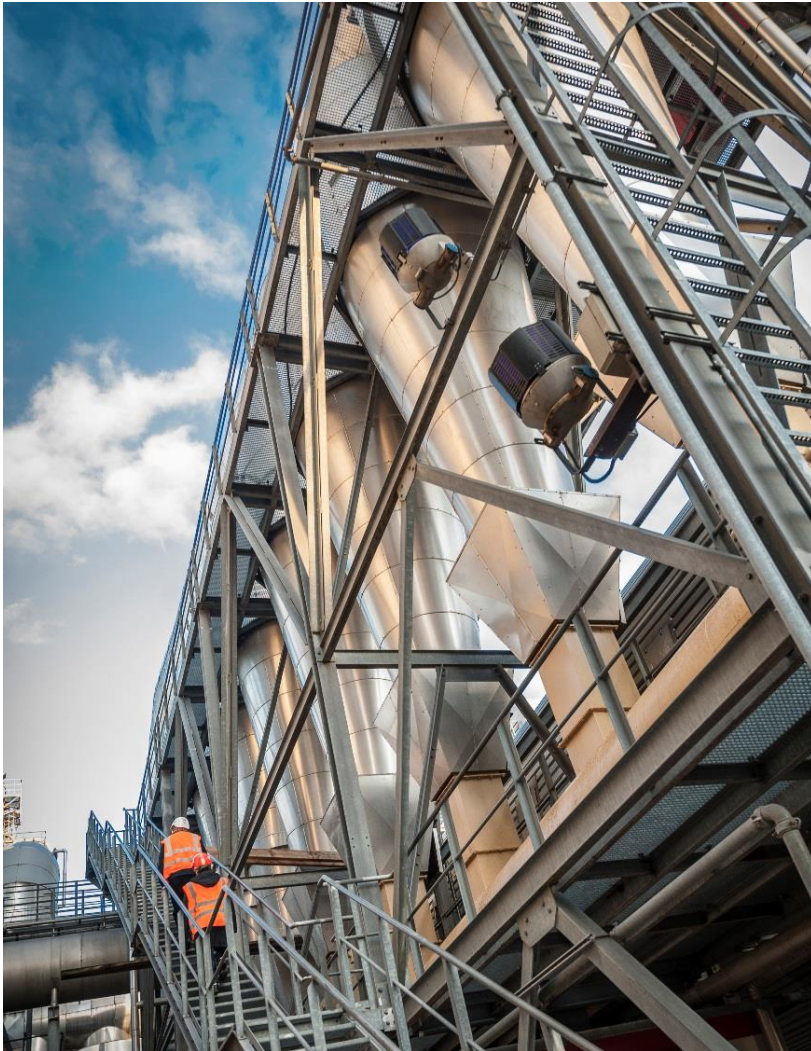


Taking wood further

PRESS KIT
2024



Sonae Arauco is one of the main wood-based panel producers in the world.

The company was created in 2016 as part of a strategic joint venture between two market leaders in the wood sector: Sonae Indústria (PT) and Arauco (CL). Both are striving for international growth and share the same long-term business vision.

The two companies have the common goals of consistently investing in the development of people and the ambition to contribute to a better planet.

With around 2,600 employees, the company has a direct presence in 9 countries (Portugal, Spain, Germany, South Africa, the United Kingdom, France, the Netherlands, Switzerland and Morocco) spread over two continents.

Sonae Arauco has **23 industrial and commercial units** and exports its products to **68 countries**. In 2023, the company's turnover was approximately **900 million euros**.

MISSION, VISION AND VALUES

MISSION

Sonae Arauco's mission is to provide wood solutions that improve people's lives. With its industrial soul, **Sonae Arauco** believes in long-lasting partnerships on a quest for excellence, as well as the best results both for the company itself and for its business partners. As such, it takes the ambitions of its clients further, offering products with the best combination of industrial skill, functionality, quality, design and price.

VISION

Our vision is to create wood-based solutions for a better life, a better future and a better planet. We believe in the value of wood in people's lives. Our vision is to provide sustainable wood-based solutions that improve quality of life, positively impacting the world and future generations. Our aim is to be the wood brand of choice for clients, employees, suppliers and communities.

VALUES

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

RUI CORREIA - CEO



Rui Correia

He has a Bachelor's degree in Economics from the University of Porto and a MBA from the Porto Business School.

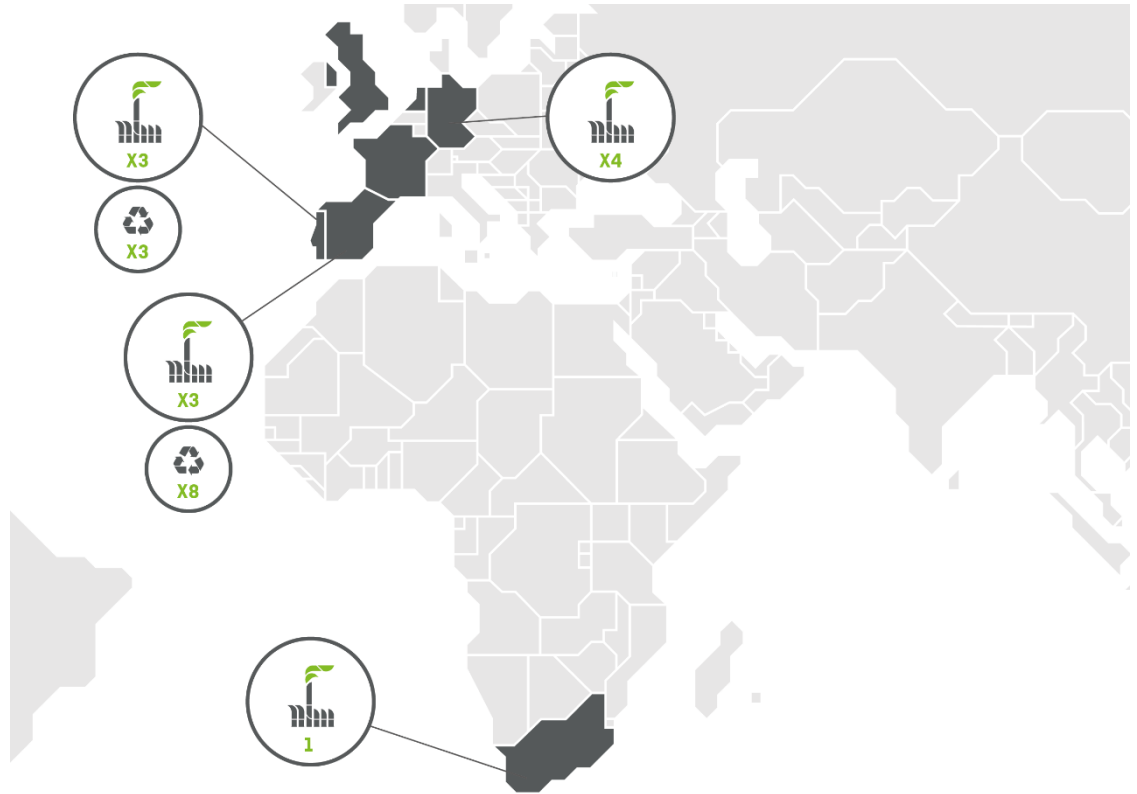
He has been part of the Efanor/Sonae Group since 1994. From 2000 to 2005, he was the Director of the Financial Department at Sonae SGPS, and he was appointed CFO of Sonae Indústria in 2005.

After working in a number of management and administrative roles in the Sonae Indústria group, he was chairman of the Executive Committee at Sonae Indústria SGPS between 2013 and 2016.

Rui Correia is now **CEO of Sonae Arauco**, a position he took up in June 2016.

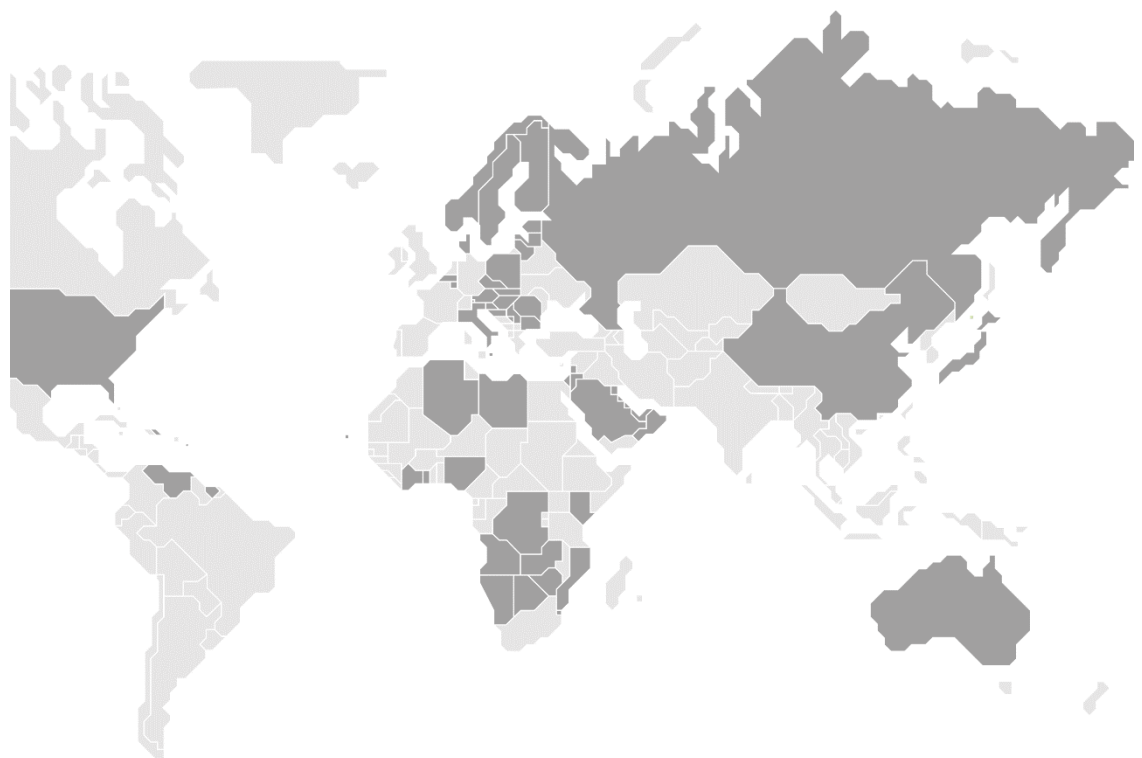
INDUSTRIAL AND COMMERCIAL UNITS

9
COUNTRIES



MARKETS WHERE OUR PRODUCTS ARE SOLD

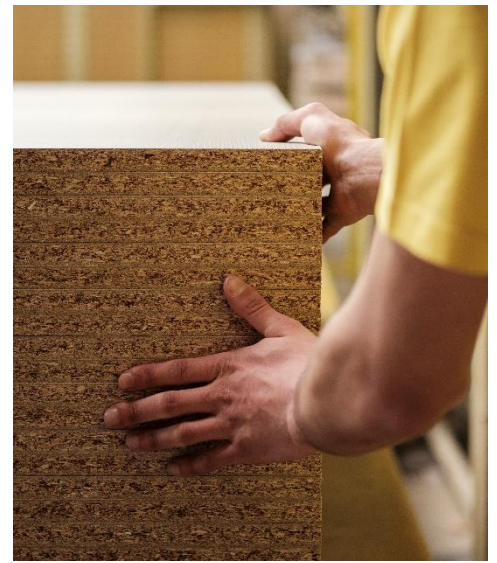
68
COUNTRIES





900 M€

TURNOVER



3,9M m³

PRODUCTION
CAPACITY

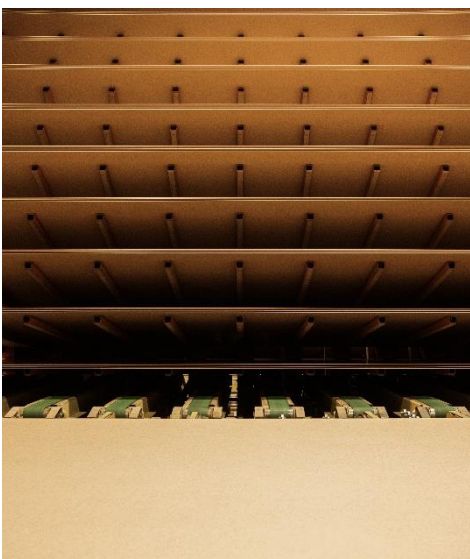


~2600

EMPLOYEES

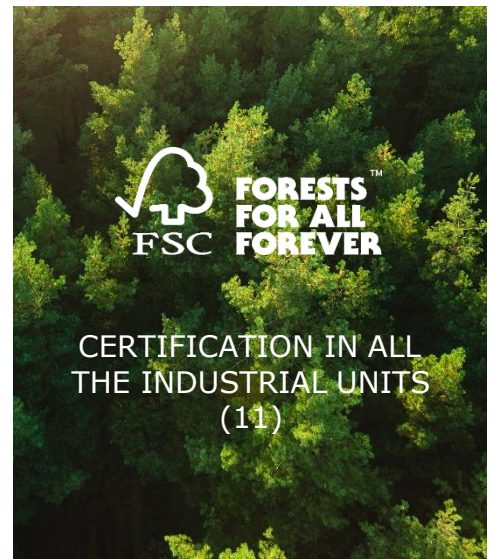
38

NATIONALITIES



**3M
ton of CO₂**

RETAINED, ON
AVERAGE, BY OUR
PRODUCTS YEARLY



CERTIFICATION IN ALL
THE INDUSTRIAL UNITS
(11)



RAW MATERIALS FROM CONTROLLED SOURCES

100% of the wood used at Sonae Arauco comes from sustainable, certified and controlled sources



The company is committed to the concept of sustainable use of raw materials and actively respects this principle in all business practices. We believe in efficient value chains which are capable of stimulating investment and active forest management. We only purchase wood from sources that are sustainably managed and carefully controlled.

In this context, Sonae Arauco holds the chain of custody certification PEFC (Program for the Endorsement of Forest Certification) and FSC® (Forest Stewardship Council®) (FSC-C104607), in this case covering all industrial operations, from the two main global forest certification systems, whose mission is to promote sustainable forest management.

The company's contribution to active management of the forest includes other aspects, such as the promotion of forest certification in all geographies where we have industrial activity, as well as its involvement in promoting FSC® Portugal, as a member of the board, as well as in promoting FSC® Germany and Forest Stewardship Council® International, that Sonae Arauco joined in 2020.

CIRCULAR BIOECONOMY MODEL

Sonae Arauco is probably one of the best examples of sustainable and circular bioeconomics. This is one of the pillars of the company's business model and, as such, takes place in all countries where Sonae Arauco has an industrial presence, that is, in Germany, South Africa, Spain and Portugal.



Wood forms the foundation of our value chain, which starts with the use of raw materials of sustainable origin, incorporates by-products from the wood industry and which, in a circular approach, closes the cycle with the reuse and recycling of the waste, which is also used in the manufacture of wood-based panels, keeping this material circulating. This is a virtuous cycle, and recycled wood can be reintegrated into the process countless times.



RECYCLING: NOTHING IS LOST, EVERYTHING IS TRANSFORMED

Wood recycling is one of Sonae Arauco's most strategic investments.

We currently have an ambitious strategy underway to increase the incorporation of recycled wood up to 75% in some of our product ranges.

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 waste, and more. The system also takes advantage of and creates value for industry by-products, such as chestnuts, sawdust or wood chips.



2

Companies specialised in wood collecting and recycling: Ecociclo in Portugal and Tecmasa in Spain

12

Number of recycling points operated by our subsidiaries Ecociclo and Tecmasa. Located in Alcazarén, Alfena, Arganda, Barberá, Cantalejo, Córbona, Fuenlabrada, Llinars, Pozo Cañada, Sevilla, Seixal, and Souselas.

600

Number of containers that we have for direct collection at our clients' premises. In Germany, recycled wood is purchased directly from waste wood management operators.

75%

Percentage of recycled wood that nowadays is, in some cases, incorporated into some Particleboard (PB) lines

734M tons

Total amount of recycled wood incorporated in our products in 2023.

The recycling of wood, along with its importance for business competitiveness, is a significant ally for the challenge of climate change.

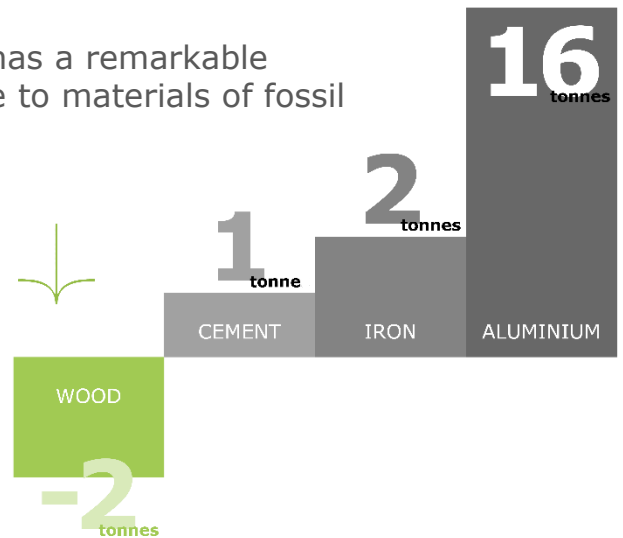
WOOD AND CARBON NEUTRALITY

Every year, Sonae Arauco is responsible for retaining around 2 million tonnes of CO₂ through the products it places on the market.

Forests and forest-based industries are an integral part of the response to the challenge of climate change. Taking only European forests into consideration, an overall positive effect of around -806 million tonnes of carbon* captured annually is estimated, corresponding to 20% of all emissions from fossil sources in the European Union.

In addition to being a natural raw material, wood has a remarkable capacity to store CO₂, making it a great alternative to materials of fossil origin.

Each tonne of wood results in the capture of two tonnes of CO₂ from the atmosphere. In contrast, producing the same number of other materials used in construction emits very high values of carbon dioxide, which is the main cause of climate change.



SONAE ARAUCO'S AREAS OF ACTIVITY TOWARDS CARBON NEUTRALITY:

- **acquisition of raw materials** from controllable sources, enabling sustainability of the forest and its ability to mitigate CO₂ emissions.
- **increase of incorporation of recycled wood** into the product portfolio, avoiding landfill or burning.
- **investment in a set of state-of-the-art equipment** aimed at reducing the carbon footprint associated to the production process along with strengthening business competitiveness.
- **investment in innovation and R&D** to affirm the market for wood-based panels and their value for the construction, furniture and interior design sectors, as an alternative to polluting products.

* Source: EU Forest-Based Industries 2050. Calculation of the CO₂ effect supporting the sector's vision of sustainable choices for a climate-friendly future. The overall climate effect is calculated as a sum of net sink (increased carbon storage) in forests and forest products (-447 Mt CO₂e/yr.), fossil emissions caused in the forest sector value chain (+51 Mt CO₂e/yr.) and prevented fossil emissions by substituting fossil-based materials and fossil energy (substitution) (-410 Mt CO₂e/yr.).



FOREST R&D

Sonae Arauco aspires to be a global reference in a context of greater demand for sustainable solutions, where wood serves as a great alternative to other materials.

In this regard, the company has been working on an ambitious and innovative strategy for forests in Portugal, leading R&D projects or integrating work groups whose purpose is to develop and ensure the transfer of knowledge for the management of this natural asset, and thereby ensuring its sustainable development.



Pioneer R&D project on radiata pine and maritime pine

More than 200,000 seeds from more than 200 families of radiata pine and maritime pine from four genetic improvement programmes are the basis of this project

In 2020, Sonae Arauco launched a Research & Development project aimed at helping forest producers to significantly increase their production in order to increase the return on investment in the forest, thus contributing to reversing the falling trend of pine planted area in Portugal.

The trial involves pine radiata and maritime pine seeds from different families and origins (Portugal, Spain, France and Chile) and aims to test and compare the behaviour of plants in different soil and climate conditions in Portugal.

In 2023, the latest results of the project - which includes 244 pine families/species in 12 trials with different soil and climate conditions, in a total of 35 hectares – are very promising and prove that the plants of several families of Radiata Pine from Chile have excellent survival and growth rates in the different Portuguese soil types, in comparison with other pine species tested.

In the long run, the project is aimed at reproducing the selected plants on a scale, enabling forest producers in Portugal to access plants of high genetic quality and productivity, contributing to an increase in the profitability of the pine value chain.

Wood in construction and interior design

Against the global background of a climate emergency, laws are changing, meaning that building sustainability is no longer optional. Wood and its derivatives are positioned as natural and efficient allies in this (r)evolution.

In 2050, the Earth's population will reach 9.7 billion, according to an estimate by the United Nations. This growth will require an increase in the pace of construction both inside and outside cities, a challenge involving a rapid shift in the selection of construction materials, which will be key to guarantee the future of the planet.

In the very short term, European laws will become more demanding, for example, requiring all new buildings to have an energy balance of almost zero with regard to their CO₂ emissions.



MAIN ADVANTAGES OF WOOD-BASED PANNELS

- are a valuable alternative to solid wood,
- due to their dimensional flexibility, allow the manufacture of versatile products with different shapes and sizes as needed, as well as easy and quick installation,
- have a positive effect on global warming by improving the energy efficiency of buildings,
- function as carbon stores, with an active role in mitigating CO₂ emissions,
- can be recycled and transformed into new products at the end of their useful life, as part of a continuous recycling cycle.

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



100% of the wood used at Sonae Arauco comes from sustainable, certified and controlled sources.

Our industrial operations are certified by the FSC® (Forest Stewardship Council®) chain of custody standard and, in addition, in European operations, they are also certified by the PEFC (Programme for the Endorsement of Forest Certification Schemes) chain of custody standard.

All our factories have Environmental Management, Quality Management and Occupational Health and Safety Management certification according to international standards ISO 9001, ISO 14001 and ISO 45001. The majority also have Energy Management certification according to international standard ISO 50001.



Founded in 1959, Sonae Indústria is a multinational company producing wood-based panels.

From the North of Portugal to the world, it develops products for the furniture, construction and decoration industries that make people's lives better.

Using wood as the raw material for everything it produces, from the very outset Sonae Indústria made a commitment to using natural resources in a sustainable manner and to reducing the environmental impact of its activities to a minimum.

In 2016, it went into partnership with Arauco, one of the biggest producers of forest resources in the world, giving rise to Sonae Arauco.

Currently, Sonae Indústria has the biggest particleboard panels factory in North America, as well as factories producing high pressure laminates and components for furniture in Portugal and Germany.



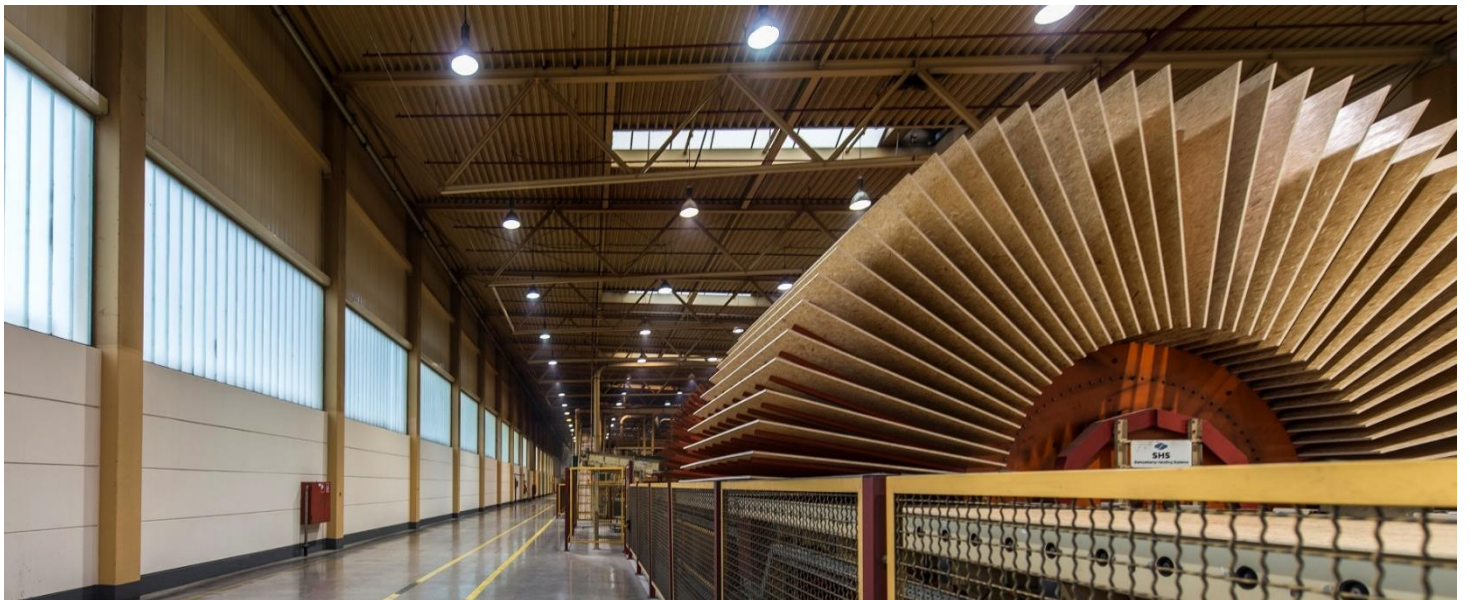
Opened in 1970 with the aim of producing and managing forest resources, Arauco is now an international benchmark in terms of forest area and industrial facilities, efficiency, production standards, innovation, environmental responsibility and social commitment.

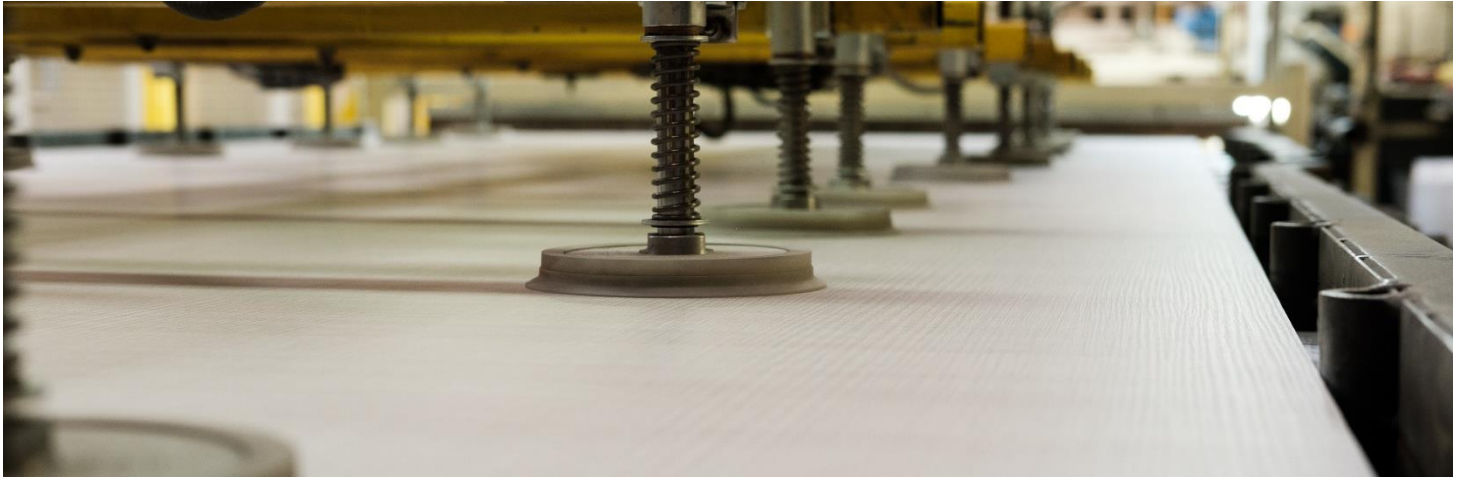
Over its almost 50 years in business, it has increased and improved its forest plantations through constant research and the use of best global practices in terms of sustainability, forestry protection, soils and biodiversity in its forest areas for future generations.

In 2016, it teamed up with Sonae Indústria, one of the most important companies in the world devoted to producing wood-based panels, giving rise to Sonae Arauco.

- 1959** ● SONAE was founded in Maia, where it is based, with the aim of producing high-pressure decorative laminates.
- 1963** ● LAMINITE was launched on the market and is now known all over the world as the Sonae Indústria decorative laminate panel.
- 1971** ● Sonae Indústria began expanding and diversifying in 1971, when it took over Novopan, a wood-based products factory located near Porto. At the same time, the first finishing line in Portugal was installed and production began on components for the furniture and decoration industries.
- 1989** ● Sonae Indústria was already the leader in the wood-based products sector in Portugal and began its internationalisation and expansion process through the acquisition of a wood-based products factory in the United Kingdom.
- 1993** ● Acquisition of Tafisa, in Canada, which is now one of the biggest wood-based products factories in the world, as well as new factories in Brazil (particleboard and MDF panels) and in South Africa (particleboard panels).
- 1998** ● Acquisition of Glunz (Germany) and Isoroy (France).
- 2001** ● Acquisition of Sappi Novobord in South Africa. At the same time, Sonae Indústria began an ambitious programme of diversification of its product range and modernisation of its technical assets, with major investments in France, Germany, Portugal, Spain, the United Kingdom, Brazil and Canada.
- 2005** ● Partnership with Tarkett (Germany).
- 2006** ● Acquisition of Hornitex (Germany) and Darbo (France).
- 2011** ● Launch of Innovus[®], the range of decorative products from Sonae Indústria.
- 2016** ● Strategic partnership with Arauco.

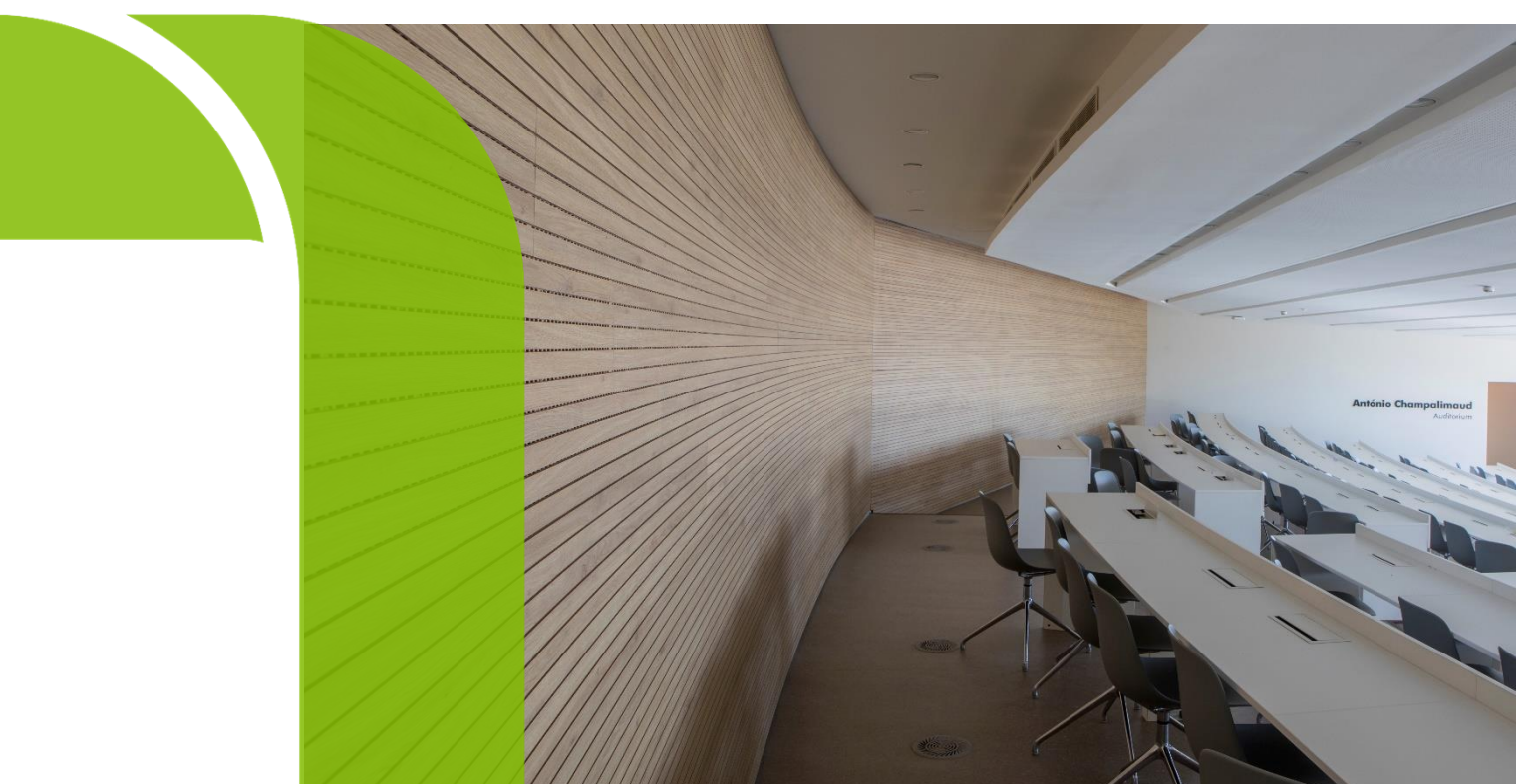
- 1967** ● Celulosa Arauco was founded in Chile and began operating in 1972.
- 1969** ● Celulosa Constitución was founded in Chile and began operating in 1976.
- 1979** ● Celulosa Arauco and Celulosa Constitución merged to create Celulosa Arauco y Constitución S.A.
- 1990** ● Set-up of the forest research company Bioforest S.A. and the Energia da Arauco business, aimed at producing and selling electricity from their Arauco and Constitución cellulose factories.
- 1995** ● Set-up of the Arauco wood-based panels business, with the construction of a particleboard factory at the Horcones Complex, which began operating in 1998. This business grew and the factory now produces a wide range of MDF, MDP, HB and particleboard panels.
- 1996** ● During the same decade, Arauco began its internationalisation process with the acquisition of assets from Alto Paraná in Argentina in 1996.
- 2005** ● Acquisition of assets from the French group Louis Dreyfus, transferring its investments to the Forestry business in Argentina and in Brazil.
- 2007** ● Arauco and Stora Enso established an alliance in Brazil, which allowed Arauco to continue extending its presence in this market.
- 2009** ● Arauco announced a joint venture with Stora Enso, in Uruguay, and began construction of the Montes del Plata Industrial Complex, which includes a cellulose factory, a biomass energy production plant and a port. These facilities began operating in 2014.
- 2012** ● The wood-based panels business saw significant growth when the MDP panel factory in Chile began operations and with the acquisition of Flakeboard, a company based in the USA with five MDF and particleboard panels factories in the USA and two in Canada.
- 2016** ● Strategic partnership with Sonae Indústria.









SOL
RESIDENCE





SONAE 
ARRAUCO

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