business scope of applicability. The Business Ethics Policy, available on its website, sets out the fundamental principles and commitments regarding ethical conduct, integrity, and legal compliance applicable throughout the organisation. Its general objectives are to prevent corruption and bribery, promote fair competition, ensure respect for human and labour rights, maintain high standards of health, safety, and environmental protection, foster sustainable procurement practices, and safeguard the confidentiality of information and data protection.

Responsibility for implementing, monitoring, and reviewing the policy is assigned to the highest level of the internal audit function, through the Group Internal Audit Director, who ensures the identification of best practices, the measurement of established objectives, and the periodic assessment of the policy's adequacy in relation to performance and evolving context.

In order to ensure responsible and ethical conduct aligned with the principles guiding its corporate culture, Sonae Arauco has established an **Antitrust Policy and Guidelines** applicable to all Sonae Arauco companies and is available on the company's internal website. This Policy sets out clear rules of conduct that promote a culture of transparency, integrity, and respect for market regulations, ensuring strict compliance with national and international competition laws. Its objective is to prevent anti-competitive behaviour and protect the organisation from significant risks, such as substantial fines, complex litigation, reputational damage, and, in certain jurisdictions, criminal liability. Additionally, Sonae Arauco promotes periodic initiatives, namely biennial training on Competition Law targeted at employees in areas with higher exposure to this risk.

To reinforce this commitment, Sonae Arauco ensures that employees and management exposed to competition law risks receive competition compliance training every two years. The last training course, which occurred in 2024, resulted in a total of 407 training hours, covering 318 employees, demonstrating the company's ongoing efforts to strengthen awareness and prevent antitrust risks across the organisation.

The scope of the Policy is transversal to all Sonae Arauco activities, covering relationships with competitors, suppliers, distributors, resellers, clients, and other business partners, as well as external interactions, including trade fairs, industry associations, and site visits. The Policy reflects Sonae Arauco's corporate culture, which values responsible and competitive business practices, and requires that third parties acting on behalf of the Company adhere to the same standards of conduct.

The Executive Committee is responsible for the implementation, oversight, and ongoing monitoring of the Policy. It is communicated internally to all employees and managers, accompanied by mandatory training, and is also conveyed to external agents representing the Company, ensuring consistent and uniform application of its principles.

WHISTLEBLOWING CHANNEL AND PROTECTION OF WHISTLEBLOWERS

Within the scope of its governance and compliance system, Sonae Arauco has adopted an integrated set of instruments aimed at preventing, detecting and addressing corruption, related offences and other non-compliant conduct. This framework is based on clear policies, accessible reporting mechanisms and structured procedures, fostering a culture of integrity, transparency and accountability. In this context, the **Anti-Corruption and Related Offences Prevention Policy**, the **Whistleblowing Regulation** and the Internal **Whistleblowing Channel** stand out, operating in an articulated manner.

The **Anti-Corruption** and **Related Offences Prevention Policy** applies to all Sonae Arauco companies, and it is available on the company's internal website. This Policy establishes the principles, values and rules of conduct in matters of professional ethics and corruption prevention and, in relation to Portugal, Spain and Germany, specific documents were issued to comply with local legal requirements.

The Policy aims to prevent, detect and sanction acts of corruption and related offences, ensuring high standards of integrity, transparency, honesty, diligence and good faith across all the organisation's activities. It applies to all employees, including members of the governing bodies, and, with the necessary adaptations, also to business partners, namely suppliers, customers and third parties acting on behalf of Sonae Arauco. This Policy is aligned with the Code of Ethics.

Sonae Arauco's **Anti-Corruption Policy** establishes clear rules of conduct, expressly prohibiting any form of corruption, bribery, influence peddling and the improper offering or acceptance of advantages, both in public and private contexts. It also defines principles applicable to interactions with public entities, the offering and acceptance of gifts and hospitality, the prohibition of political contributions and the engagement of business partners, ensuring that selection processes are based on objective, transparent criteria aligned with market practices. Sonae Arauco plans to assess the alignment of its existing anti-corruption framework with the UN Convention against Corruption and good practices associated with issue decisions, noting that current policies focus on compliance with applicable local legal requirements.

In parallel, Sonae Arauco has adopted a **Whistleblowing Regulation**, available on its internal website. This Regulation applies to all employees and other stakeholders of Sonae Arauco companies, and guides to ensure the principles of confidentiality, impartiality, non-retaliation and the protection of whistleblowers. All reports of alleged irregularities are handled with the highest level of confidentiality and in compliance with applicable data protection rules, as established in the Code of Ethics, and a zero-tolerance policy towards retaliation is also ensured, guaranteeing that whistleblowers are not subject to any form of reprisal, discrimination or unfavourable treatment as a result of submitting a report, in accordance with the legislation, where applicable. The Regulation establishes the rules and procedures for the receipt, handling and recording of reports of irregularities, in compliance with the legislation, where applicable, and in articulation with the Code of Ethics and the Anti-Corruption and Related Offences Prevention Policy.

To operationalize this Policy and the respective Regulation, an **Internal Whistleblowing Channel** was established, as provided for and described in the Code of Ethics, enabling employees and other stakeholders to report, in a confidential and secure manner, situations of non-compliance related to business conduct, corruption, bribery, legal infringements or other irregularities. The **Whistleblowing Channel** is managed by the Ethics Committee, composed of non-executive members of the Board of Directors and the Group Internal Audit Director, ensuring an appropriate level of independence from the executive teams. This structure guarantees impartiality in the receipt and handling of reports.

Reports may be submitted by email, through a dedicated

mailbox managed by the Ethics Committee, or by post. In the case of postal submissions, these may be sent from any Sonae Arauco location but must always be addressed to the company's Headquarters. Information on the functioning of the channel is available on the Sonae Arauco website.

CRIME PREVENTION

Finally, recognizing the need to adopt high standards of protection, Sonae Arauco has implemented a **Crime Prevention Policy**, which is available internally across all the geographies where it operates and applies to all employees, including members of the statutory governing bodies, managing directors, senior executives and temporary staff. This policy complements the Code of Ethics and is implemented under the responsibility of Sonae Arauco's Board of Directors.

This policy defines the principles, responsibilities, and mechanisms aimed at preventing the commission of unlawful acts within the scope of the company's operations. In addition, its main objective is to prevent crimes such as corruption, fraud, money laundering, terrorist financing, competition law infringements, breaches of trade sanctions and the receipt of illegally obtained goods, thereby seeking to reduce legal, reputational and operational risks.

In addition, **internal audits** are conducted on key processes, specifically those most exposed to the risk of corruption and bribery, such as the procurement of services and raw materials, functioning as a mechanism for identifying, reporting, and investigating potential unlawful or non-compliant behaviours in relation to the Code of Ethics and other internal rules. In 2025, a total of eight sites were internally audited on a specific business ethics topic, reinforcing the company's proactive approach to monitoring ethical risks across its operations*.

As part of the procedures related to the Crime Prevention Policy, Sonae Arauco has implemented a comprehensive **Crime Prevention Model** that establishes control practices and processes across its business activities, fostering an environment that supports the prevention and detection of criminal risks.

The Model is built around several core components, including a **Criminal Risk Map**, which is reviewed every two years. Across Sonae Arauco's operations, the most significant risk areas identified include workers' rights, market conduct and competition, consumer protection, environmental compliance, fraud and corruption, and public health. The process of criminal risk management is supported by a robust system of internal controls designed to prevent, detect, and respond to potential noncompliance. These controls are complemented by formal mitigation actions, the disciplinary system, dedicated financial control mechanisms, among others. The Model is reviewed every two years or whenever relevant legal or business changes occur and is supported by periodic training and awareness initiatives.

Management of relationships with suppliers (G1-2)

Sonae Arauco manages its relationships with suppliers through a structured framework of policies and practices designed to promote responsible business conduct across the supply chain. This framework brings together the **Supplier Code of Conduct**, the **Sustainable Procurement Policy**, and the **Sustainable Procurement Roadmap**, ensuring that expectations are applied consistently across all suppliers and aligned with the organisation's broader commitments to responsible business practices.

SUPPLIER CODE OF CONDUCT

The commitment to a responsible business relationship is operationalised through the **Supplier Code of Conduct**, a document developed by the Procurement Department, which sets out the basic requirements expected to be met by all Sonae Arauco suppliers, as well as by their respective subcontractors. This Code is communicated to interested parties and is available on the Sonae Arauco website. Through this Code, the company promotes responsible business conduct among its partners, based on respect for ethical, legal, environmental and social principles.

SUPPLIER CODE OF CONDUCT

"Wood-lasting alliances, built on integrity and responsibility"

Environmental Responsibility

- Environmental protection
- Climate protection
- Natural foundations of life

Social Responsibility

- Human Rights
- Prohibition of child labour
- Prohibition of forced labour and slavery
- Non-discrimination
- Health and safety of employees
- Freedom of association and right to collective bargaining
- Working hours and appropriate compensation

Business Conduct

- Fair competition and antitrust
- Prohibition of corruption and bribery
- Money laundering and terrorist financing
- Confidentiality/Data Protection

Legal compliance

Compliance with all applicable laws and regulations, including those related to product conformity and product safety.

The environmental and social standards and practices set out in the Supplier Code of Conduct draw upon applicable national legislation and relevant international frameworks including the International Labour Standards of the International Labour Organization and the Supply Chain Sourcing Obligations Act, as well as international conventions such as the United Nations Universal Declaration of Human Rights, and applicable supply chain due diligence legislation, such as the German Supply Chain Due Diligence Act (LkSG). The inclusion of these frameworks aims to align suppliers' practices with international standards, fostering a culture of responsibility, transparency, and good practices throughout the supply chain.

SUSTAINABLE PROCUREMENT POLICY

In addition to the Supplier Code of Conduct, in 2025 Sonae Arauco published its Sustainable Procurement Policy on its website, also referred to in section **E5-1 – Policies related to resource use and circular economy.**

This Policy applies to all procurement activities, covering the sourcing of raw materials, goods, equipment and services, and all wholly owned legal entities. Its main purpose is to promote awareness of Sonae Arauco's core values and principles and to support the adoption of responsible environmental and social practices across the upstream value chain, managing related impacts, risks and opportunities.

The Procurement Department is responsible for developing, implementing and monitoring this Policy, in close coordination with Sonae Arauco's Management System and other relevant functions, ensuring consistency with corporate governance and compliance frameworks.

The Sustainable Procurement Policy is anchored in five fundamental principles.

SUSTAINABLE PROCUREMENT PRINCIPLES

1. Business is conducted lawfully and ethically
2. Relationships with suppliers are based on transparency and dialogue
3. Protecting the Environment
4. Protecting fundamental Labour and Human Rights
5. Protecting the Health and Safety of Employees and Subcontractors

As part of the continued evolution of its supply chain management approach, Sonae Arauco has also established a **Sustainable Procurement Roadmap** that translates policy commitments into practical actions across sourcing, supplier management and governance models.

The roadmap progressively integrates **environmental, social and health & safety criteria** into supplier selection, qualification and ongoing monitoring, supported by standardised processes and regular oversight through the Management System.

A key focus is the strengthening of supplier due diligence, including ESG risk assessments, with 100% of suppliers identified as higher-risk required to formally sign and comply with the Sonae Arauco Supplier Code of Conduct by 2026 or otherwise be excluded from the company's supplier base. This approach reinforces a consistent, transparent, and accountable procurement framework that ensures all strategic partners operate in line with Sonae Arauco's sustainability principles.

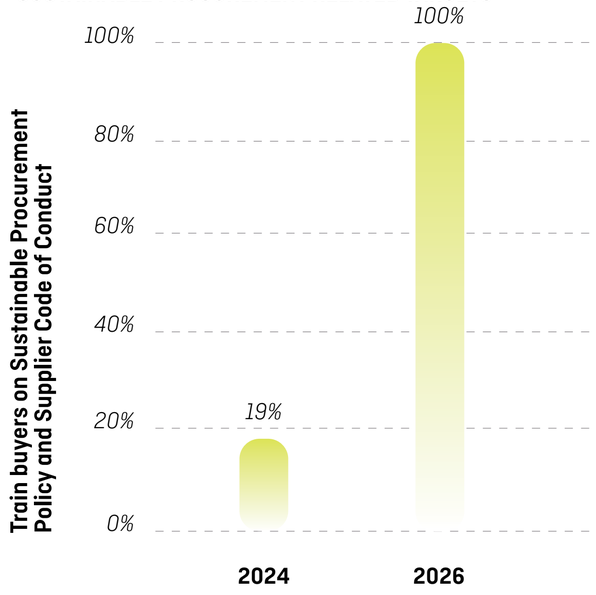
The roadmap also reinforces supplier commitment to enhance social and environmental performance, including decarbonisation efforts, particularly in climate-relevant procurement categories such as chemicals, transportation and other energy-intensive inputs, and promotes structured engagement and long-term collaboration to support continuous improvement across the supply chain.

As part of the policy requirements, environmental, occupational safety, and social criteria are integrated into the second-party audit plan under the Sonae Arauco Management System. This ensures that supplier audits systematically address these sustainability dimensions, promotes structured on-site assessments and is a robust support process for monitoring compliance with the partnerships.

In this context, Sonae Arauco is committed to building a more sustainable supply chain, promoting internal and external engagement on ESG matters. The mechanism through which the operations intend to achieve its sustainability objectives within the supply chain is the progressive application of the ESG Risk Matrix for Suppliers at Group level, increase the share of wood materials sourced from certified sustainable origins and the consistent adherence and capacity-build across both own operations and the upstream value chain to enhance effectiveness on the engagement according to the policies, codes and objectives proposed by Sonae Arauco.

For more information about Sonae Arauco resource inflows, see chapter E5-4 - Resource inflows.

***SUSTAINABLE PROCUREMENT RELATED TARGETS**

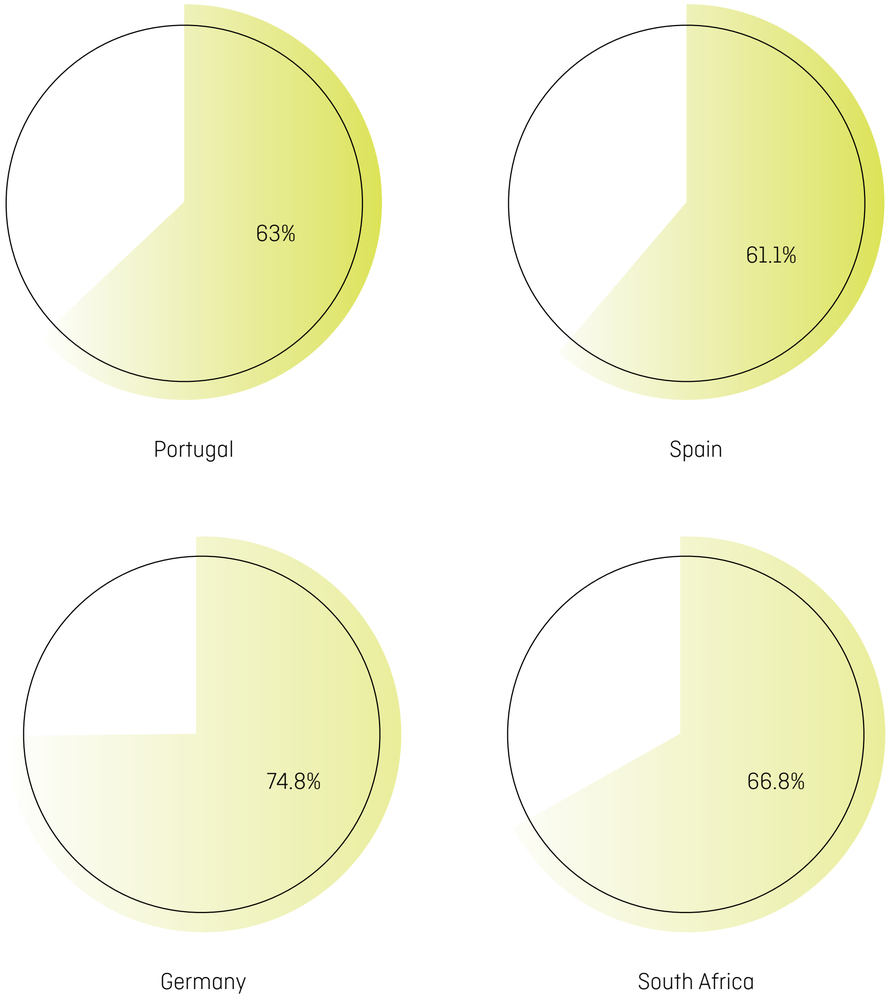


Sonae Arauco is currently assessing the methodological foundations required to monitor the additional procurement-related targets established at Group level: (1) Application of ESG Risk Matrix for Supplier at Group Level for targeted suppliers, and (2) the engagement of Potential-Risk Suppliers to ensure their adherence to the Supplier Code of Conduct. This ongoing work includes the definition of scope, thresholds, prioritisation criteria and additional parameters necessary to ensure a consistent, transparent and robust approach to supplier due diligence. The objective is to strengthen comparability across business units and to enhance the effectiveness of ESG risk monitoring throughout the supply chain at the group level. Through this approach Sonae Arauco seeks to enhance the resilience, transparency and sustainability performance of its supply chain, while supporting the long-term decarbonisation and responsible development of its value chain.

LOCAL SOURCING

The sourcing model performed by Sonae Arauco's global procurement team maintains a strong focus on proximity sourcing. Given the nature and volume of wood-based materials, the company seeks to source these inputs primarily on a regional basis, not only minimising logistics costs but also reducing transportation distances and associated GHG and air emissions impacts on upstream value chain. Other raw materials – such as chemicals and paper – are sourced centrally from a small number of suppliers with whom the Company also maintains long-term relationships.

In line with this approach, the evolution of the weight of local suppliers has been monitored over recent years, showing an overall strengthening of proximity sourcing. Over the last year, all countries increased the share of local suppliers compared with 2024. The following charts present the weight of local suppliers in 2025 by country:



WEIGHT OF LOCAL SUPPLIERS - 2025

PAYMENT PRACTICES WITHIN SUPPLIER RELATIONSHIPS

Sonae Arauco ensures the timely settlement of payments to its suppliers through a set of established practices.

Among the procedures in place, Sonae Arauco's Spanish subsidiaries comply with the disclosure requirements set out in Spanish Law 15/2010 of 5 July, which establishes a maximum legal payment period of 60 days and aims to prevent abusive commercial practices, particularly those affecting small and medium-sized enterprises.

To reinforce transparency and support timely settlements, Sonae Arauco additionally relies on established processes embedded within its ERP (Enterprise Resource Planning) system, which ensures structured invoice registration, validation and execution across all operations. These system-integrated routines contribute to the reliability and traceability of payment practices and support the consistent application of contractual payment conditions.

Sonae Arauco does not maintain a formal policy specifically aimed at preventing late payments to SMEs, nor does it differentiate its payment terms based on supplier size. Instead, the company applies a single, harmonised approach to payment practices, grounded in responsible business conduct.

Prevention and detection of corruption and bribery (G1-3)

Sonae Arauco has an **Anti-Corruption and Related Offences Prevention Policy** and a **Crime Prevention Policy**, as referred to in section G1-1 – Business conduct policies and corporate culture, the main instruments for the detection of cases of corruption, bribery, or other unlawful practices. In this context, the Anti-Corruption and Related Offences Prevention Policy enables the receipt of reports concerning such potential cases.

In order to ensure the integrity and confidentiality of the reporting process, Sonae Arauco has a Whistleblowing Regulation, which establishes the rules and procedures governing the use of its Internal Whistleblowing Channel. All reports of alleged irregularities are handled with strict confidentiality and in compliance with applicable data protection regulations, with a zero-tolerance policy for retaliation to ensure that whistleblowers are not subject to any reprisal, discrimination, or adverse treatment.

Once received, reports submitted through the Internal Whistleblowing Channel undergo a preliminary review to assess the credibility of the report, the irregular and/or unlawful nature of the behaviour reported, the feasibility of an investigation, and the identification of individuals involved or possessing relevant information who should be interviewed. When a report contains sufficient information to justify the opening of an investigation, the case is referred to the Ethics Committee, composed of non-executive members of the Board of Directors and the Group Internal Audit Director, ensuring an appropriate level of independence from the executive teams. The Committee conducts the review, handling, and investigation of the report, and ultimately prepares a report containing the analysis carried out and the conclusions, and ensures the implementation of action plans, when appropriate.

Whenever necessary, the Ethics Committee may call upon other internal or external resources, including auditors or specialised experts, particularly in cases of greater complexity or requiring specific technical knowledge.

It is important to note that administrative and management bodies are involved whenever appropriate, with particular emphasis on the Executive Committee and the Human Resources department, ensuring effective coordination across the organisation. Additionally, an annual report on the activities of the Ethics Committee is prepared, which includes information on received reports and investigations conducted, and is formally presented to the Board of Directors. Additionally, Sonae Arauco has a **Sustainable Procurement Policy**, referred to in section G1-2 – Management of relationships with suppliers, which defines five fundamental principles guiding its responsible procurement practices. Under the principle **"Business is conducted lawfully and ethically"**, the policy establishes a commitment to upholding high moral and ethical standards, acting with integrity in accordance with the Code of Ethics, and preventing and combating any forms of bribery, corruption, extortion, fraud, or anticompetitive practices. This principle is operationalised through the integration of integrity criteria into supplier selection and evaluation processes, the requirement for adherence to the Supplier Code of Conduct to targeted suppliers, and the provision of mechanisms for reporting and addressing irregularities, including the Internal Whistleblowing Channel.

Sonae Arauco makes its internal policies and regulations available to all employees through its "Our Portal" ensuring easy and secure access to these documents.

To date, no training on corruption and bribery has been provided to members of the Board of Directors, executive management, supervisory bodies, or to at-risk functions. **In 2026, Sonae Arauco will introduce a comprehensive e-learning program for all employees, covering the Code of Ethics, the Whistleblowing Regulation, and the Anti-Corruption Policy.** This initiative aims to strengthen awareness of the risks associated with improper practices, promote understanding of individual principles and responsibilities regarding ethics and compliance, and foster an organisational culture based on integrity, transparency, and strict adherence to internal and legal regulations.

For at-risk functions, the existing requirement of an annual confirmation of compliance with the Code of Ethics remains in place.

METRICS AND TARGETS

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ESRS G1 – BUSINESS CONDUCT

Confirmed incidents of corruption or bribery (G1-4)

During the reporting period, no convictions were recorded, nor were any fines or penalties imposed for breaches of anti-corruption and anti-bribery legislation. Likewise, no violations were identified that required specific corrective actions under the company's internal anti-corruption and anti-bribery procedures and standards, and no confirmed cases of corruption or bribery occurred.

Sonae Arauco demonstrated a consistent performance in preventing corruption and bribery across its operations. As part of this overall outcome, no incidents were identified that required disciplinary measures or employee dismissals. In parallel, Sonae Arauco's relationship with business partners remained stable and unaffected during the year 2025. Throughout the period, no contract terminations or non-renewals associated with corruption or bribery-related violations were confirmed.

The absence of occurrences also extends to the judicial sphere, where no public legal proceedings were initiated against the company or its employees in connection with corruption or bribery, including cases initiated in previous years whose outcome was determined in 2025.

This set of results reinforces Sonae Arauco's commitment to a zero-tolerance policy towards corruption and/or bribery. Whenever a situation is identified or reported, the company ensures a rigorous and independent response, involving the necessary internal and/or external expertise and guaranteeing the participation of the Legal Department of the respective country to ensure full compliance with applicable legal requirements.

The absence of cases reported through the whistleblowing channel, as well as the lack of incidents detected through internal control mechanisms, reflects the maturity of the company's integrity system and the effectiveness of its training, awareness, and ethical culture-building initiatives implemented over recent years.

Political influence and lobbying activities (G1-5)

Regarding stakeholder representation activities, these are supervised in Europe by the Executive Committee and in South Africa by the Management Committee. These committees ensure that contacts with decision-makers from associations and organisations are conducted in a transparent and ethical manner, always following best practices.

Additionally, Sonae Arauco has been registered in the European Union Transparency Register since 06/03/2024, under registration number 187008253117-24 (see more details here). This registration ensures transparency in Sonae Arauco's lobbying activities, guaranteeing that its interactions with EU institutions are clear, accessible, and in compliance with the applicable transparency rules and regulations for stakeholders.

In 2025, Sonae Arauco did not make any political donations, whether financial or in kind, directly or indirectly. The company prohibits donations to political parties, and if potential situations arise, they must be previously reviewed and authorised by the Ethics Committee, ensuring that Sonae Arauco acts ethically and impartially, without attempting to unduly influence governments or political decisions.

Sonae Arauco's public relations and advocacy initiatives, at both the European and national levels, are mainly carried out within the framework of leading sector organisations:

EUROPEAN PANEL FEDERATION (EPF), at the European level;

CENTRO PINUS (Association for the Valorisation of the Pine Forest) in Portugal;

VHI (Association of the German Wood-Based Panel Industry) in Germany;

ANFTA (National Association of Panel Manufacturers) in Spain.

Sonae Arauco's engagement in public policy discussions occurs mainly through sector associations, ensuring that its participation is transparent, collective, and aligned with industry-wide positions.

The discussions monitored by Sonae Arauco focus on topics directly connected to its operations and to the material impacts, risks, and opportunities identified in its materiality assessment. These include sustainable forest management, forest certification requirements, and circular economy policies. A central concern is understanding regulatory and market developments that may affect the availability of renewable raw materials, particularly wood.

Across these topics, Sonae Arauco's position is to advocate for science-based, coherent, and balanced regulatory frameworks that promote the sustainable use of renewable resources and support the transition to a low-carbon and circular economy. This engagement enables forward-looking regulatory compliance, strengthens climate-transition planning, supports circularity and resource efficiency, and mitigates governance, regulatory, and reputational risks. All interactions with public decision-makers are conducted in a transparent and responsible manner, ensuring alignment with best practices in corporate governance and responsible advocacy.

These actions reflect Sonae Arauco's commitment to positively influencing sectoral policies and promoting sustainable practices in the forestry and wood-based panels sector.

The current members of the management, executive, and supervisory bodies have not held equivalent positions in public administration, including regulatory entities, in the past two years.

Payment practices (G1-6)

Sonae Arauco ensures the responsible and timely settlement of payments to its suppliers, as described in section G1-2 – Management of relationships with suppliers. Although there is not yet a formal policy dedicated exclusively to this topic, including specific references to SMEs, the company operates through a consolidated set of practices and procedures that guarantee transparency, compliance, and rigor in meeting its financial obligations.

Standard payment conditions are defined according to the supplier's location, the type of contract, and the supply category. In certain cases, early-payment discounts may be applied, as foreseen in the agreed commercial terms.

Within the main supplier categories, namely Global Procurement (covering key raw materials such as chemicals and paper, services and investments), Transport and Wood, standard payment terms generally range between 14 and 90 days, reflecting the operational and commercial specificities of each supply category and location.

To provide additional context on these practices, the company highlights that standardised processes embedded in its ERP system support procurement and payment procedures, including formal approval requirements, documentation controls, and compliance verification, as well as monitoring of deviations from established processes, with mandatory justification by the responsible areas. These mechanisms underpin the consistent application of contractual payment terms and reinforce the reliability and transparency of the company's payment practices.

The **average payment time was 49 days**, calculated based on the total universe of invoices processed during the 2025 financial year, considering the count from the start of the contractual or statutory payment term.

The percentage of payments made within the agreed deadline was 84%, resulting from the analysis of the standard conditions applicable in each geography and supply category, covering both the number of invoices and their monetary value.

Regarding the methodology used to calculate the average payment time and the percentages of alignment with standard terms, the company did not use sampling, with the indicators being calculated based on the full universe of paid and outstanding invoices recorded in the financial systems and consolidated in internal documents.

Regarding litigation, the company continuously monitors the existence of any disputes related to late payments. At the end of 2025, Sonae Arauco confirms that there were **no legal proceedings ongoing related to late payments** to suppliers.

10

CYBER-SECURITY

STRATEGY

SONAE ARAUCO

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CYBERSECURITY

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

The double materiality assessment conducted confirmed cybersecurity as a material topic, reflecting the global trends of digital exposure and threats possible to affect both operational technology (OT) and information technology (IT) systems.

In a context where cyberattacks can lead to loss of sensitive data, privacy breaches or operational disruptions, this risk becomes particularly significant. The possibility of intrusions, system damage or loss of sensitive business information may result in financial impacts, legal liabilities and loss of competitive advantage, reinforcing the need for a robust and continuous approach to digital resilience.

IRO TYPE: I Impact | **R** Risk | **O** Opportunity

+ Positive Impact **-** Negative Impact

TYPE OF IMPACT: A Actual | **P** Potential

IRO LOCATION: OP Own Operations | **US** Upstream | **DS** Downstream

Entity-specific	IRO	+/-	A/P	OP/US/DS	Time horizon
CYBERSECURITY					
The risk of digital attacks on systems, networks, and programs of operational technology (OT) and information technology (IT) can lead to data leaks (business information), privacy breaches and interruptions of business operations. This scenario can be associated with financial losses, increasing the costs, liability issues, and theft of intellectual property, leading to loss of competitive advantage.	R			OP	Short-, medium- and long-term

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

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CYBERSECURITY

Policies adopted to manage Cybersecurity

The Cybersecurity risks are mainly related to the exposure to harm or loss resulting from breaches or attacks on Sonae Arauco's information systems, events resulting from malicious or unintentional acts, arising both from sources outside and inside the company. Sonae Arauco continuously develops initiatives to protect systems, networks, devices, and data from cyber-attacks, as a good practice, and follows the recommendations and the best practices listed by ISO 270001 – Cybersecurity and from NIST SP 800 – 61 (cybersecurity incident response plan) as often as possible.

Sonae Arauco's approach encompasses a comprehensive set of activities and plans aimed at protecting information and data assets. This includes awareness initiatives and training programs designed to reduce risks and enhance organisational preparedness, as well as continuous investments in new technologies to ensure secure access to systems and data.

The **Security Roadmap** is a strategic plan that defines the guidelines for protecting both Operational Technology (OT) and Information Technology (IT) systems. It identifies and prioritises cybersecurity initiatives to ensure alignment with business objectives and regulatory requirements.

The roadmap is structured around three strategic pillars, each translated into concrete actions to mitigate cyber risks. These pillars focus on: (1) people, (2) detection, and (3) recovery procedures, ensuring a balanced and resilient cybersecurity posture.

(1) PEOPLE Instil cybersecurity culture, through people's awareness and training;

(2) DETECTION Improve critical assets visibility and protection, continue reducing third-party remote access risk;

(3) RECOVERY Be prepared for a cyberattack, knowing how to act and have the means to restore our plants.

The Security Roadmap, approved by the ExCom and managed by the Cybersecurity Team, is applied in all Sonae Arauco operations. Correlative cybersecurity policies also play a critical role in complementing the mitigation of cyber risks by establishing governance over personal data and security practices.

PRIVACY POLICY

The **Privacy Policy** establishes its commitment to safeguarding personal data in compliance with the General Data Protection Regulation (EU) 2016/679 and other applicable legislation present among different geographies and operations of Sonae Arauco. It outlines principles of transparency, trust, and accountability in data processing, specifying that personal data will only be collected, used, and retained for legitimate business purposes and for the duration necessary to fulfil those purposes.

Sonae Arauco is committed to business trust and transparency in the daily relationships with clients, employees, suppliers, among other stakeholders.

The policy details data rights and provides mechanisms for exercising these rights, like communications channels. It also addresses data sharing within the Sonae Arauco Group and with third parties under strict security measures, including transfers outside the EU with appropriate safeguards.

All the updates to the policy are communicated through official channels (website: https://www.sonaearauco.com/privacy-policy/) to ensure stakeholder awareness and access.

ENTERPRISE INFORMATION SECURITY POLICY (EISP)

The **Enterprise Information Security Policy** at Sonae Arauco ensures the protection of data and information by aligning with industry standards and best practices. It establishes safeguards to maintain the confidentiality, integrity, and availability (CIA) of data and systems. By preventing accidental or unlawful destruction, loss, alteration, or unauthorised disclosure or access, the policy's commitments guarantee the consistent implementation of security measures and controls.

The Policy is applied in all operations of Sonae Arauco, reviewed annually and sets the responsibilities of the Cybersecurity Team internally, which is ensured by the IT Director and Cybersecurity Manager, in alignment with the ExCom.

Additionally, the framework includes and details the promotion of 26 policy-driven practices and principles, such as security awareness, disaster recovery plans, centralized auditing, software development practices, further strengthening resilience, among other aspects. By reinforcing governance, risk management, data privacy, and operational resilience, the directives of EISP contribute significantly to business objectives, stakeholders' trust, transparency, and long-term business continuity.

All the updates to EISP are communicated through official channels of Sonae Arauco and are available for all employees through intranet access.

Actions and resources in relation to Cybersecurity

The actions implemented through Sonae Arauco's **Security Roadmap** aim to deliver concrete solutions for the three strategic pillars, focusing on mitigating material cyber risks. The actions are designed to strengthen resilience against cyber-attacks, reduce operational downtime, and ensure a structured response to incidents, thereby minimising data breach risks.

The company allocates financial and operational resources to cybersecurity initiatives, including one-off infrastructure investments such as IT-OT Segmentation and OT Visibility tools (CapEx), as well as recurring operational costs associated with training, awareness campaigns, and SOC operations (OpEx). Additionally, the actions strengthen monitoring and detection capabilities for malicious activities and enhance real-time oversight of OT assets, significantly reducing exposures to vulnerabilities.

Sonae Arauco's cybersecurity program in 2025 focused on strengthening resilience and protection of critical assets through a set of core initiatives. These included maintaining and testing a comprehensive Cybersecurity Incident Response Plan (CSIRP) aligned with international standards, reinforcing access and network security with segmentation and multi-factor authentication, enhancing backup strategies for operational technology environments, leveraging in endpoint detection and response tools, increasing visibility into industrial technology assets, establishing a new Security Operations Centre, and providing specialised training to foster a strong security culture across global operations. These actions are designed to ensure rapid, coordinated responses to incidents and ongoing risk mitigation.

Sonae Arauco recognises that cyberattacks on its IT and OT systems represent relevant risks to operational continuity, data protection and critical assets. In 2026, the focus is on completing and consolidating the initiatives launched in 2025, strengthening technological resilience and incident-response capabilities.

The ongoing actions include the expansion of OT visibility tools to additional factories, the continuous reinforcement of IT/OT network segmentation, and the regular execution of incident-response exercises and restoration tests. The awareness program also continues, with phishing simulations and role-based training, while the OT and IT backup infrastructure is being further strengthened to ensure greater protection and recovery capability.

METRICS AND TARGETS

SONAE ARAUCO
Taking wood further

CYBERSECURITY

Metrics in relation to Cybersecurity

Sonae Arauco monitors indicators related to cybersecurity and its actions to control activities and ensure secure behaviours across OT and IT systems. The metrics monitored by the company include phishing campaigns and cybersecurity incidents that may impact systems and generate financial or reputational risks, unexpected stoppages, among other consequences. In addition, the company tracks system vulnerabilities, response times to incidents, employee exposure to phishing attempts and any complaints related to breaches of personal data or customer privacy, ensuring a comprehensive view of its cybersecurity risk landscape.

Monitored metrics:

- Number of phishing campaigns conducted annually;
- Number of phishing campaigns conducted monthly;
- Number of cybersecurity incidents identified;
- Time required to resolve cybersecurity incidents;
- Number of successful phishing tests (employees who fell for the simulation);
- Number of system and application vulnerabilities identified;
- Number of complaints submitted related to breaches of personal data, customer privacy or loss of customer information.

During 2025, Sonae Arauco conducted 70 phishing campaigns and carried out around 18,000 phishing simulations, ensuring full monthly coverage of all employees having access to the company email.

The information on cybersecurity metrics is collected through internal monitoring systems, control platforms and records of phishing campaigns managed by the Cybersecurity team. All data is obtained directly from these internal tools, which ensure continuous and systematic measurement of the indicators. As such, no limitations or assumptions were identified since all data results from direct measurements.

Cybersecurity metrics, the associated processes, controls and records are periodically reviewed as part of internal audit activities, ensuring consistency and reliability of the information reported.

Targets related to Cybersecurity

Sonae Arauco's plans annual cybersecurity targets considering the execution of part of the **"Security Roadmap":**

1. Conduct **phishing campaigns** to cover 100% of employees with access to the company email.
2. Conduct at least **one phishing campaign** per month.
3. Ensure mandatory **training for all employees who fell for a phishing campaign.**

As part of the "consequence management" approach, Sonae Arauco has set a specific target to provide training to 100% of the employees who have fallen victim to phishing simulation attempts.

This initiative aims to strengthen awareness and response capabilities, ensuring that those most exposed to cyber threats acquire practical perspective to prevent recurrence.

CYBERSECURITY RELATED TARGETS

TARGET NAME	UNIT	BASELINE VALUE	BASE YEAR	TARGET VALUE AND YEAR
Phishing campaigns / annual	%	100%	2025	100% employees with access to the company email in 2025
Phishing campaign / monthly	Number	1	2025	1 campaign/month per geography in 2025
Mandatory training for employees who fall for a phishing campaign	%	100%	2025	100% of the employees who fell for a phishing campaign completed training on this topic in 2025

These targets are renewed annually.

The definition of these cybersecurity targets is based on sectoral benchmarking and the recommendations of the NIST Cybersecurity Framework, which provide reference practices for threat prevention, detection and response. These sources ensure that the targets are aligned with internationally recognised standards and reflect the maturity level expected for organisations operating in comparable risk environments. The assumptions used incorporate internal incident data, exposure levels and the operational context of each geography.

The definition of the cybersecurity targets is carried out internally by the Cybersecurity Management team, without the involvement of external stakeholders. For training-related targets, the SAKA academy receives information on employees who fell for phishing simulations to ensure completion of the mandatory training. For phishing campaigns, only the Cybersecurity team is involved in defining and executing the targets.

Performance against these targets is monitored continuously (monthly) by the Cybersecurity Management team, with regular reporting to management, monthly to the management team and twice a year to the Executive Committee. Targets are also reviewed annually as part of the strategic planning cycle. In 2025, all defined targets were achieved, and no significant changes in performance trends were identified, with progress remaining fully aligned with the planned trajectory.

At Sonae Arauco, sustainability is not a parallel agenda. It is a core enabler of our strategy, our customer value proposition and our long-term competitiveness.

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